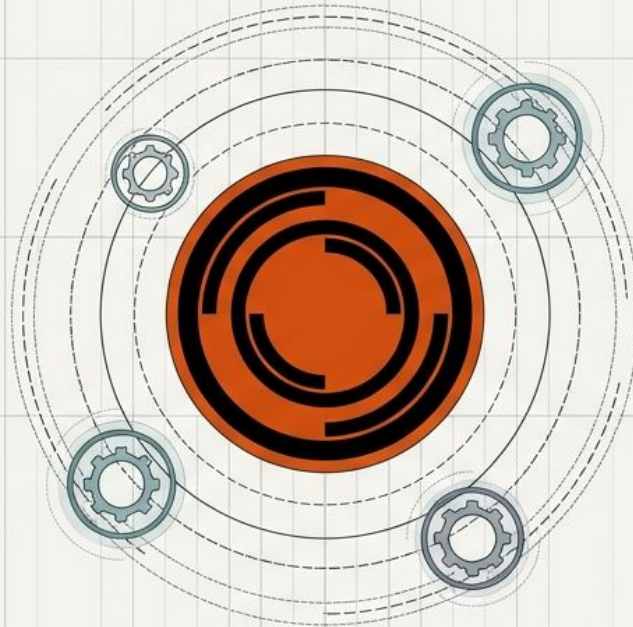


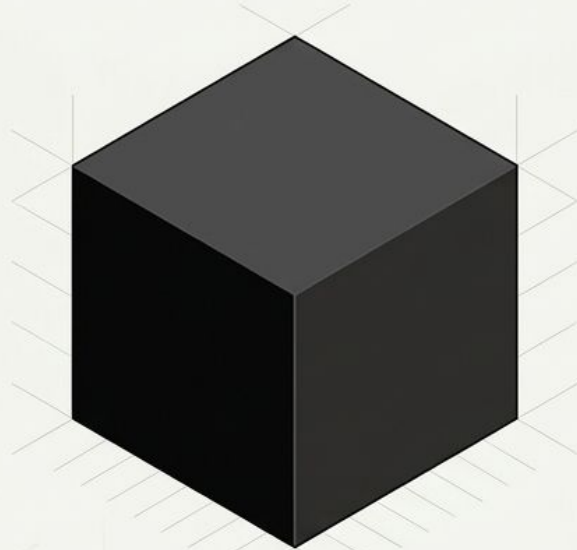
BEYOND THE WHOLE

The Core-Periphery Revolution in Organizational Strategy

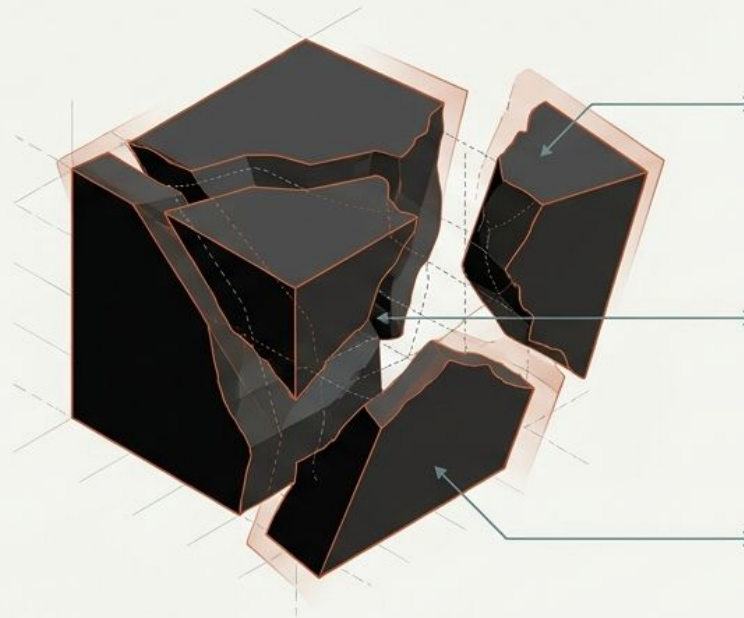


Based on the configurational theories of Peer Fiss (2011) and Jonathan H. Westover, PhD.

The Illusion of the Indivisible Archetype



The Strategic Archetype
(e.g., Defender or Prospector)



Misallocated Effort:
Pursuing alignment on peripheral dimensions that simply do not drive performance.

