JUDGMENT

Strategy Is More Than a Plan

Jim Petersen, PhD · November 22, 2026

PETERSEN LEADERSHIP | PERSPECTIVES

Four Disciplines of Strategic Leadership

Thinking opens possibilities. Formulation makes choices. Planning aligns resources. Execution creates results. Learning connects them all.

An organization can have a well-written strategic plan, an attractive presentation, and a calendar full of planning meetings and still have no meaningful strategy in practice. The difficulty is not always a shortage of ideas. Frequently, it is the failure to connect ideas to choices, choices to priorities, and priorities to daily behavior.

A widely shared illustration describes four foundations of strategy: strategic thinking as a mindset, strategic design and formulation as focus, strategic planning as process, and strategic execution and implementation as habits. It places the first two under thinking and the latter two under doing. That is a useful teaching device because it reminds us that strategy requires both imagination and disciplined action.

But the distinction is too neat if it implies that thinking stops when implementation begins or that execution merely means following a process. Each foundation requires judgment, and successful leadership connects all four through evidence, accountability, culture, and learning.

My central argument is simple: strategy is not a document and execution is not an afterthought. Strategy is a continuing leadership responsibility to understand reality, make consequential choices, align the organization, act consistently, and learn from the results.

Strategic thinking: the discipline of understanding possibilities

Strategic thinking begins with curiosity, not a template. Leaders examine the environment, challenge prevailing assumptions, recognize emerging opportunities, and consider threats that may not yet be visible in current performance. Creative thinking matters, but imagination without evidence can become wishful thinking.

I encourage leaders to distinguish what they have observed from what they have merely assumed. A change in customer behavior, staff turnover, advancing technology, or a competitor's decision can all be signals. Their meaning is not self-evident. Before deciding what to do, we should ask what is actually happening, why it matters, and what evidence would change our interpretation.

Strategic thinking should not be reserved for senior executives. People closest to customers and operations often recognize changes before they appear in a quarterly report. The leader's

responsibility is to create the trust and channels that allow that information to reach decision-makers without being filtered into what they prefer to hear.

The essential question is not merely, “What could we do?” It is, “What is changing, what do we understand about it, and what possibilities deserve serious consideration?”

Strategic formulation: the discipline of making choices

The second foundation, strategic design and formulation, is where possibilities become choices. This is the most important distinction missing from many planning discussions. An aspiration such as “be the best,” “grow revenue,” or “improve service” describes a desired outcome. By itself, it does not explain how the organization will succeed.

Michael Porter (1996) argued that strategy requires a distinctive position and trade-offs, including decisions about what an organization will not do. Roger Martin (2014) similarly warned against confusing the comfort of detailed planning with the harder work of choosing under uncertainty. In *Playing to Win*, A. G. Lafley and Martin (2013) connect strategic choices about where to play and how to win with the capabilities and systems necessary to support them.

Richard Rumelt (2011) offers a complementary test: a sound strategy diagnoses the central challenge, sets a guiding policy, and specifies coherent actions. These ideas share a practical message. Strategy is not a collection of attractive initiatives. Its parts should reinforce one another and address a clearly understood problem.

Imagine a coaching business that wants to increase revenue. One option is to serve every possible customer with a broad menu of offerings. Another is to become exceptionally effective with a defined client group facing a specific business problem. Either may be viable under appropriate conditions. The strategic work is to test the assumptions, choose where to concentrate, establish a credible way to create value, and acknowledge the opportunities that will be declined.

A leader who will not make trade-offs has not preserved flexibility; that leader may simply have postponed the decision. Focus requires the courage to say no.

Strategic planning: the discipline of aligning resources

Once the strategic choices are clear enough to guide action, planning translates them into a workable sequence. The questions change: What must happen first? What resources and capabilities are required? Who owns each commitment? What must stop so the new priorities can succeed? Which risks could interrupt progress?

