Outdoor Connect
management consulting

Strategic Leadership: What It Is and How It Is Different

A Framework for Defining, Developing and Assessing Strategic Leadership

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Introduction

This paper is the third board-level framework in the Outdoor Connect canon. *Strategic Growth in the Mid-Market* addresses how strategy is built. *Freedom to Operate* addresses the freedoms a strategy depends on and how a board can govern them. This paper addresses the leadership those strategies require: who carries strategic commitment, what makes that responsibility strategic, and how the capacity to carry it can be developed and assessed.

Its central claim is that strategic leadership is defined by function rather than position. It is the responsibility for recognising, making and carrying commitments that shape the future conditions under which an organisation must act. That responsibility is concentrated at the top of most organisations, but it is not confined there, and it is not the same as managing well, leading people well or formulating good strategy.

The paper is organised in four parts. Chapters 1 to 5 build the definition: why position, agenda and behaviour do not define strategic leadership, how it differs from management, general leadership and strategy, and when a commitment crosses the strategic threshold. Chapters 6 and 7 set out the five axes along which strategic commitment can be examined (trade-off, asymmetry, irreversibility, freedom of action and conscience) and show how they interact, drawing on the author's experience at Swyx. Chapters 8 to 10 turn to the organisation and the person: where strategic leadership resides, which capacities it requires, and which criteria any serious approach to development, promotion, recruitment and CEO evaluation must address. Chapters 11 to 13 position the framework against established traditions, condense it into nine principles and close the argument.

The paper is written for boards, CEOs and the executives who will one day carry their responsibilities, with particular attention to the mid-market, where consequential commitments are concentrated in relatively few hands. Readers looking for the practical core may start with the definition in Chapter 5, the six strategic-consequence questions in Section 10.8 and the principles in Chapter 12. Notes are collected at the end of the paper.

1. Why this paper exists

Strategic leadership is not the same as senior leadership.

A substantial academic tradition has nevertheless approached it through the people at the top of organisations. Finkelstein, Hambrick and Cannella define the field largely around executives, top management teams and boards and their effects on strategy and organisational outcomes. Ireland and Hitt approach it through the practices required of leaders operating in turbulent competition. Boal and Hooijberg emphasise learning, adaptive capacity and managerial wisdom.[1][2][3] These are serious contributions. They show that senior leaders matter, that their experience and judgement affect organisational choices, and that strategic leadership requires capabilities that go beyond formal authority.

But position does not tell us what makes leadership strategic. It tells us where strategic leadership is often concentrated.

The distinction matters because strategic commitments are also made below the top. A technology leader can commit a company to an architecture that shapes what can be built for years. A business unit leader can accept a dependency that later determines access to a market. Neither needs to sit on the board for the choice to alter the organisation's future conditions of action. At the same time, it would be equally unhelpful to conclude that everyone is therefore a strategic leader. Most decisions, including many difficult and important ones, do not change those conditions in a strategically significant way.

There is a further complication. Not all strategic commitments begin with a recognisable strategic decision. Some are chosen. Others accumulate.

A customer grows from ten to thirty per cent of revenue through a succession of individually attractive contracts. A technology platform becomes progressively harder to leave as more applications, data and skills are built around it. A temporary distribution arrangement becomes the company's practical route to a market. At no point does someone necessarily decide to create the resulting dependence. Yet the organisation can become just as bound as if the position had been approved in a board meeting.

The difference therefore lies neither in seniority nor simply in who makes the decision. It lies in responsibility for commitments that shape what the organisation will later be able to do, including commitments that form before anyone has named them as such.

This paper takes that functional view.

Outdoor Connect's *Strategic Growth in the Mid-Market* already places commitment close to the centre of strategy. It describes true strategy as involving the deliberate closing of alternatives, with a decision becoming strategic when it binds resources, reputation and energy to a chosen path. It also argues that leadership should not avoid irreversibility

but judge which commitments create advantage and which merely constrain future flexibility.[4]

That argument concerns deliberate commitment. This paper extends it in one important respect. Strategic leadership must also recognise commitment that emerges through accumulated action. An organisation can lose strategic freedom without ever deciding to give it up.

This can be particularly consequential in the mid-market. A relatively small number of customer, supplier, technology or financing relationships can become structurally important before their cumulative effect resembles the kind of formal strategic decision that attracts board attention. A major acquisition is visible as a commitment. Fifty commercial exceptions, successive technology decisions or years of increasing supplier concentration may not be. Yet their cumulative effect can be equally binding.

Strategic leadership therefore concerns both the commitments an organisation chooses and those it is becoming bound by.

The purpose of this paper is to define that function, distinguish it from management, general leadership and strategy, and establish the basis for developing and assessing the people asked to perform it.

2. Function Before Agenda and Behaviour

The leadership agenda changes faster than the leadership function.

Much contemporary practitioner writing is organised around what leaders should be concerned with now. Current CEO agendas include AI, geopolitics, growth, cost, sustainability and talent. Earlier cycles placed greater emphasis on digital transformation, ecosystems, purpose, disruption, agile operating models or globalisation. These subjects matter. A leadership agenda that ignored a changing environment would be a poor one. But an agenda identifies the issues demanding attention at a particular moment. It does not define the function of strategic leadership.[5]

A second tradition approaches leadership through behaviour. It studies successful executives and identifies recurring mindsets, practices, routines or habits. This can be useful and, in its better forms, is based on substantial empirical work. Leaders can learn from how experienced peers allocate time, work with boards, build teams, communicate direction or structure their own decision-making.[6]

Yet behaviour answers another question: how do effective leaders perform their role? It does not establish what makes the underlying responsibility strategic.

There is also a methodological reason for keeping the distinction clear. Studies of successful leaders necessarily begin with some measure of success: performance, tenure, reputation or another selection criterion. Those outcomes are worth studying, but they are not clean measures of leadership quality. Starting position, market structure, capital, team quality, timing, competitor behaviour and luck all enter the result. A behaviour associated with successful leaders may therefore be useful evidence without being a general definition of good leadership.

Persistence illustrates the problem. It can preserve a sound strategy through temporary resistance, or keep an obsolete strategy alive long after its assumptions have failed. Speed can be decisive when a window is closing and destructive when the decision is difficult to reverse. Delegation can build judgement in one setting and allow an unrecognised strategic dependency to form in another. Behaviour cannot be evaluated independently of the responsibility being carried and the conditions in which it is exercised.

The same applies to the agenda. AI is not strategic because it appears on a board agenda. Introducing an AI tool into a reversible internal process may be an operational decision. Building the company's core proposition, data architecture or customer access around models controlled by an external provider may be strategic because it creates a different set of commitments and dependencies. The subject is identical. The future conditions of action are not.

This paper will later identify capacities associated with strategic leadership. The difference is methodological: the capacities will be derived from the function rather than the function being defined by the capacities. Behaviour will be treated in the same way.

Once we understand the responsibility, we can ask which capacities are required to carry it and how those capacities become visible in behaviour.

That order matters. Otherwise strategic leadership gradually becomes whatever successful senior leaders currently happen to do while dealing with whatever issues currently happen to occupy them.

A functional definition provides a more durable starting point. It allows agendas to change. It allows different personalities and leadership styles to perform the same responsibility. It also allows us to distinguish a leader who appears strategic from one who is actually carrying strategic consequence.

Before asking what strategic leaders should know, how they should behave or which subjects should occupy their agenda, we first need to establish what strategic leadership is there to do.

3. Three Relationships to Action

The distinction between management and leadership has generated an enormous literature. It has also generated an unhelpful simplification: managers administer while leaders inspire.

John Kotter offered a more serious distinction. Management, in his formulation, deals primarily with complexity through planning, budgeting, organisation and control. Leadership deals primarily with change by setting direction, aligning people and motivating them. Importantly, Kotter did not present leadership as superior to management. He treated them as different but complementary systems of action.[7]

The distinction is useful as long as it remains functional. It becomes less useful when it is turned into a classification of people. Real organisational responsibility rarely divides so neatly. A manager leading a difficult restructuring cannot rely on process alone. A CEO who inspires people but cannot allocate resources, create accountability or build an operating rhythm will eventually discover that conviction does not execute itself. Serious management roles contain leadership, and serious leadership roles require management.

A better starting point is to ask what relationship each function has to organisational action.

3.1 Management makes action executable

Management is the discipline through which responsibility becomes executable.

Intent has to be translated into priorities, resources, roles, processes, information and decision rights. Work has to be coordinated. Performance has to be observed and corrected. Conflicts between objectives have to be resolved. Scarce capacity has to be allocated. Without this work, decisions remain statements and ambition remains disconnected from what the organisation can actually deliver.

This is not the administrative residue left after leadership has done the interesting work. It is one of the conditions of organised action. A company can have a compelling direction and committed people and still fail because it cannot turn responsibility into reliable execution.

3.2 General leadership makes action collective

Execution alone is not enough. Organisations depend on purposeful cooperation among people whose effort, judgement and commitment cannot be reduced to process.

Chester Barnard's conception of organisation as a cooperative system remains useful here. Formal organisation depends on communication, common purpose and willingness to contribute. Authority matters, but it does not remove the need for

cooperation.[8] People interpret decisions, compare interests, doubt, disagree, lose confidence and decide how much of themselves they are prepared to contribute. Formal authority can compel some behaviour. It cannot indefinitely manufacture trust, meaning or commitment.

General leadership is the work of creating and sustaining purposeful collective action. It provides direction when people see different versions of the problem, builds confidence when results are not yet visible, preserves trust through difficult decisions and creates enough shared understanding for people to act without every action being prescribed.

This is why leadership is required throughout an organisation. A team leader may have no meaningful influence over corporate strategy and still exercise excellent leadership when the team faces uncertainty, conflict or change. The work is leadership because collective action cannot simply be assumed.

But it is not necessarily strategic leadership.

3.3 Strategic leadership shapes the future conditions of action

A third relationship appears when the responsibility is not only to make present action executable or collective, but to recognise or make commitments that change the conditions of future action.

Consider a business unit leader deciding whether to outsource a capability. Management is required to specify economics, service levels, transition plans and accountabilities. General leadership is required to take employees through the change and maintain cooperation during disruption. Strategic leadership enters when the decision changes something more fundamental: whether the capability can later be rebuilt, who will control knowledge the business depends on, how readily the supplier can be replaced, or whether future differentiation will depend on a capability now held outside the firm.

The same decision can therefore contain all three functions.

Discipline	Relationship to action	Core question
Management	Makes action executable	How do we turn responsibility into reliable action?
General leadership	Makes action collective	How do we create and sustain purposeful collective action?
Strategic leadership	Shapes the future conditions of action	What will this commitment make possible, difficult or impossible later?

These are not ranks and they are not mutually exclusive job descriptions. A leader can move between all three in the course of a day. What changes is the object of responsibility.

This also explains why strategic leadership can exist below the top without collapsing into the idea that everyone is a strategist. Scope and mandate differ. A product leader may carry strategic responsibility for a product architecture without carrying responsibility for the company's capital structure. A country manager may become

responsible for a pattern of commitments that determines local market access without deciding the corporate portfolio. A board carries a wider field of consequence because its mandate is wider, not because strategic leadership suddenly begins when someone enters the boardroom.

There is, however, one difference as mandate widens. The responsibility to detect commitments that no individual subordinate has consciously made becomes more important. Local decisions can be individually rational while their cumulative effect is strategically constraining. Wider mandate creates a wider obligation to see the pattern across them.

The development implication follows directly. If strategic leadership is assumed to begin at the top, organisations begin developing it too late. People may spend twenty years being rewarded for delivery, functional excellence and increasingly large operating responsibility, then arrive in senior roles where they are expected to recognise and make commitments under uncertainty that close alternatives, create dependencies and bind other people to futures that are difficult to reverse.

The title changes quickly. Judgement does not.

4. Strategic Leadership Is Not Strategy

Strategic leadership is also not the same as strategy.

This distinction becomes important as soon as strategic leadership is defined through consequential choice. Without it, the concept risks becoming strategy with a leadership label attached.

Outdoor Connect defines strategy as choice under constraint. It connects market definition, field of play, distinctive assets, control points, competitive dynamics, sequencing, capital allocation and execution into a coherent system. Strategy formulates and tests a logic of choice: where to play, how to win, what not to do, what capabilities and positions matter, and how scarce resources should be directed.[4]

That logic can be analysed before the organisation binds itself to it. Alternatives can be compared. Assumptions can be challenged. Scenarios can be modelled. A strategist can help improve the logic. A strategy function can organise the work. Strategic management can connect it to planning, capital allocation, execution and review.

