

## Ripose and strategies

This fact sheet reveals the number of strategies an organization may have to consider if they prefer not to use the Ripose technique.

### Strategies rule OK

To most people strategies are things someone else does and is responsible for. Looking up the definition of the word strategy in a dictionary can also strike fear into most of us. One dictionary defines a strategy as 'the science of forming and carrying out projects of military operations'. If one is not planning a military operation, then why does one need to have a strategy?

Basically a strategy simply tells a person how to do something. The problem is, what is that something?

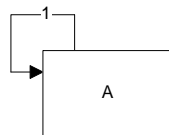
### Objectives-knowledge-strategy

A relationship that exists between them

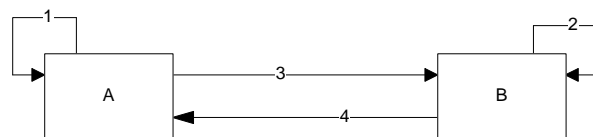
Strategies are directly proportional to the number of objectives multiplied by the square of the number of knowledge elements or  $S=OK^2$

In the following model we will assume that there is only 1 objective, ie the mission of an organisation.

If the organisation can only identify 1 piece of pertinent knowledge, the total number of strategies will be equal to  $1*1^2=1$ . The following model shows the relationship between the knowledge item and the strategy:



As this example is too simplistic let us expand the number of knowledge items to 2 but keep the number of objectives to 1. In this case the total number of strategies will be equal to  $1*2^2 = 4$ . The



following model shows the relationships that could exist between the knowledge items and hence the possible number of strategies:

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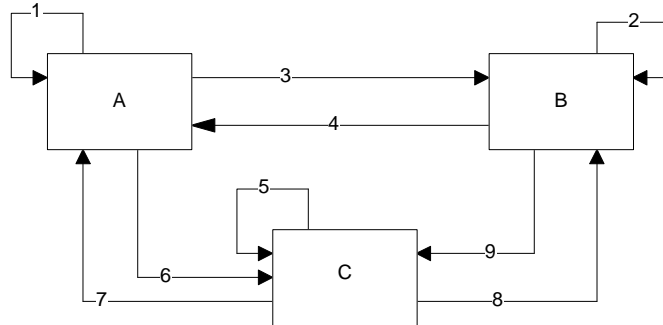
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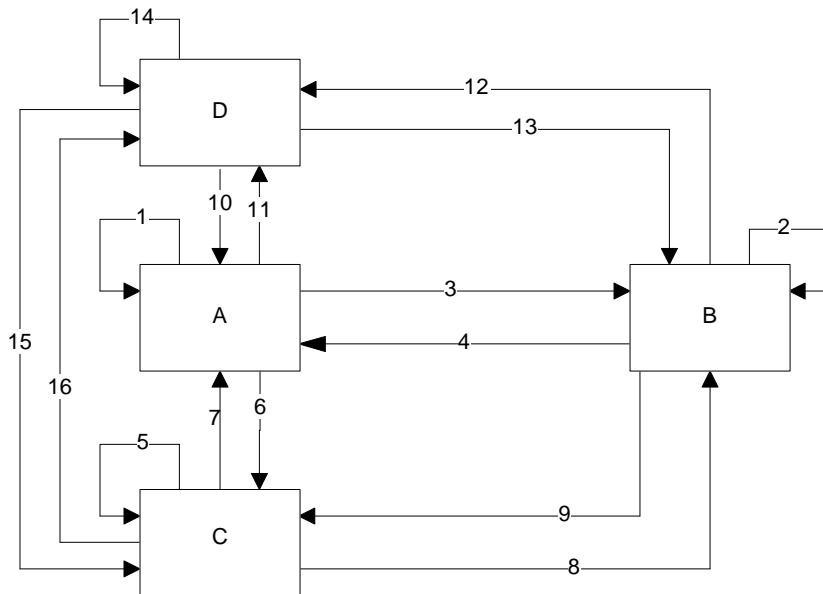
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Let us now add a third piece of knowledge and the number of strategies goes to 9 or  $1 \cdot 3^2$ . The

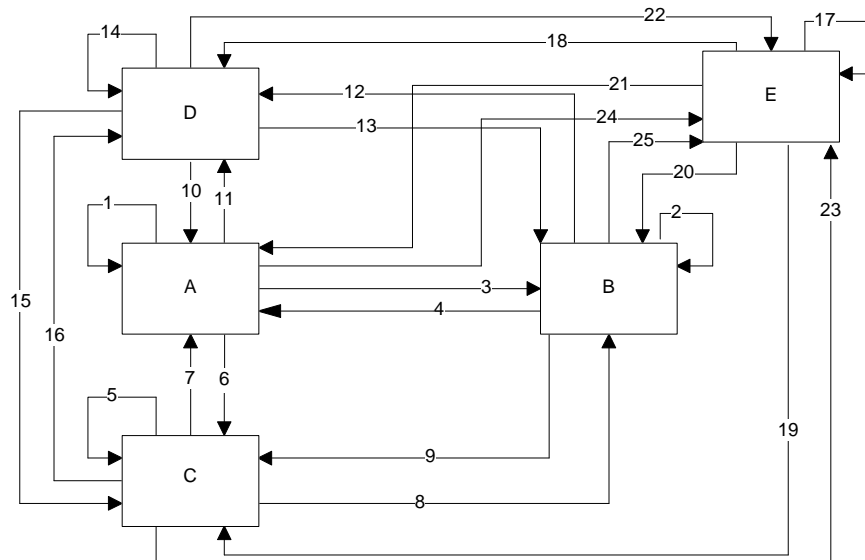


following model shows the relationships that could exist between the knowledge items and hence the possible number of strategies:

Add a fourth piece of knowledge and the number of strategies goes to 16 or  $1 \cdot 4^2$ . The following model shows the relationships that could exist between the knowledge items and hence the possible number of strategies:



Add a fifth piece of knowledge and the number of strategies goes to 25 or  $1 \times 5^2$ . The following model shows the relationships that could exist between the knowledge items and hence the possible number of strategies.



