Business Strategy as Code: A Traceable Method for Strategic Analysis

Chapter 2 — The Analysis Chain
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Abstract

A strategy review ends on its pillars; asked what one of them rests on, nobody in the room can answer. Business Strategy as Code (BSaC_) is a method for strategic analysis built on one rule: no output without a traceable input. It runs established frameworks, from a macro-environment scan to strategic pillars, as fifteen ordered stops across three acts. Outside reads what the environment permits, scanning macro forces and scoring the industry; Inside reads what the organisation can do, grading resources and testing alignment; Choose and articulate fuse both readings into ranked options, a justified positioning statement, and the pillars that hand the finished analysis on to what follows. Every finding carries a code, and every downstream claim cites the codes it derives from; each stop closes on its own contract check, and eight quality gates catch evidence lost at the handoffs between stops. The method draws on requirements traceability, architecture decision records, evidence-based management and Rumelt's strategy kernel, and serves consultants and advisers, strategy and transformation leads, and the executives, boards and investors who rely on the result, for decisions that are costly to reverse, face outside scrutiny, or change hands. This paper specifies Chapter 2, the analysis chain, and marks each rule by level. The method makes an analysis auditable; it does not claim to improve decision quality, and its sequence is reasoned, not empirically benchmarked: no study shows this chain, or any ordering of these fifteen stops, produces a better strategic analysis than an unstructured or differently sequenced approach.

About this document

- **Language.** English.
- **Illustrations.** Generic and informative: no company names, no numbers, no requirements.
- **Nature.** A method description for consultancy and advisory work, not legal, financial or investment advice.
- **Status.** Published 22 September 2026; last updated 29 September 2026.
- **Companion guide.** A practitioner guide with detailed procedures, templates and a full worked case is in preparation.
- **Relationship to Chapters 1 and 3.** This chapter's entry contract (§3.2) admits only Chapter 1's finished diagnosis, never re-running it, and hands only the pillars forward, admitted at Chapter 3's own entry contract, never re-opened here.

1. Introduction

1.1 The problem and the use case

Strategy work often ends in artefacts that look finished and cannot be checked: a macro scan, a matrix of strengths and weaknesses, a positioning statement, a set of pillars. Each framework was applied with care; the links between them were never recorded. Without that trail an analysis is very hard to **audit**, because a derived conclusion cannot easily be told from an inserted opinion. It is very hard to **maintain**, because nobody can easily tell which claims a changed fact has made stale. And it is very hard to **defend**, because a challenged conclusion has no parent to point to.

BSaC_ serves those who build or review strategic analysis: consultants and advisers, strategy and transformation leads, and the executives, boards and investors who rely on the result. It fits decisions that are costly to reverse, face outside scrutiny, or change hands. It does not replace judgement; it records how a conclusion was reached, so that someone else can check it. §8 sets out where a lighter approach serves better.

1.2 Conventions

Requirement-level key words (MUST, SHOULD, MAY) follow the shared conventions at whitepaper.strategyascode.org/conventions/. Here they are fixed independently of Chapters 1, 3 and 4, and a MUST binds a BSaC_ analysis. MUST and MUST NOT mark requirements: work that breaks one is not a BSaC_ analysis.

SHOULD and SHOULD NOT mark strong defaults: departing from one is acceptable for a good, recorded reason whose consequences are understood. MAY marks a genuine option the method neither favours nor discourages. Everything else is informative. Material labelled **Illustration (informative)** sets no requirement, including any count of forces, factors, options or pillars it shows. A number given as guidance, such as "typically three to five pillars", carries no key word. Each stop has a **contract check**; a **gate** is one of the eight quality gates; the **checkpoint** is stop 7.

Notation. Codes are numbered 1, 2 … *n* within each family, for example strengths `S·1 … S·n`. Where the paper means the set of codes a stop receives or emits, it writes the range, `S·1 … S·n`; overview tables and Figure 4.1 name the families instead. Where it means one particular code inside a derivation, it writes a letter index, `S·i`; different letters (`i, j, k, m`) may name different codes. n is not a count: it differs between families, fixed by each analysis's evidence, never by this paper. Five Forces and McKinsey 7S are the exceptions: each is a fixed set, so their ranges are written `F·1 … F·5` and `7S·1 … 7S·7`, one code per force or element.

1.3 Abbreviations

Codes are defined in §6 and Appendix A.

- 7S — McKinsey 7S framework
- ACH — Analysis of Competing Hypotheses
- ADR — architecture decision record
- BCP — Best Current Practice
- BMC — Business Model Canvas
- BSaC_ — Business Strategy as Code
- CEBMa — Center for Evidence-Based Management
- CTO — Chief Technology Officer
- ERRC — Eliminate, Reduce, Raise, Create
- IEC — International Electrotechnical Commission
- IEEE — Institute of Electrical and Electronics Engineers
- ISO — International Organization for Standardization
- MBA — Master of Business Administration
- O/T — opportunities and threats
- OGSM — Objectives, Goals, Strategies, Measures
- OKRs — Objectives and Key Results
- PESTEL — Political, Economic, Social, Technological, Environmental, Legal
- RFC — Request for Comments
- RTCA — Radio Technical Commission for Aeronautics
- S/W — strengths and weaknesses
- SWOT — Strengths, Weaknesses, Opportunities, Threats
- TOWS — Threats, Opportunities, Weaknesses, Strengths
- V2MOM — Vision, Values, Methods, Obstacles, Measures
- VRIO — Valuable, Rare, Inimitable, Organised

2. Foundations

The method borrows from four bodies of practice. None studies strategic analysis run this way; the synthesis is this paper's own (see §7.4).

Requirements traceability. Gotel and Finkelstein (1994), drawing on an empirical study of practitioners, distinguished tracing a requirement back to its origin and rationale from tracing it forward into design and test. They located many practitioners' traceability problems on the backward side: what went missing was why a requirement existed. ISO/IEC/IEEE 29148 lists traceability among the characteristics of a well-formed requirement, and the airborne-software standard DO-178C (RTCA, 2011) requires it in both directions, from system requirement through code to test. BSaC_ applies the pattern to strategic evidence: a finding is coded when it is captured, not retrofitted, and every conclusion cites its codes, so a pillar can be walked back to its sources.

Rationale at the point of decision. Nygard (2011) proposed the architecture decision record (ADR): a short record of one decision, its context and its consequences, unfavourable ones included, so that a later owner need not accept or reverse it blindly. A stop's contract plays that role. It records what entered and what was concluded as the stop is done,

rather than reconstructing the rationale afterwards.

Evidence-based management and structured analysis. Pfeffer and Sutton (2006) urged managers to act on the best available logic and evidence rather than on untested remedies or unexamined personal experience. Barends, Rousseau and Briner (2014), for the Center for Evidence-Based Management (CEBMa), define evidence-based practice as the explicit use of the best available evidence from multiple sources. In Heuer's (1999) Analysis of Competing Hypotheses (ACH), the analyst tests evidence against every candidate explanation, tries to disprove hypotheses rather than confirm a favourite, and reports on all of them, not only the most likely. Per-claim citation shares that intent: the evidence-to-conclusion link is written down so that it can be checked and bias becomes visible.

Rumelt's kernel. Rumelt (2011a) describes the kernel of good strategy as a diagnosis, a guiding policy and coherent actions, and counts the failure to face the problem among the marks of bad strategy. BSaC_ starts from the diagnosis: the chain begins only from a scoped problem statement admitted by the entry contract (§3.2).

"As code", as an analogy only. Infrastructure as code defines systems once configured by hand in versioned, reviewable files (Fowler, 2016). BSaC_ borrows the discipline of reviewable, replayable artefacts with an audit trail, not the software; it does not claim that strategic analysis is executable.

Limits. Mintzberg (1994) named three fallacies of formal planning: that discontinuities can be predicted, that strategists can be detached from operations, and that strategy-making can be formalised. He treats planning as analysis and strategy-making as synthesis. The method accepts the warning: it structures analysis and leaves synthesis and judgement with those accountable. Miller and Cardinal's (1994) meta-analysis links strategic planning positively to firm performance, but it concerns planning in general. It does not show that this chain, or traceability, improves outcomes.

3. The principle

3.1 "No output without a traceable input"

BSaC_ rests on one rule: **no output without a traceable input**. Every claim an analysis emits MUST cite the codes, or the sourced facts, from which it derives, as a stack trace cites its frames.

A claim is *traceable* when every citation path from it ends at a root: an item backed by a named source, or a sourced clause of the entry problem statement. Every path MUST end at such a root, and a code MUST NOT cite itself directly or transitively.

The rule is a pass condition, not advice, because the failure it prevents is silent: a careful external scan, then matrix cells filled from memory. Traceability makes an analysis auditable; it does not make the evidence right (§7.4).

3.2 The entry contract

Stop 1 MUST NOT begin without a scoped problem statement. Producing it lies outside this chapter (§10.1); only its interface is fixed.

- Five prerequisites MUST exist: a named decision-maker, explicit scope boundaries, a baseline metric with its source, minimal market and customer context, and numeric success criteria.
- Every clause of the statement MUST carry sourced evidence.
- The statement SHOULD meet six quality criteria, used as a checklist: specific and quantified; evidence-based; solution-free; scoped; stakeholder-anchored; about what is happening, not why.
- It SHOULD be a single sentence.

Uncoded facts cited downstream MUST name their source. Internal facts MAY be registered as internal-fact codes (I-codes, §6.1) before grading; otherwise they are cited by provenance.

3.3 Contracts and checks

Every stop MUST declare a **contract**: required input, emitted output and a **contract check**, the condition for passing output downstream. The eight quality gates (§7), by contrast, cut across stops. An input taken from any stop other than the immediate predecessor MUST be declared in the consuming stop's contract. Stops 7 and 11–14 MUST NOT mint codes.

An output that fails its contract check MUST NOT be cited downstream as passing; it is reworked at its own stop. A stop whose trail cannot be shown has, for the purposes of the method, not yet been done. Repair SHOULD start at the earliest failing stop, and downstream citations of the repaired code SHOULD be re-checked. A ledger entry awaiting its industry-level parent is a declared open state, not a failure, provided it receives that parent or is withdrawn before stop 7.

Revisiting an earlier stop is allowed, as when the Value Proposition Canvas sends the positioning back for revision: the revision produces revised codes, never a circular citation.

3.4 What is and is not the contribution

The frameworks are established work, attributed at their stops (§4.3, §5). The contribution is the **chaining discipline**: the rule, the coding scheme, the per-stop contracts and the eight quality gates as a named set. Stops 2, 6 and 11 are synthesis steps this method formalises, not named frameworks. Stop 2 builds on practice already implicit in SWOT (Strengths, Weaknesses, Opportunities, Threats) work, where opportunities and threats come from external scans. Stop 6 is its internal counterpart, and stop 11 makes explicit the evidence a positioning template presupposes. The method claims authorship of no stop, and does not claim that traceability improves decisions.

4. The chain

4.1 Fifteen stops in three acts

The stops fall into three acts, the third split in two (Figure 4.1).

- **Act 1 — Outside (stops 1–3):** what the environment permits. PESTEL (Political, Economic, Social, Technological, Environmental, Legal) scans macro forces, the opportunities and threats (O/T) ledger fuses them into evidence, and Five Forces scores the industry.
- **Act 2 — Inside (stops 4–6):** what the organisation can do. VRIO (Valuable, Rare, Inimitable, Organised) grades resources, McKinsey 7S tests alignment, and the strengths and weaknesses (S/W) synthesis compresses both.
- **Act 3a — Choose (stops 7–10):** the SWOT checkpoint joins both streams, TOWS (Threats, Opportunities, Weaknesses, Strengths) turns them into options, the strategy canvas tests the arena, and the ERRC (Eliminate, Reduce, Raise, Create) grid prescribes a repositioning.
- **Act 3b — Articulate (stops 11–15):** the justification map, positioning statement, two canvases and pillars turn the choice into a testable claim.