For deliberate strategy, the transition to strategic leadership occurs at commitment.

Strategic leadership begins when someone with mandate commits the organisation to a strategic choice.

Commitment is more than agreement with an analysis. It is the point at which the organisation starts to give up alternatives. Capital is allocated, capabilities are built or abandoned, contracts are signed, people reorganise their work, market expectations form and other actors respond. Before commitment, the choice can still be treated primarily as a proposition about the future. After commitment, it begins changing the future it was intended to address.

Pankaj Ghemawat placed this dynamic at the centre of strategy. His work examines how commitment causes strategies to persist and how lock-in, lock-out, lags and inertia cause current decisions to be constrained by earlier ones and future decisions by current ones.[9] The significance of commitment here is not that leaders merely execute a strategy designed by somebody else. Leaders may be deeply involved in formulating the choice, and strategists may remain involved after it has been made. The distinction concerns responsibility. Strategy concerns the logic and pattern of choice. Strategic leadership concerns responsibility for commitment.

But deliberate commitment is only half of the problem.

Henry Mintzberg and James Waters showed that realised strategy can also emerge from patterns of action that were never fully intended as strategy. Deliberate and emergent strategy are better understood as ends of a continuum than as mutually exclusive categories.[10] A similar distinction is necessary for commitment.

A company can become strategically committed without a single decision that deserves the name. The sales organisation keeps accepting attractive business from the same customer. Engineers continue building around the same platform because each incremental choice is sensible. Procurement renews a supplier because switching this

year would be inconvenient. Individually, none of these acts needs to cross a strategic threshold. Together they can create concentration, lock-in or capability loss that eventually changes what the company can do.

The leadership failure in such cases is not necessarily a bad strategic decision. It may be the absence of one.

Strategic leadership therefore has a responsibility before formal commitment as well as after it: to recognise when accumulated action is creating a commitment that the organisation has never consciously chosen. Once that pattern becomes strategically relevant, allowing it to continue is no longer neutral.

Recognition must convert drift into choice.

When an emergent commitment becomes visible, leadership has to decide whether to affirm it, reshape it or attempt to reverse it. Affirmation means consciously accepting the position and the consequences that come with it. Reshaping means changing the terms of the commitment while preserving what remains strategically valuable. Reversal means attempting to exit, knowing that reversing the immediate action may no longer restore the position that existed before the commitment formed.

Until that choice is made, the organisation remains governed by accumulated action rather than deliberate judgement. Once the pattern is visible, continuing it without deciding what it means is itself a decision in substance, even if it is never recorded as one.

This distinction matters because emergent commitments are easy to rationalise. Each individual step may have been sensible at the time. No one decision created the position, so no one feels responsible for it. By the time the pattern is visible in conventional reporting, restoration may already require a strategic act of its own.

Failure to decide is therefore not the absence of strategic commitment. It may allow commitment to form without strategic leadership.

4.1 Carrying commitment

Whether commitment is deliberately chosen or recognised after it has begun to form, strategic leadership continues once the organisation has consciously assumed responsibility for the position.

Suppose a company decides to leave a low-margin market in order to concentrate capital and product development on a more defensible segment. The analysis is clear, the economics support the decision and the board approves it.

Sales then argues that several important customer relationships span both segments. Operations discovers that shared infrastructure makes the exit more expensive than expected. Employees who built the old business interpret the decision as a judgement on their work. A competitor cuts prices in the target segment. Early results disappoint.

One board member begins to question the timing. A major customer offers an attractive contract that would pull the company back into the market it has just decided to leave.

The strategic logic now meets the consequences of commitment. The leader has to decide whether the customer exception is commercially sensible or the beginning of strategic dilution; whether disappointing results invalidate the original assumptions or simply reflect the lag before the new position can work; whether resistance contains information that should change the decision or is the predictable cost of making it.

Three continuing responsibilities follow: **hold, adapt and account for**.

To **hold** a strategic commitment is to protect its meaning long enough for it to have an effect. Strategy is easily diluted by individually reasonable exceptions. A customer is too important to refuse. A country is too attractive to leave. A feature is too easy to add. Each exception can make sense on its own while collectively dissolving the choice that made the strategy distinctive. Holding is not stubbornness. It is knowing which parts of the commitment must remain true if the strategy is to remain coherent.

To **adapt** is the corresponding responsibility to remain open to evidence. Strategic commitments are made under uncertainty, so assumptions will sometimes fail. Markets move, technologies develop at unexpected speeds, competitors respond and capabilities prove harder to build than anticipated. Commitment cannot become a moral defence of the original decision. The leader has to distinguish temporary noise from evidence that the underlying logic has changed. Too little adaptation produces rigidity; too much produces drift.

To **account for** is to accept responsibility for what the commitment sets in motion. This goes beyond accountability for the financial result. Strategic choices redistribute resources, opportunities, dependencies and risks. They create consequences for employees, customers, suppliers, investors and sometimes actors outside the organisation who never participated in the choice. Formal approval does not transfer responsibility away from the people who hold the mandate.

The same responsibilities apply when the commitment was initially emergent, but only after drift has been converted into choice. A company discovering that it has become dependent on a platform may consciously affirm that dependency because the advantage justifies it, reshape it by building substitutes or changing architecture, or commit to an exit. Whichever course it chooses must then be held long enough to become meaningful, adapted as evidence changes and accounted for as consequences emerge. Recognition alone is diagnosis. Strategic leadership begins when diagnosis is brought under deliberate responsibility.

Outdoor Connect's *Freedom to Operate* makes one part of this responsibility explicit. Management may execute a chosen posture towards a critical dependency, but the board owns the commitments that make that posture real: the concentration it accepts, the capital required to preserve alternatives, the escalation authority it establishes and the exposure it consciously retains. The framework also treats replaceability as something that changes over time. A dependency that is easy to replace today can become practically irreversible as lock-in compounds.[11]

Power, Permission and Conscience widens the responsibility further. Organisational authority grants permission to decide, but it cannot supply the conscience by which the decision is ultimately judged. The greater the mandate and the further the consequences reach, the less plausible it becomes to hide behind process, legality or formal authority as if they could settle the judgement on the leader's behalf.[12]

The distinction between strategy and strategic leadership can therefore be stated more precisely:

Concept	Primary function
Strategy	Formulates and tests the logic of choice and recognises patterns of realised choice
Strategic management	Organises analysis, allocation, execution and review
Strategist	Helps formulate, challenge and clarify strategic logic
Strategic leadership	Recognises, makes and carries commitments that shape future conditions of action

For deliberate strategy, commitment marks the transition from strategic logic to strategic leadership. For emergent commitment, recognition exposes the transition that has already begun. Strategic leadership must then convert the emerging position into an explicit choice: affirm it, reshape it or attempt to reverse it.

Once responsibility for the commitment has been assumed, strategic leadership carries it through reality.

This also clarifies the relationship with general leadership. A strategic commitment usually has to become collective action, so general leadership remains essential. People have to understand the direction, trust the process sufficiently to act and continue cooperating when the commitment creates costs. But creating commitment among people is not the same as assuming responsibility for a strategic commitment on behalf of the organisation.

A leader can be exceptionally good at the first and dangerously weak at the second.

5. When Leadership Becomes Strategic

We can now define the term more precisely.

> ***Strategic leadership is the function and developed capacity to recognise, make and carry commitments that shape the future conditions under which an organisation must act.***

The definition contains three verbs because strategic commitment can arise in different ways.

To **recognise** is to see when accumulated action is creating a strategic commitment before the organisation has consciously chosen it. Recognition is incomplete until the emerging commitment is brought under deliberate judgement: affirmed, reshaped or reversed.

To **make** is to bind the organisation deliberately to a strategic choice.

To **carry** is to hold, adapt and account for a commitment once the organisation has consciously assumed responsibility for it.

This makes strategic leadership a function rather than a personality type. Charisma, extroversion or a particular communication style are not prerequisites. The function exists because some choices bind the organisation and because some patterns of action become binding even without a conscious choice.

It is a **developed capacity** because mandate does not prove competence. Formal authority can grant the right to make commitments. It cannot grant the judgement required to recognise one that is forming, understand what it will do, hold it when it is tested, or reconsider it without drifting.

The remaining question is where the strategic threshold lies. Not every commitment is strategic. A purchase order is a commitment. So is a monthly staffing decision. Most management would become strategic leadership if commitment alone were enough.

Philip Selznick provides an important antecedent. In *Leadership in Administration* he distinguishes routine from critical decisions and connects the latter to institutional purpose, character and the embodiment of values.[13] His distinction is broader than the one developed here, but the underlying move is similar: some decisions operate within an existing institutional direction while others alter the institution that must act afterwards.

The strategic threshold can be made more precise by distinguishing reversal from restoration.

Reversal is not the same as restoration.

A company can terminate a supplier contract, but termination does not restore a capability that has disappeared internally. It can leave a technology platform, but the

years spent building data, interfaces and skills around it are not returned. It can sell an acquisition, but that does not recreate the capital, management attention or competitive position consumed while it was owned. It can reduce its exposure to a dominant customer, but that does not automatically restore the market position or product choices that developed around that customer.

In an ordinary reversible decision, entry and exit are broadly symmetrical. The organisation acts, reverses the act and returns close to the strategic position from which it began. Strategic commitment creates an asymmetry between entry and exit.

A commitment crosses the strategic threshold when reversing the immediate act no longer restores the organisation's prior freedom of action because capabilities, control, relationships or viable alternatives have changed.

The practical test is therefore not whether the original action can technically be undone. It is whether exit restores what mattered strategically. If leaving a supplier requires rebuilding a capability, leaving a platform requires a multi-year migration, reducing customer concentration requires rebuilding a market position, or withdrawing from a course of action requires repairing legitimacy, the organisation is not simply undoing an operating decision. Restoration has become a strategic problem in its own right.

This distinction also clarifies the role of irreversibility.

The strategic threshold describes a **condition**: reversal and restoration have ceased to be equivalent.

Irreversibility describes a **trajectory**: how the gap between them develops through time.

A decision may begin with considerable room to return. As capital accumulates, capabilities atrophy, expectations form, people specialise, contracts renew and alternatives disappear, restoration becomes progressively harder. The strategically important question is often not whether the organisation is locked in today, but whether it can see the lock-in forming while it still has a meaningful choice.

This is where emergent commitment becomes central rather than exceptional.

A customer representing twelve per cent of revenue may be manageable. At eighteen per cent, product priorities begin to shift. At twenty-five per cent, investment decisions increasingly reflect the customer's requirements. At thirty-five per cent, reducing the exposure may itself threaten the economics of the company. There may have been no moment at which anyone decided to become dependent. The strategic threshold was crossed somewhere along the path.

This pattern can be especially consequential in the mid-market because concentration can acquire structural significance quickly. A small number of customers, suppliers, technology platforms, financiers or distribution relationships may account for a large share of what makes the business economically viable. The commitment can therefore become strategic before it has acquired the organisational visibility of a formal strategic decision.

The leadership question is not only *what are we committing to?* It is also:

Which commitment are we making before we have named it as such?

Mintzberg helps explain how a pattern can emerge without prior intention. Ghemawat helps explain why the resulting position can become difficult to leave. The combination matters for strategic leadership: emergence explains how an organisation arrives somewhere it did not choose; commitment explains why recognising the position does not make it easy to escape.[9][10]

Recognition is therefore not enough. Once an emergent commitment becomes visible, leadership must convert drift into choice. It must decide whether the position deserves to be affirmed, whether its terms should be reshaped, or whether the organisation should begin the potentially costly work of reversal. What strategic leadership cannot legitimately do is continue to describe a recognised strategic constraint as if it were still merely the accidental sum of operating decisions.

This also sharpens an argument already present in *Freedom to Operate*. Replaceability is not static. A dependency that is replaceable today can become effectively irreversible as lock-in compounds. The relevant governance question is therefore not simply whether an alternative exists, but whether the organisation will still be able to use it when it matters.[11]

5.1 Commitment and freedom

Strategic commitment should not be confused with an undesirable loss of flexibility. Strategy requires commitment.

A company that refuses to close any option in order to preserve maximum freedom has not perfected strategy. It has avoided it. Trade-offs spend freedom deliberately. Capital allocation closes alternatives. Capability building creates path dependence. A distinctive position becomes real because the organisation commits to some possibilities at the expense of others.

The relevant question is therefore not how to preserve maximum freedom. It is which freedom to spend, for what purpose, and which freedom must remain because losing it would make future strategy impossible.

