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ARCHITECTS OF ADVANTAGE

EXELIS INSIGHTS

If Everything Is Strategic, Nothing Is

TODD O. GLASSMAN

Founder & Principal, Exelis Group

ARTICLE IN BRIEF

Strategy earns authority through choices.

Most companies do not lack priorities. They have too many priorities competing for the same finite capacity, without an explicit answer for which ones win when they collide.

01 Priorities are not strategy.

An unranked list of ambitions provides direction but does not resolve conflict.

02 Trade-offs make strategy real.

Leaders must decide where to over-deliver, where competitive is enough and what will stop.

03 The operating model must reflect the choice.

Capabilities, resources, measures and management attention should reinforce the value proposition.

04 A short page is evidence of discipline.

What is excluded gives a one-page strategy its credibility and force.

> “The hard part of strategy is not naming what matters. It is deciding what matters most.”

EXECUTION ARCHITECTURE

If Everything Is Strategic, Nothing Is

By Todd O. Glassman

Most companies do not suffer from a lack of priorities. They suffer from too many priorities fighting for the same capacity - and no explicit answer for which ones win when they collide.

Growth is strategic. Margin expansion is strategic. Customer experience is strategic. Innovation is strategic. Operational efficiency is strategic. Talent is strategic. Digital transformation is strategic. Risk reduction is strategic. Integration is strategic. Scalability is strategic.

Each may matter. But if everything is strategic, the organization eventually receives no strategy at all. It receives an unranked list of ambitions drawing from the same finite pool of time, capital, talent, systems, leadership attention, and operating capacity.

That is where strategy starts to break down. The hard part of strategy is not naming what matters. Most leadership teams can do that. The hard part is deciding what matters most, what the company will over-deliver on, what it will merely match, what it will consciously underweight, and what it will stop trying to optimize at the same time.

That is the discipline of trade-offs. It is what makes execution architecture worth building, and it is what gives a one-page strategy its authority - the page stays short only because someone decided what would not be on it. A strategy without trade-offs is not really a strategy. It is a wish list with executive sponsorship.

Priorities are not strategy

Priorities are useful. They tell the organization what leadership cares about. They help allocate attention. They give teams a sense of direction. But priorities are not the same as strategy.

A company can have a priority to grow and a priority to improve margins. It can have a priority to improve customer experience and a priority to reduce cost. It can have a priority to innovate and a priority to strengthen controls. It can have a priority to move faster and a priority to reduce risk. None of those priorities are wrong.

The problem is that they often conflict. Growth may require investment. Margin expansion may require restraint. Customer intimacy may require customization. Operating leverage may require standardization. Product leadership may require experimentation. Risk reduction may require more review. These tensions are not management noise. They are strategy.

If leadership does not make the trade-offs explicit, the organization will make them informally. It will make them through delay, resource conflict, local optimization, customer exceptions, inconsistent service, margin leakage, exhausted teams, and executive escalation. That is not strategy. That is drift.

> “If leadership does not make the trade-offs explicit, the organization will make them informally.”

Trade-offs make strategy real

Trade-offs are where strategy becomes honest. They force leadership to answer the questions that priority lists avoid:

EXHIBIT 1

The questions priority lists avoid

	The question	The choice it forces
01	What are we really optimizing for?	One primary form of value, named
02	Where must we outperform?	Disproportionate investment, justified
03	Where must we be on par with the market?	Good enough, declared — not drifted into
04	Where are we willing to be below market?	An explicit funding source for what matters more
05	Which customer segments matter most?	Service models matched to economics
06	Which services deserve customization?	Complexity accepted deliberately — and priced
07	Which activities must be standardized?	Exceptions become decisions, not habits
08	Which capabilities require disproportionate investment?	Capital that follows the strategy, not the calendar
09	Which opportunities are attractive but distracting?	A no, with a reason attached
10	Which work should stop?	A kill list with names on it

These are uncomfortable questions because they make choice visible. They also make leadership accountable. It is easy to say the company wants to be more customer-centric, more innovative, more efficient, more scalable, more digital, more controlled, and more growth-oriented.

It is harder to say which one wins when those goals collide. That is the real test. A strategy is not proven by whether leaders agree with the words. It is proven by whether the company is willing to operate differently because of them.

Trade-offs are not meant to freeze the business forever. They are meant to make the current strategy explicit enough to execute, measure, and adjust deliberately when facts change.

You cannot optimize for everything

Companies get into trouble when they treat strategy as accumulation. More initiatives. More priorities. More dashboards. More committees. More transformation workstreams. More customer promises. More reporting. More exceptions. At some point, everything is important, but nothing is truly privileged.

The organization is busy, but the operating model has not been designed around a clear set of choices. That is when the contradictions become visible.