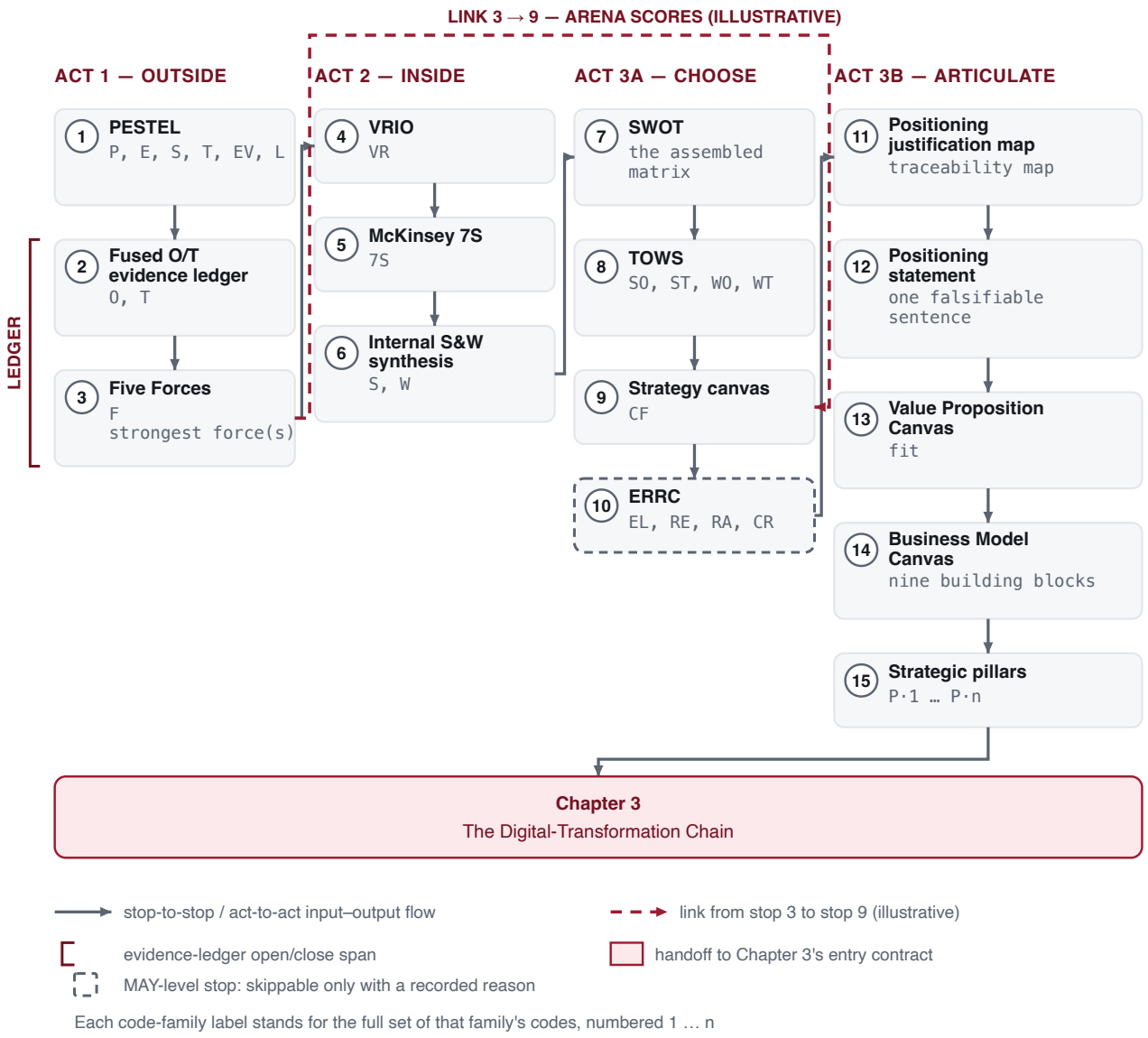


Figure 4.1 — The fifteen-stop chain in three acts. Dashed box: a MAY-level stop, skippable only with a recorded reason; dashed crimson line: the link from stop 3 to stop 9.

4.2 Why this order

The chain is a relay: stops SHOULD run in order, each placed where a later stop needs its output. SWOT is evidenced only if its external cells come from coded scans and its internal cells from graded resources and gaps. TOWS needs a sourced SWOT, positioning needs ranked options, and pillars need choices to cite.

Weihrich's TOWS matrix (1982) matches external threats and opportunities against internal weaknesses and strengths, so both precede options. Rumelt's kernel (2011a) likewise runs from diagnosis through guiding policy to action. McKinsey 7S is conventionally used after a strategy is chosen; this chain uses it earlier, diagnostically, to test internal capacity before choices are made.

Non-sequential inputs are declared. The strategy canvas at stop 9 takes its factors from stop 3's arena and case evidence, not from stop 8's options. This link from stop 3 to stop 9 is illustrative: it is described, not mandated as the only non-sequential link.

No ordering, this one included, has been compared with another on outcomes (see §7.4).

4.3 The chain at a glance

All checks are MUST-level; §5 gives each in full.

Stop	Framework (attribution)	Takes	Emits (code families)	Contract check
1	PESTEL (after Aguilar, 1967)	Scoping triple	PESTEL P, E, S, T, EV, L	Sourced; Monday test (gate 1)
2	O/T ledger (synthesis step)	PESTEL and Five Forces codes	O, T	Parents cited; closed before stop 7 (gate 2)
3	Five Forces (Porter, 1979; 2008)	Defended industry boundary	F	Evidenced scores; strongest force or forces named
4	VRIO (Barney, 1991; 1995)	Sourced candidates	VR	Every "yes" evidenced
5	McKinsey 7S (Waterman et al., 1980)	Scan target; evidence	7S	Target declared; gaps evidenced
6	S/W synthesis (synthesis step)	VRIO verdicts; 7S gaps; diagnosis facts	S, W	Strengths cite VRIO; weaknesses cite a parent
7	SWOT checkpoint (no single author)	S/W; closed ledger	Matrix; no codes	Every item cites a parent (gate 4)
8	TOWS (Weihrich, 1982)	SWOT matrix	SO, ST, WO, WT	S/W and O/T parents; no overreach
9	Strategy canvas (Kim and Mauborgne, 2002; 2005)	Stop 3 arena; case evidence	CF	Evidenced; not from stop 8
10	ERRC grid (Kim and Mauborgne, 2005)	Canvas verdict; TOWS options	EL, RE, RA, CR	Parents cited, or skip reason recorded
11	Positioning justification map (synthesis step)	Options; actions; boundary; scope	Cited slots; no codes	Citations before wording (gate 5)
12	Positioning statement (Moore, 1991)	Justification map	One sentence; no codes	Clauses resolve; falsifiable
13	Value Proposition Canvas (Osterwalder et al., 2014)	Statement; customer research	Fit map; no codes	Researched; misses stated
14	Business Model Canvas (Osterwalder and Pigneur, 2010)	Statement; fit; ERRC actions	Nine blocks; no codes	Changes cite causes
15	Strategic pillars (no single author)	Choice and evidence codes; 7S gaps	P (pillars)	Choice parent (gate 6); 7S gap or no-gap finding (gate 7)

5. The fifteen stops

Every stop opens with a card showing what it receives, what it hands on and its contract check. Most stops also show a figure of their artefact after Purpose and position, where the codes sit. The text around it gives the attribution, purpose and position, correct use, most common misuse, when to adapt or skip, and an informative illustration.

5.1 Act 1 — Outside

Act 1 establishes what the world permits. It scans forces outside the organisation's control, fuses them into opportunities and threats, and scores the arena in which profit is contested.

Stop 1 — PESTEL

RECEIVES
Scoped problem statement
entry contract (§3.2)

→ Stop 1 **PESTEL** Act 1 — Outside →

HANDS ON
PESTEL forces

```
PESTEL P·1 … PESTEL P·n,
PESTEL E·1 … PESTEL E·n,
PESTEL S·1 … PESTEL S·n,
PESTEL T·1 … PESTEL T·n,
PESTEL EV·1 … PESTEL EV·n,
PESTEL L·1 … PESTEL L·n
```

to Stops 2, 3, 9

CONTRACT CHECK · MUST (gate 1, Monday test) — Every retained force MUST carry a source and MUST pass one filter: would this change what we do on Monday?

Attribution. PESTEL descends from Francis J. Aguilar's work on environmental scanning (1967). The contract and its check are this method's.

Purpose and position. Stop 1 scans forces the organisation does not control and keeps only those that bear on the diagnosed decision. Its forces are roots, with no parents inside the chain. Stop 2 fuses them into opportunities and threats, stop 3 cites them as context, and stop 9 draws on them for its canvas.

Scoping triple: industry · geography · horizon

Force	Code	Source	Monday consequence
Political	PESTEL P·1	*cited source*	*what changes on Monday*
Political	PESTEL P·2		
⋮	⋮	⋮	⋮
Legal	PESTEL L·n		

Rows run through every force, Political to Legal; each retained force is one row.

Figure 5.1 — PESTEL: where the codes sit. After Aguilar (1967).

Correct use.

- The scoping triple of industry, geography and horizon MUST be stated, anchored to the scoped problem statement; stop 1 MUST NOT begin without that statement (§3.2).
- Each force SHOULD be specific and dated, and its Monday consequence SHOULD be written down. Passing the test is the MUST; recording the consequence is the SHOULD.
- The scan SHOULD retain four to six forces.
- A letter MAY yield no force, recorded as "no decision-relevant force". An empty row is a finding, not something to pad.

Most common misuse. Trivia dump: dozens of true but inert observations presented as "the PESTEL".

When to adapt or skip (SHOULD NOT skip; MAY adapt). Stop 1 SHOULD NOT be skipped, because every macro root comes from it. A new decision needs a new cull, even of the same raw scan. Where evidence is thin, a force MAY rest on a dated primary document, such as a published regulation, with the source named.

Illustration (informative). A logistics operator weighing its depot network keeps a dated low-emission-zone ordinance for its core city. It drops "online retail keeps growing": true, but it changes nothing about the depot decision.

Stop 2 — Fused opportunities and threats ledger

RECEIVES

PESTEL forces

PESTEL P·1 … PESTEL P·n,
PESTEL E·1 … PESTEL E·n,
PESTEL S·1 … PESTEL S·n,
PESTEL T·1 … PESTEL T·n,
PESTEL EV·1 … PESTEL EV·n,
PESTEL L·1 … PESTEL L·n

from Stop 1

Five Forces scores

F·1 … F·5

from Stop 3

→

Stop 2
Fused O/T ledger
Act 1 — Outside

→

HANDS ON

Opportunities and threats

O·1 … O·n, T·1 … T·n

to Stops 7, 8 · optional: 15

CONTRACT CHECK · MUST (gate 2, Ledger must close) — Each O/T entry MUST cite at least one parent evidence code, and it SHOULD cite two or more. An entry MAY enter half-cited while it awaits an industry parent, but it MUST receive that parent, or be withdrawn, before stop 7.

Attribution. Not a named framework: a synthesis step this method formalises, building on practice already implicit in SWOT work, where opportunities and threats are derived from external scans.

Purpose and position. Stop 2 converts stop 1's coded forces into O/T entries while the evidence is at hand, rather than re-brainstorming them when stop 7 assembles the SWOT matrix. The ledger opens here and closes once stop 3 supplies its scored, industry-level parents as a declared non-adjacent input (§3.3); its closed entries feed both the stop 7 matrix and stop 8's TOWS options directly; a pillar at stop 15 may also cite them as supporting evidence.

Entry	Derivation	Status
O·1	O·i = PESTEL T·i + PESTEL S·j	*closed / half-cited*
O·2		
⋮	⋮	⋮
T·n		

i, j = any one code in its family.
Rows run through opportunities, then threats; each closed or half-cited entry is one row.