That distinction separates strategic commitment from strategic drift.

A deliberate commitment consciously exchanges some future flexibility for an intended advantage. An emergent commitment may consume the same flexibility without anyone having established what the organisation receives in return. The first can still be wrong, but it can at least be judged as a choice. The second often becomes visible only when the organisation tries to do something else and discovers that it no longer can.

This is one reason strategic leadership cannot be reduced to decisiveness. Refusing to decide can bind an organisation just as surely as deciding. Repeatedly extending the

status quo, accepting another exception or postponing an exit may look like the preservation of flexibility while actually allowing alternatives to disappear.

Strategic leadership therefore requires attention to both sides of commitment: the freedom deliberately spent and the freedom silently lost.

5.2 The five effects of strategic commitment

The five axes developed in the next chapter follow from this logic. They are not five general topics that happen to matter to strategy. They describe five different things a strategic commitment can do to the organisation, and therefore five different consequences the strategic leader must learn to see and carry.

Trade-off: commitment excludes. Every meaningful commitment makes some alternatives less available. Resources, attention and organisational energy directed towards one path cannot be fully available to another. The question is not merely what the organisation chooses, but what the choice requires it to stop protecting.

Asymmetry: commitment seeks advantage. Giving up freedom only makes strategic sense if the commitment creates or protects something worth the sacrifice. The competitive purpose is not commitment itself, but a position in which the organisation's assets, capabilities or control points matter disproportionately. Asymmetry is the offensive logic of the framework: what does the organisation expect to gain from committing?

Irreversibility: commitment hardens. Commitments change through time. Some become easier to reverse as uncertainty resolves; others become progressively harder as capital, capability, expectations and dependencies accumulate. The irreversibility axis therefore asks not only how difficult exit is today, but how quickly restoration is becoming harder and whether the organisation will recognise the change before practical return becomes impossible.

Freedom of action: commitment redistributes agency. Some commitments do more than narrow options. They give another actor greater influence over the options that remain. A supplier, platform, financier, regulator, partner or customer may acquire the practical ability to constrain future action. This is the domain addressed more specifically by Freedom to Operate: where does the organisation's freedom actually reside, and who can say no?

Conscience: commitment meets a boundary. Not every consequence can be treated as something to exchange for sufficient advantage. Some choices remain the responsibility of the leader even where they are profitable, legal and formally authorised. *Power, Permission and Conscience* makes the distinction explicit: organisational authority can grant permission, but it cannot provide the conscience by which the use of that authority is judged.[12]

The five axes therefore have an internal logic.

A strategic commitment excludes, seeks advantage, hardens, redistributes agency and encounters limits.

The first four describe different aspects of the exchange inherent in strategy. Freedom is spent through trade-off in pursuit of asymmetry; time can make that expenditure difficult to recover; dependency can transfer part of the remaining agency to others. Conscience marks a different kind of boundary. It asks where the logic of strategic exchange itself must stop.

Together they define the field of consequence that strategic leadership must learn to see before deliberate commitment, detect while emergent commitment is forming, and carry once the organisation has consciously assumed responsibility for what it has chosen or become.

This suggests two broad capacities that will matter later in the framework.

The first is **consequence perception**: the ability to recognise what a commitment is likely to create before the organisation is forced to live with it. It includes seeing beyond the immediate business case to the exclusions, competitive effects, path dependencies, transfers of agency and legitimate boundaries embedded in the choice.

The second is **consequence carrying**: the ability to hold, adapt and account for the commitment as those effects emerge.

Neither is sufficient alone. A gifted strategist may see consequences early and still lack the mandate, discipline or courage to carry the commitment. A forceful leader may carry decisions with extraordinary persistence while failing to understand what those decisions are creating. A third failure is quieter: nobody recognises that a series of sensible local decisions has become a strategic commitment at all.

This is why strategic leadership should be developed before people reach the top. The scope can be smaller, the mandate narrower and the consequences more containable, but the underlying discipline can be learned wherever people receive genuine responsibility for choices and patterns that change what remains possible later.

The senior executive role should not be the first place someone learns what it means to close an option, recognise a dependency forming, convert drift into choice, hold a trade-off, reconsider a commitment or account for consequences imposed on others. By then the training ground has become the company.

6. The Five Axes of Strategic Leadership

Chapter 5 established the threshold. Once a commitment has become strategic, the question changes. The issue is no longer whether the organisation has crossed that threshold, but what the commitment is now doing to the organisation.

Strategy requires an organisation to spend some freedom in order to create advantage. It closes alternatives, concentrates resources and allows capabilities to accumulate around a chosen path. Preserving maximum freedom would avoid commitment, and therefore avoid strategy. The strategic leadership question is harder: which freedom should be spent, what does the organisation expect to gain in return, how will the commitment harden, where will agency move, and where does the logic of exchange have to stop?

Five axes make those consequences visible: trade-off, asymmetry, irreversibility, freedom of action and conscience.

They apply differently depending on how commitment arises. Before a deliberate commitment, they are prospective. They help leadership understand the exchange it is about to make. When commitment has emerged through accumulated action, they are diagnostic. They reveal what has already been excluded, gained, hardened or transferred before anyone consciously chose the position.

The question running through all five is therefore:

Which freedom are we spending, and for what?

6.1 Trade-off: Commitment Excludes

Strategy cannot protect every possibility.

Michael Porter made trade-offs central to competitive strategy because different positions require different activities, capabilities and priorities. When activities are incompatible, choosing one position means accepting that another cannot be pursued on the same terms.[14] Outdoor Connect makes the same point through commitment: strategy acquires weight when alternatives are deliberately closed and resources, reputation and energy begin to accumulate around a chosen path.[4]

Trade-off is therefore the first way in which strategy spends freedom.

The difficulty is rarely in announcing the priority. It is in accepting the exclusion that gives the priority meaning. Companies call a market strategic while continuing to protect every adjacent market. They standardise on a platform but preserve every legacy exception. They say capital will move towards the businesses with the strongest future position, then protect weaker businesses because their current earnings remain useful.

The strategy survives in language while disappearing in practice.

This is why the relevant leadership question is not simply what the organisation has chosen. It is:

What must we stop doing for this strategy to mean anything?

That question continues after the decision. Trade-offs are often undone not by a formal reversal, but by a sequence of reasonable exceptions. A customer is too important to disappoint. A product is too profitable to discontinue this year. A local market is allowed to keep its own system. Each exception can make sense on its own while collectively restoring the ambiguity the strategy was meant to remove.

Holding a commitment therefore includes protecting its exclusions. That does not mean defending them blindly. If the strategic logic changes, the trade-off may need to change with it. But adaptation should follow a change in the logic, not merely the accumulated discomfort of living with the choice.

The same issue appears differently when commitment is emergent. A business may gradually stop serving smaller customers because its largest customer receives increasing attention. A technology organisation may repeatedly choose the fastest implementation on one architecture until alternatives are no longer credible. Nobody decided to exclude the wider market or the alternative architecture. Yet exclusion occurred.

For deliberate commitment, leadership must make the trade-off explicit. For emergent commitment, it must discover what the organisation has already stopped being able or willing to do.

Trade-off gives strategy focus. But exclusion alone creates no reason to commit. The freedom spent has to buy something worth having.

6.2 Asymmetry: Commitment Seeks Advantage

If trade-off is the freedom spent, asymmetry is the strategic return sought.

A company does not become strategically stronger merely by narrowing its options. It has to concentrate around a position in which its difference matters.

Bruce Henderson approached competition as a dynamic system rather than a static comparison of positions. Differences between competitors, delayed effects, resource constraints and competitive reactions determine how an intervention changes the game over time.[15] Outdoor Connect develops this logic explicitly for the mid-market: true strategy seeks a game in which the firm can create asymmetric advantage rather than compete proportionately on scale, capital or effort.[4]

This matters particularly for mid-sized companies. A €300 million company facing a €10 billion competitor cannot normally win by reproducing the larger company's model with fewer resources. It needs a field in which something it possesses or can build matters disproportionately: knowledge, speed, access, installed base, technology, customer intimacy, a control point or a particular combination of capabilities.

Asymmetry is therefore the offensive axis of strategic leadership.

The question is:

Where can our difference matter disproportionately?

The mechanism matters more than the claim. “Customer intimacy”, “innovation” and “superior service” are not asymmetries unless they explain why the organisation should be able to create or capture value in a way competitors cannot easily reproduce. An advantage available to every competent competitor is not much of an advantage.

Trade-off and asymmetry therefore belong together. Trade-off without asymmetry can become disciplined mediocrity: the organisation is highly focused on a position that creates too little advantage. Asymmetry without trade-off produces the opposite problem: leadership sees an attractive source of advantage but refuses to concentrate enough resources or close enough alternatives for it to become real.

The strategic exchange is between them. What freedom are we giving up, and what becomes possible because we did?

Emergent commitment makes that question less obvious. An organisation may discover that a position it never consciously designed has created a valuable asymmetry. Years with one large customer may have generated unique domain knowledge. Dependence on one technology may have created capabilities competitors lack. A distribution relationship may have produced privileged access to a market.

The fact that the advantage emerged does not make the resulting commitment wise. But neither does the absence of an original strategic decision make the position wrong.

Recognition turns the situation into a choice. What have we gained? What have we lost? Does the asymmetry justify affirming or reshaping the commitment, or are we merely rationalising a position that has become difficult to leave?

Strategic leadership is not the protection of freedom for its own sake. Freedom has value because it can be spent where the expected return justifies the commitment.

6.3 Irreversibility: Commitment Hardens

A strategic commitment does not remain as it was on the day it was made.

Capital accumulates. Skills specialise. Contracts renew. Customers adapt. Systems become integrated. Organisational memory changes. Capabilities that once existed disappear through disuse. What began as a choice becomes a path.

Pankaj Ghemawat’s work on commitment is important because it treats strategy as persistent. Current choices are constrained by past decisions, while current decisions constrain choices that will become available later. Lock-in, lock-out, lags and inertia connect strategy across time.[9]

Chapter 5 established the relevant threshold: reversal ceases to restore the organisation's prior freedom of action. Irreversibility should not be treated as a second threshold here. It is the trajectory by which the distance between reversal and restoration changes after commitment begins.

The question is therefore not simply:

Can we reverse the decision?

It is:

How is restoration becoming harder over time?

A supplier contract may be easy to terminate while the organisation still retains the internal capability to work with alternatives. It becomes a different problem after that capability has disappeared. A technology platform may be replaceable while only one application depends on it and extraordinarily difficult to replace after products, data, skills and customer processes have been built around it. A market position may be easy to reconsider before customers, distribution and capabilities have reorganised around it and expensive to restore once they have.

This is why replaceability is not static. *Freedom to Operate* makes the same point from a dependency perspective: what can be replaced today may become hard to replace once concentration and lock-in have compounded.[11]

Irreversibility gives strategic leadership a temporal responsibility. Leaders have to see not only what the organisation is committing to, but how quickly the commitment is hardening.

That rate matters. A position that can be restored with limited cost for several years creates a different leadership problem from one in which alternatives will disappear within twelve months. The second may require staged investment, preservation of a capability, a different contract or a reconsideration point before restoration becomes materially harder.

Emergent commitment is particularly dangerous here because there may be no decision large enough to attract attention. Hardening occurs through repetition. The next integration, contract renewal, customer exception or capability decision looks small because it is evaluated against yesterday's position rather than against the path it is creating.

That is why the question from Chapter 5 matters:

Which commitment are we making before we have named it as such?

The danger is not irreversibility itself. Strategy needs persistence. Capabilities deepen because organisations continue to invest. Customers believe a position because the company continues to occupy it. The danger is allowing a commitment to harden faster than leadership is learning about what it creates.

This also separates irreversibility from the next axis.

Irreversibility concerns the organisation's relationship with the path it has already taken. Freedom of action concerns its relationship with actors who can constrain the path it can take next.

The first asks what it would take to restore a position. The second asks whose permission, cooperation or continued provision is required to act from the position that remains.

6.4 Freedom of Action: Commitment Redistributes Agency

All five axes ultimately affect the organisation's freedom of action. This fourth axis isolates one particular source of constraint: the extent to which the organisation's ability to act depends on the continuing permission, cooperation or provision of another actor.

Resource dependence theory has long recognised that organisations rely on resources controlled by others and that dependence creates the possibility of external constraint.[16] Work on structural power and network dependence develops the same mechanism in different settings: an actor can acquire power not merely through ownership, but by controlling access, rules or nodes on which others depend.[17]

Freedom to Operate translates this into a direct strategic question:

Who can say no?