Change Fatigue:
Endlessly restructuring reporting lines without altering the actual engine of value.

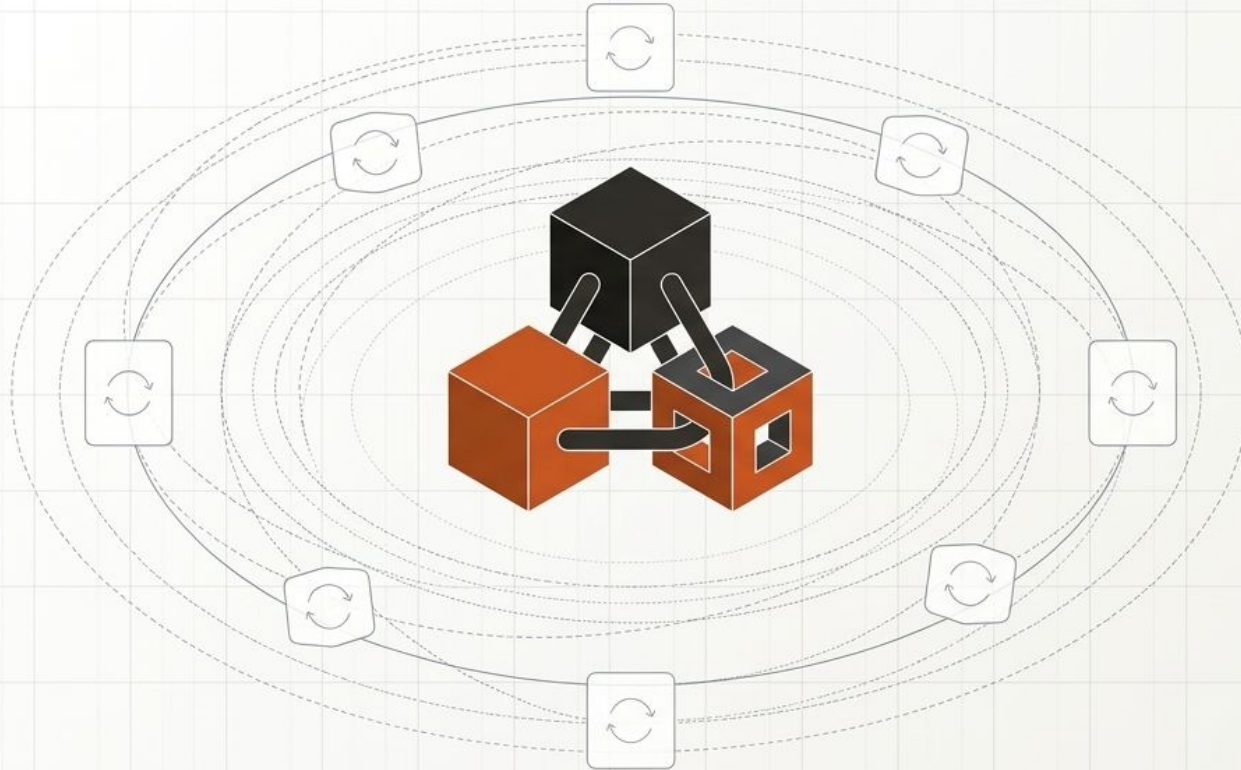
Cognitive Inertia:
Being trapped by a label, preventing leaders from exploring viable hybrid alternatives.

CORE INSIGHT: When leaders adopt typologies in toto, they pursue alignment on dimensions that simply don't matter.

Upgrading the Strategic Operating System

	Typological Thinking	Configurational Thinking
View of the System	An indivisible whole. Every element is equally critical. 	Bundled interdependencies. A causal core surrounded by swappable peripheral elements. 
Path to Success	The One Best Way (Rigid adherence to the archetype).	Equifinality (Multiple starting points and varied paths can reach the exact same peak).
Reversing Failure	Causal Symmetry (The opposite of the winning recipe is the losing recipe).	Causal Asymmetry (Diagnosing a turnaround requires a totally different lens than scaling a success).
Change Mandate	Adopt the blueprint wholesale.	Identify the causal core; let the periphery adapt.

The Anatomy of a Configuration



The Causal Core

Elements with strong, empirically proven links to the target outcome. These are the non-negotiables for organizational survival and top-tier performance.

