

## Introduction

Effective strategists embrace paradox in their businesses. A paradox, quite simply, captures two realities or imperatives that seem like they cannot coexist at the same time. It appears on the surface that embracing and pursuing one will inevitably hamper the other. In paradox language we call the ends of the paradox the poles and we wrestle with the pressure to push towards both poles at the same time.

## Paradoxes in business

Leaders constantly face paradoxes in business. For example:

- Should we embrace change or stability within the company?
- Should we customize our products and services to local environment, or should we create standardized global products and services?
- Should we invest in R&D and innovation? Or, in improving our operational efficiency?
- Should we obey current regulations or challenge them?

Experienced business leaders understand that pursuing any one of these paradox poles could lead us to sacrifice the other. Most people prefer clarity, so it can be tempting to simply choose one pole of the paradox and put all of our eggs in that basket. If we choose one end of the paradox, then we can tell our people what we want them to do and they can come to work each day focused on that vision. They can see and meet their objectives and earn their pay in a clear and unambiguous work environment. The problem, of course, is that choosing one pole of the paradox leaves us open to the downsides of the other pole.

Companies that fully embrace change may burn out their employees and destroy their human capital resources. Companies that fully embrace stability may be unable to adapt to the rapidly shifting external environment. Companies that fully embrace efficiency may increase current profits but may be unable to develop new products for the future. While companies that fully embrace innovation maybe unable to create sufficient cash flows in the present.

A paradox mindset pushes us to shift from an either-or mentality to a both-and mentality. Rather than accepting the apparent trade offs between the different poles of the paradox we challenge them and seek to embrace them. Rather than making high level decisions about which pole of the paradox to embrace, we develop more nuanced decisions that help us to understand when to embrace one or the other pole.

For example, rather than always emphasizing innovation over production, or always production over innovation, we made develop a richer approach. We may allow our innovation to suffer at times when we need to generate more cash or allow our production to suffer at times when we sense that the market may be shifting, and we need to be sure that we are ready. Thus, rather than emphasizing which pole to emphasize overall, we learn to embrace both poles simultaneously and occasionally allow our organizations to drift slightly towards one side or the other.

## Conclusion

Great strategists learn how to embrace the both ends of business. They get uncomfortable when the pathway seems too simple and too straightforward, and they look carefully for the embedded paradoxes that they might be ignoring. They seek to find these paradoxes, clearly define the opposing poles of these paradoxes and then reprogram their brains to capture the benefits of both ends of the paradox at the same time.