Figure 5.2 — O/T ledger: where the codes sit. This method's format.

Correct use.

- Opportunities and threats SHOULD be fused here from coded forces, not re-brainstormed at stop 7.
- Compound entries MAY be formed, citing more than one parent code.
- Where letters collide, PESTEL codes MUST be cited with the framework name. Bare S and T then always mean SWOT cells (gate 3, Namespacing).

Most common misuse. Second brainstorm: treating SWOT's opportunities and threats as a fresh brainstorm instead of carrying the coded external evidence forward.

When to adapt or skip (MAY adapt). Where little industry-level evidence exists, as in a public service with no conventional market, an entry MAY close on macro parents alone. The absent industry parent is recorded, and the entry is not left half-cited.

Illustration (informative). A published tightening of data-residency rules, combined with buyers' growing preference for locally hosted services, becomes one opportunity entry that names both forces. A threat built on a tariff-cap force stays half-cited until the buyer-power score arrives.

Stop 3 — Porter's Five Forces

RECEIVES

Scoped problem statement (industry boundary)
entry contract (§3.2)

PESTEL forces (context)
PESTEL P·1 … PESTEL P·n,
PESTEL E·1 … PESTEL E·n,
PESTEL S·1 … PESTEL S·n,
PESTEL T·1 … PESTEL T·n,
PESTEL EV·1 … PESTEL EV·n,
PESTEL L·1 … PESTEL L·n
from Stop 1 · cited as context, not a required parent

→

Stop 3
Five Forces
Act 1 — Outside

→

HANDS ON

Five Forces industry boundary and scores
F·1 … F·5
to Stops 2, 9, 11

CONTRACT CHECK · MUST — Every force score MUST cite evidence, not adjectives. The strongest force or forces MUST be named; the method never requires exactly one. In Porter's words: "The strongest competitive force or forces determine the profitability of an industry and become the most important to strategy formulation."

Attribution. Michael E. Porter, "How Competitive Forces Shape Strategy", *Harvard Business Review* (1979), for the origin; "The Five Competitive Forces That Shape Strategy", *Harvard Business Review* (2008), for the point that more than one force can be strongest.

Purpose and position. Stop 1 records what is changing; stop 3 asks where profit is structurally contested within a bounded arena. It takes its arena from the problem statement and uses stop 1's forces as context; its scores close the stop 2 ledger (gate 2, Ledger must close), feed the strategy canvas at stop 9 — the link from stop 3 to stop 9, which is illustrative (§4.2) — and feed the justification map at stop 11.

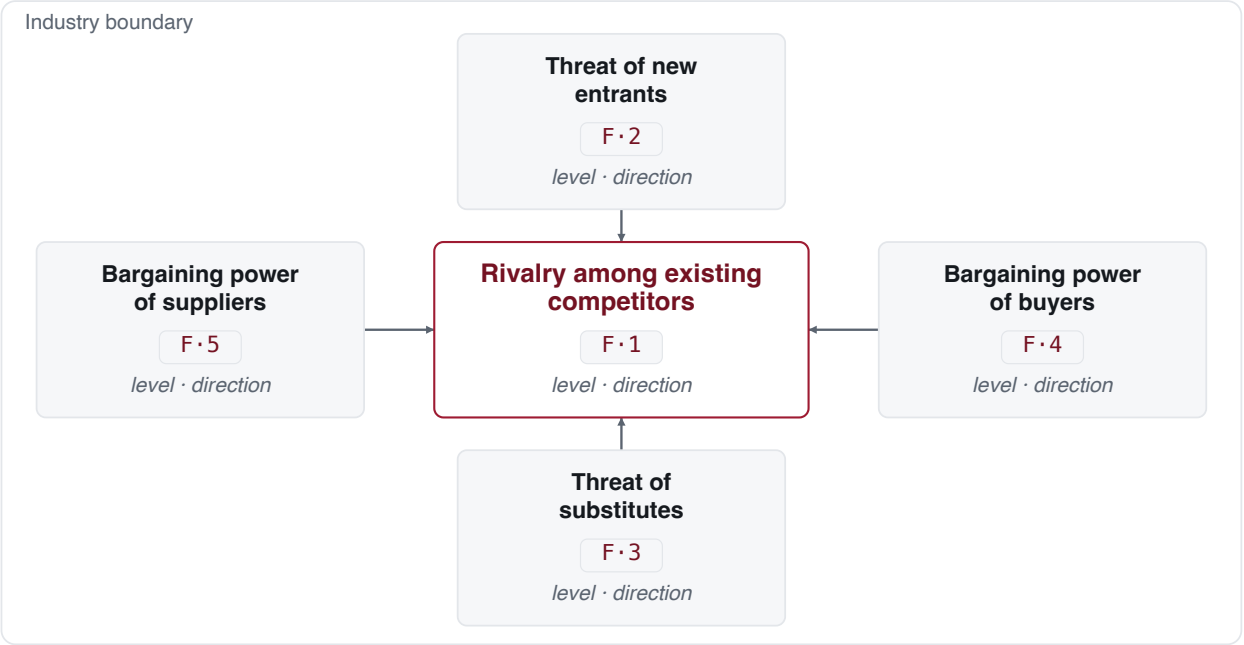


Figure 5.3 — Five Forces: where the codes sit. After Porter (1979; 2008).

Correct use.

- The industry boundary MUST be stated and defended before scoring starts, anchored to the problem statement.
- Each force MUST keep its fixed code, so downstream stops can cite industry evidence by force.
- Where two or more forces are named strongest, each score MUST still cite its own evidence.
- Porter's own wording supports naming more than one force: "The strongest competitive force or forces determine the profitability of an industry and become the most important to strategy formulation."

- Each force SHOULD be rated on this method's scale: a level — Low, Moderate or High — and, where cited evidence shows change within the scoped horizon, a direction — rising or falling — written, for example, "Moderate, rising".
  - **High** — the force's drivers are strongly present, and the cited evidence shows it capturing or eroding a large share of the arena's profit potential.
  - **Moderate** — the drivers are present but partly offset, so the force presses on profitability without dominating it.
  - **Low** — the drivers are largely absent, and the cited evidence shows little pressure on profitability.
  - **Rising or falling** — the cited evidence shows the drivers strengthening or weakening within the horizon declared in the scoping triple (stop 1).

  The scale is this method's convention, not Porter's: Porter's Institute for Strategy and Competitiveness describes each force through its drivers rather than a rating scale, and notes that industry structure changes over time, which is why a direction is recorded wherever the evidence supports one.

Most common misuse. Boundary error: an arena drawn so broad that every force blurs to "moderate", or so narrow that real rivals and substitutes fall outside it.

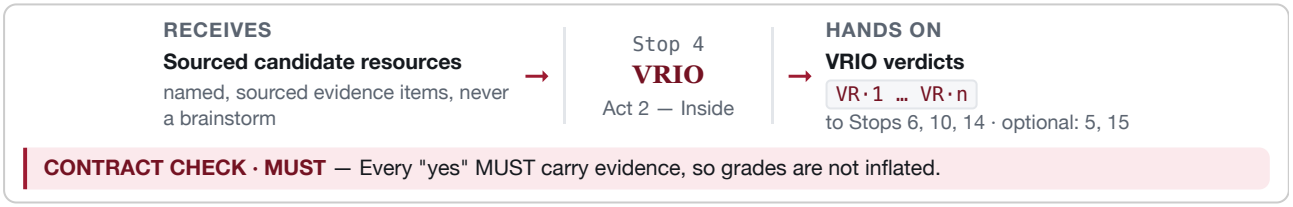
When to adapt or skip (SHOULD NOT skip; MAY adapt). Stop 3 SHOULD NOT be skipped, because the ledger and stop 9 depend on it. For a non-profit or public body, the arena MAY be drawn around what the organisation competes for, such as funding, referrals or staff, and that boundary is declared.

Illustration (informative). An operator scopes its arena as temperature-controlled pharmaceutical freight within one trading bloc, not "logistics". Buyer power is strongest because contracts are re-tendered every cycle, and the verdict cites those tender terms.

5.2 Act 2 — Inside

Act 2 turns the same discipline inward: the outside view shows where profit can be earned, not whether the organisation can reach it.

Stop 4 — VRIO



Attribution. VRIO rests on Jay B. Barney's resource-based work in the *Journal of Management* (1991). Barney added the Organisation question in Barney (1995).

Purpose and position. Stop 4 is the only stop that tests whether a claimed strength is defensible. Its verdicts feed stop 6's strengths, each of which cites one, and the funding evidence stops 10 and 14 draw on; stop 5's gaps and a pillar at stop 15 may also cite them as supporting parents.

Code	Candidate	V	R	I	O	Verdict
VR·1	*named, sourced candidate*	*y/n*	*y/n*	*y/n*	*y/n*	*verdict at first "no"*
VR·2						
⋮	⋮	⋮	⋮	⋮	⋮	⋮
VR·n						

V = Valuable · R = Rare · I = Inimitable · O = Organised.

Figure 5.4 — VRIO: where the codes sit. After Barney (1991; 1995).

Correct use.

- Each candidate MUST come from a named, sourced evidence item, never from a brainstorm. Internal facts MAY be registered as I-codes (I·1 … I·n) before grading; otherwise they are cited by provenance.
- Figure 5.4 shows the verdict at each exit, including sustained advantage when all four questions pass.
- The questions SHOULD run in the order Valuable → Rare → Inimitable → Organised. The first failure sets the verdict.
- A "yes" on Organised MUST, like every "yes", carry evidence. That evidence typically shows the ownership, structure and systems that exploit the resource.

Most common misuse. Grade inflation: yes on all four questions for every resource, without evidence.

When to adapt or skip (MAY adapt). Where an organisation has few distinctive assets, as early-stage and public bodies often do, the candidates MAY include capabilities and relationships, and parity verdicts are accepted as findings. Skipping the stop leaves stop 6 unable to admit any strength.

Illustration (informative). A manufacturer's tooling know-how is valuable, rare and hard to copy, but no team owns or documents it: an advantage held but not exploited. Its "excellent service" is graded parity, because rivals' published service standards show the same.

Stop 5 — McKinsey 7S

RECEIVES

Organisational evidence and scan target
organisational review; target declared, before stop 8 the strongest direction emerging from Act 1

VRIO verdicts
VR·1 … VR·n
from Stop 4 · optional

→ Stop 5 **McKinsey 7S** Act 2 — Inside →

HANDS ON

McKinsey 7S gaps
7S·1 … 7S·7
to Stops 6, 10, 14, 15

CONTRACT CHECK · MUST — The scan target MUST be declared. Each gap MUST cite evidence and its element code.

Attribution. Robert H. Waterman Jr., Tom Peters and Julien R. Phillips, "Structure Is Not Organization", *Business Horizons* (1980). The framework was popularised in *In Search of Excellence* (1982).

Purpose and position. 7S asks whether the organisation is aligned to execute a direction. It is conventionally used after a strategy is chosen. This chain uses it earlier, diagnostically, drawing on organisational evidence and, optionally, stop 4's VRIO verdicts, to test internal capacity before stop 8 makes choices; its gaps feed weaknesses at stop 6, fund the choices at stops 10 and 14, and give stop 15 the 7S-gap evidence gate 7 requires. Shared Values sits at the centre of the framework because it constrains which changes to the other six elements are feasible.