This is where I connect strategy to the Business Transformation Plan we use in leadership development: Values, Mission, Vision, Strategy, Objectives, and Tactical Action Plan. These elements serve different purposes. Values guide behavior. Mission clarifies why the

organization exists. Vision describes the future it seeks. Strategy determines the chosen approach. Objectives define results. The tactical action plan identifies responsibilities, milestones, resources, and timing.

A strong plan makes the strategy executable without pretending to predict every development. It establishes a manageable number of priorities, an accountable owner for each, a sequence of decisions, and measures that can reveal whether the organization is progressing. It also exposes conflicts among initiatives while there is still time to resolve them.

Planning becomes counterproductive when activity is mistaken for accomplishment. A thick plan can create the appearance of control while hiding unresolved strategic choices. A shorter plan tied to real priorities can be much more valuable than a lengthy document that nobody uses.

The test is straightforward: Can a capable employee read the plan and explain what matters most, what the organization has chosen not to pursue, and how that employee's work contributes to the intended outcome?

Strategic execution: the discipline of making choices visible

Execution is often described as doing what the plan says. That is necessary but incomplete. Successful implementation requires leaders to communicate priorities repeatedly, coordinate work across organizational boundaries, model expected behavior, remove obstacles, and hold themselves and others accountable.

Donald Sull, Rebecca Homkes, and Charles Sull (2015) found that several familiar assumptions about execution are unreliable. Their research draws attention to the importance of cross-unit coordination, agility, and actual understanding of priorities rather than merely increasing communication. Leaders cannot assume that a strategy has been understood because it was announced.

This is where culture becomes an operating reality. If leaders say that collaboration matters but reward only individual output, employees will notice the contradiction. If they emphasize accountability but repeatedly excuse missed commitments, the informal standard will prevail. If they ask employees to raise concerns but punish those who do, the organization will lose valuable information.

Habits matter because strategy is experienced in repeated decisions. Weekly priorities, short and purposeful meetings, clear responsibilities, peer coordination, constructive feedback, and follow-through provide the discipline that keeps a strategy alive. Tools such as the PBCA Business Operating System can support that discipline, but an operating system cannot repair a strategy that lacks clear choices.

I saw this in my own career. When I led a district, my goal was to become the top district in the company. By my calculation, that would require at least a ten percent increase in production

year over year. I could have announced ten percent as the goal, but that number would not have told any individual what he or she needed to do to achieve it. Instead, my managers and I developed a business planning approach that asked each producer for a realistic increase over the prior year's production. Some answers were realistic and some were idealistic, depending on the person. When we added up the input, the total increase was well above ten percent. After adjusting for the idealistic numbers, we set a target of fifteen percent, higher than any other district was achieving. We then built a culture that helped advisors reach their own numbers, and we consistently performed well above the rest of the company. People commit more fully to goals they help create, and a target built from individual commitments tells each person what success requires.

Execution is not a lesser form of leadership. It is where leadership claims are tested against behavior.

The essential connection: learning and adaptation

The four foundations are useful, but there is a crucial addition: feedback must connect execution to thinking. No strategic plan survives contact with reality unchanged. Some assumptions will prove wrong, some capabilities will develop faster than expected, and some external conditions will change.

Henry Mintzberg and James Waters (1985) distinguished deliberate from emergent strategy, reminding us that the strategy realized in practice may be shaped by learning as well as original intention. This does not mean that leaders should abandon direction whenever results disappoint. It means they must distinguish between a sound strategy that requires better execution and a strategy whose underlying assumptions no longer hold.

Technology taught me this lesson more than once. Over my career, highly competent information technology professionals developed many changes for our field organization. The problem was that the changes were often introduced without accounting for what end users would need to do to accept them. I was guilty of this as well, and I saw some changes fall flat when they reached the field. We eventually changed our approach. We trained a select group of end users on each change and asked them to return to the field to help colleagues who were less comfortable with technology. Implementation became smoother, and those trainers became a valuable feedback mechanism, showing us how to design and introduce future changes more effectively. Execution, in other words, was not only carrying out the plan; it was the best source of information for improving it.

