

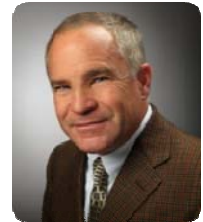


## FOCUS: STRATEGY

### Playing “Not to Lose”

What do football, psychology and consulting in food and agribusiness have in common? No, it's not a joke, but a unique set of ideas initiated in my mind after reading an interesting book called *Sway* (Ori and Rom Brafman Doubleday ©2008).

The book is actually found in the psychology section of your favorite book store. Perhaps the book's subtitle explains its placing: *'the irresistible pull of irrational behavior'*. It explores real-life examples of how irrational behavior, poor choices and counter-intuitive behavior is a reality among even the world's smartest people. The authors note that “irrational behavior” is present, even common, in entrepreneurial, business and career choices. Understanding how and why these processes occur can help us play to win instead of the human compulsion of playing not to lose.



Context  
Managing  
Partner,  
Blake Sieker

“Loss aversion may be a strategy, but it is not a winning strategy. Context works with companies to find strategic solutions from within your business and from throughout the industry.

Examining our businesses and the reasons we make decisions can help us better understand how to play to win for the long term.”

#### ***Loss aversion strategy – a strategy, but not a winning strategy***

One story told in the book is about the University of Florida football team. For years, the team, as well as the other teams in the conference, had adhered to an ‘aversion of loss’ strategy. They called conservative plays and held onto the ball for as long as they could, hoping to win a defensive battle. The idea wasn't necessarily to score a lot of points, it was to wear down the opponents and eat up time. In other words, the coaches were playing not to lose.

Steve Spurrier arrived as Florida's head coach in 1990 to a true ‘fixer upper’ team. Against all odds, the coach led a turnaround so dramatic that it still lives on in the memory of fans years later. He brought charisma, team rapport and new player talent, but his most important move was to identify a weak spot in the strategy employed by his opponents; the aversion of loss strategy. Rather than focusing on maximizing their gains, the opponents concentrated on avoiding losses.

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### ***Playing to win – a lesson***

Spurrier introduced what he called the “Fun-n-Gun” approach – the Gators passed more often, took more chances, played more aggressively and tried to score more touchdowns. “Fun-n-Gun” unearthed two hidden forces or sways.

1. Spurrier gained an advantage because the other coaches were focused on trying to avoid a potential loss:
  - You’d have thought that after losing a few games to a team like the Gators, the coaches would have re-evaluated their war-of-attrition model – but they didn’t.
2. The competing coaches also fell victim to another sway called commitment:
  - They were so committed to continuing down the road they had always walked that it was virtually impossible for them to take a different path – it made them unable to react to Spurrier’s strategy.

There are valuable lessons in these ‘irrational’ acts by very smart people. As we look at our products, our paths to market, our research innovations, there is significant value in examining these two hidden forces that enabled someone with a new plan to succeed far more than they could have had their competitors not been held in their old paradigms. For more on the book, see [www.swaybook.com](http://www.swaybook.com). Contact Blake Sieker at [blake.sieker@contextnet.com](mailto:blake.sieker@contextnet.com).

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***The Context Network*** provides business management and strategy consulting services to the world’s leading agriculture, biotechnology and food companies and government agencies and institutions. Major areas of expertise include strategy, merger and acquisition support, valuation of new technologies, formation of alliances, and market research. The West Des Moines-based firm is composed of a core of professional consultants that is complemented by a network of more than 200 industry and subject-area experts.