

AN INSIGHT EDGE STRATEGY FRAMEWORK

What strategy is based on

At the beginning of the 1980s, Michael Porter introduced strategy as positioning within competitive forces. In the 1990s, with the work of C. K. Prahalad, strategy focused on core competencies. At the beginning of the 2000s, Arnaldo Hax presented it as bonding with the customer.

Now, in the third decade of the 21st century, the competitive landscape has become quite extreme:

- High complexity and uncertainty.
- Information overload and the rise of AI and robotics.
- Saturated markets with instant global transactions.

What can be a source of competitive advantage in such a world? This book posits that competitive advantage is the *Insight Edge*. That is, organisations and individuals depend on having deeper and more accurate insights into their environment, customers, and technologies than everyone else in order to be more accurate and grab the opportunity a second sooner.

In fact, *Insight Edge* is a concept used by consultants who promise this competitive differentiation. The theory of strategy put forward in this book may be called *Insight Edge Strategy Framework*, and its rationale is that the source of competitive advantage is ‘seeing what others do not see’.

This theory does not only provide a theoretical framework. It also sets out a framework on how to achieve this competitive advantage.

What is ‘seeing what others don't see’?

Seeing ahead is not just about having a little more ‘information’ that creates an advantage in a game of incomplete information. It goes beyond

that. It means understanding the deeper nature of the game and ultimately realising that there is a game to be played.

The inspiration for this *Insight Edge Strategy Framework* is derived from the work of Albert Camus, which emphasises the individual's ability to make sense of and find direction in an uncertain, chaotic world, indifferent to our need for meaning.

Specifically, the idea of 'Seeing what others don't see' is a concept derived directly from the idea of the horizon of possibilities (*Horizont der Möglichkeiten*) proposed by Edmund Husserl and Martin Heidegger. Just as the horizon in a landscape is the limit of what we can see, the *horizon of possibilities* is the limit of what is revealed to us and what we can imagine being possible.

This horizon is not static; it changes and expands. As we acquire new experiences and become more involved in the world and learn, new possibilities emerge, and the horizon displaces accordingly.

The basis of the strategy is to 'see what others don't see' which means expanding this *horizon of possibilities*, in Heidegger's words, faster than the rest.

Our theory states that the expansion of this horizon of possibilities must be done in three parallel ways that complement each other.

First way to expand the horizon: the scientific programme

The human enterprise with the most spectacular results in expanding the horizon of possibilities is without a doubt science. Authors such as Thomas Kuhn, Paul Feyerabend, Karl Popper, and Imre Lakatos have posited scientific knowledge as a process.

Consequently, our framework postulates that strategy is not a static product but an ongoing process. Any team following our model of strategy must be engaged in a 'programme of insight research'.

More specifically, our theory takes Kuhn's idea of Scientific Revolutions and transcribes it as *Dynamic Reframing*, which is the continuous process that enables the strategist to go one step further in order to maintain his or her source of competitive advantage.

Second way to expand the horizon: conversation and collective sense-making.

The idea of strategic dialogue is central to our model. Authors such as Henry Mintzberg, Peter Senge, Karl Weick, Chris Argyris, and Donald Schön have argued that conversation is a process through which observations are socialised and collective meaning is developed. In other words, conversation is essential for strategising in complex and dynamic environments.

But our theory goes one step further: conversation becomes the very heart of strategy, articulating everything from insight research to the practical implementation of the actual plans on the ground.