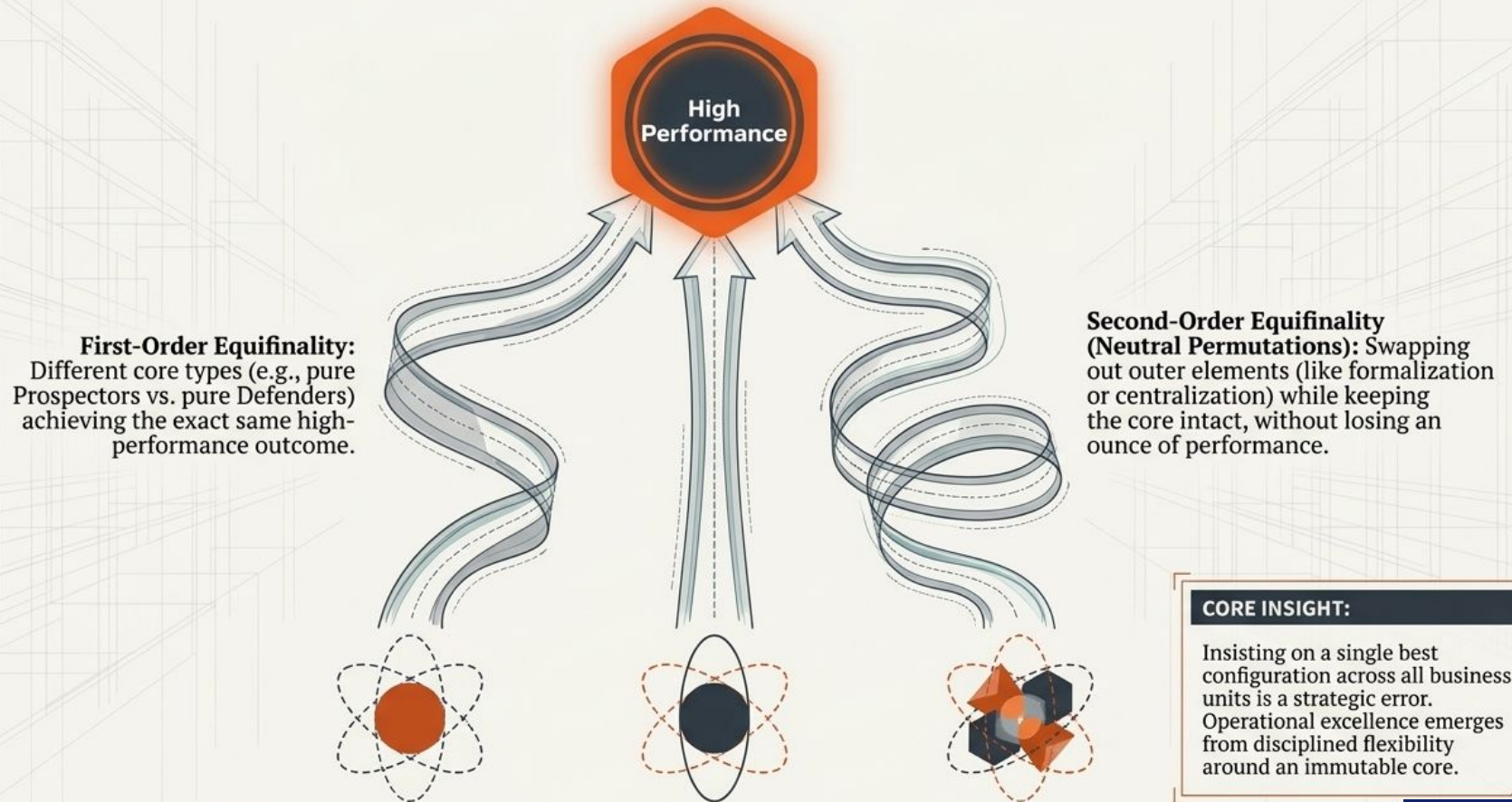
(e.g., Primary differentiation strategy)

The Periphery

Elements with weak causal links to the outcome. These can be adjusted, traded off, or eliminated without materially affecting performance.