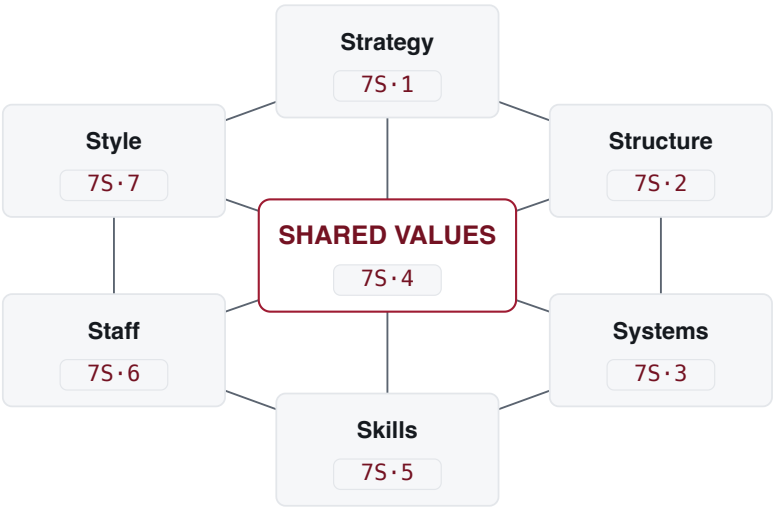


Figure 5.5 — McKinsey 7S: where the codes sit. After Waterman, Peters and Phillips (1980).

Correct use.

- Before stop 8, the scan target MAY be the strongest direction emerging from Act 1; a gap MAY also cite a VRIO verdict as a parent.
- All seven elements SHOULD be scanned.
- If the scan finds no gap, that evidenced finding MUST be recorded; gate 7 then passes without a pillar that cites a 7S gap.
- 7S SHOULD NOT be used to formulate strategy in place of SWOT.

Most common misuse. 7S as a substitute for SWOT: it answers "can we do it?", never "what should we do?"

When to adapt or skip (MAY). If stop 8 later ranks a different option first, the scan MAY be re-run against that option before pillars are drafted. Skipping the stop removes the evidence gate 7 needs.

Illustration (informative). Scanned against a move to self-service ordering, a distributor finds its sales staff paid commission on orders they take by hand. That Systems gap works against the direction, whatever the direction's merits.

Stop 6 — Internal strengths and weaknesses synthesis

RECEIVES

VRIO verdicts
`VR·1 … VR·n`
from Stop 4

McKinsey 7S gaps
`7S·1 … 7S·7`
from Stop 5

Diagnosis facts
entry problem statement; internal facts optionally coded as I·1 … I·n

→

Stop 6
S/W synthesis
Act 2 — Inside

→

HANDS ON

Strengths and weaknesses
`S·1 … S·n, W·1 … W·n`
to Stops 7, 8, 9

Weaknesses
`W·1 … W·n`
to Stop 13

CONTRACT CHECK · MUST — Every strength MUST cite a VRIO verdict; one that does not clear Valuable and Rare MUST state its grade and the reason it is kept. Every weakness MUST cite at least one parent: a 7S gap, a VRIO verdict or a diagnosis fact.

Attribution. Not a named framework: a synthesis step this method formalises, the internal counterpart of stop 2. Barney (1991) is cited only for the general point that valuable but not rare resources yield competitive parity; the Valuable-and-Rare rule below is this method's own.

Purpose and position. Stop 6 closes the inside view, compressing the entry diagnosis into evidenced strengths and weaknesses, which would otherwise be filled from opinion. Stops 4 and 5 supply the resource verdicts and gaps it grades; its strengths and weaknesses go on to stops 7, 8 and 9, and its weaknesses also to stop 13.

Strengths

Code	Entry	Parents	VRIO grade
`S·1`	*evidenced strength*	`S·i ← VR·j`	*grade and reason if not V and R*
`S·2`			
⋮	⋮	⋮	⋮
`S·n`			

Weaknesses

Code	Entry (mechanism)	Parents
`W·1`	*mechanism, not symptom*	`W·i ← 7S·j / VR·k / I·m`
`W·2`		
⋮	⋮	⋮
`W·n`		

i, j, k, m = any one code in its family · / = any one of these parent types.

Figure 5.6 — Internal strengths and weaknesses synthesis: where the codes sit. This method's format.

Correct use.

- A strength SHOULD clear both Valuable and Rare. An asset that was never graded is a claim, not a strength.
- A weakness SHOULD name the mechanism that produces it, not the symptom the organisation feels.
- Each list SHOULD hold two to four items, because length signals unfinished prioritisation.

Most common misuse. Strengths and weaknesses from intuition: entries such as "great team" with no VRIO or 7S parent.

When to adapt or skip (not skippable; adaptation informative). Stop 6 cannot be skipped: stop 7 MUST admit strengths and weaknesses only from here. Where distinctive resources are few, a load-bearing parity item can still enter as a strength with its grade and reason. A latent resource that is not yet organised counts only if the strategy commits to using it.

Illustration (informative). A weakness reads "orders are re-keyed by hand because the warehouse and finance systems share no interface" and cites the Systems gap, not "slow order processing". "Committed staff" stays out of the strengths because no VRIO verdict graded it.

5.3 Act 3a — Choose

Acts 1 and 2 minted the evidence; Act 3a turns it into choices. Stop 7 assembles the evidence without adding to it, stop 8 derives options from it, and stops 9 and 10 test and reshape the competitive arena.

Stop 7 — SWOT, the convergence checkpoint

RECEIVES

Strengths and weaknesses
`S·1 … S·n, W·1 … W·n`
from Stop 6

Opportunities and threats
`O·1 … O·n, T·1 … T·n`
from Stop 2

→

Stop 7
SWOT
Act 3a — Choose

→

HANDS ON

SWOT matrix
to Stop 8 · mints no codes; re-cites the S/W and O/T entries above

CONTRACT CHECK · MUST (gate 4, SWOT cell must cite a parent) — Every item MUST cite a parent code, or it does not enter the matrix.

Attribution. SWOT is a generic analysis with no single agreed originator; this paper attributes it to no one.

Purpose and position. Stop 7 is the one place where the outside stream — stop 2's closed O/T ledger — meets the inside stream from stop 6. It invents nothing: it assembles the matrix stop 8 cross-multiplies. It is the checkpoint at which both streams arrive fully cited before any choice is made.

	Helpful	Harmful

Internal	**Strengths**
	`S·1`
	`S·2`
	⋮
	`S·n`
		Weaknesses
		`W·1`
		`W·2`
		⋮
		`W·n`

External	**Opportunities**
	`O·1`
	`O·2`
	⋮
	`O·n`
		Threats
		`T·1`
		`T·2`
		⋮
		`T·n`

Figure 5.7 — SWOT matrix: where the codes sit. No single originator.

Correct use.

- The matrix MUST contain only strengths and weaknesses from stop 6 and opportunities and threats from the ledger. Every half-cited ledger entry MUST have received its awaited parent, or been withdrawn, before this stop.
- The stop MUST NOT mint codes; it re-cites existing ones, each pointing to a code that already exists.
- PESTEL codes MUST carry the framework name where letters collide (gate 3, Namespacing).

Most common misuse. Unsourced matrix: a brainstormed list with no parents. Its subtler form is a solution smuggled in as a strength ("we should build X"), which is an output of stop 8, not an input to stop 7.

When to adapt or skip (not skippable; adaptation informative). Stop 7 cannot be skipped: stop 8 MUST derive its options only from this matrix. An inherited SWOT need not be rebuilt from scratch. Triage each item under one question, "says who?", then keep it, rewrite it as a sourced fact or remove it, and admit only survivors that carry a parent.

Illustration (informative). In a water utility's matrix, every opportunity names the regulatory and funding forces behind it. "Public goodwill" is absent, because nothing upstream evidenced it.

Stop 8 — TOWS matrix

RECEIVES

Strengths and weaknesses
`S·1 … S·n, W·1 … W·n`
from Stop 6

Opportunities and threats
`O·1 … O·n, T·1 … T·n`
from Stop 2

→

Stop 8
TOWS
Act 3a — Choose

→

HANDS ON

TOWS options
`SO·1 … SO·n, ST·1 … ST·n, WO·1 … WO·n, WT·1 … WT·n`
to Stops 10, 11, 13, 15

CONTRACT CHECK · MUST — Each option MUST cite at least one strength or weakness and at least one opportunity or threat, and it MUST NOT assert more than those parents support.

Attribution. Heinz Weihrich, "The TOWS Matrix — A Tool for Situational Analysis", *Long Range Planning* (1982).

Purpose and position. A SWOT describes; it does not choose. TOWS cross-multiplies the matrix into four quadrants of options: SO uses strengths to seize opportunities, ST uses strengths to blunt threats, WO fixes weaknesses by exploiting opportunities, and WT defends where weakness meets threat. Stop 8 draws on stop 6's strengths and weaknesses and stop 2's opportunities and threats, as carried by the stop 7 matrix, and hands its options on to stops 10, 11, 13 and 15.

Internal → External ↓	**Strengths** `S·1` `S·2` ⋮ `S·n`	**Weaknesses** `W·1` `W·2` ⋮ `W·n`
Opportunities `O·1` `O·2` ⋮ `O·n`	**SO** `SO·1` `SO·2` ⋮ `SO·n` `SO·i = S·j × O·k`	**WO** `WO·1` `WO·2` ⋮ `WO·n` `WO·i = W·j × O·k`
Threats `T·1` `T·2` ⋮ `T·n`	**ST** `ST·1` `ST·2` ⋮ `ST·n` `ST·i = S·j × T·k`	**WT** `WT·1` `WT·2` ⋮ `WT·n` `WT·i = W·j × T·k`

i, j, k = any one code in its family.

Figure 5.8 — TOWS matrix: where the codes sit. Each option cites one internal and one external parent. After Weihrich (1982).

Correct use.

- TOWS MUST follow SWOT, and a SWOT MUST NOT be the terminal deliverable.
- Each quadrant SHOULD hold two to four options, with all four quadrants filled. Each option is one sentence stating a move, not a theme.
- Options SHOULD be ranked, and every ranking argument cites codes plus the declared scope and window, never preference.

Most common misuse. Abandoned SWOT: the matrix is built and filed as the deliverable, and the evidence never becomes a choice.

When to adapt or skip (not skippable; adaptation informative). Stop 8 cannot be skipped, since a SWOT MUST NOT be the terminal deliverable. Because filling all four quadrants is a SHOULD, a quadrant that no parents can support is recorded as empty, with the reason, rather than padded. A defensive option held only until a fix arrives is labelled a

stopgap.

Illustration (informative). A regional airline pairs its evidenced punctuality with a documented pattern of rail strikes and proposes a rebooking guarantee for business travellers on the affected routes, citing both parents.

Stop 9 — Blue Ocean strategy canvas

RECEIVES

Five Forces arena and scores
`F·1 … F·5`
from Stop 3

PESTEL forces
`PESTEL P·1 … PESTEL P·n, PESTEL E·1 … PESTEL E·n, PESTEL S·1 … PESTEL S·n, PESTEL T·1 … PESTEL T·n, PESTEL EV·1 … PESTEL EV·n, PESTEL L·1 … PESTEL L·n`
from Stop 1 · relevant codes only

Strengths and weaknesses
`S·1 … S·n, W·1 … W·n`
from Stop 6

Customer or rival evidence
external customer or rival evidence

→ Stop 9 **Strategy canvas** Act 3a — Choose →

HANDS ON

Strategy canvas factors
`CF·1 … CF·n`
to Stop 10

CONTRACT CHECK · MUST — Each factor MUST cite arena or case evidence that a buyer or rival would recognise, and it MUST NOT derive from stop 8's options.

Attribution. W. Chan Kim and Renée Mauborgne, "Creating New Market Space," *Harvard Business Review*, January–February 1999; "Charting Your Company's Future," *Harvard Business Review*, June 2002; "Blue Ocean Strategy," *Harvard Business Review*, October 2004; *Blue Ocean Strategy* (Harvard Business School Press, 2005).

Purpose and position. TOWS produces options within the arena's existing rules. The canvas asks what TOWS cannot: what are those rules, and is every player converging on the same ones? It plots competing factors against each player's offering level, and its verdict tells stop 10 whether the curve needs to move. It reaches back past stop 8 to stop 3's scored arena, drawing also on stop 1's relevant PESTEL codes and stop 6's strengths and weaknesses as case evidence, so option-thinking cannot pre-shape the curve that tests it. This link from stop 3 to stop 9 is illustrative: it is described, not mandated as the only non-sequential link.