A dependency matters because of the freedom behind it. Ownership tells a company what it possesses. Permission determines what it can actually do with what it possesses. Replaceability over time and concentration of permission determine how much practical agency remains with the organisation.[11]

In this narrower sense, freedom of action is not another name for irreversibility. A commitment can be difficult to restore while leaving future action largely under the organisation's own control. Another relationship may be contractually easy to leave but give one counterparty enormous influence over what the company can do today.

One is principally a problem of path dependence. The other is a problem of power.

Nor does freedom of action imply independence.

Modern firms create value through interdependence. They rely on suppliers, platforms, financiers, infrastructure, regulators, distribution partners and customers. Concentration can create scale, learning and superior economics. An exclusive relationship can open a market that would otherwise remain inaccessible. A technology platform can provide capabilities a mid-market company could never economically reproduce itself.

The strategic question is not whether dependency exists. It is what freedom sits behind the dependency, who controls it, and what the organisation receives in return for the agency it gives up.

This can lead to a counterintuitive conclusion. Strategic leadership does not always preserve freedom by reducing dependency. It may deliberately accept or deepen a

dependency when the resulting asymmetry justifies the commitment and the structure of the relationship makes the transfer of agency acceptable.

Reducing dependency is therefore only one possible response. Leadership may instead align interests, change contractual rights, preserve substitutes, insulate the organisation from disruption, influence the actor holding the critical power or move to control the critical node itself. Each response changes a different part of the relationship between advantage and agency.[11]

Dependencies are not merely risks. They may be deliberate transfers of strategic agency in exchange for advantage.

6.5 Conscience: Commitment Meets a Boundary

The first four axes remain within an instrumental logic.

The organisation excludes alternatives in order to concentrate. It seeks asymmetry in return. It judges how the commitment will harden. It decides how much agency it is willing to place in the hands of others. Difficult as these judgements may be, they remain questions about strategic consequence and strategic return.

Conscience asks a different question:

What may we be permitted to do, but should still refuse?

Formal permission cannot answer that question. A board can approve a decision. A contract can grant a right. Regulation can allow an activity. None of these determines whether the organisation should use the permission it has obtained.

Barnard connected executive responsibility to a moral dimension of organisational life. Selznick distinguished routine administration from leadership concerned with institutional purpose and critical values.[8][13] *Power, Permission and Conscience* sharpens the distinction between organisational authority and personal judgement: an organisation can grant a leader authority, but it cannot supply the conscience by which that authority is ultimately used.[12]

The boundary is not always obvious in advance.

Some situations confront leadership with a well-established limit. Others involve new technologies, new uses of data, new business models or new distributions of power for which law, organisational precedent and accepted practice provide no complete answer. Reasonable people carrying legitimate responsibilities can understand the same consequences and still disagree about where the organisation should stand.

In such cases, conscience does not provide a ready-made answer.

It makes visible a question that strategy, economics and formal permission cannot settle on their own.

Strategic leadership then has to bring that question into conscious institutional judgement. Where no accepted boundary already exists, the organisation may have to determine what it is collectively prepared to accept and what it is prepared to refuse.

This is not necessarily a search for the person with the superior moral position. Different responsibilities expose different consequences. A commercial perspective may reveal value that would otherwise remain unseen. A governance perspective may expose consequences beyond the commercial mandate. Technical expertise may establish what is possible without determining whether possibility should become practice.

The purpose of bringing those perspectives together is not to remove legitimate difference before a decision can be made. Nor does strategic leadership require unanimity. Formal authority ultimately remains where governance places it. But when the boundary itself is uncertain, the quality of the judgement depends on whether the relevant consequences and responsibilities have genuinely entered the discussion before authority is exercised.

The resulting boundary can therefore be an act of institutional self-restraint.

The organisation is not constrained because it lacks the capability to act, because another actor can stop it, or because the law prohibits the action. It consciously decides that a freedom available to it is not a freedom it is willing to use.

This is why conscience cannot be reduced to legitimacy. A course of action may be legal, commercially attractive and formally authorised and still confront the organisation with a boundary it must determine for itself.

Once determined, that boundary also has to be carried. Commercial conditions may change. The opportunity may become more valuable. Competitors may behave differently. A self-imposed boundary only has meaning if the organisation remains prepared to respect it until it consciously decides that the underlying judgement should change.

The first four axes describe the exchange inherent in strategy. Conscience marks the point at which not every consequence can be converted into a price.

Some freedoms should not be spent merely because the return is high enough.

The Field of Strategic Consequence

The five axes do not produce five independent answers.

Trade-off identifies the freedom being given up. Asymmetry asks what the organisation expects to gain in return. Irreversibility asks how the commitment will harden. Freedom of action, in its narrower sense here, asks where agency will reside as it does. Conscience asks whether there is a consequence the organisation is collectively unwilling to accept even if the strategic exchange otherwise works.

The first four describe the strategic exchange. The fifth sets a boundary to the logic of exchange itself.

None should be maximised. Maximum optionality would prevent strategy. Maximum exclusion would destroy useful alternatives. Maximum independence would sacrifice the benefits of interdependence. Maximum commitment would produce rigidity. Even asymmetry is not an unlimited objective.

Strategic leadership lies in the judgement between them.

7. The Axes in Combination

No axis produces strategic judgement on its own.

A trade-off can be clear and still create too little advantage. A powerful asymmetry can rest on a dependency that gives someone else control over the economics. A sound strategic position can harden before leadership has learned enough to justify the commitment. All four can work economically while producing a consequence the organisation is unwilling to accept.

The five axes therefore matter most in combination.

7.1 The Strategic Exchange

Strategy does not preserve freedom. It spends it.

A company closes markets, technologies, customer groups and capital alternatives because concentration allows something stronger to be built. Capabilities deepen through persistence. Reputation forms through repeated choices. Customers believe a position because the organisation continues to occupy it.

The question is whether the exchange is worth making.

A trade-off should create enough focus or difference to matter. The resulting asymmetry should justify the freedom spent. The commitment should not harden faster than leadership can learn about its consequences. Dependencies should not transfer more agency than the advantage can justify. And the entire exchange remains subject to consequences that cannot be legitimised simply by increasing the return.

This is why preserving freedom cannot be the objective of strategic leadership.

A company with every option open has made no strategy. A company with no options left has lost the ability to make another one.

Strategic leadership lives between those conditions.

7.2 When the Axes Pull Apart

Several recurring failures become visible when the axes are considered together.

One is **constraint without advantage**. The organisation makes real trade-offs but creates too little asymmetry in return. This can look impressively strategic because priorities are clear and execution is disciplined. Yet focus is not itself an advantage.

Another is **advantage without commitment**. Leadership identifies an attractive asymmetry but refuses the exclusions required to build it. Every customer remains protected. Every product survives. Capital remains spread across too many priorities. The

strategic advantage remains a presentation because the organisation never spends the freedom required to create it.

A third is **advantage that hardens too quickly**. The original logic may be sound, but capabilities, contracts or systems become difficult to restore before uncertainty has resolved. By the time the evidence changes, the organisation has far fewer credible alternatives than leadership assumed.

A fourth is **advantage controlled by someone else**. The company creates real value but builds the position on a dependency that allows another actor to influence access, economics or continuation. Conventional performance measures may show success while strategic agency is quietly moving elsewhere.

The final failure is different. The economics work. The commitment is manageable. The company retains sufficient agency. Yet the consequence crosses a boundary the organisation is unwilling to accept.

The problem in each case is not the absence of strategy. It is incomplete strategic judgement.

7.3 Deliberate and Emergent Commitment

The same five axes work in two directions.

Before a deliberate commitment, leadership can ask what will be excluded, where disproportionate advantage is expected, how the position may harden, who will gain power over future choices and which consequences would make the commitment unacceptable.

The answers will remain uncertain. Their purpose is not prediction. They make the intended exchange visible before the organisation enters it.

With emergent commitment, the questions look backwards before they can look forwards. What have we gradually stopped being able to do? What advantage, if any, did we receive in return? How far has the position hardened? Who has acquired influence over us? Have we crossed a boundary without consciously deciding to?

Recognition then has to become choice.

The organisation can affirm the commitment, reshape it or attempt to reverse it. But once leadership has recognised the position, continuing to describe it as the accidental result of operating decisions is no longer sufficient. Drift has become visible. The organisation must decide what it is now prepared to own.

7.4 Swyx: From Emergent Commitment to Deliberate Choice

The experience of Swyx illustrates the distinction between making a strategic commitment and discovering that one has already formed.

During preparations for a potential sale, Deutsche Telekom represented roughly 60 per cent of Swyx's revenues. No single decision needed to have created that concentration. It had grown through commercial success. Individual customer decisions could remain entirely rational while their cumulative effect changed the strategic condition of the company.

The significance of that position became clearer when Swyx was viewed from outside.

Prospective buyers saw the same Deutsche Telekom relationship that Swyx had experienced as commercial success and interpreted the concentration as a material dependency. An external perspective exposed a commitment that had developed internally without a corresponding strategic decision.

Recognition can occur this way. Organisations become accustomed to the conditions in which they operate. What feels normal internally can look structurally consequential to someone evaluating the company from a different position.

The leadership task began once the concentration was recognised for what it had become.

Swyx could try to reduce the relationship, accept it as it stood, or reshape it. The first option might have improved diversification while sacrificing growth and weakening an important commercial position. Simply accepting the concentration would have left the underlying concern unanswered.

The chosen response was, in the language of this framework, to affirm and reshape the commitment.

Swyx accepted Deutsche Telekom as a strategically important relationship and entered into a longer-term cooperation that envisaged substantial future growth. At the same time, the economic interests around a future sale of Swyx were brought into closer alignment.

The dependency did not disappear. In some respects, the commitment became deeper.

Viewed through trade-off, Swyx accepted that a substantial part of its future would continue to be tied to the relationship rather than attempting rapid diversification.

Viewed through asymmetry, that concentration could provide access, scale and growth that Swyx would have found difficult to reproduce independently.

Viewed through irreversibility, further growth through Deutsche Telekom could make the position more deeply embedded and therefore harder to restore.

Viewed through freedom of action, however, a different question appeared. The relevant issue was not simply how much revenue came from Deutsche Telekom, but how the actor on which that revenue depended was positioned relative to Swyx's future. Aligning economic interests changed the structure around the dependency even if it did not reduce the dependency itself.

The case therefore resists the easy conclusion that strategic leadership protects freedom by reducing concentration. Sometimes leadership deliberately spends more freedom

because the asymmetry justifies it, while reshaping the relationship through which another actor can exercise power.

It also shows why irreversibility and freedom of action are separate axes. The same intervention can deepen the path while changing the agency structure around it.

A second Swyx discussion exposed the fifth axis in a different way.

At one point, the company considered whether call detail records generated by its cloud-based PBX systems could be used for large-scale data analysis and intelligence. The technical possibility existed. Commercial value could plausibly follow. Contractual terms could potentially have been structured to permit broader use of the data.

That did not settle the question.

Different views emerged among those involved in shaping and governing the decision. Those differences did not map neatly onto formal roles, nor was the discussion usefully understood as a contest between a commercial side and an ethical side. The author participated directly in these discussions.

The purpose was not to establish which position was right and which was wrong. Nor was it to negotiate a compromise between competing camps. The task was to determine, through considered discussion, what boundary Swyx was collectively willing to impose on itself.

The distinction between consensus and compromise matters here.

A compromise divides the distance between competing positions. Each side gives something up in order to reach an acceptable outcome. Consensus does something different. It establishes an institutional position that those involved are prepared to carry collectively, even if they entered the discussion with different preferences and would not necessarily have chosen exactly the same boundary on their own.

Nobody needed to win the argument.

Swyx needed to determine what it was and was not willing to accept as a company.

Conscience did not provide a predetermined answer. It made visible a question that technology, economics and formal permission could not resolve. The strategic leadership task was to confront that question explicitly, weigh the different legitimate consequences and arrive at a boundary that could be owned collectively.

The result was therefore neither a winner nor a loser. It was a boundary the company had consciously chosen to make its own.

That boundary was itself a commitment. Swyx was not merely deciding whether to pursue one possible use of data. It was deciding something about how it was willing to use the position it occupied in relation to its customers. It was consciously declining a freedom that might otherwise have been available to it.

The Deutsche Telekom and CDR episodes therefore point in different directions.