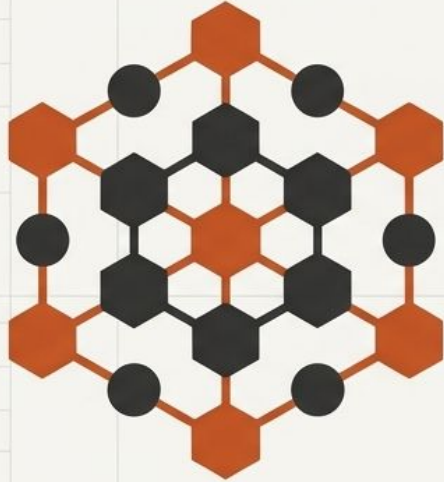
(e.g., Regional reporting structures)

Equifinality: Multiple Paths to the Same Peak



The Trap of Causal Asymmetry

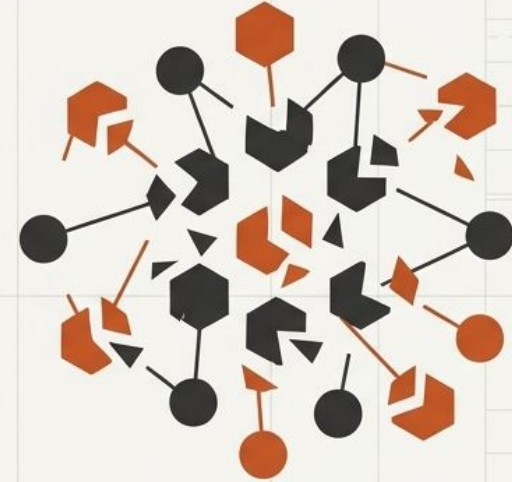
High Performance: The Recipe for Success



The Correlational Myth

We assume symmetry. We believe that reversing the conditions associated with success will predict failure, or that eliminating the causes of failure will automatically produce success.

Low Performance: The Reality of Failure



The Configurational Reality

Set-theoretic analysis proves the world rarely works this way. There are clear recipes for high performance, but there are infinite, inconsistent ways to be non-performing.

ACTIONABLE IMPLICATION: Diagnosing an underperforming unit requires an independent analysis of sufficient conditions, not just adopting the opposite of the current state.

The Collateral Damage of Misunderstanding the Core



Organizational Impact

The Trap: Pursuing alignment on peripheral dimensions.

The Result: The "Stuck in the Middle" phenomenon. Failing to achieve the purity required for the very highest performance thresholds.

Individual Impact

The Trap: Restructuring without altering the value engine.

