



Bonus Episode 4, Examining Strategy, July 5, 2022

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Kurt Greenbaum: From Olin Business School at Washington University in St. Louis, I'm Kurt Greenbaum, and this is *On Principle*. Welcome to regular listeners and welcome to any new listeners. *On Principle* is dedicated to telling stories about the "Oh, shoot!" moments business leaders confront—those pivotal moments of decision making. What happened? How did they do it? And what can we learn? While we work on new episodes for season three of *On Principle*, we're dipping back into some of our season two interviews to hear some insights we didn't get to explore earlier.

And in today's bonus episode, we're looking at a conversation with my colleague, Trish Gorman, a professor of practice in strategy at Olin Business School. We originally spoke for our first season two episode called "The \$5 Million Mistake." And at the time, Trish was deeply involved in planning Olin's new online MBA program. I wanted to revisit her remarks about what business strategy means to her, how she thinks about it and how it informed her work on launching a new online MBA program.

Trish Gorman: I settled on an academic focus of strategy after a number of other paths, and I like to think that I've threaded together my career in a constructive way. What I mean by that is, I started out where I thought I was going to be a CEO. I wanted to run a company. I wanted to build a company. So I studied mathematics. I studied not-for-profit management. I studied operations. And then I went out and got a job and realized very quickly that there were so many things I didn't know. So I went back to school, and I think very early on I realized the value of professors or people who would transfer knowledge to others, people who are generous with their knowledge.

But as a young person with hubris, I thought I knew enough to go consult to others. So early in my career, I became a consultant. I was the first woman hired with the LEK Partnership in Los Angeles many, many years ago. And a client then brought me in to do what I would call "real work" again. So I went back to industry. Sure enough, in industry, I realized I didn't know as much as I thought I did. Went back to school, again, and came out, became a consultant, again, and went through that loop. I've actually gone through that loop three different times—of learning, consulting, doing, learning, consulting, doing. And more recently, at this point in my career, as I say, I've gotten a little smarter in terms of weaving those threads

together—braiding them together, I like to think—so that I can work in executive education and in master's programming, and bring together the real-world experience from industry, the consultative learning style and the academic research background.

Kurt Greenbaum: So when we're talking about strategy, you know, this may seem like an obvious question, but from an academic perspective, what do we mean by that?

Trish Gorman: Strategy is at its heart creating value. And more recently, strategy is often defined as having impact. Now, the real issue is, we have to work with resource constraints and uncertainty. So where strategy gets exciting, where strategy matters, is where you don't have enough time, money or people to do something that's going to create value. And even if you did, there's other people competing with you and trying to get there first or do it better. So actually what brought me to strategy was sports, the idea that you can practice and train, and maybe you could be so good that you could have been the champion last season. But everyone else is also training and working and moving into the future. So this year's competition is not just better, it's different.

The technology is different, the training is different, the secrets are changing, the patterns of running the plays are different. Strategy in business is just much higher stakes because you've got teams assembling to compete against one another into an uncertain future where not just resources are constrained, but competitors are aggressive and dynamic and your terrain is changing. So it's not like sports in the sense that the playing field changes. A lot of people think of strategy as a chessboard, but it really isn't. It's a moving, alive environment that doesn't stay stable long enough for you to often plan the moves ahead that you'd like to.

Kurt Greenbaum: Got it. OK. So it's ... it's sort of ... the chessboard is moving all the time. The chessboard is changing. Tomorrow's chessboard may not be the same as today's. It's about reacting to—but maybe even better, anticipating—how those changes are going to happen, what they're going to be and how you're going to respond to them.

Trish Gorman: The reactive piece of strategy is so important, seeing that change. If you say that the chessboard is changing—yes, it's changing. It might be a hockey rink tomorrow. And you may be totally unprepared to play in that arena. So anticipating what the change might look like and what you might need, while also, as you say, reacting to what you can already see, is that duality. And that is one of the things that's very attractive to me about strategy. There's very seldom a right answer, but there are good answers, better answers, and sometimes the best answer for the conditions that you can understand at the moment. So if you like to solve complex problems and interact both with data and also with intuition, to deal with the soft side of ethical and moral and social problems, but also with the hard

side of resource and capacity and operational issues, then it's a fantastic field, and you'll never be bored.