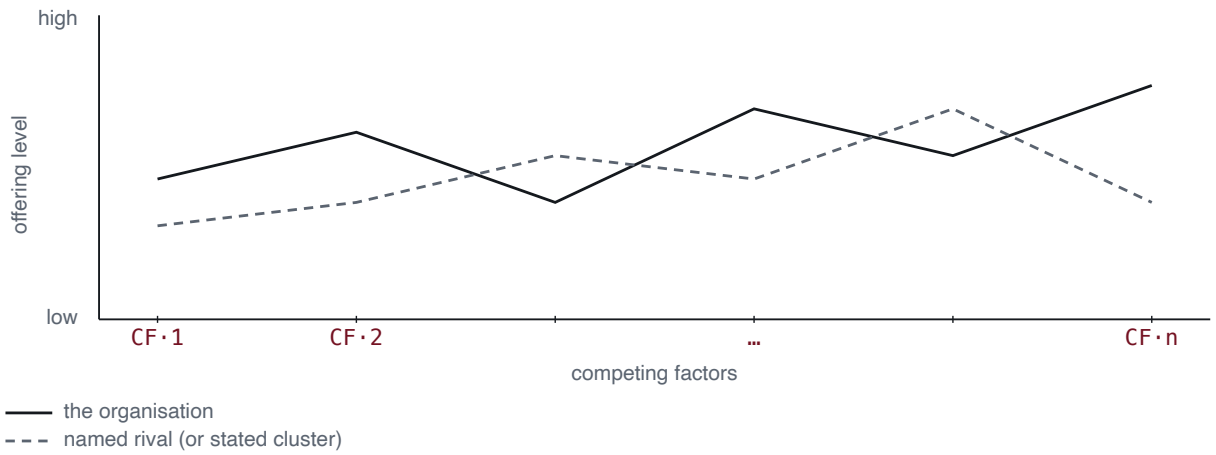


Figure 5.9 — Strategy canvas: where the codes sit. After Kim and Mauborgne (2002; 2005).

Correct use.

- Every input taken from a non-adjacent stop MUST be declared in this stop's contract; an undeclared back-reference is a hidden dependency.
- The canvas SHOULD use four to six factors.

- It SHOULD plot named rivals, not a generic industry average, so that convergence or divergence is visible.

Most common misuse. Canvas as marketing poster: factors invented to flatter the offer, which no buyer or rival would recognise.

When to adapt or skip (adaptation informative). Run the canvas in every engagement, at least as a light diagnostic. If the curves already diverge, record that competing as usual is viable; stop 10 can cite that verdict as its reason for being skipped. Where rivals cannot be named singly, a cluster with stated membership is a recorded departure from the usual practice of naming them individually.

Illustration (informative). On a commercial-cleaning canvas, every named provider converges on price and contract flexibility, and all score low on verified hygiene reporting. That flat region is flagged for the next stop.

Stop 10 — ERRC grid

RECEIVES

Strategy canvas factors and verdict
`CF·1 … CF·n`
from Stop 9

TOWS options
`SO·1 … SO·n, ST·1 … ST·n, WO·1 … WO·n, WT·1 … WT·n`
from Stop 8

VRIO verdicts
`VR·1 … VR·n`
from Stop 4

McKinsey 7S gaps
`7S·1 … 7S·7`
from Stop 5

→

Stop 10
ERRC grid
Act 3a — Choose

→

HANDS ON

ERRC actions
`EL·1 … EL·n, RE·1 … RE·n, RA·1 … RA·n, CR·1 … CR·n`
to Stops 11, 13, 14, 15 · where stop 10 is run

CONTRACT CHECK · MUST — Every filled cell MUST cite its parent codes. A grid that is not run leaves a recorded reason in its place.

Attribution. Kim and Mauborgne's Four Actions Framework and its ERRC grid: *Blue Ocean Strategy* (Harvard Business School Press, 2005). Not present under that name in the October 2004 *Harvard Business Review* article.

Purpose and position. The canvas diagnoses; the grid prescribes. It asks which factors the industry takes for granted to eliminate, which to reduce well below the standard, which to raise well above it, and which to create that the industry has never offered. Stop 10 draws on stop 9's canvas factors and verdict, stop 8's TOWS options, and stops 4 and 5's VRIO and 7S evidence that shows what can fund the move. Its actions, a repositioning move rather than an incremental one, feed stop 11's justification map, the canvases at stops 13 and 14, and the pillars at stop 15 alongside TOWS options.

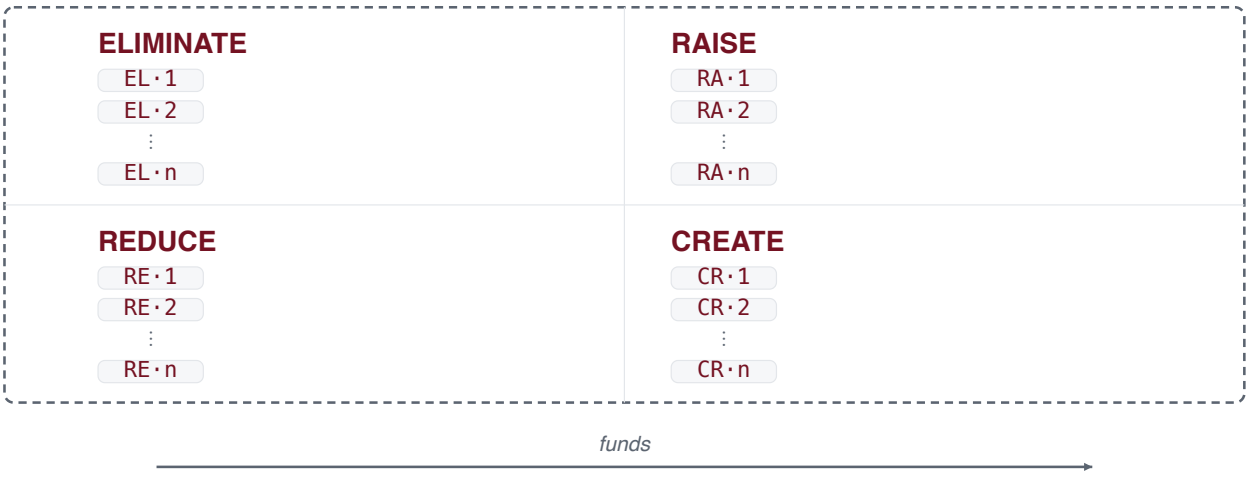


Figure 5.10 — ERRC grid: where the codes sit. After Kim and Mauborgne (2005).

Correct use.

- The grid SHOULD run after the canvas, as Kim and Mauborgne apply the four actions to the value curve.
- When run, it SHOULD use all four actions, with Eliminate and Reduce funding Raise and Create.
- The new curve SHOULD be replotted on the canvas to confirm that it visibly moved.

Most common misuse. Raise and Create only: filling those two cells alone, which buys a more expensive copy of the same curve.

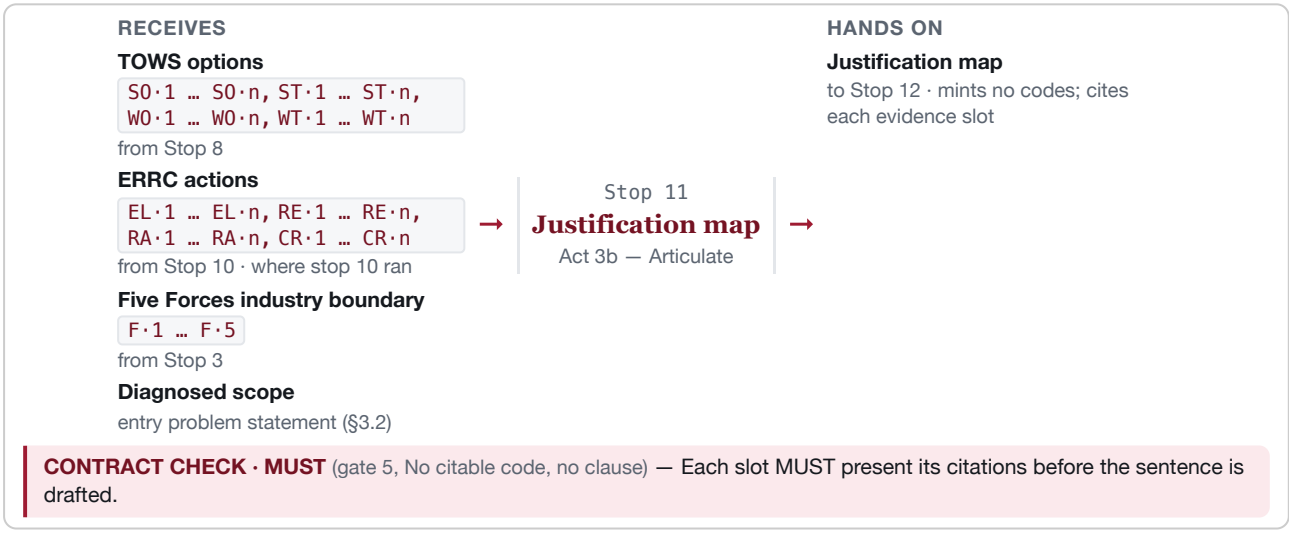
When to adapt or skip (MAY skip). The grid MAY be skipped only with a recorded reason, for example that the value curve is already clearly distinct. This allowance is the method's own, not a condition set by Kim and Mauborgne. Stop 11 then draws its differentiator from TOWS options alone.

Illustration (informative). A professional-services grid is sent back because every entry sits under Raise and Create. The revision names the bespoke work the firm will stop offering in order to fund a fixed-fee line.

5.4 Act 3b — Articulate

Act 3b turns the chosen options into checkable claims: a justified positioning, a one-sentence statement, two canvases that test it, and the pillars that hand strategy to execution.

Stop 11 — Positioning justification map



Attribution. Not a named framework: a synthesis step this method formalises. It makes explicit the evidence that Geoffrey Moore's positioning template (stop 12) presupposes.

Purpose and position. Stop 11 receives stop 8's ranked TOWS options, stop 10's ERRC actions where it ran, stop 3's Five Forces industry boundary and the diagnosed scope, and fills five statement slots — target, product, category, differentiator and reason to believe — with product cited to the scoped problem statement, the offering the diagnosis concerns. Stop 12 needs every clause already justified; without this step a positioning statement reads as confident copywriting with no audit trail.

Slot	Citations	Clause
Target	problem-statement scope · by source	drafted
Product	problem-statement scope · the offering diagnosed	drafted
Category	`F·i` industry boundary	drafted
Differentiator	`SO·i` *and* `CR·j` *(where stop 10 ran)*	sized to its parents
Reason to believe	`VR·j` *or* `I·k` or a sourced fact	drafted
~~***unsupported claim***~~	*— none —*	*removed*

i, j, k = any one code in its family.

Figure 5.11 — Positioning justification map: where the codes sit. This method's format.

Correct use.

- Inputs from non-adjacent stops (the boundary from stop 3, the scope from the problem statement) MUST be declared in this stop's contract.
- The map MUST NOT mint codes: it re-cites existing ones, which is what makes it auditable.
- A clause with nothing to cite MUST stay out of the sentence rather than be filled with an adjective.
- The differentiator SHOULD be sized exactly to what its parents support, with no rounding up.
- The reason to believe MAY draw on any evidence family, including I-codes or facts cited by provenance.

Most common misuse. Missing justification: jumping from TOWS or ERRC straight to a polished sentence, which cannot be defended when a stakeholder asks "why do we say that?"

When to adapt or skip (MUST NOT skip; MAY adapt). The stop MUST NOT be skipped, because gate 5 cannot pass without it. A lighter engagement MAY keep the map as a short list of slots and their citations instead of a multi-column table, provided every slot still shows its citations.

