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## The Strategist

MGMT-GB.2113.20 and 2113.30

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Meeting time: Thursdays, 1:30pm-4:20pm or 6:00pm-9:00pm

Instructor: Adam Brandenburger

Teaching Fellow: Andrew Lewicki

### Overview

Business success requires being different. To succeed, a business needs to stand out from the competition. This is what business strategy courses teach, and they are right. But finding a way to be different is harder than just knowing that it is important to be different. This is the fundamental challenge facing the business strategist. It is the challenge of looking at an existing organization and coming up with ways to make its position in the marketplace more distinctive. Or, it is the challenge of looking at the potential of a new business and creating a distinct position for it. The strategist is equally important in the worlds of existing enterprise and of entrepreneurship.

The challenge of being different is considerable. Much of the time, everyone has access to more or less the same knowledge base, and everyone can see the same world as everyone else sees. These factors are likely even more at work today, in a globally interconnected world, than in the past. In this environment, the key to being different becomes one's ability to think differently. Of course, one has to think both differently and better, and come up with not just a different but a superior business. Out-thinking others in this way is the job of the business strategist.

In this course, we will develop a four-way framework to help us think differently and better and become better business strategists. The four components of the framework (4 C's) are:

Strategy from Contrast  
Strategy from Combination  
Strategy from Constraint  
Strategy from Context

We will examine many examples of great business strategies of each of these four types, and we will also use this framework to help us generate entirely new strategies.

The course will ask for a spirit of adventure and experimentation on the part of everyone present!

### Deliverables and Grading

The course will be graded on a pass/fail basis. The deliverables and grading breakdown for the course can be found in the following table:

	Class presentations	Final essay	Class participation
<b>Mode</b>	Team	Individual	Individual
<b>Fraction of grade</b>	≤ 20% *	60%	≤ 20% ** (* + ** = 40%)
<b>Criteria</b>	(i) accuracy and depth in use of concepts from class (ii) organization and clarity of communication of material (iii) power and originality of insights provided	➔	(i) level of pre-class preparation indicated by comments made in class (ii) engagement in discussion in class (iii) engagement in discussion in class on fellow students' presentations

## Course Policies

Default policies for Stern courses can be found at <http://www.stern.nyu.edu/portal-partners/academic-affairs-advising/policies-procedures/default-policies-stern-courses>.

In this course, please bring your laptops to class so that you can do real-time research in preparing in-class presentations.

## Course Resources

NYU is committed to providing equal educational opportunity and participation for students with disabilities.

The Henry and Lucy Moses Center for Students with Disabilities (CSD) determines qualified disability status and assists students in obtaining appropriate accommodations and services. CSD operates according to an Independent Living Philosophy and strives in its policies and practices to empower each student to become as independent as possible. Their services are designed to encourage independence, backed by a strong system of supports.

Any student who needs a reasonable accommodation based on a qualified disability is required to register with the CSD for assistance.

## Class Schedule

Class #1. March 29th: The Strategist as Creative Radical

### Assignment

Please read and prepare:

- a. Adam Brandenburger, "Strategy Needs Creativity," 2018, at <http://adambrandenburger.com/wp/wp-content/uploads/2018/01/snc-01-07-18.pdf>.
- b. Timothy Morey, "Strategy as a Creative Act: Making Space for Radical Ideas," *design mind*, September 2014, at <https://designmind.frogdesign.com/2014/09/estategy-creative-act-making-space-radical-ideas/>.
- c. Andrew Grove, *Only the Paranoid Survive: How to Exploit the Crisis Points that Challenge Every Company*, Doubleday, 1996, Chapter 2 ("A 10X Change").
- d. Martin Reeves and Daichi Ueda, "Designing the Machines That Will Design Strategy," *Harvard Business Review*, April 2016, at <https://hbr.org/2016/04/welcoming-the-chief-strategy-robot>.

The article “Strategy Needs Creativity” presents the framework we will follow in this course. Please go through the article fairly rapidly for this first class — we will return to individual sections in subsequent sessions. Come to the first class ready to share your own understanding of what creativity in strategy making can mean.

In the article “Strategy as a Creative Act: Making Space for Radical Ideas,” the author says that strategy frameworks kill radical ideas. In the excerpt from *Only the Paranoid Survive*, the author (Andrew Grove, one of the founders of Intel Corporation) takes us through a framework he calls the Six Forces Diagram and which he considers a good way to describe the factors affecting businesses. Come to class ready to share how you reconcile these two rather different-sounding notions of strategic thinking.

