

## Too Much Yin, Not Enough Yang – Why Strategy Takes a Back Seat

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Business managers often wonder why strategic plans fail to produce results. At the highest level, plans often fail because managers don't understand the two-sided nature of business leadership.

Strategic management and operating management are the yin and yang of organizational leadership. One concept of yin and yang, which comes to us from ancient China, is the idea that all things exist as complementary opposites in which the whole is greater than its parts.

Operating management is the yin. It is management of the day-to-day transactional processes that deliver the organization's output, whether it is a product or service. The goal of operating management is to meet short-term expectations by keeping the organizational machinery well-oiled and disciplined.

Operating management occurs in the here-and-now, dealing with all the seemingly urgent problems which occur daily. These can include problems with customers, employees, equipment, and suppliers to name just the obvious.

Strategic management is the complementary opposite, the yang. It is the management of the organization's future success and sustainability. Because of its future focus, events can appear to be less urgent than all the daily problems of operations. Strategic issues aren't solved on a daily basis, so there is little immediate positive feedback. Next to operations, strategic management can look a bit dull to some people.

Just as the yin and yang of Chinese philosophy must be kept in balance for the whole to thrive, organizations must be effective at both strategic management and operating management in order to thrive. It isn't hard to imagine organizations where either the yin or the yang overpowers the other.

In an organization where too much focus is on the future and not enough on the here-and-now, great strategies fail because the operating side can't deliver. These are the companies which produce brilliant new products that don't work, or are always delivered late.

But in most organizations, the imbalance is in the other direction. The yang, the operational side, dominates the organization and its resources. The problems that occur every day are noisy, they are in our faces, they seem so urgent. We get a little hit of self-satisfaction every time we solve one of them. So what if strategic issues have to wait until tomorrow?

The "so what" is that the strategic issues wait for tomorrow after tomorrow after tomorrow. The well-oiled operational machine plows into the future with no one at the helm, slowly wearing out or perhaps

crashing spectacularly. We all know businesses that had good products or services, were well-run, and yet failed because they had no plan or failed to execute one.

The tendency to allow the operational side to dominate is a classic case of misplaced priorities explained by author Steven Covey in his book "Seven Habits of Highly Effective People." Operational management is the realm of things that are urgent, i.e. noisy and persistent, but not always important. Strategic management is the realm of the important, i.e. not going off a future cliff, but not seemingly urgent.

There is, unfortunately, no magic bullet to solve this dilemma and force appropriate attention on strategic management. The first step is achieving intellectual acceptance by management of how important it is to approach the future strategically and to be able to properly execute a plan in a timely manner. It is the acceptance of this concept of complementary opposites that must be held in balance.

When that intellectual acceptance is achieved, the only tool we have to maintain balance is the discipline of those in positions of responsible leadership. Strategic plans fail when strategic management fails. As usual, it all depends on leadership.