Illustration (informative). Before a facilities-management provider drafts its sentence, the reason-to-believe slot lists an accreditation verdict and the regulatory force it answers; "industry-leading" is struck because nothing upstream supports it.

Stop 12 — Positioning statement

RECEIVES
Justification map
assembled at stop 11 →

Stop 12
Positioning statement
Act 3b — Articulate

→ **HANDS ON**
Positioning statement
to Stops 13, 14, 15 · mints no codes; one sentence resolving the justification map's slots

CONTRACT CHECK · MUST — Every clause MUST resolve to a slot of the map, and the claim MUST be falsifiable: a customer or a competitor could test it.

Attribution. Adapted from Geoffrey A. Moore's positioning-statement template, *Crossing the Chasm* (HarperBusiness, 1991), which also states the target's need and a competitive-alternative clause this stop's five slots do not carry.

Purpose and position. The statement compresses stop 11's justified choice into one sentence: *for [target], [product] is the [category] that [differentiator], because [reason to believe].* It is the chain's forcing function from analysis to decision, a claim short enough for leadership to repeat verbatim and concrete enough to be held to. Stop 13 tests it against customers, stop 14 checks it against the operating model, and stop 15 translates it into execution.

Correct use.

- The stop MUST NOT mint codes; each clause resolves to a slot of stop 11's map.
- The statement SHOULD follow this stop's five-slot adaptation of Moore's template, with each clause sized to its evidence.
- It MAY carry the parent codes, for example as a trailing "derived from" tag naming the TOWS or ERRC parent, or omit them; the map keeps the trail either way.
- It MUST NOT add a clause, qualifier or superlative that no slot of the map supports.

Most common misuse. No statement: moving from analysis straight to a slide deck with no crystallised claim anyone can repeat or refute.

When to adapt or skip (MAY adapt). Skipping leaves stops 13 and 15 without their input. For an internal programme or a public service, the product and category slots MAY name the service and the need it meets; the falsifiability check does not relax. Multi-segment variants, and retiring a claim when conditions shift, belong to the practitioner guide.

Illustration (informative). A draft calling an advisory firm "the most innovative partner for growth" is rejected because no customer could test it, and is re-sized to the one observable promise its map supports.

Stop 13 — Value Proposition Canvas

RECEIVES

Positioning statement
assembled at stop 12

TOWS options
`SO·1 … SO·n, ST·1 … ST·n, WO·1 … WO·n, WT·1 … WT·n`
from Stop 8

ERRC actions
`EL·1 … EL·n, RE·1 … RE·n, RA·1 … RA·n, CR·1 … CR·n`
from Stop 10 · where stop 10 ran

Weaknesses
`W·1 … W·n`
from Stop 6

Sourced customer research
external customer research

→

Stop 13
Value Proposition Canvas
Act 3b — Articulate

→

HANDS ON

Fit map
to Stop 14 · mints no codes; jobs, pains and gains mapped to relievers and creators

CONTRACT CHECK · MUST — Jobs, pains and gains MUST come from sourced research, never from the product team's assumptions. Every reliever and creator MUST map to at least one named pain or gain, and unaddressed pains and gains MUST be stated as misses, not hidden.

Attribution. Alexander Osterwalder, Yves Pigneur, Gregory Bernarda and Alan Smith, *Value Proposition Design* (Wiley, 2014), which presents the canvas.

Purpose and position. The statement from stop 12 is the firm's claim; the Value Proposition Canvas checks it against the customer's actual jobs, pains and gains, and treats fit as a testable claim. It also draws on stop 6's weaknesses and on the TOWS options from stop 8 and ERRC actions from stop 10 that supply the value side. Its fit evidence either confirms the positioning or sends it back to stops 11 and 12, and it feeds the value-proposition block at stop 14.

Customer item (job / pain / gain)	Evidence type	Reliever or creator	Codes cited	Status
Job	researched	—	—	**sourced**
Pain	researched `W·i`	reliever	`SO·i` *or* `CR·j`	**fit**
Gain	researched	creator	`SO·i` *or* `CR·j`	**fit**
⋮	⋮	⋮	⋮	⋮
Unaddressed pain or gain	researched	*— none —*	—	***miss (stated)***

i, j = any one code in its family.

Figure 5.13 — Fit record: where the codes sit. This method's format, recording the fit tested with the Value Proposition Canvas (Osterwalder et al., 2014).

Correct use.

- The canvas MUST NOT mint codes; it re-cites the statement, weaknesses and TOWS or ERRC parents that feed it.
- A reliever or creator that maps to no researched pain or gain MUST NOT be admitted; it is cut, or the positioning is reopened.
- When fit fails, the canvas MAY send the positioning back to stops 11 and 12. The revision produces revised codes, never a circular citation (§6.3).

Most common misuse. Isolated canvas: built in a marketing silo, disconnected from the diagnosis, the TOWS options and the statement it exists to pressure-test.

When to adapt or skip (adaptation informative). Without direct customer research, each job, pain or gain is best labelled with its evidence type, and unevidenced items are typically carried as stated gaps rather than claimed as fit.

Illustration (informative). For a home-care provider, families' researched pain of not knowing whether a visit happened is matched to a visit-confirmation message; a carer-rating feature is dropped because no researched pain or gain asks for it.

Stop 14 — Business Model Canvas

RECEIVES

Positioning statement
assembled at stop 12

Value Proposition Canvas fit
assembled at stop 13

ERRC actions
`EL·1 … EL·n, RE·1 … RE·n, RA·1 … RA·n, CR·1 … CR·n`
from Stop 10 · where stop 10 ran

VRIO verdicts
`VR·1 … VR·n`
from Stop 4

McKinsey 7S gaps
`7S·1 … 7S·7`
from Stop 5

→ Stop 14 **Business Model Canvas** Act 3b — Articulate →

HANDS ON

Business Model Canvas blocks
to Stop 15 · mints no codes; each block marked changed or unchanged with its cause

CONTRACT CHECK · MUST — Every block MUST be marked changed or unchanged, and every changed block MUST cite its cause.

Attribution. Alexander Osterwalder and Yves Pigneur, *Business Model Generation* (Wiley, 2010).

Purpose and position. A validated value proposition from stop 13 can still fail as a business through the wrong channel or cost structure. The Business Model Canvas (BMC) checks the statement from stop 12 and the ERRC actions where stop 10 ran against the operating model and its economics, drawing also on the resources already assessed at stops 4 and 5 through VRIO and McKinsey 7S, as validation, not ideation. Its consequences make the pillars at stop 15 operationally real rather than aspirational.

<table>
<tr><td rowspan="2">Key Partners</td><td>Key Activities</td><td rowspan="2">Value Propositions</td><td>Customer Relationships</td><td rowspan="2">Customer Segments</td></tr>
<tr><td>Key Resources</td><td>Channels</td></tr>
<tr><td colspan="3">Cost Structure</td><td colspan="2">Revenue Streams</td></tr>
</table>

Business Model Canvas structure: Strategyzer.com

Figure 5.14 — Business Model Canvas: where the codes sit. After Osterwalder and Pigneur (2010); Business Model Canvas by Strategyzer.com.

Correct use.

- The canvas MUST NOT mint codes; each block cites the codes or sourced facts that move it.
- The canvas SHOULD validate the chosen strategy rather than generate new business models.
- Each unchanged block SHOULD state why it holds.
- Blocks MAY be offered to stop 15 as supporting evidence for a pillar, cited by block name, since blocks carry no codes.

Most common misuse. Standalone ideation: using the canvas to invent strategies, or as a generic template fill, disconnected from the decision that precedes it.

When to adapt or skip (MAY adapt). For an early-stage venture or a mission-driven organisation, a variant canvas MAY replace the standard one, provided every element is still marked changed or unchanged with its cause.

Illustration (informative). A physiotherapy group moving to home visits finds Channels, Key Resources and Cost Structure changing as travel and scheduling replace clinic rooms; Customer Segments holds, and the canvas says why.

Stop 15 — Strategic pillars

RECEIVES

Positioning statement
assembled at stop 12

Business Model Canvas consequences
assembled at stop 14

TOWS options
`SO·1 … SO·n, ST·1 … ST·n, WO·1 … WO·n, WT·1 … WT·n`
from Stop 8

ERRC actions
`EL·1 … EL·n, RE·1 … RE·n, RA·1 … RA·n, CR·1 … CR·n`
from Stop 10 · where stop 10 ran

McKinsey 7S gaps
`7S·1 … 7S·7`
from Stop 5

VRIO verdicts
`VR·1 … VR·n`
from Stop 4 · optional supporting parent

Opportunities and threats
`O·1 … O·n, T·1 … T·n`
from Stop 2 · optional supporting parent

→ Stop 15 **Strategic pillars** Act 3b — Articulate →

HANDS ON

Strategic pillars
`P·1 … P·n`
pillars are the sinks of the derivation graph; they hand off to roadmap planning outside the chain

CONTRACT CHECK · MUST (gate 6, No pillar without a parent; gate 7, At least one pillar cites a 7S gap) — Every pillar MUST cite at least one choice code: a TOWS option or an ERRC action. At least one pillar MUST cite a 7S gap code logged at stop 5. If stop 5 found no gap, that evidenced finding MUST be recorded. Gate 7 then passes without a pillar that cites a 7S gap.

Attribution. Strategic pillars have no single originating author; the method treats them as the chain's closing step.

Purpose and position. Pillars draw on the statement from stop 12, the BMC consequences from stop 14, the TOWS options from stop 8, the ERRC actions where stop 10 ran, and the 7S gap codes logged at stop 5; a pillar may also cite stop 4's VRIO verdicts and stop 2's opportunities and threats as supporting parents. They convert the chain into named workstreams an organisation can staff, fund and review. Without them, a validated positioning and business model has no organisational home. Pillars are the sinks of the derivation graph and hand off to the Digital-Transformation Chain's entry contract (Chapter 3, §3.2).

Pillar	Choice parents (TOWS · ERRC)	Supporting parents (7S · VRIO · O/T · BMC block)	Metric
`P·1`	`SO·i` *or* `CR·j`	`7S·k`	*measurable metric*
`P·2`	`SO·i` *or* `CR·j`		
⋮	⋮	⋮	⋮
`P·n`			

i, j, k = any one code in its family.

Figure 5.15 — Strategic pillars: where the codes sit. This method's format.

Correct use.

- A pillar MAY also cite evidence codes (7S, VRIO, opportunity or threat) and Business Model Canvas blocks as supporting parents alongside its choice code.
- Each pillar SHOULD carry at least one measurable metric.
- Codes that reach no pillar remain in the registry, marked terminating (gate 8, Dead-end honesty).

- A pillar set typically holds three to five pillars; more than five usually signals that prioritisation is unfinished. The method does not prescribe a number, and the count is never a pass condition.

Most common misuse. Generic pillars: written without parents, they become filler ("innovation", "customer-centricity") that could hang on any organisation's wall.

When to adapt or skip (SHOULD). Without pillars, gates 6 and 7 have nothing to test. When a parent code is withdrawn or revised at a refresh, every pillar citing it SHOULD be re-examined rather than kept by inertia.

Illustration (informative). In a utility's pillar set, one pillar exists to realign field-crew incentives with the Structure and Systems gaps from the 7S scan; without it, the other pillars assume a readiness the evidence already disproved.

6. The coding scheme and the derivation graph

6.1 Code families and prefixes

A code is a short, stable identifier for one analytical finding, and each minting stop has its own family. Every finding a minting stop emits MUST carry a code unique within its family, and the code registry MUST record each code's family (also its namespace), a one-line meaning and its minting stop.