In the first, the existence of dependency did not mean leadership should reduce it. The strategic judgement was that the relationship could be affirmed and reshaped because the potential advantage justified further commitment and the structure around the dependency could be improved.

In the second, the existence of potential value did not determine whether Swyx should pursue it. The question could not be resolved by increasing the expected return, nor by asking which participant had the stronger argument. The organisation had to determine which boundary it was collectively prepared to carry.

The first says that dependency is not automatically wrong.

The second says that value does not settle every strategic choice.

Neither conclusion follows from one axis alone.

8. Where Strategic Leadership Resides

If strategic leadership is defined by function rather than hierarchy, it cannot belong exclusively to the top of the organisation.

But the opposite conclusion would be equally wrong. Strategic leadership can occur below the executive team without making every manager a strategic leader or every decision strategic.

The function resides where responsibility for strategic commitment resides.

8.1 Responsibility Must Match Consequence

A product leader can make an architecture choice that shapes technology freedom for years without carrying responsibility for the corporate portfolio. A commercial director can allow customer concentration to become strategically significant without controlling capital allocation. A country manager can enter a partner structure that determines market access without having the authority to accept the resulting enterprise dependency.

The nature of strategic leadership does not change in these cases. The scope of consequence does.

Strategic responsibility should sit as close to the decision as possible, but never below the level that can see and legitimately carry its full consequence.

That creates a practical test. A commitment can remain within a role while that role can see enough of the consequence, has the mandate to accept it, and can be held accountable for what follows. When one of those conditions fails, the commitment has to move.

This is not an argument for pushing important decisions upward. Strategic judgement is often strongest close to the market, technology, customer or capability where the commitment is forming. But proximity does not create authority over consequences that extend beyond the role.

A commercial leader may understand the value of a customer relationship better than anyone else and still lack the mandate to accept an enterprise-level dependency on that customer. A technology leader may understand an architecture better than the executive team and still be unable to accept, on behalf of the organisation, the commercial, jurisdictional or data constraints embedded in it.

The issue is not how senior the decision is. It is whether responsibility is large enough for the consequence.

Escalation is therefore not a failure of delegation. It is what happens when the consequence of a commitment becomes wider than the mandate of the person confronting it.

8.2 Strategic Leadership Across the Organisation

At team level, strategic leadership can appear when a leader has real responsibility for choices that shape what the team will later be able to do: which work will no longer be undertaken, which standard will be protected despite short-term pressure, or which capability deserves scarce attention.

At product and technology level, it appears in architecture, roadmap and technical-debt choices that shape future product freedom. A technical decision becomes a strategic leadership matter when the role carries responsibility not only for whether the technology works, but for the future conditions created by choosing it.

In commercial roles, strategic leadership appears where customer, segment, channel or pricing decisions begin to reshape market position. Closing a large contract is not by itself strategic leadership. Recognising that successive contracts are creating a dependency, bringing that dependency under deliberate judgement and carrying the resulting choice can be.

Functional leaders carry strategic responsibility where capabilities, processes or dependencies become embedded in ways that alter future options. Business-unit and country leaders carry a wider field because market position, partners, local capital, regulation and capabilities begin to interact.

The executive team carries commitments across those domains. Portfolio choices, enterprise capabilities, major capital allocation and control points cannot be understood from within one function alone.

The board and CEO carry the widest field of consequence. Their distinctive role is not that strategic leadership exists only there. It is that some commitments can only be judged at enterprise level. They determine which freedoms the institution must retain, which concentrations it is prepared to accept, which commitments it will authorise and which boundaries it will not cross.

The higher the mandate, the wider the consequence. The underlying function remains the same.

8.3 Recognition Through Proximity, Aggregation and External Perspective

Emergent commitment creates a particular organisational problem.

The person who first sees the pattern may not be the person who can decide what to do about it.

Sometimes proximity creates recognition. An engineer may see platform lock-in before the executive team does. A salesperson may recognise dependence on a customer before it appears in a board paper. Procurement may see a supplier becoming practically irreplaceable. A country manager may see political permission changing around a market.

An organisation loses valuable time if strategic recognition is treated as the monopoly of senior management. Local actors therefore need both the awareness and the permission to identify a pattern that may be becoming strategic, even when they do not have the mandate to decide what the organisation should do about it.

But not every emergent commitment is locally visible.

Fifty commercially sensible exceptions made by twenty salespeople may collectively reshape market position without any individual salesperson seeing the pattern. Technology teams can each make defensible local decisions that together create architectural captivity. Successive supplier choices across functions can create concentration that no single buyer intended.

These commitments become visible only in aggregate.

A wider mandate therefore creates a wider responsibility for recognition. Seniority does not make someone inherently better at seeing strategic consequence, but it gives the role access to patterns that may not exist from any single local perspective. The broader the mandate, the greater the obligation to look for commitments that no subordinate consciously made.

Strategic recognition therefore works in both directions. Proximity can reveal consequences hidden from the centre. Aggregation can reveal patterns hidden from the edge.

Sometimes neither is sufficient.

An investor, customer, adviser, lender, regulator or prospective acquirer may see a strategic condition that the organisation itself has normalised. The Swyx sale process is one example: external parties made the significance of customer concentration harder to ignore.

The source of recognition does not determine where accountability ultimately sits. An external party can expose the commitment. A local employee can name it. A strategist can explain it. But once the pattern is visible, responsibility has to reach the level that can legitimately affirm, reshape or attempt to reverse it.

The organisational task is therefore not simply to distribute strategic decisions. It is to ensure that recognition can travel from wherever it occurs to wherever the full consequence can be judged and carried.

8.4 Strategic Influence Without Strategic Authority

One position requires particular care because influence and formal authority can diverge sharply.

Strategists, strategy directors, advisers and consultants may have no mandate to commit the organisation and still exercise substantial influence over the commitment leadership eventually makes. They help define the problem, construct the options, select and

interpret evidence, challenge assumptions and frame the consequences. They may also have unusually direct access to those who decide.

The strategist may therefore influence the choice disproportionately without owning the resulting commitment.

That does not make the strategist a strategic leader. The distinction established in Chapter 4 remains important. Strategic leadership carries responsibility for commitment on behalf of the organisation. The strategist helps formulate, challenge and clarify the logic from which that commitment may follow.

But influence carries responsibility of its own.

Options can be framed broadly or narrowly. Assumptions can be exposed or buried inside a model. Uncertainty can remain visible or be converted into apparently precise numbers. Privileged access can widen leadership judgement or allow competing perspectives to be bypassed.

Good strategic advice does not require neutrality. A strategist who concludes that one option is stronger should say so and should be prepared to persuade leadership. The responsibility is to use analytical advantage and access to improve judgement rather than substitute for it.

The strategist should make material uncertainty visible, expose credible alternatives and distinguish evidence from interpretation.

The strategist's responsibility is not to make the decision while leaving leadership formally responsible for it.

Leadership, in turn, cannot transfer accountability by pointing to the advice it received. The strategist is responsible for the quality and integrity of the influence exercised. The strategic leader remains accountable for turning advice into organisational commitment.

A function can be assigned by mandate. The capacity to perform it cannot.

9. Strategic Leadership as Developed Capacity

A title can expand a person's mandate overnight. It cannot expand judgement at the same speed.

This is why strategic leadership is both a function and a developed capacity. The function can be assigned to a role. The quality with which it is performed depends on what the person occupying that role has learned to see, decide and carry.

Chapter 2 rejected the attempt to define strategic leadership from traits, habits or behaviours observed in successful executives. We can now return to the person from the opposite direction.

The capacities follow from the function.

9.1 Consequence Perception, Commitment and Consequence Carrying

Chapter 5 introduced two broad capacities: consequence perception and consequence carrying.

Consequence perception is the ability to see beyond the immediate decision to the strategic condition it is creating. It means seeing what is being excluded, where advantage might arise, how a position may harden, who gains agency and where a boundary may be encountered. It also means recognising when accumulated actions are creating a commitment nobody consciously chose.

This is not prediction.

Strategic leaders operate under uncertainty precisely because important consequences cannot be known with confidence in advance. Consequence perception is the ability to understand the mechanisms through which future action may become constrained before those mechanisms have fully done their work.

Consequence carrying is the capacity to hold, adapt and account for a commitment after responsibility for it has been consciously assumed.

Between the two sits commitment.

Perception can reveal that a strategic consequence exists without determining whether the organisation will accept it. At some point, judgement has to become choice. In a deliberate strategy, leadership binds the organisation to a path. Where commitment has emerged, recognition has to produce a decision to affirm, reshape or attempt to reverse the position.

Commitment is therefore not a third capacity alongside perception and carrying. It is the act through which judgement becomes organisational responsibility.

What operates at that point is judgement: the integration of what has been perceived into a choice the organisation can be held to. Section 9.3 returns to this as developed judgement under consequence.

This resolves an important distinction between seeing and leading.

Chapter 5 described the strategist who sees consequences early but lacks the mandate, discipline or courage to carry the commitment. The failure can now be located more precisely. Where mandate is the obstacle, the problem is organisational, as Chapter 8 showed. Where it is not, the person may see strategic consequence clearly and still remain unable to commit. They can describe every trade-off, dependency and alternative and still refuse to close the options their own analysis requires. Their perception is not the problem, and carrying has not yet begun. The failure occurs at the transition between them, before there is a commitment to carry. The result can be sophisticated paralysis.

Others cross that transition too easily. They commit before they have seen enough, mistaking decisiveness for judgement. Their willingness to choose is real, but the commitment rests on inadequate consequence perception.

Strategic leadership requires neither permanent hesitation nor permanent conviction. It requires the ability to see enough to judge, to commit when judgement requires commitment, and then to carry what has been consciously assumed.

The three verbs in the definition therefore describe a sequence without requiring three separate capacity categories. Recognition depends primarily on consequence perception. Making a deliberate commitment converts judgement into responsibility. Carrying begins once that responsibility has been assumed.

9.2 What the Five Axes Require

The five axes make these capacities more concrete without turning them into a personality model.

For **trade-off**, consequence perception means seeing the exclusion hidden inside a choice. It includes recognising incompatible priorities and noticing when repeated exceptions are quietly undoing the strategy. Carrying the commitment means protecting the exclusion against dilution while remaining able to change it when the underlying strategic logic genuinely changes.

For **asymmetry**, perception requires the ability to imagine a game in which the organisation's particular difference could matter disproportionately. Carrying requires concentration: allocating enough capital, attention and capability for the intended advantage to become real, while remaining willing to abandon the thesis if the mechanism that was supposed to create advantage does not materialise.

For **irreversibility**, perception means seeing paths rather than isolated decisions. The leader has to recognise what is hardening, how quickly, and what would have to be rebuilt if the organisation later tried to restore its position. Carrying requires temporal

judgement: knowing when to preserve optionality, when to commit further, when to wait for evidence and when waiting itself is allowing the path to close.

For **freedom of action**, perception means understanding dependency as a question of agency. The leader has to see which freedoms depend on another actor, how much practical power that actor holds and how the structure may change over time. Carrying does not necessarily mean reducing the dependency. It may mean accepting it, diversifying it, insulating the organisation, aligning interests, influencing the counterparty or taking control of the critical node. The discipline lies in knowing what agency is being exchanged and why.[11]

For **conscience**, perception means recognising that a strategic consequence has reached a question that economics and formal permission cannot settle. Sometimes the boundary is already clear. Sometimes the organisation has to determine it through discussion among people carrying different legitimate responsibilities. Carrying then means accepting the resulting institutional boundary as part of the commitment and respecting it under subsequent pressure.

These are not ten separate competencies requiring ten new labels. They are two capacities expressed across five forms of strategic consequence, with commitment connecting perception to responsibility.

9.3 Judgement Cannot Be Read from Behaviour Alone

Nothing in this framework requires a strategic leader to be charismatic, extroverted, dominant or unusually comfortable in public.

Nor does it make general leadership unimportant. A person may see strategic consequence exceptionally well and still fail because others do not understand or trust the direction. Strategic commitments eventually have to become collective action. The functions established in Chapter 3 remain complementary.

But the capacities are not interchangeable.

A highly trusted leader can make poor strategic commitments. A compelling communicator can align an organisation around a path that destroys future freedom. A calm executive can mistake inertia for discipline. A decisive one can confuse speed with judgement. A collaborative leader can preserve consensus by refusing the trade-off on which the strategy depends.

This is why behaviour cannot be interpreted without the commitment around it.

