

## Analogy

Strategy is about choices and one of the most common tools used to determine these choices is analogy, knowingly or otherwise. “Much of the time, executive use analogies to make strategic choices. The best strategists know both the power and peril of such comparison”<sup>1</sup>

What does analogy mean in this context? “When managers face a problem, sense “Ah, I’ve seen this one before,” and reach back to an earlier experience for a solution, they are using analogy”<sup>2</sup> It must be remembered that this experience doesn’t have to be the strategist’s own. It can something they read or heard about and used it to their advantage to learn from and influence their future choices.

Using analogy saves time and resources in trying to come up with a solution for a problem that has, at least once, already been dealt with in the past. But, “It is extremely easy to reason poorly through analogies, and strategists rarely consider how to use them well.”<sup>3</sup> Even though the situation may be similar, it will not be identical in most cases. In these situations, analogy must be used with caution. The way to avoid this potential disadvantage of using analogy is to seek to reason why it is wrong and why it might not work in the current situation and translate the analogy to solve the target problem. It doesn’t always have to be used as it is. “...analogies can be catalysts for generating creative options”

Please refer to the ‘Avoiding Superficial Analogies’ handout when using an analogy to solve a problem or induce creativity.

---

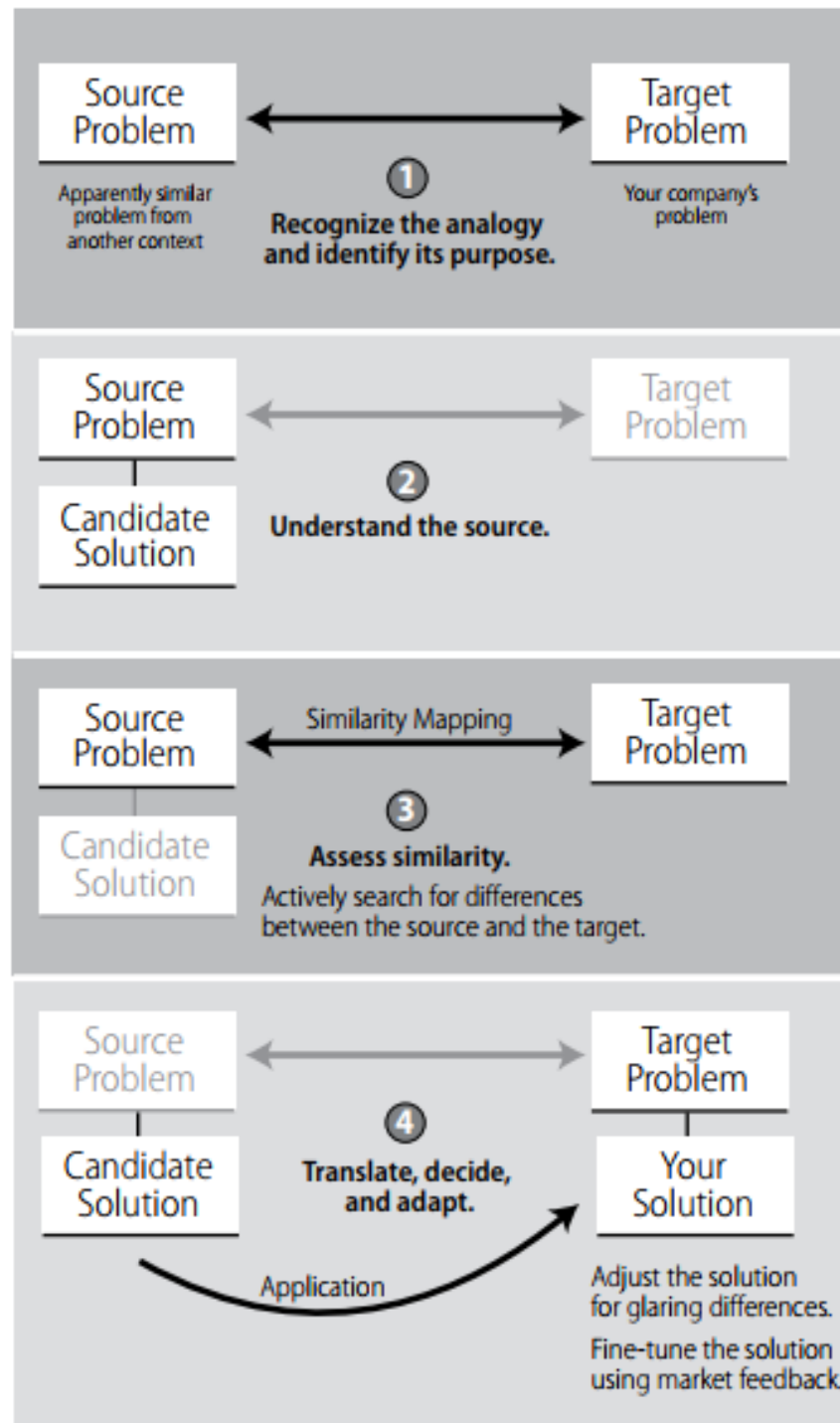
<sup>1</sup> [http://www.innosupport.net/uploads/media/Harvard\\_Review\\_-\\_How\\_Strategists\\_Really\\_Think.pdf](http://www.innosupport.net/uploads/media/Harvard_Review_-_How_Strategists_Really_Think.pdf), pg. 2

<sup>2</sup> [http://www.innosupport.net/uploads/media/Harvard\\_Review\\_-\\_How\\_Strategists\\_Really\\_Think.pdf](http://www.innosupport.net/uploads/media/Harvard_Review_-_How_Strategists_Really_Think.pdf), pg. 2

<sup>3</sup> [http://www.innosupport.net/uploads/media/Harvard\\_Review\\_-\\_How\\_Strategists\\_Really\\_Think.pdf](http://www.innosupport.net/uploads/media/Harvard_Review_-_How_Strategists_Really_Think.pdf), pg. 3

## Avoiding Superficial Analogies

It's often difficult to tell whether similarities between a familiar and an unfamiliar problem are deep or superficial. Managers facing strategic choices can improve their odds of using analogies well by following these four steps.