Stop	Family	Prefix
1	PESTEL	P, E, S, T, EV, L
2	Fused opportunities and threats ledger	O, T
3	Five Forces	F (one fixed code per force)
4	VRIO	VR
5	McKinsey 7S	7S (one fixed code per element)
6	Internal strengths and weaknesses	S, W
8	TOWS	SO, ST, WO, WT
9	Strategy canvas	CF
10	ERRC grid	EL, RE, RA, CR
15	Strategic pillars	P·1 … P·n

PESTEL codes MUST use the six prefixes shown; Environmental takes EV so that it is never read as Economic. Five Forces and 7S codes MUST keep a fixed mapping from code to force or element, and the other prefixes SHOULD follow the scheme. Any uncoded parent MUST name its source. Appendix A gives the rules for each family.

6.2 The namespacing rule

PESTEL shares S and T with SWOT, and P with the pillars. Where letters collide, a PESTEL code MUST therefore be cited with the framework name (gate 3, Namespacing); this paper writes the name on every PESTEL code. PESTEL `T·i` is a stop 1 force, a bare `T·i` or `S·i` a SWOT-register threat or strength, and a bare `P·n` a pillar. As with a foreign key in a database, a reference is unambiguous only once it names the table it points into.

6.3 Citation and derivation

A code cites its parents in a derivation chip, the notation shared by Figures 6.1 and 6.2 and Appendix A. ← reads "derived from"; = marks an entry composed from its parents, where + fuses them and × crosses an internal cell with an external one. Derivations MAY be compound: `O·i = PESTEL T·i + PESTEL S·j`, `SO·i = S·j × O·k`, `P·n ← SO·i + CR·j + 7S·k`. Per §1.2, the letters (`i, j, k, m`) keep one derivation's parents apart; they mark neither position nor count, and different letters may name different codes.

A code MUST NOT cite itself, directly or transitively: the graph is acyclic, by the method's own rule, and a revisit produces revised codes, never a circular citation (§3.3). The reference chain describes two declared non-adjacent inputs: the Five Forces parents that close the stop 2 ledger, and the link from stop 3 to stop 9. Both are illustrative; neither is the only link permitted.

6.4 The derivation graph

Citations turn the registry into a directed acyclic graph. **Roots** have no parent inside the chain and rest on a named external source, a registered internal fact or the entry problem statement; every citation path MUST end at one. **Sinks** are the pillars: edges flow into P·1 … P·n and none leave. **Dead-ends** are codes that feed no pillar. A dead-end is not an error: it is breadth the analysis covered to rule a line out. It MUST stay in the registry, marked as terminating, and be reported (gate 8, Dead-end honesty), so that the pillars read as selected, not assumed.

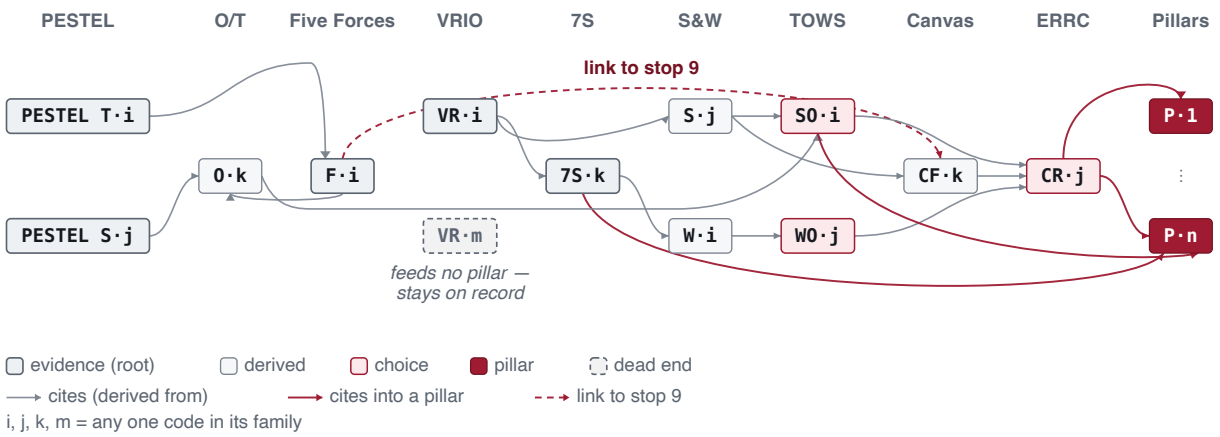


Figure 6.1 — The derivation graph, schematic (representative codes only; the full registry is in Appendix A). Codes flow from evidence to pillars; each pillar cites at least one choice code, with evidence codes as optional supporting parents; codes that feed no pillar stay on record.

Figure 6.2 reads two traces from a conclusion back to evidence: one from a pillar, one from an ERRC choice code.

TRACE A — A PILLAR BACK TO EVIDENCE

`P·n ← SO·i + CR·j + 7S·k` — Pillars
the pillar cites a choice code and evidence codes

▼

`SO·i = S·j × O·k` — TOWS
a TOWS option pairs a strength with an opportunity

▼

`S·j ← VR·i + 7S·i` — S&W synthesis
the strength rests on a VRIO verdict and a 7S finding

▼

`O·k = PESTEL T·i + PESTEL S·j` — Fused O/T
the opportunity fuses two external forces

▼

raw evidence, cited by source

TRACE B — A CHOICE CODE BACK TO EVIDENCE

`CR·j ← SO·i + WO·j + PESTEL T·i + CF·k` — ERRC
an ERRC Create action

▼

`CF·k ← PESTEL S·j` — Strategy canvas
a canvas factor rests on an external force

▼

`WO·j = W·i × O·k` — TOWS
a TOWS option pairs a weakness with an opportunity

▼

`W·i ← VR·j` — S&W synthesis
the weakness rests on a VRIO verdict

▼

raw evidence, cited by source

Every relation shown exists in the method's derivation graph (Figure 6.1) and code-family reference (Appendix A).
i, j, k, m = any one code in its family.

Figure 6.2 — Reading a derivation like a stack trace: two traces from a conclusion back to evidence, top (conclusion) to bottom (evidence).

7. Quality gates, failure modes, and what this paper does not claim

7.1 The eight gates

Contract checks govern each stop's own output (§5). The eight quality gates, all MUST-level, cut across the chain and registry at the handoffs where evidence is most often lost; all eight are this method's own formalisation of where evidence is otherwise lost between stops, not rules restated from an external source. Figure 7.1 states the eight gates: each with its stop, the failure it blocks and its pass condition.

GATE	STOP	WHAT IT BLOCKS	PASS CONDITION
1 **Monday test**	1	PESTEL trivia dump — true but irrelevant external facts	Every retained force passes the question “would this change what we do on Monday?”
2 **Ledger must close**	2 → 3	Opportunity and threat entries filled from gut feel	Every entry cites at least one parent code before assembly at stop 7
3 **Namespacing**	2+	PESTEL and SWOT S/T codes silently merging	Where letters collide, every PESTEL citation names its framework (PESTEL T·i versus bare T·i)
4 **SWOT cell must cite a parent**	7	Brainstormed cells with no source (“great team”, “the market is growing”)	Every cell points to an existing Act 1 or Act 2 code, or it does not enter
5 **No citable code, no clause**	11	Positioning clauses invented without evidence	Every statement slot presents its citations from the justification map before the sentence is drafted
6 **No pillar without a parent**	15	Generic filler pillars (“innovation”, “customer-centricity”)	Every pillar cites at least one choice code (TOWS option or ERRC action)
7 **At least one pillar cites a 7S gap**	15	A pillar set that ignores the organisation’s readiness gaps	At least one pillar cites a 7S gap code, or an evidenced ‘no gap’ finding from stop 5 is recorded
8 **Dead-end honesty**	registry	Quietly deleting codes that never feed a pillar	Codes that feed no pillar stay in the registry, marked terminating, and are reported

Figure 7.1 — The eight quality gates, each with its stop, the failure it blocks and its pass condition.

7.2 Failure modes

Each stop's most common misuse (§5) is a failure mode the checks and gates exist to catch: 1 Trivia dump, 2 Second brainstorm, 3 Boundary error, 4 Grade inflation, 5 7S as a substitute for SWOT, 6 Strengths and weaknesses from intuition, 7 Unsourced matrix, 8 Abandoned SWOT, 9 Canvas as marketing poster, 10 Raise and Create only, 11 Missing justification, 12 No statement, 13 Isolated canvas, 14 Standalone ideation, 15 Generic pillars.

7.3 Audit procedure

An audit reads the chain backwards from a pillar. Check its choice parent (gate 6) and the set's 7S coverage (gate 7). Resolve every parent in the registry; an unresolved citation is invented. Follow each chip upward through namespaces, ledger parents, SWOT cells and declared non-adjacent inputs (gates 2–4) to a root, with no code recurring on its own path, and confirm that each stop 1 force passed the Monday test (gate 1). Read the dead-ends (gate 8), test the statement clause by clause against the justification map (gate 5), and record a verdict per gate.

A chain that passes is auditable, not thereby correct.

7.4 What this paper does not claim

No ownership of the frameworks. They belong to their attributed authors (§5, §10.4); this paper claims and restricts nothing about them.

No guarantee of outcomes. Traceability shows that each claim descends from stated evidence, not that the evidence was right or the strategy will succeed. It makes an analysis auditable; this paper does not claim that it improves decision quality. The sequence is reasoned, not empirically benchmarked, and no source benchmarks these approaches, or this chain, against each other on outcome quality.

Free to use. The method may be used freely by anyone; this paper describes it.

Not advice. This paper is not legal, financial or investment advice.

8. Applicability

A traceable, sequenced analysis trades time for defensibility. It is not the right tool for every decision, and this section says where it is not.

Use it when

- A board, investors or a regulator will scrutinise the conclusion down to its evidence, and a reviewer can walk any pillar back to its sources.
- The decision is costly and hard to reverse, so a weak diagnosis carries real downside (Rumelt, 2011b).
- The work changes hands, between analyst and executive or across a transformation programme, and the next owner needs the rationale, not just the conclusion (Nygard, 2011).
- Evidence exists in several sources, and there is time to assess it (Barends et al., 2014).
- The environment is turbulent but not in crisis; Miller and Cardinal (1994) found planning's link to performance stronger under turbulence, where there is time to plan.

Lighten it or choose another approach when

- Events move at crisis speed, where deliberation costs more than it returns. Effectuation, which starts from available means and treats contingencies as opportunities, can fit better: "Causation rests on a logic of prediction, effectuation on the logic of control" (Sarasvathy, 2001, p. 243).
- The organisation is small or short of evidence, so evidence from several sources cannot be assembled without gaps. A partial pass, labelled as such, is more defensible than the full chain run on thin evidence.
- The decision is operational, reversible and routine, so the contracts and gates outweigh the stakes.
- Emergent strategy-making is demonstrably working, and formal planning, Mintzberg (1994) warns, can erode commitment and narrow vision.

Preconditions

Before running the full chain, confirm:

1. an owner with authority to act on the diagnosis and the pillars;
2. a scoped problem statement that meets the entry contract (§3.2);
3. evidence from more than one source;
4. time for the entry contract and all fifteen stops, which a crisis timeline does not allow;
5. an analyst or facilitator practised in coding evidence consistently, since structured analysis exists to counter the cognitive biases that push analysts to early conclusions (Heuer, 1999);
6. willingness to record dead-ends and rejected options, just as ACH reports on all hypotheses, not only the most likely.

9. Why this chain and not the alternatives

The question is not which approach is best, but what job each does and where this method sits.

Criteria. Ten approaches are compared on purpose, the artefact produced, whether a sequence is fixed, whether a conclusion traces to specific inputs, and how revision under uncertainty is handled. Effort is not compared: no primary or peer-reviewed source quantifies it for these approaches.

What they are for.

