

STRATEGY

AND THE

FAT SMOKER

CHAPTER

A strategy is not just choosing a target market... **CONTINUE**

BY **DAVID MAISTER**

A STRATEGY IS NOT JUST CHOOSING A TARGET MARKET, but actually designing an operation that will consistently deliver the superior client benefits to that market that you claim to provide. However, each decision you make to be more effective at delivering the preferences of those you target will (inevitably, inescapably, unavoidably) make you less attractive to clients or market segments that look for different benefits. Strategy is deciding whose business you are going to turn away.

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To be differentiated in the eyes of the marketplace, you have to be known for something in particular. It's not enough just to be known. (That's name awareness, which is not the same thing as being seen as differentiated). And you can't have a reputation for being something specific if you only do it occasionally.

That means not competing for work and clients that you are not well-suited to serve. Everyone has an excuse for why he or she cannot make the hard choices, and why he or she needs a special exemption. Small firms claim they should be excused because they are not yet established. Large firms, on the other hand, bemoan the fact that they have a big “factory” of people on the payroll that they have to keep busy.

The practical reality of most businesses is that they find it very difficult to say “no” to a revenue-generating opportunity. The situation has been made worse by many firms' explicit (if misguided) efforts to transform themselves into “one-stop shopping” operations with extensive efforts at cross-selling additional services to clients and customers. Too many firms have made growth and size,

rather than differentiation, their strategic priority. Instead of identifying and executing a clear market positioning, many companies and firms have consciously pursued a policy of “If you need it, we can do it!”

Many have learned the costs of doing this—a lack of focus and reputation that, while it helps you get *more* business, may actively work to prevent you getting a reputation for being the place to come for the best business—the most attractive work for the most attractive clients.

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In discussing strategy, someone always asks, “How can the management of this firm ask me to achieve a distinctive market positioning while simultaneously pressuring me to meet budget numbers? Given a choice, and there is one, what do they really want me to do?”

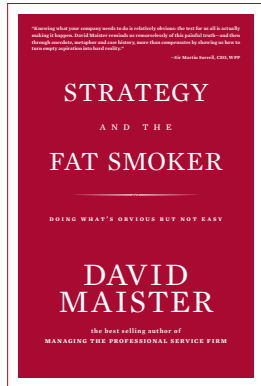
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A chief executive will need to ask what it is that he or she can do personally that will give dramatic evidence that top management is serious about adhering to the strategy in spite of short-term temptations. It is necessary for top management to *do* something (not just *say* something) that is both sufficiently dramatic and sufficiently different from the way that management has behaved in the past so that people in the organization start to discuss it and pass it on to others.

INFO



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ABOUT THE AUTHOR

David Maister is widely acknowledged as one of the world's leading authorities on the management of professional service firms. For two decades he has acted as a consultant to prominent professional firms around the world, on a wide variety of strategic and managerial issues. In 2002, he was named as one of the top 40 business thinkers in the world (Business Minds, by Tom Brown, PrenticeHall/Financial Times). He is the author of the bestselling books *Managing the Professional Service Firm* (1993), *True Professionalism* (1997), *The Trusted Advisor* (2000), *Practice What You Preach* (2001) and *First Among Equals* (2002). These books have been translated into 14 languages. For seven years, he served as a professor on the faculty of the Harvard Business School (1979-85), prior to launching his consulting practice. He lives in Boston, Massachusetts.

In March of 2005, he finally took his own advice, gave up smoking and lost 30 pounds.

Visit his website at www.davidmaister.com.

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