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The Strategist¹

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

Course 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. This is likely even more the case today, in a globally interconnected world, relative to 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 proposition. 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.

¹ This syllabus has benefitted greatly from research assistance by Andrew Lewicki and from the commitment to learning made by the students who have taken earlier versions of the course. Discussions of concepts and creators in the classroom and beyond, and suggestions and ideas offered even after the course had ended, were extremely valuable and are gratefully acknowledged. Please note that some real-time adjustments may be made as the course progresses.

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.

Course Schedule

Class #1: The Strategist as Creative Radical

Please prepare:

a. Adam Brandenburger, "Strategy Needs Creativity," forthcoming in *Harvard Business Review*, March-April 2019, 71-77.

b. Andrew Grove, *Only the Paranoid Survive: How to Exploit the Crisis Points that Challenge Every Company*, Doubleday, 1996, Chapter 2 ("A 10X Change").

c. 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/>.

Assignment: In preparation for our first class, please read through the syllabus, which will give you the overall picture of how the course will unfold.

In class, we will do self-introductions and share our motivations for going on this journey to think about business strategy together. So, please give some thought in advance to how you want to introduce yourself.

The article "Strategy Needs Creativity" presents the framework we will follow in this course. Please go through the article and formulate your own views about what creativity in strategy can mean.

In the excerpt from *Only the Paranoid Survive*, the author (Andrew Grove, one of the founders of Intel Corporation) presents his Six Forces Diagram as a map of the business landscape. In the article "Strategy as a Creative Act: Making Space for Radical Ideas," the author says that

strategy frameworks kill radical ideas. Do you see these two pieces of writing as in tension with each other, or complementary? Come to class ready to share your thinking on this.

Additional reading:

d. 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.

e. 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.)

f. 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>. This article talks about a future human-machine partnership in strategy making, where machines will perform analysis and prediction while humans will form objectives and think beyond the current context.

After class: You will each choose a creator, whom you will study during the course. Choose someone from business — or from another field such as the arts, sciences, or technology. Think about choosing someone who is not necessarily extremely famous. Likely, the person you choose will have some special meaning for you (e.g., as a role model). Be sure to have some personal investment in your choice, so that this work takes on real significance for you.

Class #2: Strategy from Contrast

Please prepare:

a. Giovanni Gavetti, “The New Psychology of Strategic Leadership,” *Harvard Business Review*, July-August 2011, at <https://hbr.org/2011/07/the-new-psychology-of-strategic-leadership>.

b. Jonah Sachs, *Unsafe Thinking: How to be Creative and Bold When You Need It Most*, Random House, 2018, Chapter 5 (“The Explorer’s Edge”).

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

Assignment: This week, we will look at strategy based on the first of our 4 C’s, namely, strategy from contrast. There will be discussion and an in-class exercise with presentations.

The article “The New Psychology of Strategic Leadership” can be understood as saying that strategy from contrast comes from making a shift in one’s mental model of the business landscape. What kinds of shift does the author talk about? What players does he say have to buy into such shifts?

In the reading from *Unsafe Thinking*, the author discusses an inverted U-shaped relationship between expertise and creativity. What reasons does he give for why creativity might fall off beyond a certain level of expertise? What suggestions does he make for transcending this tradeoff?

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.

Additional reading:

d. 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>. This article says that by literally looking at the world differently, we may be able to uncover additional opportunities for changing it.

e. 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.

f. 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, 1926), Coco Chanel falsified the status-quo assumption that women's clothing could not be comfortable and chic at the same time.

Class #3: Strategy from Combination

Please submit:

One page on examples of how your creator may be said to have practiced strategy from contrast.

Please prepare:

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

b. Dieter Zetsche, "Daimler & BMW: A New Partnership Starts, Rivalry Stays," March 2018, at <https://blog.daimler.com/2018/03/28/joint-venture-bmw-daimler-mobility-services/>.

c. Scott Page, "Why 'Many-Model Thinkers' Make Better Decisions," *Harvard Business Review*, November 2018, at <https://hbr.org/2018/11/why-many-model-thinkers-make-better-decisions>.

d. Austin Kleon, *Steal Like an Artist: 10 Things Nobody Told You About Being Creative*, Workman, 2012, Chapter 1 ("Steal Like an Artist").

Assignment: This week, we will look at strategy based on the second of our 4 C's, namely, strategy from combination. There will be discussion and an in-class exercise with presentations.

The excerpt from *Co-opetition* defines a non-traditional set of players in the game of business which it calls "complementors." What is the connection between complementors and strategy from combination?

The blog post "Daimler & BMW: A New Partnership Starts, Rivalry Stays" announces a high-profile partnership between the two German automakers. Come up with your own examples of

new combinations of businesses being formed with the rise of new technologies such as electric vehicles, AI, blockchain, or other.

The article “Why ‘Many-Model Thinkers’ Make Better Decisions” argues for the advantages of making decisions based on the combination of several models of the situation in question rather than on one model. Come up with your own examples of situations where multiple models are deliberately employed.

For the reading from *Steal Like an Artist*, list the various techniques the author suggests for arriving at the “mashups” and “remixes” which he considers the essence of new ideas.

Additional reading:

e. 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 AI.

f. 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/>. This article mentions many creators from many different fields who put combination as central to creative work.

g. 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).

Class #4: Strategy from Constraint

Please submit:

One page on examples of how your creator may be said to have practiced strategy from combination.

Please prepare:

a. 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.

b. 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>.

Assignment: This week, we will look at strategy based on the third of our 4 C's, namely, strategy from constraint. There will be discussion and an in-class exercise with presentations.

The excerpt from *A Beautiful Constraint* talks about several different types of creativity-enhancing constraint. Create a classification of the different such types you can find there.

The article “Break Free from the Product Life Cycle” proposes three types of product strategies: reverse positioning, breakaway positioning, and stealth positioning. What is the relationship between each of these three product strategies and the idea of strategy from constraint?

Additional reading:

c. 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>. This article considers Elon Musk, Charles Eames, and Issey Miyake as three practitioners of the art of turning constraints into opportunities.

d. 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 idea that there can be strengths as well as challenges associated with different ways of being and operating.

Class #5: Strategy from Context

Please submit:

One page on examples of how your creator may be said to have practiced strategy from constraint.

Please prepare:

a. 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>.

b. Roger Kneebone, "Discovery Through Doing," *Nature*, 542, February 16, 2017, p.294, at <https://www.nature.com/articles/542294a>.

Assignment: This week, we will look at strategy based on the fourth of our 4 C's, namely, strategy from context. There will be discussion and an in-class exercise with presentations.

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., operating in 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. What do you consider to be the strengths and weaknesses of this mapping between different types of reasoning and different environments?

The article "Discovery Through Doing" 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. Come up with examples of where ideas from one area of business have been imported into a quite different area of business.

Additional reading:

c. 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.

d. 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).

Class #6: The Strategist is Me

In this final session, we will share our individual projects and also personal manifestos titled “The Strategist is Me.”

Please submit:

- a. One page on examples of how your creator may be said to have practiced strategy from context.
- b. A two-page personal manifesto, titled “The Strategist is Me,” and 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.

Deliverables and Grading

The course will be graded on a pass/fail basis. A passing grade requires: (a) regular class attendance; (b) participation in class discussions that indicates careful preparation of readings prior to class; (c) thoughtful engagement in class exercises and presentations; (d) submission of each of the four one-page assignments that constitute your individual project, where each submission makes use of course concepts and is organized, clearly written, and original; (e) submission of the final two-page personal manifesto, where this submission again makes use of course concepts and is organized, clearly written, and original.