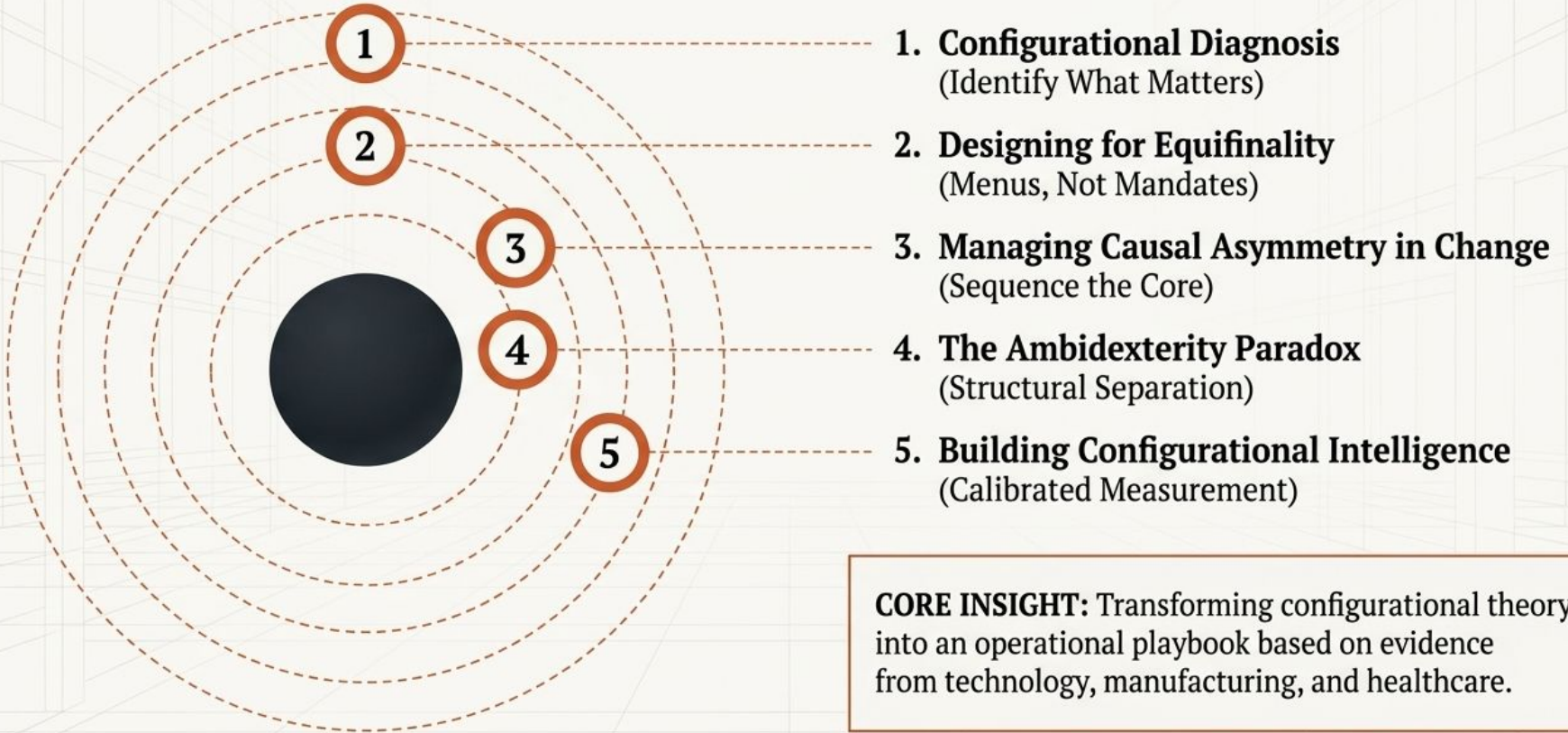
The Result: Severe change fatigue and cognitive inertia. Established causal understandings are incredibly difficult to discard.

Stakeholder Impact

The Trap: Adopting a single archetype across diverse environments.

The Result: Strategic talent mismatch and service degradation. (e.g., Forcing a rigid Defender posture in agile, customer-facing functions).

The Configurational Playbook



Pillar 1: Configurational Diagnosis



- Map the full property space (strategy, structure, environment).
- Calibrate against external industry benchmarks, never internal sample averages.
- Stop asking “Which archetype are we?” Ask “Which combinations of conditions consistently drive our target outcome?”

CASE STUDY: MAYO CLINIC

The Core: Patient-centered care, integrated practice, clinical innovation. (Sacrosanct).

The Periphery: Highly varied regional structures. Some operate with centralized governance; others embrace organic, team-based structures.

Insight: The peripheral elements are adapted to local context without diluting the core.