Measures should therefore do more than report whether a target was met. Financial outcomes, customer behavior, employee capability, operational performance, and progress against key initiatives can provide different forms of evidence. Kaplan and Norton (1992) showed why relying only on traditional financial measures can be inadequate for managing performance and improvement.

I suggest that leaders use every strategic review to answer three questions: Are we doing what we agreed to do? Is it producing the results we expected? What have we learned that should change our assumptions, actions, or priorities?

The first question tests accountability. The second tests effectiveness. The third tests adaptability. An organization that asks only the first can become highly disciplined at executing the wrong approach.

An example: from a goal to an operating strategy

Consider a hypothetical leadership-development organization experiencing uneven enrollment. Management announces a goal to increase program participation by 25 percent. That may be a reasonable objective, but it is not yet a strategy.

Strategic thinking would investigate what prospective participants need, why current offerings are not attracting enough of them, what competitors are providing, and which capabilities the organization already possesses. Formulation would select the specific audience and value proposition, decide how the organization intends to stand apart, and identify offerings it will not pursue.

Planning would turn those choices into decisions about curriculum, instructors, marketing, enrollment milestones, budgets, and ownership. Execution would mean following through, communicating consistently, coordinating the work, and creating habits for timely evaluation. Learning would compare enrollment, participant feedback, completion, and actual client outcomes with the assumptions behind the original choice.

The organization would not merely have an enrollment target. It would have an argument for how to achieve the target, people responsible for testing that argument, and a means of changing course when evidence warrants it.

Keeping the cycle connected

The most important lesson is that strategic leadership cannot be divided neatly into thinkers at the top and doers below. Senior leaders must remain connected to operational reality, while managers and frontline professionals must understand the reasoning behind priorities well enough to exercise judgment when circumstances change.

In leadership development and coaching, I ask teams to answer six questions before declaring their strategy complete: What is the central challenge? What choices have we made? What have we decided not to do? Who owns the few actions that matter most? What evidence will tell us whether we are succeeding? What would cause us to adjust our approach?

Those questions do not replace sound strategic methods. They expose whether the methods have resulted in clarity, alignment, and commitment.

Closing perspective

The four-foundations illustration is valuable because it reminds us that strategy requires both thinking and doing. But effective strategy is not a handoff from thinkers to planners to implementers. It is a continuing cycle in which informed thinking leads to clear choices, clear choices guide resource commitments, committed people turn plans into daily behavior, and evidence from that behavior informs the next decision.

When a strategy fails, the answer is not always to demand more effort. Leaders must be willing to ask whether they diagnosed the right problem, chose a credible approach, committed adequate resources, built the right habits, and listened carefully enough to learn.

A strategic plan describes what we intend to do. Strategic leadership is the judgment and discipline required to make those intentions meaningful.

Strategy becomes real when people understand the choices, act on them together, learn from the results, and have the courage to adjust without losing sight of their purpose.

References

Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard—Measures that drive performance. *Harvard Business Review, 70*(1), 71–79. https://hbr.org/1992/01/the-balanced-scorecard-measures-that-drive-performance-2

Lafley, A. G., & Martin, R. L. (2013). *Playing to win: How strategy really works*. Harvard Business Review Press.

Martin, R. L. (2014). The big lie of strategic planning. *Harvard Business Review, 92*(1/2), 79–84. https://hbr.org/2014/01/the-big-lie-of-strategic-planning

Mintzberg, H., & Waters, J. A. (1985). Of strategies, deliberate and emergent. *Strategic Management Journal, 6*(3), 257–272. https://doi.org/10.1002/smj.4250060306

Porter, M. E. (1996). What is strategy? *Harvard Business Review, 74*(6), 61–78. https://hbr.org/1996/11/what-is-strategy

Rumelt, R. P. (2011). *Good strategy/bad strategy: The difference and why it matters*. Crown Business.

Sull, D., Homkes, R., & Sull, C. (2015). Why strategy execution unravels—and what to do about it. *Harvard Business Review, 93*(3), 58–66. https://hbr.org/2015/03/why-strategy-execution-unravelsand-what-to-do-about-it