- **Choice and coherence.** Playing to Win (Lafley and Martin, 2013) aligns five mutually reinforcing choices: winning aspiration, where to play, how to win, capabilities and management systems. Rumelt's kernel (2011a) asks whether a strategy has a diagnosis, a guiding policy and coherent action. The Strategy Diamond (Hambrick and Fredrickson, 2001) checks five facets: arenas, vehicles, differentiators, staging and economic logic. Its authors frame it as a diagnostic checklist, so filling each facet still needs other tools and judgement.
- **Cascade and alignment.** The Balanced Scorecard with Strategy Maps (Kaplan and Norton, 1992; 2004) turns a chosen strategy into objectives and measures across four linked perspectives: financial, customer, internal process, and learning and growth. Hoshin Kanri (Akao, 1991) deploys a few breakthrough objectives through negotiated "catchball" and recurring review (Witcher, 2003). V2MOM (Vision, Values, Methods, Obstacles, Measures; Benioff and Langley, 2019) states a direction and its obstacles on one page. OGSM (Objectives, Goals, Strategies, Measures) is a one-page format with no located primary or peer-reviewed description, so only its named elements are given here.
- **Execution tracking.** OKRs (Objectives and Key Results) pair qualitative objectives with measurable results each cycle; Grove (1983) described the mechanic and Doerr (2018) popularised it.
- **Situational awareness.** Wardley Mapping positions value-chain components by their visibility to the user and their evolutionary stage, and is built for revision as a landscape changes (Wardley, 2016). Blue Ocean's six-path framework (Kim and Mauborgne, 1999; 2005) questions industry boundaries to find uncontested space.

Overlap and complement. Playing to Win and the six paths overlap with the choice stops; the six paths could enrich the canvas at stop 9, which uses the same authors' tools. Rumelt's kernel and Wardley Mapping complement the method upstream: the kernel frames the diagnosis the entry contract needs, and a map can inform the external scan. The kernel and the Strategy Diamond can also test a finished pillar set for coherence. The scorecard, Hoshin Kanri, V2MOM, OGSM and OKRs complement the method downstream. It ends at traced pillars, and measured team-level work needs a cascade or execution system afterwards; the pillars are natural candidates for its objectives.

When another approach is the better choice.

- When the direction is settled and the need is measurement, alignment or a review rhythm, a cascade or execution system serves it directly.
- When the decision is about building, buying or outsourcing components, Wardley Mapping models what these stops do not.
- When the need is a conversation about whether choices reinforce one another rather than a documented trail, Playing to Win addresses it.
- When a drafted strategy needs only a coherence check, Rumelt's kernel or the Strategy Diamond is enough.

The distinctive property, stated narrowly. Among the ten approaches compared here, none combines a fixed analytical sequence with a requirement that every downstream claim cite its evidence. Peer-reviewed critique of the Balanced Scorecard, for instance, questions whether the cause-and-effect relationships it assumes between perspectives hold (Nørreklit, 2000). Playing to Win, likewise, does not require a citation trail back to the specific facts behind each choice, even where its own logic-testing discipline (Lafley and Martin, 2013) asks what would have to be true for a choice to work. The claim here is auditability only: any pillar can be walked back, code by code, to sourced roots. The method fits best when someone will ask "why this conclusion, and from what evidence?" and expects a citation-level answer. Traced conclusions are not thereby more correct.

No source benchmarks these approaches, or this chain, against each other on outcome quality. The case for each, this method included, rests on reasoning and adoption, not controlled comparison.

10. Scope, roadmap and references

10.1 Scope of Chapter 2

Chapter 2 specifies the analysis chain, from the entry contract through fifteen stops to strategic pillars. It covers the governing rule, the per-stop contracts and their checks, the coding scheme and derivation graph, and the eight quality gates, with every rule marked by level. It is written for consultancy and advisory work, as a reference against which an analysis can be run and then audited. It does not cover:

- producing the problem statement, which is the diagnosis stage: this chapter fixes only its interface, the entry contract (§3.2);
- what follows the pillars: transformation, execution and benefits realisation, beyond the handoff to roadmap planning at stop 15;
- procedures, worksheets, templates, scoring and a full worked case, which belong to the practitioner guide;
- evidence that the chain outperforms alternatives (see §7.4, §9).

Illustrations throughout are generic and informative: they set no requirement, name no company and fix no count.

10.2 Roadmap

The diagnosis stage, the digital-transformation chain and the execution chain, listed below, are published as sibling chapters of this series; the practitioner guide remains planned, with timing set by the author's prioritisation. Each keeps the rule "No output without a traceable input".

- **Diagnosis stage** — producing the scoped problem statement that the entry contract admits (§3.2), from a named decision-maker to numeric success criteria, under its own contract checks. Published as Chapter 1, Diagnosis.
- **Digital-transformation chain** — a second chain rooted in the strategic pillars, where this chapter's chain hands off. Published as Chapter 3, The Digital-Transformation Chain.
- **Execution chain** — from mobilisation to benefits realisation. Published as Chapter 4, The Execution Chain.
- **Practitioner guide** — detailed per-stop practice, worksheets, templates, scoring and a full worked case, in preparation.

10.3 Changelog

Date	Change
22 September 2026	**First published.** The analysis chain: governing rule, fifteen stops, coding scheme and eight quality gates.
28 September 2026	**Version numbers removed; changes are now recorded by date; no rule changed.**
29 September 2026	§1.3 reading guide removed; §1.2 conventions replaced by a pointer to the shared conventions page; "About this document" and §7.2 condensed; the no-benchmark statement kept in full once, in §7.4; no rule changed.

This changelog belongs to Chapter 2 alone; it leaves the other chapters' own changelogs untouched. A future change to this chapter is recorded as a new entry here, never as a silent edit to this one.

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Appendix A — Code families

A code is an identifier for one evidence item or conclusion: it lets a later stop cite a finding instead of restating it, and lets a reviewer walk any claim back to its source. Per §1.2, this appendix writes each family as a range, for example `0·1` … `0·n`, since it lists what each stop mints, not one derivation instance. The method fixes no count of codes: how many a stop mints depends on the evidence, and n differs between families. Every finding a minting stop emits MUST carry a code unique within its family, and the registry MUST record each code's family, meaning and minting stop. Families are namespaces. PESTEL shares the letters S and T with the SWOT register, so where letters collide a PESTEL code MUST be cited with its framework name (`PESTEL T·i`), and a bare `S·i` or `T·j` always means the SWOT register (gate 3, Namespacing).

The typical parent families below are those the method's reference chain draws on; they are informative. The binding parent rules are the ones in the last column.

Family	Prefix and code range	Minted at stop	What a code in this family records	Typical parent families	Key rules (level)
PESTEL	`PESTEL P·1` … `PESTEL P·n`, `PESTEL E·1` … `PESTEL E·n`, `PESTEL S·1` … `PESTEL S·n`, `PESTEL T·1` … `PESTEL T·n`, `PESTEL EV·1` … `PESTEL EV·n`, `PESTEL L·1` … `PESTEL L·n`	1	One decision-relevant macro-environmental force	None coded; an external source (root)	The prefixes P, E, S, T, EV, L MUST be used. Each force MUST carry a source and MUST pass the Monday test (gate 1, Monday test). A letter MAY yield no force, recorded as a finding.
Internal facts (I-codes)	`I·1` … `I·n`	Before grading at stop 4	One quantified, sourced internal fact	None coded; an internal source (root)	Registering internal facts as I-codes MAY be done; otherwise they are cited by provenance, and the source MUST be named.

Family	Prefix and code range	Minted at stop	What a code in this family records	Typical parent families	Key rules (level)
Opportunities and threats (fused ledger)	`O·1` … `O·n`, `T·1` … `T·n`	2 (the ledger closes at stop 3)	One external opportunity or threat fused from coded forces	PESTEL; Five Forces	Each entry MUST cite at least one parent code and SHOULD cite two or more. An entry MAY enter half-cited at stop 2, but MUST receive its awaited parent, or be withdrawn, before stop 7 (gate 2, Ledger must close).
Five Forces	`F·1` … `F·5`	3	The rated strength of one competitive force	PESTEL; sourced industry evidence	One fixed code per force MUST be used. Every force score MUST cite evidence. The strongest force or forces MUST be named. Each force SHOULD carry a level (Low, Moderate or High) and, where evidenced, a direction (rising or falling).
VRIO	`VR·1` … `VR·n`	4	The graded verdict on one resource or capability	I-codes or sourced internal facts	Each candidate MUST come from a named, sourced evidence item. Every "yes" MUST carry evidence. Grading SHOULD follow Valuable, Rare, Inimitable, Organised in order.
McKinsey 7S	`7S·1` … `7S·7`	5	The alignment state of one organisational element, including any gap	VRIO; I-codes or sourced internal facts	One fixed code per element MUST be used. Each gap MUST cite evidence and its element code; every element SHOULD be scanned. Gap codes feed gate 7: at least one pillar MUST cite a 7S gap code, or an evidenced "no gap" finding MUST be recorded.

Family	Prefix and code range	Minted at stop	What a code in this family records	Typical parent families	Key rules (level)
Strengths and weaknesses (synthesis)	`S·1` … `S·n`, `W·1` … `W·n`	6	One internal strength or weakness, carried unchanged into SWOT	VRIO; McKinsey 7S; sourced facts	A strength MUST cite a VRIO verdict and SHOULD clear Valuable and Rare; one that does not MUST state its grade and the reason it is kept. A weakness MUST cite at least one parent and SHOULD name a mechanism, not a symptom.
TOWS options	`SO·1` … `SO·n`, `ST·1` … `ST·n`, `WO·1` … `WO·n`, `WT·1` … `WT·n`	8	One strategic option crossing an internal and an external SWOT cell	Strengths/weaknesses × opportunities/threats	Each option MUST cite at least one S/W parent and at least one O/T parent. An option MUST NOT assert more than its parents support.
Strategy canvas factors	`CF·1` … `CF·n`	9	One factor buyers compare, with the levels offered on it	Five Forces; strengths/weaknesses; PESTEL	Each factor MUST cite arena or case evidence and MUST NOT derive from stop 8 options. An input from a non-adjacent stop MUST be declared.
ERRC actions	`EL·1` … `EL·n`, `RE·1` … `RE·n`, `RA·1` … `RA·n`, `CR·1` … `CR·n`	10	One action on the value curve	Strategy canvas; TOWS; VRIO; McKinsey 7S; strengths/weaknesses; PESTEL	Stop 10 SHOULD run after the canvas; it MAY be skipped with a recorded reason, and then mints no codes. When run, all four actions SHOULD be used, with Eliminate and Reduce funding Raise and Create. Each action MUST cite its parents.

Family	Prefix and code range	Minted at stop	What a code in this family records	Typical parent families	Key rules (level)
Strategic pillars	`P·1 … P·n`	15	One named strategic workstream the chain hands on	TOWS; ERRC; supporting VRIO, McKinsey 7S, opportunities/threats	Each pillar MUST cite at least one choice code (a TOWS option or an ERRC action) and MAY cite evidence codes as supporting parents (gate 6, No pillar without a parent). Gate 7 applies. Each pillar SHOULD carry a measurable metric. The count is non-normative: a set typically holds three to five pillars, and the count is never a pass condition.

Stops that mint no codes. Stop 7 (SWOT) and stops 11–14 (positioning justification map, positioning statement, Value Proposition Canvas, Business Model Canvas) MUST NOT mint codes; they re-cite existing ones. SWOT holds only the strengths and weaknesses from stop 6 and the opportunities and threats from the closed ledger. A Business Model Canvas block has no code family: where it supports a pillar, it is cited by name and provenance as supporting evidence.

Graph rules across all families. Every citation path MUST end at a root backed by a named external source, a registered internal fact or the entry problem statement. A code MUST NOT cite itself, directly or transitively.

About the author

Aliaksei "Alex" Ivanouski is a Fractional Chief Technology Officer (CTO) and founding engineer with 10+ years building fintech, adtech and backend products. A military-engineer-turned-founder, he holds a Master of Business Administration (MBA) with Distinction from Bayes Business School, City St George's, University of London, and completed the CTO Programme at the National University of Singapore. He built the Business Strategy as Code method and applies it in a practitioner programme at strategyascode.org.

Colophon

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