Pillar 2: Designing for Equifinality

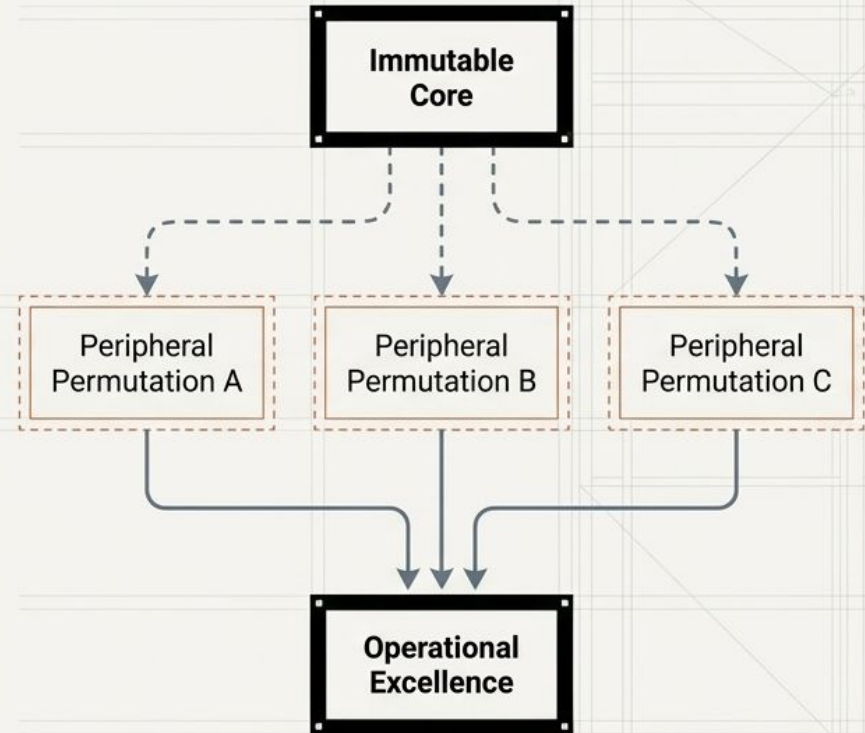
The Method

- Offer business units configurational menus, not mandates.
- Specify the core conditions that are non-negotiable.
- Identify a pre-approved list of peripheral conditions that can be adapted locally.
- Recognize trade-offs as intentional design features, not failures.

In Practice: Toyota

The Core: Just-in-Time manufacturing and continuous improvement (Kaizen).

The Periphery: Varied supplier relationships, factory floor layouts, and team structures adapted across global plants. Disciplined flexibility around a rigid center.



Pillar 3: Managing Asymmetry in Change

The Method

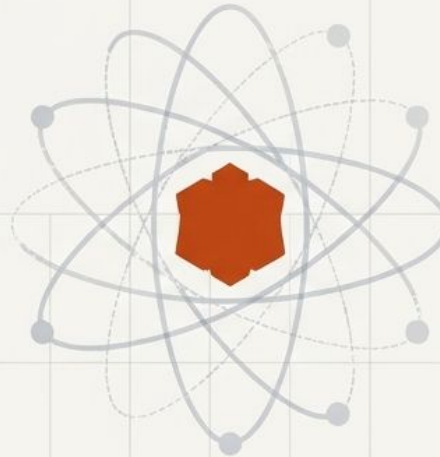
- **Treat Necessary vs. Sufficient differently:** A condition may be necessary for high performance without being sufficient on its own.
- **Sequence matters:** Change programs must prioritize stabilizing core conditions first before tinkering with peripheral structures.

In Practice: Microsoft under Satya Nadella

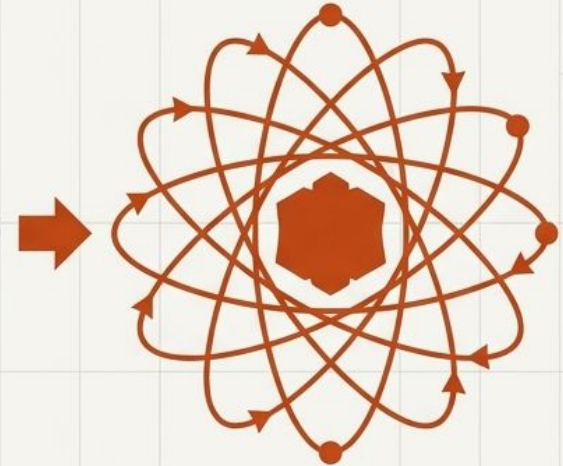
The Strategy: Nadella didn't simply invert Microsoft's 'Defender' structure. He targeted the causal core.

The Execution: Shifted the strategic core from Windows licensing to Cloud, and the cultural core to a Growth Mindset. Peripheral elements (reporting hierarchies, product group divisions) were allowed to evolve gradually and organically.