Persistence can be evidence of discipline when the strategic logic remains sound and early results disappoint. The same persistence becomes rigidity when evidence has invalidated the logic. Adaptability can reflect learning or an inability to hold a difficult choice. Delegation can develop judgement lower in the organisation or allow a strategic exposure to grow outside the sight of those accountable for it.

The behaviour is observable. Its strategic quality depends on why it occurred, what the leader knew and what consequence was being carried.

The same applies to the use of strategic advice. A leader does not need to be the best strategist, technologist or analyst in the room. Serious strategic judgement depends on expertise that no single executive can possess. Analysis, research, modelling and challenge can all be delegated.

The judgement by which those inputs become organisational commitment cannot be delegated in the same way.

Leadership has to understand enough of the logic, uncertainty and consequence to assume responsibility for the choice. “The advisers recommended it” may explain how a decision was reached. It does not change who committed the organisation.

Strategic leadership is therefore better understood as **developed judgement under consequence**.

9.4 Development Begins Before Enterprise Responsibility

If strategic judgement develops through experience, the first serious exposure to strategic consequence cannot sensibly occur when someone becomes CEO, joins an executive committee or enters a boardroom.

By then the field of consequence is already too wide.

Research on leadership development supports the broader importance of learning through demanding assignments and real organisational work rather than treating executive capability as the product of classroom instruction alone.[18][19] Strategic leadership requires a more specific form of that experience.

People need bounded responsibility for real commitments and the opportunity to learn from what those commitments create.

A product leader can learn what it means to close an architectural option. A commercial leader can learn to recognise concentration before it becomes dependency. A functional leader can discover that efficiency today is consuming a capability needed tomorrow. A business-unit leader can learn to hold a trade-off through disappointing early results without allowing discipline to become ego.

They also need experience recognising commitments they did not make. A future strategic leader should learn to notice when a series of sensible local decisions is becoming an enterprise constraint and to escalate the issue before restoration becomes impractical.

That learning should include both proximity and aggregation. People need to recognise strategic consequence in the decisions close to them, but as their mandate widens they must also learn to detect patterns across decisions that no individual actor can see.

The mandate can widen as judgement develops.

What should increase is not merely budget, headcount or title. The developing leader should encounter greater ambiguity, longer time horizons, more interdependence, harder-to-restore commitments, stronger external actors and consequences affecting people further beyond the immediate team.

Strategists and advisers require a related discipline. Their development is not only about producing better analysis. It includes learning how framing, evidence and access influence real commitments; how to form a view without becoming captive to it; and how to persuade without taking over a responsibility that belongs to leadership.

This changes what organisations should look for in potential strategic leaders.

The relevant question is not simply whether someone performs strongly in the current role or appears ready for a larger one. It is whether the person is becoming better at seeing consequence before it becomes unavoidable, converting judgement into choice when commitment is required, recognising commitments that have formed without choice, and carrying responsibility once the organisation has consciously assumed it.

That capacity cannot be inferred from confidence.

It has to be developed in judgement.

Strategic leadership is not born at the top. It is trained at the edge of responsibility.

The next question is therefore practical: how should organisations create that training ground before the company itself becomes it?

10. Developing and Assessing Strategic Leadership

Criteria for Development, Promotion and Recruitment

This chapter does not design a leadership development or HR assessment system.

That would be the wrong level of analysis. The design of leadership development, performance review, promotion, succession and recruitment processes depends on the organisation, its governance, maturity, culture, scale and strategic context. In most organisations, that design belongs with the CHRO, the CEO and the board.

The purpose here is narrower.

This chapter defines the strategic criteria any serious development or assessment approach must address if it claims to develop or evaluate strategic leadership. It asks what has to be learned, what has to be observed and what has to be judged when a person is expected to recognise, make and carry commitments that shape future conditions of action.

It is not an HR manual. It is a strategic framework.

The distinction matters because strategic leadership can easily be absorbed into general leadership language. A company may ask whether a person inspires, communicates, collaborates, engages, aligns or delivers. These are legitimate questions. But they do not answer the strategic leadership question.

The strategic leadership question is different:

Can this person recognise, make and carry commitments whose consequences others will later have to live with?

That question applies differently at different levels. It does not require every manager to become a strategist. It does not require every performance review to become a strategy review. It does not require an additional bureaucracy of strategic memory, records or assessments.

It requires that organisations stop treating delivery, leadership style and strategic judgement as if they were the same thing.

10.1 Development Is Exposure to Consequence, Not Leadership Style Training

Strategic leadership is developed through structured exposure to consequence.

That sentence should not be misunderstood. It does not mean that people should simply be given larger roles and left to learn from whatever damage or success follows. Nor does it mean that leadership development should be reduced to cases, personality work, executive presence or generic leadership behaviours.

Research on executive development has long emphasised the importance of learning through demanding assignments, real work and experience rather than classroom instruction alone.[18][19] Strategic leadership requires a more specific form of that experience. It requires exposure to commitments that change what remains possible later.

Strategic leadership is developed when people receive real but bounded responsibility for commitments: commitments they must learn to recognise, make and carry.

The sequence matters.

A person who can deliver a plan may not yet be able to see the commitment inside it. A person who can see the commitment may still be unable to convert judgement into choice. A person who can make the choice may lack the discipline to hold it, adapt it or account for its consequences. Development has to address the whole movement, not only the most visible part.

This is why strategic leadership cannot be developed only at the top. By the time someone reaches enterprise responsibility, the commitments are too wide, too public and too consequential for the company itself to become the first training ground. Earlier in a career, the scope can be smaller, the mandate narrower and the consequences more containable. But the discipline must be real.

A product leader can learn what it means to close an architectural option before the architecture defines the company. A commercial leader can learn to see customer concentration before it becomes an enterprise dependency. A functional leader can learn that efficiency today may consume a capability needed tomorrow. A country manager can learn that a local partner structure is not only a route to market, but a transfer of agency.

This does not make general leadership development irrelevant. Strategic commitments have to become collective action. A person who cannot create trust, alignment or clarity may fail to carry even a sound commitment. But strategic leadership development requires something more specific than the ability to motivate or coordinate.

It requires repeated exposure to the consequences of commitment.

The development question is therefore not whether a person has been taught the vocabulary of strategy. It is whether the person has been placed close enough to strategic consequence, often enough and reflectively enough, to develop judgement before the consequence becomes too large.

10.2 What Must Be Developed

The definition in Chapter 5 contained three verbs: recognise, make and carry. Development has to follow the same structure.

The first capacity is the ability to **recognise** commitment.

Many strategic commitments do not look strategic when they begin. They look like customer success, practical reuse, commercial realism, local adaptation, technical convenience or operational efficiency. A customer grows from important to dominant. A temporary workaround becomes the operating model. A platform becomes easier to extend than to leave. A supplier becomes efficient precisely because the organisation has stopped knowing how to replace it.

People must learn to ask what future freedom a pattern is consuming before the pattern announces itself as a strategic problem.

As Chapter 8 argued, recognition may arise through proximity, aggregation or external perspective. The person closest to the work may see what senior leaders cannot. A wider role may see patterns no local actor can see. A buyer, lender, regulator, adviser, customer or board member may see a commitment the organisation has normalised. Development should therefore expose people not only to decisions they own, but also to patterns they must notice, escalate or interpret before they have full authority over them.

The second capacity is the ability to **make** commitment.

Recognition is diagnosis. Making is responsibility. A leader who recognises an emergent commitment has named a condition, but has not yet determined what the organisation will do with it. The second capacity is therefore the ability to convert recognition into explicit choice: affirm the position, reshape its terms or initiate reversal.

This is where many capable people fail. Some confuse diagnosis with decision. They describe every trade-off, dependency and path-dependency with analytical brilliance, yet refuse to close the options their own analysis identifies. The result is sophisticated paralysis: the organisation sees its constraint clearly while continuing to drift.

Others commit too quickly. They experience ambiguity as weakness and mistake decisiveness for judgement. The result is commitment without adequate consequence perception.

Development has to expose people to both dangers.

Making commitment is neither analysing nor merely being bold. It is the specific act through which judgement becomes organisational responsibility. It requires enough perception to understand what is being assumed and enough courage to accept that not all options can remain open.

The third capacity is the ability to **carry** commitment.

Once responsibility has been consciously assumed, strategic leadership is tested through time. A commitment must be held against ordinary dilution, adapted when evidence changes the underlying logic, and accounted for when consequences appear.

Holding is not stubbornness. It is protecting what must remain true for the strategy to remain coherent. Adaptation is not drift. It is changing the commitment when the judgement on which it rested has changed. Accounting for is not communication after the

event. It is accepting responsibility for what the commitment has set in motion, including consequences imposed on others.

Development should therefore not stop at decision-making. Many leadership programmes overemphasise the moment of choice and underemphasise the life of the commitment after choice. But strategic leadership is often least visible when the original decision is made and most visible when reality begins to resist it.

The person must learn not only to decide, but to carry.

10.3 What Must Be Assessed

Assessment should follow the same structure.

The first assessment question is whether the person recognised the commitment.

Did they see the trade-off before exceptions restored ambiguity? Did they notice that a customer relationship was beginning to shape product priorities? Did they detect that a platform decision was becoming architectural captivity? Did they understand that a supplier was moving from efficient partner to critical permission holder? Did they recognise that an apparently profitable opportunity raised a boundary question economics could not settle?

Recognition should be judged relative to role and mandate. A person cannot be expected to see what the role could not reasonably reveal. An engineer may see local platform lock-in before the executive team does. A CEO may see enterprise concentration that no individual sales manager could recognise. A board may see institutional consequence that management, under delivery pressure, is tempted to normalise.

Assessment should therefore ask not only whether a person saw, but whether the organisation had placed responsibility where the consequence could be seen.

The second assessment question is whether the person exercised sound commitment judgement.

Once a commitment is visible, did the person bring it under deliberate judgement? Did they understand what was being excluded? Was the intended asymmetry credible? Was the difference between reversal and restoration recognised? Was agency being transferred to another actor? Was there a conscience boundary that legal permission or economic return could not settle?

For an emergent commitment, assessment should first ask whether the person converted recognition into choice. Did they decide, or help the organisation decide, whether the position should be affirmed, reshaped or reversed? Did they understand what each option would close, protect or require?

If the person lacked the mandate to make that judgement, the assessment question changes. Did they recognise the limit of their authority and escalate the issue to the level where responsibility was large enough for the consequence? A person should not be

criticised for refusing to carry what they had no legitimate mandate to carry. But they can be assessed on whether they recognised that limit.

The third assessment question is whether the person carried the commitment.

Did they hold the trade-off against ordinary dilution? Did they adapt when evidence changed the logic? Did they distinguish signal from noise? Did they account for the consequences imposed on others? Did they respect a boundary once it had been determined, even when commercial pressure increased?

Holding and adaptation should be assessed against the reconsideration point that was named, or should reasonably have been named, when the commitment was made or recognised. The issue is not whether the leader held or changed. It is whether the leader held when the reconsideration point had not been reached and adapted when it had.

This is where outcome bias has to be controlled.

Outcomes matter. A leader cannot indefinitely defend poor results by pointing to good intentions or elegant reasoning. But outcomes are not clean evidence of strategic leadership. Markets move, competitors respond, regulators intervene, technology changes, capital conditions shift and luck appears. Machiavelli's fortuna remains relevant because strategic leadership operates in a world that does not distribute consequences according to analytical merit.[20]

Assessment should therefore ask what judgement was exercised before, at and after commitment, not only what the outcome later became. A good outcome can conceal weak judgement. A poor outcome can follow a sound commitment under uncertainty. A leader may be praised for insight when fortune arrived, or punished for error when fortune left. Outcome bias makes this problem worse by allowing later results to distort judgement about the quality of earlier decisions.[21]

Serious assessment reconstructs what was known, what should reasonably have been seen, what was assumed, what was carried and what changed.

A single outcome may reveal little because fortuna can dominate any one case. A pattern across multiple commitments is more informative. What does the person repeatedly recognise early or late? Which trade-offs do they protect or avoid? How do they behave when assumptions fail? What do successors inherit? Over time, judgement leaves a trace that individual outcomes may conceal.

The same logic applies to strategists and advisers, although their accountability differs. They should not be assessed as if they owned the commitment. They should be assessed on whether their framing, evidence, challenge and persuasion improved the judgement by which others committed.

In practical assessment, the distinction can be kept simple. Recognition asks whether the person saw the commitment forming. Making asks whether the person converted judgement into a choice that closed options and assumed responsibility. Carrying asks whether the person held, adapted and accounted for the commitment once reality began to test it.

