

Book Review

Practical strategy: structured tools and techniques

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This is the most recent book by Professor Geoffrey Coyle, who is currently a Visiting Professor of Strategic Analysis in the School of Management, University of Bath, and Visiting Professor of System Dynamics at London South Bank University. Professor Coyle's contributions are well known to the international system dynamics community, and the System Dynamics Society honoured him with a Lifetime Achievement Award in 1998. While the focus of this book is on the analysis and development of strategy, it will be of great interest to academics and practitioners interested in strategic management, decision science, operations research and/or system dynamics.

The book, *Practical Strategy*, provides a pragmatic and structured approach to addressing many of the complex and diverse strategic decisions that public and private sector managers face today. The book's practical outlook offers a unique approach to a broad range of strategic situations, in that it explores each one through practical questioning and techniques. Although the book has a practical orientation, the theories, techniques and methods outlined in the book are based on well-established approaches outlined in the literature, based on theory development and empirically tested.

What is unique about this book is the way in which Professor Coyle has combined these techniques and methods to form his ACTIFELD system of strategic questioning and analysis. This text demonstrates how strategic decisions are met using logical reasoning and qualitative methods, rather than high-level mathematics and quantitative approaches.

Many real-life examples and case studies are provided to engage the student and potential adopter of the book.

The ACTIFELD system outlined in the book supports the reader in the following stages of strategic thinking:

A Ask a strategic question, which can be revised as the analysis proceeds, to make sure that you are dealing with the right issue. This concept is similar to asking the 'organising question' in the group model-building (and problem structuring) stage of a System Dynamics study² (Chapter 1).

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- C** Come to grips with strategic Complexity, with diagrams such as mind maps, why diagrams, impact wheels and influence diagrams, investigating why this issue has arisen. The focus of this chapter is on using diagrammatic aids to understanding complexity. A number of these techniques are based on causality and feedback, which are well known concepts used in the system dynamics community in particular (Chapter 2).
 - T** Think about the future—develop imaginative and logically consistent scenarios. A range of support tools are provided, including futures methodologies, projection and modelling, Delphi techniques, scenario analysis, and morphological scenarios developed with the field anomaly relaxation (FAR) technique (Chapter 3).
 - I** Identify actions that will be as robust as possible against the future's uncertainties and group them into strategic areas. SWOT (strengths, weaknesses, opportunities and threats) analysis is mostly used for this stage. However, this process is rearranged slightly to TOWS analysis, by considering threats and opportunities first. This provides a greater focus leading towards action planning (Chapter 4).
 - F** Find a viable organisation that could implement those actions, by developing a viable firm matrix (VFM). This is the start of a change management plan. In reality this is more like changing the structure of the organisation to facilitate the achievement of the strategic analysis and plan, rather than starting out with a new organisation. Although the VFM is static, not dynamic, it presents the idea that organisational design enables corporate performance. A similar idea from system dynamics that 'structure' causes 'behaviour' can be recognised here (Chapter 5).
 - E** Evaluate the planned strategic change. How will this affect the major stakeholders (congruence analysis), and what resources will be needed (resource analysis)? Again, these are very important aspects to be considering in managing strategic change. (Chapter 6).
 - L** Look for obstacles and check the analysis. Here the main approach taken for analysing obstacles and pressures against change is the force field technique, which provides a powerful approach using diagrammatic aids for managing change (Chapter 7).
 - D** Decide if the strategy will work and develop a time-based action plan and risk assessment (Chapter 7).

Throughout these chapters a worked example is provided demonstrating the application of the techniques and methods at each stage. The case study is called Herrington-Jones & Co., a large and profitable food retailer in the U.K. The strategic issue relates to expanding into other retail sectors.

The remaining chapters deal with a range of complementary methods that may be used to enhance the ACTIFELD strategic analysis process. These include sorting out the *Practical Strategy* toolkit for ACTIFELD (Chapter 8), broadening the *Practical Strategy* toolkit (Chapter 9), and stimulating innovation with

other morphological methods (Chapter 10). Professor Coyle outlines some of Sir Geoffrey Vickers' ideas about mental appreciation and judgement in decision making in Chapter 11, plus a brief overview of a range of 'mini-methods' developed by Professors Neustadt and May, from the Kennedy School of Government at Harvard. The K/U/P (known/unclear/presumed) mini-method designed to uncover the state of knowledge surrounding the 'facts' related to a strategic issue deserves special attention. A range of military analysis methods and fishbone diagrams are presented in Chapter 12, and a variety of methods for 'managing wish lists' are outlined in Chapter 13. Two comprehensive case studies using the ACTIFELD system are presented in Chapter 14. These relate to the Murray/Darling river basin case, which deals with a wide-ranging social, economic, agricultural and ecological problem with a time-span of 20 years; and how Littleworth & Thrupp (solicitors) deal with some strategic business and stakeholder issues. Finally Chapter 15 reviews the overall ACTIFELD approach to the application of *Practical Strategy* to managing real problems.

An appendix refers to the computer software that is available to support the ACTIFELD process.³

In conclusion, I found Professor Coyle's book, *Practical Strategy*, to be most interesting and informative. It contains a wide variety of techniques and methods for expanding and informing the analysis and management of strategic issues and questions. I recommend it to all academics and practitioners interested in strategic analysis, strategic decision making and system dynamics.

Practical Strategy has been adopted by my colleague Dr Lance Beath, in the School of Government at Victoria University of Wellington, to support a post-graduate course in Strategic Analysis.⁴ This has now completed its third year and has attracted some very able students. As part of the course, the participants, most of whom are in responsible positions in government and business, are required to apply ACTIFELD to a real issue. I have been fortunate enough to attend the final presentations of many of these projects, and I would like to emphasise how impressive these projects have been, and how much the students have learned and gained from following the ACTIFELD methods outlined in Professor Coyle's book, *Practical Strategy*.

Notes

1. Further details of the book are available at the Pearson education web site: <http://www.pearsoned.co.uk/Bookshop/detail.asp?item=100000000031651#Description>
2. For further details on this problem-structuring phase of a system dynamics study see Maani KE, Cavana RY. 2007. *Systems Thinking, System Dynamics: Managing Change and Complexity*. Pearson Education NZ (Prentice Hall): Auckland.

3. Details of the ACTIFELD software can be obtained from the following web site: <http://www.actifeld.com/>
4. Details of the VUW course Strategic Analysis (STRA 502) can be downloaded at: http://www.vuw.ac.nz/sog/degrees/postexperience/course_outlines/2007/Trimester%201/STRA%20502%20Course%20Outline%202007.pdf

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