A company says it wants operational excellence, but allows every market, customer, or business unit to customize the process.

It says it wants customer intimacy, but measures teams almost entirely on productivity, efficiency, and cost.

It says it wants innovation, but punishes failed experiments and slows decisions through excessive approval layers.

It says it wants scale, but keeps accepting exceptions that the operating model cannot support.

It says it wants accountability, but leaves decision rights vague.

It says it wants growth, but spreads investment across too many initiatives to make any of them decisive.

This is how companies end up with strategic language and operating inconsistency. The issue is not that leaders lack ambition. The issue is that ambition has not been converted into choices.

The Value Disciplines framework developed by Michael Treacy and Fred Wiersema is useful here because it exposes a common executive mistake: pretending the business can optimize simultaneously for different forms of customer value that pull the operating model in different directions. Their basic argument is that market-leading companies tend to over-deliver on one primary form of customer value - operational excellence, customer intimacy, or product leadership - while remaining good enough in the others. The important point is not the framework. The important point is the operating conflict it exposes.

Each form of value pulls the business toward a different operating model. Operational excellence pulls toward standardization, cost discipline, reliability, consistency, process control, and scale. Customer intimacy pulls toward customization, relationship depth, judgment, responsiveness, and the ability to absorb complexity. Product leadership pulls toward experimentation, technical excellence, speed, talent density, and a willingness to obsolete what already exists.

All three sound attractive. Most companies would like to claim all three. But a company cannot naturally be best at everything. If leadership treats every form of value as equally strategic, the operating model receives conflicting instructions: standardize and customize. Reduce cost and add service. Move faster and add control. Scale the platform and make every exception. Empower teams and escalate every meaningful decision.

That is not strategy. That is contradiction disguised as ambition. The value proposition has to match the operating model. That is the point of trade-offs.

A trade-off made explicit

I once worked on the repositioning of a specialty building products distributor that was losing money competing the way its industry said it had to compete. The traditional format was built around large stores: a merchandising front end, deep and broad inventory close to the market, heavy real estate, heavy working capital. Every serious competitor ran some version of that model, and the market leader ran it with more scale than we could match.

The repositioning began with an observation about the customer rather than the competition. Contractors did not want to spend time in the store. They wanted to be on the job site. The retail footprint the entire industry treated as table stakes was an expensive answer to a question our target customer was not asking.

So the business case made the trade-off explicit - and wrote it down. The planning document asked the question most strategy processes never put on paper: in which service attributes will we be inferior - what will we choose not to do well? The answers were specific. Over-deliver on fulfillment speed and accuracy, transaction convenience, and solution-oriented sales support. Be average on credit and special orders. Be deliberately inferior on the two attributes the industry considered sacred: the merchandising front end, and the depth of inventory sitting close to the market. In their place, a hub-and-spoke fulfillment model - small-footprint locations replenished overnight from a central hub.

The economics followed the choice. The model served the same trade area with roughly half the real-estate investment of the traditional format. Roughly double the revenue per square foot. More than double the inventory turns. A return on invested capital several times the industry model - earned precisely because of what the business refused to do. Every company can show you where it plans to win. Very few can show you, in writing, where they have chosen to lose. The second document is the one that makes the first believable.

Trade-offs show up throughout the business

At the enterprise level, the trade-off is simple to state and hard to live with: what kind of value is the company built to deliver? But trade-offs do not stop at the enterprise strategy level. Once leadership defines what the business is built to deliver, the same discipline has to continue through markets, segments, service model, operating model, resource allocation, and execution system.

EXHIBIT 2

Where trade-offs show up

	Where the trade-off appears	The choice leadership has to make
	Enterprise strategy	Which value will we over-deliver on — where will we be on par, and what will we choose not to do well?
	Market focus	Which markets, geographies, and segments deserve real investment — and which do not?
	Customer model	Which customers get high-touch service, scaled service, digital service, or standard service only?
	Operating model	Where do we standardize, customize, centralize, decentralize, automate, or add judgment?
	Resource allocation	Where should capital, talent, technology, and leadership attention go — and what gets starved?
	Execution system	Which metrics, decision rights, incentives, cadence, and governance mechanisms protect the choice?

Trade-offs cannot remain abstract because every strategic choice eventually becomes an operating choice.

A company may say growth is strategic. That does not answer whether growth should come from new markets, deeper penetration of existing customers, new products, acquisitions, partnerships, pricing, retention, or productivity.

A company may say customer experience is strategic. That does not answer which customers deserve high-touch service, which should be served through scalable digital channels, which exceptions the operating model can afford, and which service promises create more cost than value.

A company may say operating leverage is strategic. That does not answer which processes should be standardized, which work should be automated, which capabilities should be centralized, and which customer-specific complexity should be eliminated.