Weakness appears differently at each point. Failure to recognise leaves the organisation bound before leadership has arrived. Failure to make leaves the organisation analysing its own drift while continuing it. Failure to carry turns commitment into dilution, rigidity or unaccountable consequence.

The standard is not perfect foresight. It is disciplined judgement under consequence.

10.4 Distinguishing Managerial Performance, General Leadership and Strategic Leadership

Development and assessment must preserve the distinctions established earlier in this paper.

The most common promotion error is to confuse managerial performance or general leadership strength with strategic leadership readiness.

A person may deliver reliably, run teams well and make action executable. That does not prove that they can recognise, make or carry strategic commitments. Another person may inspire trust, bind people together and make action collective. That also does not prove strategic leadership readiness.

These capabilities matter, but they are not the same capability.

The reverse error also matters. A person may possess strong strategic judgement without being the most charismatic or inspiring leader in the organisation. Such a person may need others to help translate commitment into collective energy. That does not make the strategic judgement less real. It means the organisation should not confuse the absence of inspirational style with the absence of strategic leadership capacity.

Promotion to wider responsibility should therefore ask a further question: has this person shown the judgement required to carry wider consequence?

The answer will depend partly on the role. Not every role has the same strategic leadership load. Some roles are primarily managerial. Others require general leadership more than strategic commitment. Others place a person near dependencies, trade-offs, long-cycle commitments, institutional boundaries or enterprise-level irreversibility. In those roles, strategic leadership capacity matters greatly.

A manager may dislike strategy language and still be effective. Many strategy processes deserve scepticism. But a manager who refuses to examine the future consequences of present decisions is revealing a limit in strategic leadership capacity. That limit may not matter in every role. It matters in roles whose mandate includes commitments others will later have to carry.

Not every strong manager is ready for strategic leadership. Not every strong general leader is ready for strategic leadership. That is not a criticism. It is a development judgement.

It becomes dangerous only when the distinction is ignored and promotion makes the consequence larger.

10.5 Promotion and Mid-Career Recruitment

Promotion and mid-career recruitment create a particular assessment problem.

Organisations often evaluate experienced people through track record, sector knowledge, leadership style, scale of previous role and apparent cultural fit. These factors matter. They do not establish whether the person can carry the strategic commitments the new role will require.

The better question is:

What kind of strategic consequence has this person learned to carry, and does it match the role?

A person's past success should therefore be examined through commitment, not only outcome.

The practical task is to reconstruct several commitments rather than accept the candidate's strongest story. What did the person recognise, make or carry? What was known at the time? What was excluded? What advantage was expected? What later became hard to restore? Which dependency changed? What would have caused reconsideration? What did successors inherit?

These questions are not requests for heroic stories. They are tests of judgement.

They also make interviews, promotion discussions and references more useful. The question is not simply whether the person succeeded, but whether the person can reconstruct the judgement behind commitments at the time they were made and explain what later proved right, wrong or incomplete.

A candidate who has delivered strong results may still have limited experience with irreversible commitments. Another may have operated with influence but not authority. A third may have inherited commitments and carried them well without ever having made one. A fourth may have repeatedly benefited from favourable conditions without developing the ability to distinguish signal from noise.

Strategic leadership is contextual without being merely situational.

Someone may be well developed for one kind of strategic consequence and underdeveloped for another. A leader experienced in scaling an established model may be weak at recognising emergent captivity. A turnaround executive may be strong at trade-offs and discipline but too quick to close options in an innovation context. A strategist may have excellent consequence perception and advisory influence but limited experience carrying accountability for commitment. A founder may carry conviction well but struggle to adapt when the original logic fails.

Promotion and recruitment should therefore consider the strategic leadership load of the role.

Does the role require someone who can recognise drift? Close options? Reshape dependency? Carry an inherited commitment? Work with powerful advisers? Determine a boundary under uncertainty? Escalate when consequence exceeds mandate? Hold a difficult trade-off through organisational discomfort?

The issue is not whether the candidate sounds strategic.

It is whether the person's judgement has been developed by the kind of consequence the role will create.

10.6 The Board and the CEO

The most consequential version of this assessment is the evaluation of the CEO.

A board cannot delegate that judgement to HR. In the CEO evaluation, the criteria in this chapter become a board responsibility. The board should not only ask whether the CEO delivered results. It should ask which major commitments were recognised, made or carried during the year, which emergent commitments became visible, which trade-offs were protected or diluted, and how the CEO responded when a reconsideration point was reached.

This is a different conversation from a conventional performance review.

The board should look at the major commitments of the year, not only the results of the year. Which commitments did the CEO ask the organisation to make? Which commitments were inherited and carried? Which patterns became visible? Which commitments were consciously not made? Which assumptions were central? Which dependencies or boundaries changed? Which decisions should be reconsidered in the next cycle?

The board is not a neutral observer in that assessment.

It authorised, challenged, delayed or approved the commitments under review. Assessing the CEO's strategic leadership therefore also requires the board to ask whether it exercised its own strategic responsibility well.

A board cannot assess the CEO's strategic leadership as if it stood outside the commitments it approved.

10.7 Strategic Memory, Sufficient Not Complete

Strategic leadership development also requires memory.

But strategic memory should be sufficient, not complete.

The objective is not to eliminate memory loss. That would create an organisation heavier than the problem it is trying to solve. Memory consumes attention, time and energy. It can slow decisions, encourage defensive documentation and turn judgement into compliance. A development system that becomes heavier than the judgement it preserves has failed its own strategic test.

The practical question is narrower:

What should not be forgotten because the organisation will still have to carry it?

That is the memory worth preserving.

The purpose is not to document every decision. It is to preserve the judgement behind commitments that will outlive the moment, the role-holder or the people who originally shaped them.

This is especially important in modern careers. Strategic commitments often outlive the roles of the people who helped create them. A technology architecture, financing structure, customer concentration, partner dependency or institutional boundary may continue shaping the organisation long after the relevant executive, product leader, strategist or adviser has moved on.

Mobility is not only a problem. People who have worked across several organisations may recognise patterns faster because they have seen similar commitments elsewhere. They may be less captive to local normality. They may understand, from comparison, how commitments harden differently across organisations.

But mobility weakens consequence ownership. The person who helped create the commitment may not be present when its consequences arrive. A successor may inherit the consequence without the judgement that produced it. The organisation may remember the outcome but lose the reasoning.

Strategic memory should therefore live first in disciplined conversations, not in systems.

At a handover, the relevant question is not only what projects, budgets and stakeholders are in motion. It is what commitments, assumptions, dependencies, boundaries and reconsideration points the successor should understand.

At a promotion or succession discussion, the relevant question is not only whether the person delivered. It is what future consequence their delivery created and whether they made that consequence visible.

At a board or executive discussion, the relevant question is not only whether a proposal is attractive. It is whether the six strategic-consequence questions set out in Section 10.8 have been considered where the commitment is serious enough to matter.

No elaborate system is required for these questions to matter. A short note, a serious conversation and a clear handover will often preserve more strategic judgement than a database nobody uses.

The purpose is not to remember everything.

It is to prevent the organisation from forgetting the few commitments it will still have to carry.

10.8 Where the Criteria Belong

The criteria in this chapter have to be embedded somewhere.

They may be embedded in leadership development, performance review, promotion, succession, recruitment, onboarding, role handover, CEO evaluation, board review or investment governance. The appropriate design depends on the organisation.

Strategic leadership development should be embedded, not added.

The organisation should not create a separate strategic leadership bureaucracy. It should add consequence to the conversations it already has. The lighter the process, the more likely the discipline survives.

HR can play an important role because HR often owns the process architecture through which people are reviewed, developed, promoted, recruited and handed over. But HR does not own strategic judgement. HR can institutionalise the questions. Business leadership must make the judgement.

That distinction matters.

If the criteria become an HR competency model detached from real commitments, managers will learn the language and perform it. If the criteria are connected to actual consequences in the person's role, they can reveal development.

The same is true of governance. A board paper, investment proposal, budget round, major contract or CEO evaluation does not need to become a long strategic leadership document. But it can ask a small number of strategic-consequence questions.

The six questions are:

1. **What are we excluding?**
2. **What advantage do we expect in return?**
3. **What will become harder to restore?**
4. **Who gains agency over our future action?**
5. **What boundary are we setting or approaching?**
6. **What would make us reconsider?**

For inherited or emergent commitments, the same questions are asked retrospectively. What have we already excluded? What advantage have we gained? What has become harder to restore? Who has gained agency over our future action? What boundary have we approached or crossed? What should now make us reconsider?

These are not HR questions. They are strategic leadership questions.

The organisation may choose to place them in different processes. That is a matter of design. The strategic requirement is that they are not ignored where the consequence is large enough to matter.

The final test is simple.

As people take on wider responsibility, does the organisation learn more about their ability to recognise, make and carry commitments whose consequences will outlast them?

If it does, the organisation is developing strategic leadership.

If it does not, it may be developing managers, motivators and executives while still leaving strategic leadership largely to chance.

11. What This Framework Adds

The argument of this paper can now be positioned against several established traditions. Its claim is not that strategic leadership has been neglected, nor that senior executives, leadership behaviour, organisational capability or institutional purpose are unimportant. They plainly matter. The contribution is more specific. This framework defines strategic leadership by the function it performs: responsibility for recognising, making and carrying commitments that shape the future conditions under which an organisation must act.

The upper echelons tradition, associated here with Finkelstein, Hambrick and Cannella, rightly places attention on executives, top management teams and boards, and on the effects they have on strategy and organisational outcomes.[1] This paper accepts that senior leaders matter and that their experience, incentives and judgement shape organisations. It goes further by separating the function from the position. Seniority concentrates mandate and widens consequence, but it does not itself define what makes leadership strategic. Strategic leadership may be concentrated at the top, but it is present wherever responsibility attaches to commitments that materially alter future conditions of action.

The capability tradition, represented here by Ireland and Hitt, and by Boal and Hooijberg, usefully emphasises that strategic leadership requires capacities beyond formal authority. Ireland and Hitt identify components such as determining strategic direction, exploiting and maintaining core competencies, developing human capital, sustaining effective culture, emphasising ethical practices and establishing balanced organisational controls.[2] Boal and Hooijberg emphasise learning capacity, adaptive capacity and managerial wisdom.[3] This paper does not reject that move. It changes the order of reasoning. As Chapter 2 argued, the capacities should be derived from the function rather than the function being defined by a list of capacities. Once strategic leadership is understood as responsibility for recognising, making and carrying commitment, the relevant capacities become clearer: consequence perception, the judgement by which perception becomes commitment, and consequence carrying.

Mintzberg and Waters provide an essential foundation for the treatment of emergent strategy.[10] This paper accepts their distinction between deliberate and emergent strategy, but extends the logic from strategy formation to commitment formation. That extension is ours, not theirs. A realised pattern of action may become binding even if no one intended it as strategy. Strategic leadership therefore has to recognise when drift has become commitment and convert that drift into choice: affirm the position, reshape it or attempt to reverse it. In this sense, emergent commitment is not a marginal case. It is one of the central reasons strategic leadership cannot be reduced to formal decision-making.

Ghemawat's work on commitment provides another important anchor.[9] This paper accepts the importance of lock-in, lock-out, lags and inertia in explaining why strategic choices persist and why present decisions constrain future ones. It adds the restoration test developed in Chapter 5: reversal is not restoration. The strategic threshold is reached when undoing the immediate act no longer restores the prior freedom of action.

Irreversibility is therefore treated not merely as a property of a decision at the moment it is taken, but as a trajectory. Commitments harden, often gradually, and the cost of restoration may increase before the organisation has noticed that it has crossed the threshold.

Barnard and Selznick help explain why strategic leadership cannot be reduced to analysis or power. Barnard's conception of organisation as a cooperative system remains important for general leadership, because organised action depends on communication, common purpose and willingness to contribute.[8] Selznick's distinction between routine and critical decisions, and his concern with institutional purpose, provide an important antecedent for the strategic threshold, although the precise threshold argument here is narrower and should not be attributed directly to him.[13] This paper builds on that institutional sensibility by treating conscience as one of the five axes of strategic leadership. Some choices cannot be settled by permission, legality or commercial value alone. They require the organisation to determine and carry an institutional boundary.