The article “Designing the Machines That Will Design Strategy” talks about a future in which a strategy machine develops and executes business strategy. It also talks about a human-machine partnership in which both people and technology play a role in strategy making. What do you think will be the human role in strategy making if this future scenario comes about?

Additional reading:

e. Adam Brandenburger, “Where Do Great Strategies Really Come From?” *Strategy Science*, 2, 2017, 220-225, at <https://doi.org/10.1287/stsc.2017.0039>. This is a more academic presentation of the same framework as in “Strategy Needs Creativity” (a. above). It talks more about the teaching of strategy and also contains some different examples.

f. Timothy Morey, “Strategy as a Creative Act II: The Limits to Management Consulting,” *design mind*, December 2016, at <https://designmind.frogdesign.com/2016/12/strategy-as-a-creative-act-ii-the-limits-to-management-consulting/>. In this article, the author advocates for design thinking as a creative tool for strategy making. (Go to <https://www.fastcompany.com/919258/design-thinking-what> to read a short definition of design thinking.)

### **In Class**

There will be an introduction to the course. After that, we will turn to a discussion of the readings for this class. Then, we will move to an individual and group exercise in which: (i) each of you spends a few minutes picking a person (from any domain of life) to whom you would apply the label of “strategist” and provides a short justification for your pick; (ii) you form into groups, (iii) each group chooses a strategist from the list just created and then produces, on the fly, a mini-presentation on their strategist; (iv) we listen to the mini-presentations.

### **Class #2, April 5th: Strategy from Contrast**

#### **Assignment**

Please read and prepare:

a. Adam Brandenburger, “Strategy Needs Creativity,” 2018, Section 4, at <http://adambrandenburger.com/wp/wp-content/uploads/2018/01/snc-01-07-18.pdf>.

b. Adam Grant, *Originals: How Non-Conformists Move the World*, Viking, 2016, Chapter 1 (“Creative Destruction”), pp.1-14.

c. Adam Brandenburger, “As Well As Thinking Differently, Seeing Differently,” October 2017, at <http://adambrandenburger.com/wp/wp-content/uploads/2017/10/tdsd-10-23-17.pdf>.

Section 4 of “Strategy Needs Creativity” looks at strategy from contrast and offers some examples. Re-read this section of the article in preparation for our discussion and group exercise in class.

In the excerpt from *Originals*, the author mentions a number of attitudes and behaviors which he argues work against our ability to be an original (which he defines as a creative person who takes action). List the attitudes and behaviors of this kind which are mentioned and come to class ready to suggest ways we can avoid these potential traps.

The article “As Well As Thinking Differently, Seeing Differently” proposes that by (literally) looking at the world differently, we may be able to uncover additional opportunities for changing it. Come to class with a proposal of your own for making some other shift in how we process the world — a shift which you believe could have similar benefits.

Additional reading:

d. KC Ifeanyi, “There are No Rules: Rag & Bone’s CEO on Challenging the Status Quo,” *Fast Company*, May 2017, at <https://www.fastcompany.com/40406548/there-are-no-rules-rag-bones-ceo-on-challenging-the-status-quo>. In this article, the CEO of fashion label Rag & Bone describes their marketing strategy as “the opposite of what everyone else is doing.”

e. Amanda Brugh, “The Secret History of the Little Black Dress,” *Medium*, December 2016, at <https://medium.com/@alb10600/the-secret-history-of-the-little-black-dress-2cb1ee3d132f>. This article explains how, with her most famous creation (the Little Black Dress), Coco Chanel overturned the conventional wisdom that women’s clothing could not be comfortable and chic at the same time.

f. Adam Brandenburger and Jessy Hsieh, “Different Pictures of the University,” December 2014, at <http://adambrandenburger.com/wp/wp-content/uploads/2017/10/nyu-pictures-12-27-14.pdf>. In this article, the authors talk about some striking ‘upside-down’ moves (inputs become complements, suppliers become customers, ...) that they see happening in the landscape of higher education.

