“Good strategy has a basic underlying logic: coherent action backed up by an argument, an effective mixture of thought and action. I call this basic underlying structure the kernel. A good strategy may consist of more than the kernel, but if the kernel is absent or misshapen, then there is a serious problem. Chapter 5 describes how the kernel of a strategy contains three elements:

1. a diagnosis that defines or explains the nature of the challenge,
2. a guiding-policy for dealing with the challenge, and
3. a set of coherent-actions that are designed to carry out the guiding-policy.”

From http://goodbadstrategy.com/about-the-book/:

- **Good strategy is rare.** Many organizations which claim to have a strategy do not. Instead, they have a set of performance goals. Or, worse, a set of vague aspirations. It is rare because there are strong forces resisting the concentration of action and resources. Good strategy gathers power from its very rareness. [Ch. 1]

- **“Bad strategy” occurs when...** hard choices are avoided, and/or when leaders are unwilling or unable to define and explain the nature of the challenge. [Ch. 3]

- **Good Strategy/Bad Strategy** argues that... advantage flows from coordination and focus as well as from resolving the impossible ambiguity of reality into a problem that fits the organization’s resources and abilities, a problem on which the organization can actually go to work. [See Ch. 1, p. 99, and Ch. 9] **One of a leader’s most powerful tools is the creation of a proximate objective—one that is close enough at hand to be feasible...an accomplishment that organization can reasonably be expected to achieve.** [Ch. 7]

- Organizations experience significant entropy—the continual drift towards disorganization. Much of the useful work of managers and consultants is maintenance—the constant battle against entropy. Strategists must battle this never-ending drift towards disarray within their own organization. [Ch. 14]

- In formulating strategy, strategists engage in an internal quest for insight and an internal struggle against their own myopia. This book describes some practices which can help. [Ch. 17]

- Of course, an organization can shoot ahead...by successful innovation or by re-inventing a whole industry. But, the most common path to success is not raw innovation, but skillfully riding a wave of change. Changes in technology, law, costs, and buyer tastes are normally beyond...control..., but they can be harnessed. Just as a good sailboat and a skillful captain can harness the wind to advantage, so can a leader use a wave of change... [Ch. 13]

*Free access to Good Strategy, Bad Strategy is available to all faculty and staff with a CalNet ID. Log on to blu.berkeley.edu and select “e-Learn” from the column on the left. In e-Learn, select “Books24x7” from the column on the left. Search by title or author.*