



*The theme of this bulletin is Escaping our Destiny – or, as one of my colleagues put it, going beyond our default.*

*We all know that strategy is about making choices that (hopefully) lead to a better future, but to what extent are the forces currently controlling our destiny really taken into account when strategy is developed?*

*Over many years I have learned – often to my cost – that if these forces are not given appropriate consideration there is no way that a strategy will be successful.*

*Our lead article, Beyond Default – Moving Your Organisation to an Improved Future, explores these ideas in more detail.*

*We also feature an article by Tracy Goss, Richard Pascale and Anthony Athos on the challenges of organisational reinvention, and review Richard Rumelt's book on the difference between good and bad strategy.*

*As always, we welcome your feedback.*

*Best regards*  
[David Trafford](#)

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## About Formicio

We work with people who want to improve their organisation's future.

We help leaders explore alternative futures that are not only better, but achievable.

## Beyond default – moving your organisation to an improved future

The past 50 years have seen unprecedented change. Principally driven by technology, there have been remarkable advances in communications, transportation and medical science. As a result people in the developed world enjoy a better standard of living, have access to an ever increasing variety of digital information and entertainment, and have a longer life expectancy than their parents.

Over this period change has become the norm. Yet research indicates that while individuals may be good at responding to change, organisations – irrespective of whether they are commercial enterprises or government bodies – are not. In fact only a small proportion (typically 5%) of large-scale transformation programmes meet their original objectives.

Other recent research shows that from a sample of 175,000 projects in the USA with a combined budget of \$250 billion, 53% overspent and 82% overran. Across the European Union it is estimated that the cost of project failure is in excess of Euro 142 billion. Furthermore, there is continuing evidence that the majority of mergers and acquisitions actually destroy, rather than create, value.

So why are organisations so poor at delivering successful change when individuals embrace change as part of normal life?

One explanation is that leaders fail to take their organisation's default future into account when planning change, and ignore the forces that are controlling its destiny. Only by addressing these forces and putting in place the necessary conditions for success will an organisation be able to move beyond its default future to an improved future.

Read the full article [here](#).

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## Risking the present for a powerful future

When a company reinvents itself, it must alter the underlying assumptions and invisible premises on which its decisions and actions are based. This context is the sum of all the conclusions that members of the organisation have reached. It is the product of their experience and their interpretations of the past, and it determines the organisation's social behaviour, or culture. Unspoken and even unacknowledged conclusions about the past dictate what is possible for the future, say Tracy Goss, Richard Pascale and Anthony Athos in their HBR article [The Reinvention Roller Coaster](#).

They argue that most change programmes treat symptoms, not underlying conditions and that for an organisation to reinvent itself it must first uncover its hidden context. And only when an organisation is threatened, losing momentum or eager to break new ground will it confront its past and begin to understand why it must break with its outmoded present.

We help put in place the necessary conditions for successful change.

We provide independent quality assurance of your change initiative.

We use innovative experiential learning techniques to develop the capabilities needed to 'pull' an organisation into its improved future.

More details can be found on our [website](#).

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## Parting thought

“Change is not a destination, just as hope is not a strategy.”

Rudy Giuliani, 1944 –  
107<sup>th</sup> Mayor of  
New York City

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If this resonates it's interesting to note that their article was published in 1993. While much has changed since then, many of the challenges facing organisations today are remarkably similar to those of 20 years ago.

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## Good strategy/bad strategy

The gap between good strategy and the jumble of things people label as 'strategy' has grown over the years, says Richard Rumelt in his recent book [Good Strategy/Bad Strategy](#). He argues that strategy is not the same as ambition, leadership, vision, planning or the logic of competition, but it is discovering the critical factors in a situation and designing a way of coordinating and focusing actions to deal with those factors.

Furthermore, he believes that a good strategy honestly acknowledges the challenges being faced and provides an approach to overcoming them. And the greater the challenge, the more a good strategy focuses and coordinates efforts to achieve a powerful competitive punch or problem-solving effect.

He also believes that as you don't need to be a director to detect a bad movie, you don't need economics, finance or any other abstruse special knowledge to distinguish between good and bad strategy.

This refreshing, jargon-free explanation of the essence of strategy is a must-read for all executives who truly want to understand how they can make a difference. And compulsory reading for those planning their next strategy offsite!

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