### **In Class**

After an overview of the topic for this session, we will turn to a discussion of the readings. After that, we will move to a group exercise where each group will: (i) identify a piece of conventional wisdom around strategy in some area of life (business, government, arts, sports, games, warfare, ...); (ii) state a proposition (a new strategy) that stands in sharp contrast with this conventional wisdom; (iii) produce a mini-presentation arguing that the new approach could work. We will then go around the room and listen to the mini-presentations.

### Class #3, April 12th: Strategy from Combination

#### **Assignment**

Please read and prepare:

a. Adam Brandenburger, “Strategy Needs Creativity,” 2018, Section 5, at <http://adambrandenburger.com/wp/wp-content/uploads/2018/01/snc-01-07-18.pdf>.

b. Adam Brandenburger and Barry Nalebuff, *Co-opetition*, Currency/Doubleday, 1996, Chapter 2 (“Co-opetition”), pp.11-22.

c. Maria Popova, “Combinatorial Creativity and the Myth of Originality,” June 2012, at <http://www.smithsonianmag.com/innovation/combinatorial-creativity-and-the-myth-of-originality-114843098/>.

Section 5 of “Strategy Needs Creativity” looks at strategy from combination and offers some examples. Re-read this section of the article in preparation for our discussion and group exercise in class.

The excerpt from *Co-opetition* defines a non-traditional set of players in the game of business which it calls “complementors.” Come to class ready to review the exact definitions of a complementor with respect to a customer and a complementor with respect to a supplier, and also to explain the connection between complementors and strategy from combination.

In the article “Combinatorial Creativity and the Myth of Originality,” the author talks about the power of the synthesizing and combining mind. What ways of improving our synthesizing and combining abilities does she mention?

Additional reading:

d. Ajay Agrawal, Joshua Gans, and Avi Goldfarb, “The Simple Economics of Machine Intelligence,” *Harvard Business Review*, November 2016, at <https://hbr.org/2016/11/the-simple-economics-of-machine-intelligence>. This article argues that prediction and judgment are complementary activities best undertaken by machine-human combinations in the coming era of machine intelligence.

e. Go to <https://www.youtube.com/watch?v=hcfGViXv4YQ&sns=em> to see an analysis of the combinatorial creativity underlying the construction of the battle scene in the HBO series *Game of Thrones* (Season 7, Episode 4).

f. Nicole LaPorte, “Why WME-IMG Paid \$4 Billion For UFC, A Mixed Martial Arts League,” *Fast Company*, July 2016, at <https://www.fastcompany.com/3061739/why-wme-img-paid-4-billion-for-ufc-a-mixed-martial-arts-league>. This article describes a recent high-profile corporate acquisition that combined businesses vertically (vertical integration) and horizontally (complements) at the same time.

g. Go to [https://en.wikipedia.org/wiki/Combined\\_arms](https://en.wikipedia.org/wiki/Combined_arms) to read about the distinction between “combined arms” and “supporting arms” as approaches to warfare.

### **In Class**

After an overview of the topic for this session, we will turn to a discussion of the readings. After that, we will move to an exercise where: (i) each of you writes down on an index card the name of a product or service (or draws it); (ii) the index cards are collected and shuffled; (iii) you form into groups, and each group randomly draws cards, one for each member; (iv) each group then works on coming up with meaningful, value-creating combinations of the products or services on their cards (ideally, coming up with a combination involving all of the group's cards!). We will then go around the room and share the combinations that emerged.

### **Class #4, April 19th: Strategy from Constraint**

#### **Assignment**

Please read and prepare:

a. Adam Brandenburger, “Strategy Needs Creativity,” 2018, Section 6, at <http://adambrandenburger.com/wp/wp-content/uploads/2018/01/snc-01-07-18.pdf>.

b. Adam Morgan and Mark Barden, *A Beautiful Constraint: How to Transform Your Limitations into Advantages, and Why It's Everyone's Business*, Wiley, 2015, Introduction, pp.1-11.

c. Youngme Moon, “Break Free from the Product Life Cycle,” *Harvard Business Review*, May 2005, at <https://hbr.org/2005/05/break-free-from-the-product-life-cycle>.

Section 6 of “Strategy Needs Creativity” looks at strategy from constraint and offers some examples. Re-read this section of the article in preparation for our discussion and group exercise in class.

In the excerpt from *A Beautiful Constraint*, identify all the different types of constraint you see suggested there. Come to class ready to share and discuss the different types you found.