In our theory, *Strategic Dialogue* can be simultaneously understood as a process and a competence. It has the following characteristics:

- It is a business process that determines a company's financial outcome.
- As a process, it can be lifted, measured, and redesigned.
- As a process, it articulates the strategy between tactical and operational levels; horizontally, it coordinates departments and links the short and long term together.
- It is a competency that can and should be taught; similarly to Crew Resource Management, people can become certified in it.
- There are different levels of strategic dialogue. At the initial level, there are teams that merely discuss actions, whereas at the advanced level, they collectively build direction based on the critique of evidence.
- Strategic dialogue takes place in a social structure of circles, which is the responsibility of the CEO to redesign and refine.
- It depends on emotions, trust, and chemistry between participants; strategic dialogue is 'a flame that easily goes out'.
- It depends on recruiting the right profiles for the team and maintaining healthy and powerful dialogues.
- Strategic dialogue is complemented by Insightful Listening, which is the practice of listening and discovering insight through conversation with others.

- AI is a partner in the conversation. Insightful Listening in particular can be done using it.

Third way to expand the horizon: creativity.

A third way to ‘see what others don’t see’ is creativity. Strategy manifests itself as a creative process in several aspects.

- Creativity multiplies the possible paths.
- Creativity prevents the opponent from making us choose between the fixed options outlined for us and thus leading us to where they want us to go.
- The group that talks strategy must be managed according to the best practices of creative team management.

MOVING TO ACTION

Our strategy model started with a focus on knowing (*‘seeing what others don’t see’*). Since strategy is basically doing (*‘you pick a general direction and implement like hell’*), the second part of the framework shows exactly how to turn this knowledge from insight into action.

In our framework, this is not a problem because it was designed around the highly competitive sailing and media industry, with an intense focus on performance. Thus, the step from knowledge to action takes place along three lines of progress that operate in parallel.

The Napkin as an articulation of narrative:

We start from a central idea of postmodernism: ‘the power of narratives in shaping reality’. Many authors, such as Fredric Jameson, Jacques Derrida, Michel Foucault, Jerome Bruner, and most recently Yuval Noah Harari, have explored the role of language, stories, and discourses in constructing realities, influencing perceptions and shaping behaviour.

A common theme in the book is the importance of any strategy being a ‘good story’ that is captivating and makes sense. This could be

understood as my personal bias for working in the media, which could be the case, but the underlying reason is about transforming insights and conversations into a narrative, thereby constructing a reality to articulate actions.

That is the role of *The Napkin*: to be the story that shapes everything. The daily work of strategising **becomes the process of refining a text**. A process as practical and as tangible as a sheet of paper with writing on one side only.

Our theory argues that in management meetings in every company, all over the world, what is actually done is to articulate a narrative about ‘what is happening and where we are heading’ in order to define ‘what we do now’. Writing *The Napkin* is the way to channel this effectively.

STORI and understanding narrative

Stories often follow basic forms, such as the hero myth and the three-act story. For our narrative to be effective we need to give it a form. In order to do this we ask ourselves how strategists see the world and how the nature of things is revealed to them. This leads us to the idea of moves and the STORI model (*Start, Target, Obstacle, Road and Implementation*), which synthesises this ontology in a simple way and provides a structure to our narrative.

When a team socialises, condenses and writes out any strategy using the STORI format, they have a direct guide with which to implement it: they understand what is at stake, they know where they need to go, where they need to focus and what route they need to follow. The transformation into action is straightforward.

Language and articulation of actions

A final element in turning insight into effective action is the role of language as a tool to construct reality and shape behaviour, a topic that has been extensively explored by authors such as Ludwig Wittgenstein, Herbert Clark, and Jürgen Habermas.

In our theoretical framework the formalisation of language channels actions. Examples of this are the following:

- Optimisation of dialogues within strategy-making teams following the games model of Transactional Analysis.
- Crew Resource Management inspired the standardisation of key phrases to establish a common language.
- Employ predefined phrases in statements to organise concepts according to optimal methodologies.
- Text structuring is used to facilitate prompt definitions for AI based on linguistic models.

HOW TO SEE WHAT OTHERS DON'T

We have summarised what our *Insight Edge Strategic Framework* is. It is a strategy model where the source of competitive advantage is 'seeing what others don't see,' supported by strategic dialogue. We believe it's a key approach to addressing the challenges of the future.