The literature on power and dependence also clarifies the argument. Pfeffer and Salancik's resource dependence perspective shows how reliance on resources controlled by others creates the possibility of constraint and power.[16] Strange, and later Farrell and Newman, provide distinct accounts of structural and network power, where control over access, structures or critical nodes can give one actor practical influence over another's choices.[17] This paper uses that underlying mechanism to sharpen the freedom of action axis. Dependency is not merely a risk to be reduced. It may be a deliberate transfer of strategic agency in exchange for advantage. The strategic question is therefore not whether dependency exists, but whether the advantage gained justifies the agency transferred and whether leadership understands who can constrain future action.

Finally, the framework extends Outdoor Connect's own canon. *Strategic Growth in the Mid-Market* placed commitment, trade-off and irreversibility close to the centre of strategy.[4] *Freedom to Operate* distinguished ownership from permission, treated replaceability as something that changes over time and made freedom of action a board-level governance concern.[11] *Power, Permission and Conscience* distinguished organisational authority from the personal and institutional burden of judgement.[12] The present paper brings these lines together in a single framework for strategic leadership. Its additional move is to define the leader's function around commitment itself: deliberate or emergent, chosen or inherited, to be recognised, made and carried.

The result is not a new language for all leadership. It is a narrower claim about strategic responsibility. That responsibility may be visible in senior executives, business unit leaders, technology leaders, country managers or boards, depending on where mandate and consequence meet. It also shapes the responsibility of strategists who influence commitments they do not own. What matters is not the title, style or agenda of the leader. What matters is whether the leader can recognise, make and carry commitments that shape the future others will have to act within.

12. Principles

The framework can be condensed into nine principles. They are not a substitute for judgement. They are a reminder of what strategic leadership is responsible for.

1. **Strategic leadership is defined by function, not position.** It is responsibility for commitments that shape future conditions of action, distinct from management, which makes action executable, and general leadership, which makes it collective.

2. **Strategy defines the logic of choice; strategic leadership carries the commitment.** Strategy can be analysed before the organisation binds itself. Strategic leadership becomes decisive when the organisation commits, or discovers that it has become committed.

3. **Commitment can be deliberate or emergent.** Once a pattern is visible, leadership must convert drift into choice: affirm, reshape or attempt to reverse.

4. **Strategic leadership means recognising, making and carrying commitment.** Recognition is diagnosis, making is responsibility, carrying is the test through time.

5. **Reversal is not restoration.** A commitment is strategic when undoing the immediate act no longer restores the prior freedom of action.

6. **Strategy spends freedom.** The judgement is which freedom to spend, for what advantage, and how much agency to transfer to others in return.

7. **Permission does not settle conscience.** Some boundaries must be determined and carried by the organisation itself.

8. **Responsibility must match consequence.** Influence creates responsibility; only mandate creates accountability for commitment.

9. **Strategic leadership is assessed as judgement before, at and after commitment, not by outcome alone.** Every serious commitment should be able to answer the six questions in Section 10.8.

13. Closing

Management, general leadership and strategic leadership can fail in different ways. A weak manager may fail to make action executable: the organisation may know what it wants but be unable to translate responsibility into resources, processes, decisions and reliable execution. A weak general leader may fail to make action collective: people may understand the plan but not trust it, commit to it, interpret it coherently or sustain the effort required to act together.

A weak strategic leader can fail more quietly. The organisation may execute well. People may be aligned, motivated and energetic. The board may approve the plan. The metrics may improve for a time. Yet the organisation may be committing itself to a future that is strategically weaker than the present it is spending.

The danger is not always dramatic failure. More often, it is competent movement into a constrained future: options closed without sufficient advantage, advantage built on agency controlled by others, commitments allowed to harden before they were named, flexibility preserved in language while alternatives disappeared in fact, permission used where conscience was required. The organisation may still look well managed and well led. It may move quickly, speak confidently and execute with discipline. But it may be moving into a future no one has truly examined, or one whose consequences no one is prepared to carry.

This is why strategic leadership cannot be reduced to being senior, being followed, being inspiring or being fluent in strategy language. Those things may matter, but they are not the responsibility itself. The responsibility is to recognise, make and carry commitments that shape the future conditions under which others must act.

That responsibility is not confined to the boardroom, although the boardroom carries its widest form. It can appear wherever mandate and consequence meet: in technology architecture, customer concentration, supplier dependence, capital allocation, market entry, data use, partner structure, pricing discipline, capability building or the slow accumulation of exceptions no one has yet called strategy.

Nor is it reserved for the naturally gifted. Strategic leadership is not born fully formed at the top of the organisation. It is developed at the edge of responsibility, where people first learn that choices do not merely solve present problems. They create future conditions.

The discipline is demanding because it refuses several comforts at once. It refuses the comfort of defining leadership by style: an inspiring leader may not be strategic, and a strategic leader may not be the most inspiring person in the room. It refuses the comfort of judging leadership by outcome alone: fortune can reward weak judgement and punish strong judgement. It refuses the comfort of treating non-decisions as harmless: drift can bind an organisation as surely as deliberate choice. It refuses the comfort of treating freedom as something to preserve indefinitely: strategy requires spending freedom, but only for advantage worth the expenditure. And it refuses the comfort of permission: not everything allowed should be done.

The task is not to make everyone a strategic leader. That would empty the term of meaning. The task is to know where strategic leadership is required, to develop it before consequence becomes too large, and to assess it by the commitments people recognise, make and carry.

An organisation that fails to do this may be moving with great competence into a future it has not chosen clearly enough, understood deeply enough or prepared itself to carry.

Strategic leadership is not the art of being followed. It is the responsibility of choosing a future others will have to live in.

Notes

[1] Sydney Finkelstein, Donald C. Hambrick and Albert A. Cannella Jr., *Strategic Leadership: Theory and Research on Executives, Top Management Teams, and Boards*, Oxford University Press, 2009. The work concentrates on senior executives, top management teams and boards and their effects on organisational strategy and outcomes. (https://academic.oup.com/book/10716/chapter-abstract/158783874)

[2] R. Duane Ireland and Michael A. Hitt, "Achieving and Maintaining Strategic Competitiveness in the 21st Century: The Role of Strategic Leadership," *Academy of Management Executive*, Vol. 13, No. 1, 1999. The article develops six components of effective strategic leadership in turbulent and unpredictable competitive environments. (https://journals.aom.org/doi/full/10.5465/ame.1999.1567311)

[3] Kimberly B. Boal and Robert Hooijberg, "Strategic Leadership Research: Moving On," *The Leadership Quarterly*, Vol. 11, No. 4, 2000, pp. 515–549. They identify the capacity to learn, the capacity to change and managerial wisdom as central to strategic leadership. (https://www.sciencedirect.com/science/article/pii/S1048984300000576)

[4] Outdoor Connect, *Strategic Growth in the Mid-Market*, v1.1, especially "Strategy as the Management of Commitment." The Canon defines commitment as the deliberate closing of alternatives, links strategic decisions to the binding of resources, reputation and energy, and argues that leadership must choose irreversibility wisely. The extension from deliberate to emergent commitment in the present paper is a development of the Canon rather than a proposition already made there.

[5] Boston Consulting Group, *The CEO Agenda*. The current agenda foregrounds profitable growth, costs, geopolitics, AI, talent and sustainability. The example is used descriptively: these are legitimate executive concerns, but their changing composition illustrates why an executive agenda should not itself define strategic leadership. (https://www.bcg.com/executives/ceo-agenda)

[6] Gautam Kumra, Joydeep Sengupta, Mukund Sridhar, Janice Koh and Jennifer Chiang, "Everyday habits: How CEOs navigate their six core responsibilities," McKinsey & Company, 28 February 2025. The article asked more than 100 programme participants to identify routines contributing to their effectiveness. It separately refers to the research underlying *CEO Excellence*, based on more than twenty years of data on 7,800 CEOs from 3,500 public companies across 70 countries and 24 industries. These are distinct research bases. (https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/everyday-habits-how-ceos-navigate-their-six-core-responsibilities)

[7] John P. Kotter, "What Leaders Really Do," *Harvard Business Review*, originally published in 1990 and republished in the December 2001 issue. Kotter treats management and leadership as distinct but complementary rather than presenting leadership as inherently superior to management. (https://hbr.org/2001/12/what-leaders-really-do)

[8] Chester I. Barnard, *The Functions of the Executive*, Harvard University Press, 1938. Barnard's conception of formal organisation rests on conscious cooperation, with communication, willingness to contribute and common purpose among its essential conditions.

[9] Pankaj Ghemawat, *Commitment: The Dynamic of Strategy*, Free Press, 1991. Ghemawat examines the persistence of strategy through lock-in, lock-out, lags and inertia and shows how past decisions constrain current choices and present decisions constrain future ones. (https://books.google.com/books/about/Commitment.html?hl=en&id=Dje5AAAAIAAJ&output=html_text)

[10] Henry Mintzberg and James A. Waters, "Of Strategies, Deliberate and Emergent," *Strategic Management Journal*, Vol. 6, No. 3, 1985, pp. 257–272. Their central proposition is that deliberate and emergent strategies can be conceived as ends of a continuum along which realised strategies lie. The present paper extends that distinction from strategy formation to commitment formation; that extension is our inference, not a proposition made by Mintzberg and Waters themselves. (https://sms.onlinelibrary.wiley.com/doi/abs/10.1002/smj.4250060306)

[11] Outdoor Connect, *Freedom to Operate: An Introduction* and *Freedom to Operate: A Board Framework for Governing Strategic Freedom of Action*. The framework distinguishes ownership from permission, treats replaceability as something that changes over time, and distinguishes management's execution of a posture from the board's ownership of the commitments that make that posture real.

[12] Outdoor Connect, *Power, Permission and Conscience*, v1.0. The essay distinguishes organisational authority from personal conscience and argues that greater permission increases rather than removes the burden of judgement.

[13] Philip Selznick, *Leadership in Administration: A Sociological Interpretation*, 1957. The work moves from "Routine and Critical Decisions" to mission, role and the institutional embodiment of purpose. The strategic-threshold argument developed here is narrower and should not be attributed directly to Selznick. (https://www.ucpress.edu/books/leadership-in-administration/paper)

[14] Michael E. Porter, "What Is Strategy?", *Harvard Business Review*, November–December 1996. Porter makes trade-offs central to sustainable strategic positioning because different positions can require incompatible activities. His argument provides the primary external anchor for trade-off in this chapter.

[15] Bruce D. Henderson, "The Concept of Strategy," Boston Consulting Group, 1981. Henderson treats strategic competition as dynamic and dependent on differences between competitors, resource constraints, delayed effects, commitment and competitive response. His work is used here principally as an anchor for the search for asymmetric competitive advantage.

[16] Jeffrey Pfeffer and Gerald R. Salancik, *The External Control of Organizations: A Resource Dependence Perspective*, Harper & Row, 1978. Resource dependence theory

provides an established organisational account of how reliance on resources controlled by external actors creates the possibility of constraint and power.

[17] Susan Strange, *States and Markets*, Pinter, 1988; Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security*, Vol. 44, No. 1, 2019, pp. 42–79. These works provide distinct accounts of structural and network power. Their relevance here is the underlying mechanism by which control over structures, access or critical nodes can give one actor practical influence over another's choices.

[18] Morgan W. McCall Jr., Michael M. Lombardo and Ann M. Morrison, *The Lessons of Experience: How Successful Executives Develop on the Job*, Lexington Books, 1988. Their work identifies demanding assignments, relationships and hardships as important sources of executive learning from experience.

[19] David V. Day, "Leadership Development: A Review in Context," *The Leadership Quarterly*, Vol. 11, No. 4, 2000, pp. 581–613. Day places leadership development in the context of ongoing organisational work and distinguishes development of individual leaders from the wider development of leadership capacity.

[20] Niccolò Machiavelli, *The Prince*, Chapter 25. Machiavelli's treatment of fortuna is used here as an anchor for the role of contingency, luck and external circumstance in the assessment of leadership outcomes.

[21] Jonathan Baron and John C. Hershey, "Outcome Bias in Decision Evaluation," *Journal of Personality and Social Psychology*, Vol. 54, No. 4, 1988, pp. 569–579. Their work identifies the tendency to evaluate decisions by their outcomes even when the quality of the original decision should be judged separately from later results.

The Swyx examples in Chapter 7 draw on the author's direct involvement.

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About Outdoor Connect

Outdoor Connect is an independent strategy advisory platform focused on board-level value creation for mid-sized, growth-driven companies (€50–€1B). We bring direct senior engagement—without the traditional consulting pyramid—to help founders, CEOs and boards set direction, make sharper capital allocation choices, and embed an execution rhythm. Core areas include growth strategy in technology and the energy transition, strategic repositioning in fragmented markets, and board-level sparring on value creation and M&A preparation.

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