The article “Break Free from the Product Life Cycle” proposes three types of product strategies: reverse positioning, breakaway positioning, and stealth positioning. Come to class ready to discuss the relationship between each of these three strategies and strategy from constraint.

Additional reading:

d. Ayse Birsel, “4 Ways to Use Constraints to Come Up with Breakthrough Ideas,” *Inc.*, February 2017, at <https://www.inc.com/ayse-birsel/4-ways-to-use-constraints-to-come-up-with-breakthrough-ideas.html>. The author considers Elon Musk, Charles Eames, and Issey Miyake as three practitioners of the art of turning constraints into opportunities.

e. Matthew Schneps, “Dyslexia Can Deliver Benefits,” *Scientific American*, December 2014, at <https://www.scientificamerican.com/article/dyslexia-can-deliver-benefits/>. This article describes recent research which suggests that people with dyslexia may possess particular strengths in the area of global visual awareness — an instance of the larger idea that there can be benefits as well as challenges associated with different ways of operating.

### **In Class**

After an overview of the topic for this session, we will turn to a discussion of the readings. After that, we will move to a group exercise where each group will come up with a proposed fifth ingredient to add to the 4 C’s (contrast-combination-constraint-context) framework we are exploring in this course. There is a constraint on the exercise, which is that the proposed fifth ingredient must begin with the letter “c”. We will go around the room and share the different proposals.

### Class #5. April 26th: Strategy from Context

#### **Assignment**

Please read and prepare:

a. Adam Brandenburger, “Strategy Needs Creativity,” 2018, Section 7, at <http://adambrandenburger.com/wp/wp-content/uploads/2018/01/snc-01-07-18.pdf>.

b. Giovanni Gavetti and Jan Rivkin, “How Strategists Really Think: Tapping the Power of Analogy,” *Harvard Business Review*, April 2005, at <https://hbr.org/2005/04/how-strategists-really-think-tapping-the-power-of-analogy>.

Section 7 of “Strategy Needs Creativity” looks at strategy from context and offers some examples. Re-read this section of the article in preparation for our discussion and group exercise in class.

In the article “How Strategists Really Think,” the authors talk about three types of reasoning about strategy: deduction, trial and error, and analogical reasoning. They say that deduction is well suited to information-rich, familiar, and modular environments (e.g., a stable industry), that trial and error is well suited to ambiguous and novel environments (e.g., launching a radically new product), and that analogical reasoning works well in many other cases. Come to class ready to discuss the strengths and weaknesses of this mapping between different types of reasoning and different environments.

Additional reading:

c. Roger Kneebone, “Discovery Through Doing,” *Nature*, 542, February 16, 2017, p.294, at <https://www.nature.com/articles/542294a>. This article describes how techniques from the worlds

of craftspeople and performers (e.g., glass-making and puppetry) have been imported into the world of medicine to improve practices there.

d. Go to <https://en.wikipedia.org/wiki/Biomimetics> to read about the field of biomimetics, which looks to nature for solutions (evolved via natural selection) to analogs to human engineering problems, and then adapts these solutions to our (human) world.

e. John McIlroy, “Why Car Manufacturers Turn to Archives for ‘New’ ideas,” CNN style, June 2017, at <https://www.cnn.com/style/article/revival-classic-car-designs/index.html>. This article describes how past car designs can be a generative context for coming up with new designs (but also a less-than-creative constraint).

### **In Class**

After an overview of the topic for this session, we will turn to a discussion of the readings. After that, we will move to a group exercise where each group will: (i) define a problem in one area of human activity; (ii) identify a second area of human activity that looks to be closely analogous to the first; (iii) identify a solution in the second area; and (iv) bring the solution back to the first area and argue it will work well there. We will go around the room and share findings.

### Class #6, May 3rd: The Strategist is Me

#### **Assignment**

Please write a two-page personal manifesto, covering: (i) the notion you had, prior to the course, of what it means to be a strategist; (ii) the notion of being a strategist you now have; (iii) how you plan put this notion into practice after the course ends; and (iv) how you plan to keep refining and developing your notion of a strategist. Please submit this manifesto (via email) ahead of class, as an individual written assignment, being sure to cover all of the above four points in what you write.

### **In Class**

In this final session, we will share our personal manifestos and use them to assemble a collective picture of “The Strategist.”