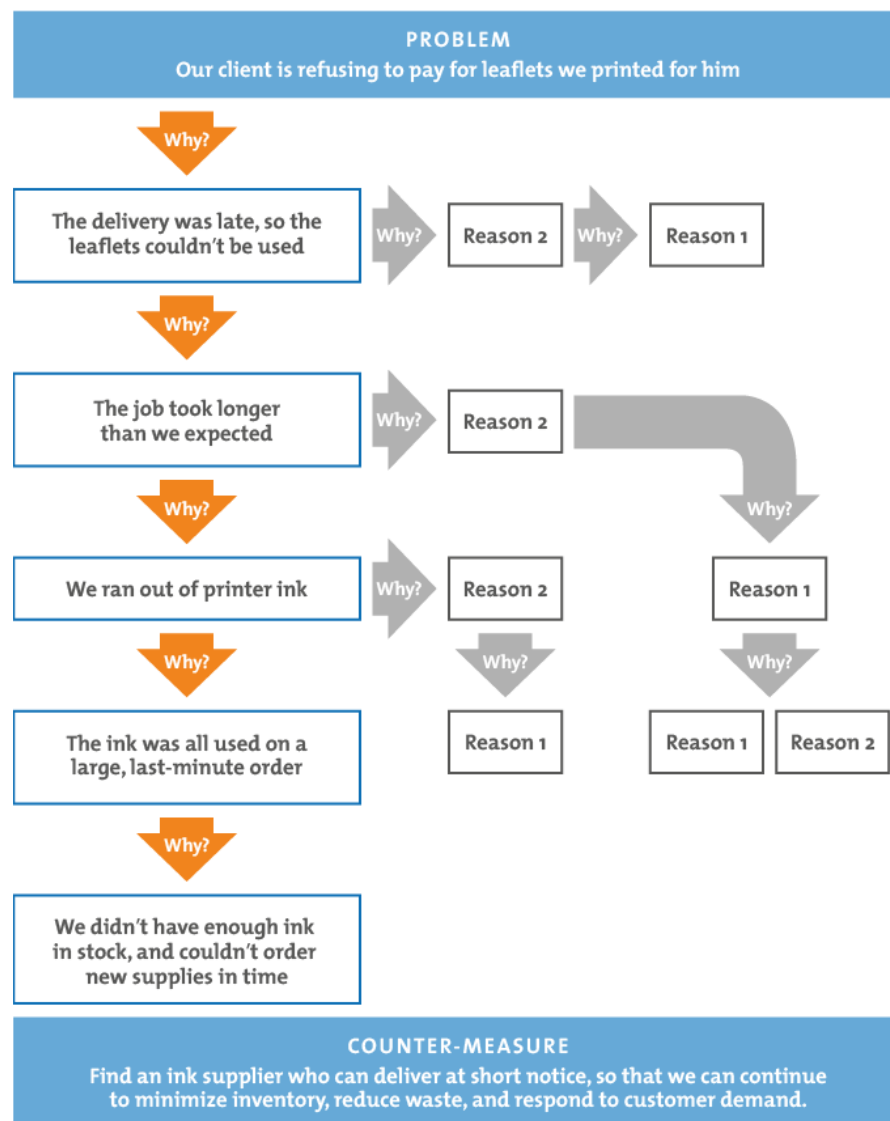


## 5 Why's

"5 Whys is an iterative interrogative technique used to explore the cause-and-effect relationships underlying a particular problem. The primary goal of the technique is to determine the root cause of a defect or problem by repeating the question "Why?" Each answer forms the basis of the next question. The "5" in the name derives from an anecdotal observation on the number of iterations needed to resolve the problem."<sup>4</sup>

This technique can be used individually or in combination with other techniques in trying to find a cause of a problem to be able to make more strategic than tactical decisions. This is also an effective tool that can be used in team meetings to solve problems and improve performance. The process doesn't have to end at the fifth 'Why'. It can go on until the real cause is uncovered.

An example of the technique is as follows –



<sup>4</sup> "5 Whys: Getting To The Root Of A Problem Quickly." Mindtools.Com, 2017, [https://www.mindtools.com/pages/article/newTMC\\_5W.htm](https://www.mindtools.com/pages/article/newTMC_5W.htm).

**Pros – Cons list**

Creating a Pro – Con list for possible choices and measuring the benefits against the risks is a fairly common method to arrive at decisions. Even those who haven't done it consciously have, at some point, engaged in the practice unconsciously to make simple decisions. It is very easy to learn even if you've never heard of it before by using the following steps.

- Create a table with two columns like the one shown below for each choice being considered
- Fill in the advantages and disadvantages of the choice in the 'Pros' and 'Cons' column respectively
- Repeat for other choices if relevant
- Compare the information on different choices and make the decision depending on the information collected

Option #1 \_\_\_\_\_

<b>PROS</b>	<b>CONS</b>

When making more complicated choices, decision evaluation tool can be used to simplify the decision making process. Some people might find this way more helpful in making certain strategic choices.

## Decision Tree

Decision tree is a flow chart that will help you see where a certain choice leads. This is another fairly simple method that can be used to make strategic decisions in simple situations. The tree will help you simplify the possible outcomes down to a chart which will help you see the big picture with more ease.

Refer to the following example for help and then create your own decision tree.