Kurt Greenbaum: As I mentioned earlier, Trish was intimately involved last year in designing the academic experience for WashU Olin's online MBA program. That program launched in January 2022 with its first cohort of 39 students. And a key component of that program is Olin's focus on preparing digitally enabled leaders. In other words, how are business leaders prepared to leverage today's cutting-edge technology—tools like big data analytics, machine learning and artificial intelligence—in managing and leading a business? And how are they prepared to adapt to tomorrow's technology? I wanted Trish to talk about how that dovetails with her thoughts about business strategy.

Trish Gorman: Preparing leaders for a digital future should be every MBA's goal. We're taking a tack that brings more technology into the curriculum and connects the curriculum courses with one another in unique ways that most of the competing programs don't do. What I'm contributing, I believe, is a little bit of quarterbacking. The faculty we have are excellent. They are deep experts in their areas, and they're able to use research and proven approaches in concert with new cutting-edge thinking and new technologies to bring marketing, accounting, operations, finance and organizational behavior to life.

But what we're adding is to ask for cases that are more realistic, in a sense, that they bring organizational behavior, digital technology and operations issues to bear, together, adding complexity and dimensionality to the problems and to the learning in ways that leverage technology and expose the way digital is already ubiquitous in our world, and some of the key opportunities that haven't yet been fully leveraged in a business landscape. And also in a fairly short period of time, in less than 10 years, the technology has just exploded to enable online learning to be so much more powerful.

And then with the recent pandemic, we've all had a chance to become fairly adept in using it and overcome a lot of the adoption barriers that were hampering us even two short years ago. It's really being deliberate and intentional about not just choosing a tool because you like it, or using an approach or a research technique because you can see its utility, but understanding that you're making a choice from a landscape of tools. And all the practitioners that you interview on these podcasts, they could choose from a number of different tools, a number of different ways to approach their businesses and ways to frame their problems. And choosing which problem to solve and how to frame it is almost more important than the process of solving the problem.

Kurt Greenbaum: Well, and, you know, the other thing that strikes me as we're talking about the technology, you were speaking of the advances in technology that have enabled online learning to become better and better, but also the technology out in the world that leaders are compelled to deal with, and it's the pace of change

in technology that is astonishing to so many people. You know, it's that idea that, well, it goes back to the conversation we just had about strategy. I don't think we're really in a position to teach people how to use today's technology, but it's about how to think about what the technology is going to evolve into, and be ready for that. Is that a fair characterization?

Trish Gorman: It's very fair, and knowing how to think. And do believe law schools and maybe medical schools have had a reputation of teaching their students how to think. Knowing that the next legal challenge will be different than the ones that have already been resolved and adjudicated, but there will be some commonalities. But in business, I don't think there was a clear focus on a way to think.

Now, we talk about strategic thinking, critical thinking. But it's such an applied field and there were so many rules to riches, you know, that you could say, I'm going to learn how to succeed in the pharma industry and learn how, and actually do pretty well. What has changed now is, as you say, the rate of change has accelerated. The types of technologies don't just move us faster, but they alter the landscape.

They change the way we think about every aspect of our business model. So, for example, if you take drones, I did a talk for the World of Business Ideas, and I asked the audience, "What do you think about when you think about drones?" And someone said, "delivering pizzas." And the entire audience started laughing. It was the punchline of a joke. This wasn't that long ago. If I could have shown them the drones that are used now to make art, I think someone at that time did have a military—you know, enough people would say, if I want to think of drones, I think of military applications. But even then, to think, what are they actually doing? Are they surveilling? Are they transporting?

The idea that you have the imagination linked with the viability and linked with the value proposition. Many of us have one of those. But bringing the right team together that has all of them is essential to succeed in an area where the technologies and the combinations of technologies will continue to create dynamic opportunities and challenges.

Kurt Greenbaum: And that's another bonus episode of *On Principle*. Thank you for listening. Thanks also to Trish Gorman for her insights on this episode. I hope this helps whet your appetite for more *On Principle* stories when season three launches on August 16. If you're just catching up, please visit our website at onprincipalpodcast.com, where you can listen to all our past episodes. You can also find links to *On Principle* in your favorite podcasting app, where you can subscribe so you don't miss any more episodes. If you have any comments, questions or episode ideas, please send an email to olinpodcast@wustl.edu.

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