Those are not tactical questions. They are strategy questions. Every dollar, leadership hour, technology roadmap slot, and management meeting allocated to one path is unavailable for another. Trade-offs determine not only what the company says it wants, but what the company is actually built to do. They help decide what gets funded, measured, staffed, automated, standardized, customized, escalated, and stopped.

The private equity version of the problem

In private equity, trade-offs become more urgent because the ownership window is finite. A sponsor-backed company cannot pursue every attractive initiative with equal intensity and still claim to have a value creation plan. The value creation plan has to identify the few levers that matter most within the hold period. That does not mean the business ignores everything else. It means leadership has to be honest about sequencing, capacity, and impact.

The questions are simple but uncomfortable: which initiatives are most likely to move enterprise value, which capabilities must be built now, which improvements are necessary but not differentiating, which opportunities are interesting but distracting, and what work must stop so the organization can absorb the agenda?

These questions matter because management bandwidth, capital, talent, organizational capacity, and time are all finite. A value creation plan that treats every workstream as equally important is not a plan. It is a burden.

The best sponsors and management teams do not simply list value creation levers. They make choices about which levers will create the most enterprise value, which capabilities must be institutionalized, and which activities need to be deprioritized so the business can actually execute.

This is where trade-offs become a value creation discipline.

The cost of avoiding trade-offs

Many companies avoid making trade-offs explicit because explicit choices create tension. They require leadership to say no, functions to accept constraints, business units to stop optimizing locally, customer promises to match economic reality, and boards to distinguish between attractive ideas and value-creating priorities - and they require leaders to admit that the organization cannot do everything at once.

Avoiding that discomfort does not eliminate the trade-offs. It just pushes them into the operating system.

Instead of leadership deciding, the trade-offs get made by whoever has the most influence, the loudest customer, the most urgent problem, the strongest function, the closest relationship, or the easiest metric to manage. That is how strategy gets distorted. The company says one thing and operates another way.

It says growth, but resources do not move.

It says efficiency, but exceptions proliferate.

It says customer focus, but service models are not segmented.

It says innovation, but decision rights remain slow.

It says integration, but incentives remain local.

It says enterprise value, but management routines reward activity over impact.

This is why implicit trade-offs are dangerous. They allow leadership to preserve the appearance of alignment while the organization absorbs the conflict.

From strategic choice to operating discipline

The real test of strategy is not whether the priorities sound right. The real test is whether the business is willing to make the operating choices required to support them.

That means defining the choices explicitly:

EXHIBIT 3

What explicit trade-offs define

	The definition	What it commits
01	What the company will over-deliver on, match, and underweight	The value proposition, made explicit
02	Which customer segments matter most	The customer the model is built around
03	Which capabilities deserve disproportionate investment	Funding that follows the choice
04	Which metrics define success	Measures that reward the strategy, not activity
05	Which decision rights, incentives, and cadence must change	An operating system that protects the choice
06	Which processes are standardized and which services differentiated	Complexity accepted only on purpose
07	Which initiatives must be stopped	Capacity created, not assumed
08	Which trade-offs leadership will protect when pressure builds	The choices that survive a bad quarter

This is where strategy connects back to execution architecture. Trade-offs define the strategy. The cascade turns them into work. Decision rights protect them when the organization faces conflict. Operating cadence keeps them visible as conditions change. Resource allocation funds them. Metrics reinforce them. Leadership behavior institutionalizes them. That is how strategy becomes real.

> “Strategy is not the art of making everything important.”

If everything is strategic, nothing is

Companies do not need longer lists of priorities. They need clearer choices. They need to define where they will win, where being competitive is enough, where good enough is good enough, and where they will deliberately stop pretending.

The best-run companies do not try to optimize for everything. They understand the type of value they are built to deliver. They make the trade-offs explicit. They design the operating model around those trade-offs. And they protect those choices through decision rights, cadence, metrics, incentives, and resource allocation.

That is the operating discipline of enterprise value creation. Strategy is not the art of making everything important. It is the discipline of making the right things matter most.

ABOUT THE AUTHOR

Todd O. Glassman

Todd is the Founder and Principal of Exelis Group. Over the past 25+ years, he has worked across executive leadership, investing and advisory roles, helping owners, investors, boards and management teams build, scale, transform and institutionalize businesses, capabilities and strategic initiatives. His work sits at the intersection of strategy, finance, operations, investing and execution.

ABOUT EXELIS GROUP

Architects of Advantage

Exelis Group is a principal-led C-suite advisory and interim leadership firm helping owners, investors, boards and management teams improve performance, navigate critical inflection points and build more durable enterprise value. We combine investor perspective with operator accountability, translating strategic intent into the mechanisms, capabilities and management systems required for durable execution.

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info@exelis.co
www.exelis.co