The potential number of strategies increases proportionally, as organization adds more pieces of knowledge.

Hence, if an organisation identifies 10 objectives and 50 pieces of information, the number of strategies could become totally unmanageable (2,500).

#### Solution

- Reduce the number of objectives
- Reduce the number of knowledge components
- Use Ripose

Let us use a simple case study to illustrate this point. Imagine if you will the following scenario: - A farmer has chickens and wishes to make money selling their eggs. How many strategies do you think the farmer needs in order to accomplish this objective?

Let us start off by identifying the number of objectives, then identify the number of knowledge instances needed and finally use the formula to calculate the number of strategies.

Number of objectives: Let us start off by breaking the prime objective/mission/purpose into a number of more basic objectives. Remember all an objective needs to establish is what is needed and/or wanted.

Perhaps all a farmer needs are the following objectives:

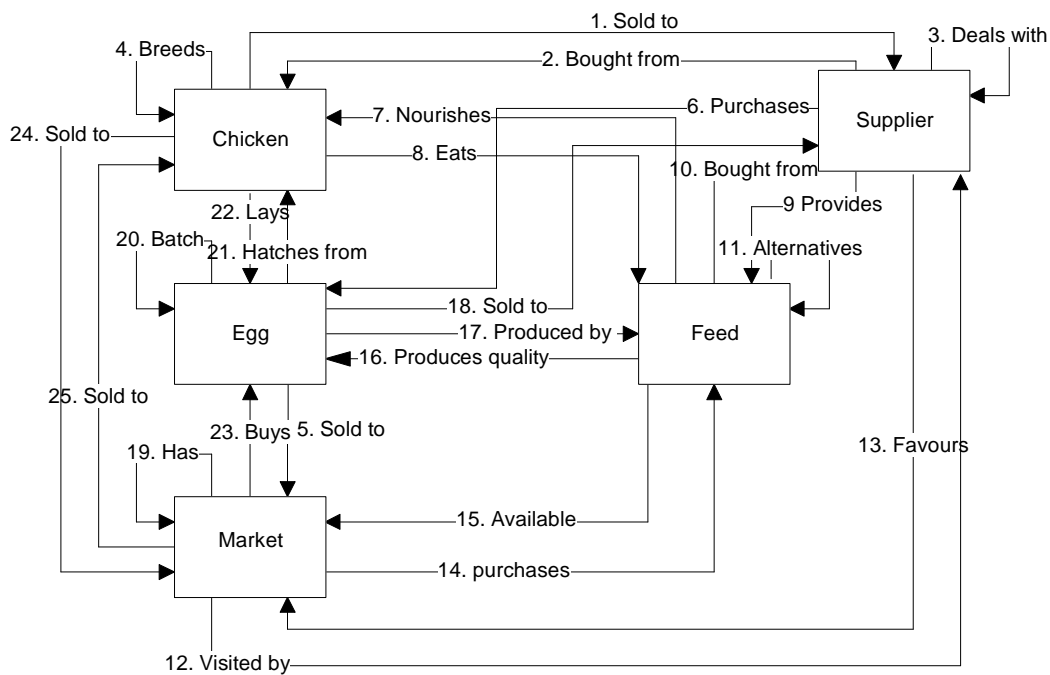
- Have chickens
- Chickens must be fed with chicken feed
- Each chicken must lay eggs
- A market is needed in order to sell the eggs
- A price must be set for each egg

Number of knowledge items: The simplest method is to read the objectives and try to identify all the nouns and possible gerunds (a noun formed from a verb)

The following is a first cut list of the knowledge items:

- Supplier
- Chicken
- Feed
- Market
- Egg

The following is a model of the above knowledge items showing the number of strategies that could exist for only one of the five objectives:



We have now established the base figures and can use the formula  $S=OK^2$  to calculate the initial number of strategies. The answer would be 125 strategies.

Now you could say that this answer is absurd! Surely no person in their right mind would believe that a simple number of objectives and knowledge items could give rise to such a ridiculous number!

Just take a minute to think about some strategies (remember a strategy simply indicates how something is to be carried out).

- Sells chickens
- Buys chickens
- Deals with suppliers
- Breeds
- Sells eggs to market
- Purchase eggs from another supplier
- Identify best source of nourishing feed
- Favorite feed
- Source of feed
- Buy feed from reputable supplier
- .....

And this is only the start. How many more permutations of the above are needed before the farmer can feel sure that the mission critical strategies have been identified.

### **How Ripose would solve the problem**

There are 22 fundamental entities in the Ripose knowledge model. These are grouped into 4 levels with 6 at the top, 8 at the second level, 5 at the third and 3 special cases. On examining the 6 topmost entities it will soon become apparent that only 5 of them would be needed to form the major strategies with four from the topmost level and 1 from the special cases. The resulting strategies would then be to manage the following:

1. Classifications
2. Enterprises
3. Offerings
4. Processes
5. Financial instruments

The remainder of the entities in the knowledge model would form the tactics under their appropriate strategies, for example

Financial instruments:

- Receivables - Sells eggs to the market
- Payables - Buys chickens; Buy feed
- General Ledger - Journals; Profit and loss; Balance sheet

Hence Ripose has solved the enigma.

QED

Or see our white paper called Due diligence.