CONTINENTAL LITE

Continental copied Southwest's playbook move for move. It still failed.

Michael Porter reports the airline lost hundreds of millions of dollars, and the CEO lost his job.

EXHIBIT 1 · WHAT CONTINENTAL COPIED, AND WHAT IT KEPT

It copied the tactics, not what Southwest gave up

	Copied from Southwest	Kept from full service
SERVICE	Cut meals and first class	Travel agents and seat assignments
OPERATIONS	Lower fares, more departures, faster turnarounds	A mixed fleet and baggage checking
AT THE GATE	**Shorter turnaround times**	**Lite flights stuck at congested hubs, or waiting for transferred bags**

SOURCE Porter, What Is Strategy?, HBR, 1996

A tactic is a strategy with a boss.

Strategy and tactics differ in direction, not size. A tactic is judged by the choice above it.

THE ONE-QUESTION TEST

What choice is this in service of? What did it rule out?

If you cannot answer, you are holding a tactic with no strategy above it.

EXHIBIT 2 · THE TEST, RUN ON FOUR DECISIONS

The label follows what the decision does, not who made it

	In service of	Verdict
CUT GATE TURNAROUND TIME	A low-cost, frequent, point-to-point position	Tactic, and a load-bearing one
LAUNCH A LOYALTY APP	“Improve engagement”	Tactic with no strategy above it
STOP SERVING ACCOUNTS UNDER $50,000	Concentrate field sales on large plants	Strategy decision, though it looks like a sales-ops rule
RUN A SPRING PRICE PROMOTION	Win share in the mid-market tier	Tactic, if it stays out of the premium tier

EXHIBIT 3 · WHY SIZE AND SENIORITY SORT BADLY

Three rules of thumb that fail

	The rule	Why it fails
TIME	Strategy is long-term	Southwest's 15-minute gate turnaround is measured in minutes, and the position rests on it
MONEY	Strategy is big money	A cheap account-coverage rule can be the year's most strategic decision
RANK	Executives do strategy	Choices cascade down; each level sets the context for the next

SOURCE Porter, What Is Strategy?, HBR, 1996; Martin, The Execution Trap, HBR, 2010

EXHIBIT 4 · AN INVENTED COFFEE ROASTER

The fix was a choice, not a better list

	Before the choice	After it
THE PLAN	Seven priorities serving three strategies that pull apart	Be the roaster independent cafés trust
GROCERY PUSH	On the list	Cut
COST PROGRAM	Cut roasting cost per pound by 8%	Kept, if it never lengthens roast-to-café time
SUBSCRIPTION	Needs a brand consumers know	A way for cafés to sell to their regulars
RANKING	**Every item defensible, none rankable**	**The list sorts itself**

BUSY OR STRATEGIC?

People judge strategic thinking by your first sentence, not your hours.

Strategic thinking means placing your work inside the system that creates value and saying what it changes.

EXHIBIT 5 · MONDAY MORNING

Give your priority list 30 minutes

01 Write the choice each item serves

One sentence. A choice, not a goal.

02 Write one thing that choice rules out

03 Circle the blanks and the contradictions

Items with no choice, and items that undo one.

04 Take the circled items to the strategy owner

FREE ON STRATRIX

Strategy vs. Tactics: The One-Question Test

Sort any decision with one question, and route the ones that quietly change the strategy.

stratrix.com/craft/strategy-vs-tactics