Step 1: Stabilize Core First



Step 2: Let Periphery Evolve



Pillar 4: The Ambidexterity Paradox

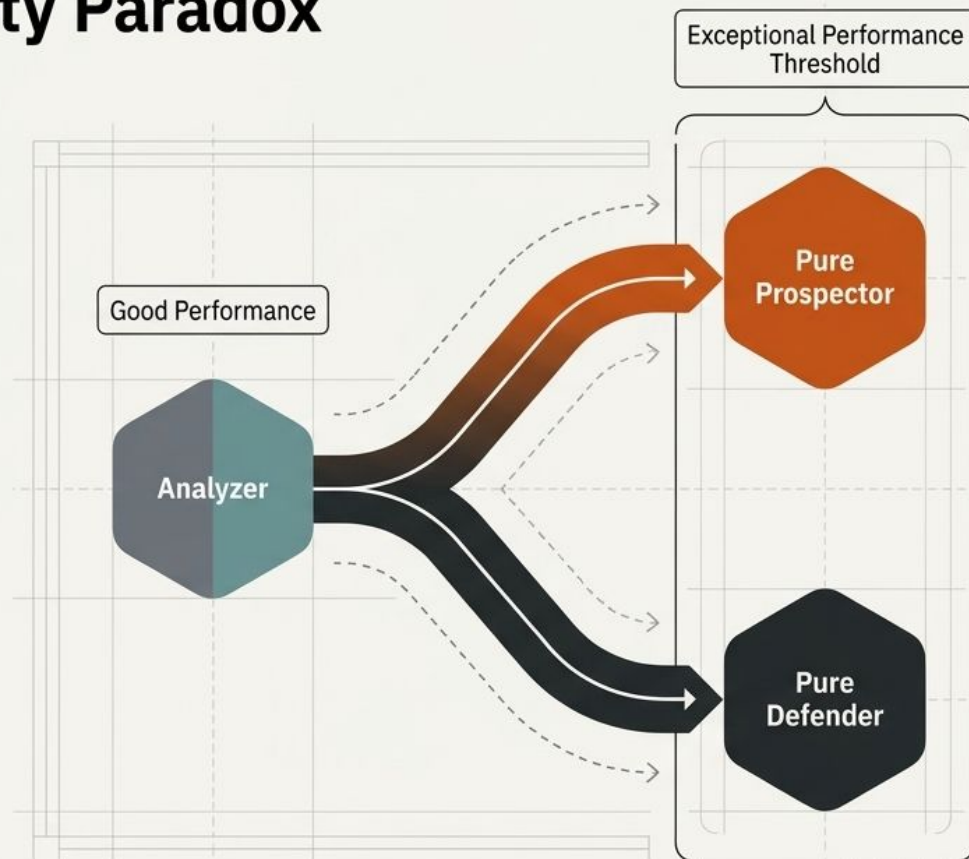
The Method

- Calibrate expectations: Balanced 'Analyzer' configurations achieve good outcomes, but are insufficient for exceptional ones.
- At the very highest performance levels, only pure-type configurations succeed. Trade-offs become pronounced at elevated thresholds.

In Practice: Amazon

The Strategy: Amazon achieves ambidexterity through strict structural separation, not blending.

The Execution: Retail logistics operates as a pure low-cost Defender. AWS operates as a pure Prospector. By keeping configurational types pure and structurally separate, they avoid the 'stuck in the middle' trap.



Pillar 5: Building Configurational Intelligence

The Method

- Move beyond standard regression (which assumes independent variables). Use fuzzy set Qualitative Comparative Analysis (fsQCA).
- Train strategy teams in conjunctural causation—understanding which combinations of practices are sufficient for success.
- Adopt calibrated measurement against external realities, replacing sample-dependent anchors.

In Practice: McKinsey & Company

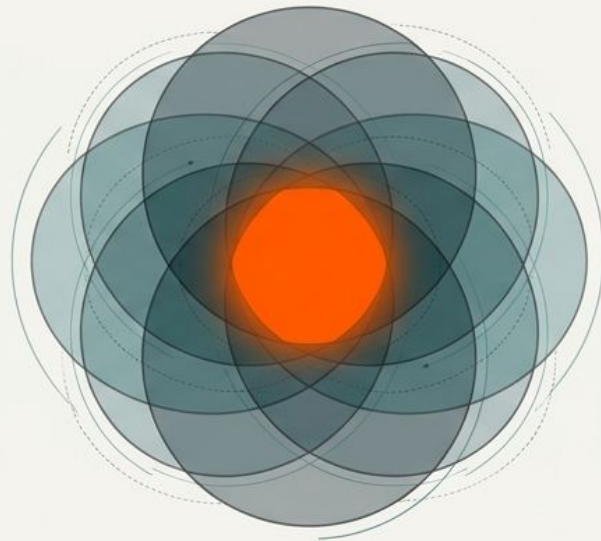
The Shift: Leading consultancies are moving beyond identifying individual ‘best practices’ that merely correlate with performance.

The New Standard: Adopting ‘best-configuration’ diagnostics that examine which specific bundles of interdependent practices consistently produce superior outcomes.

Toolstack

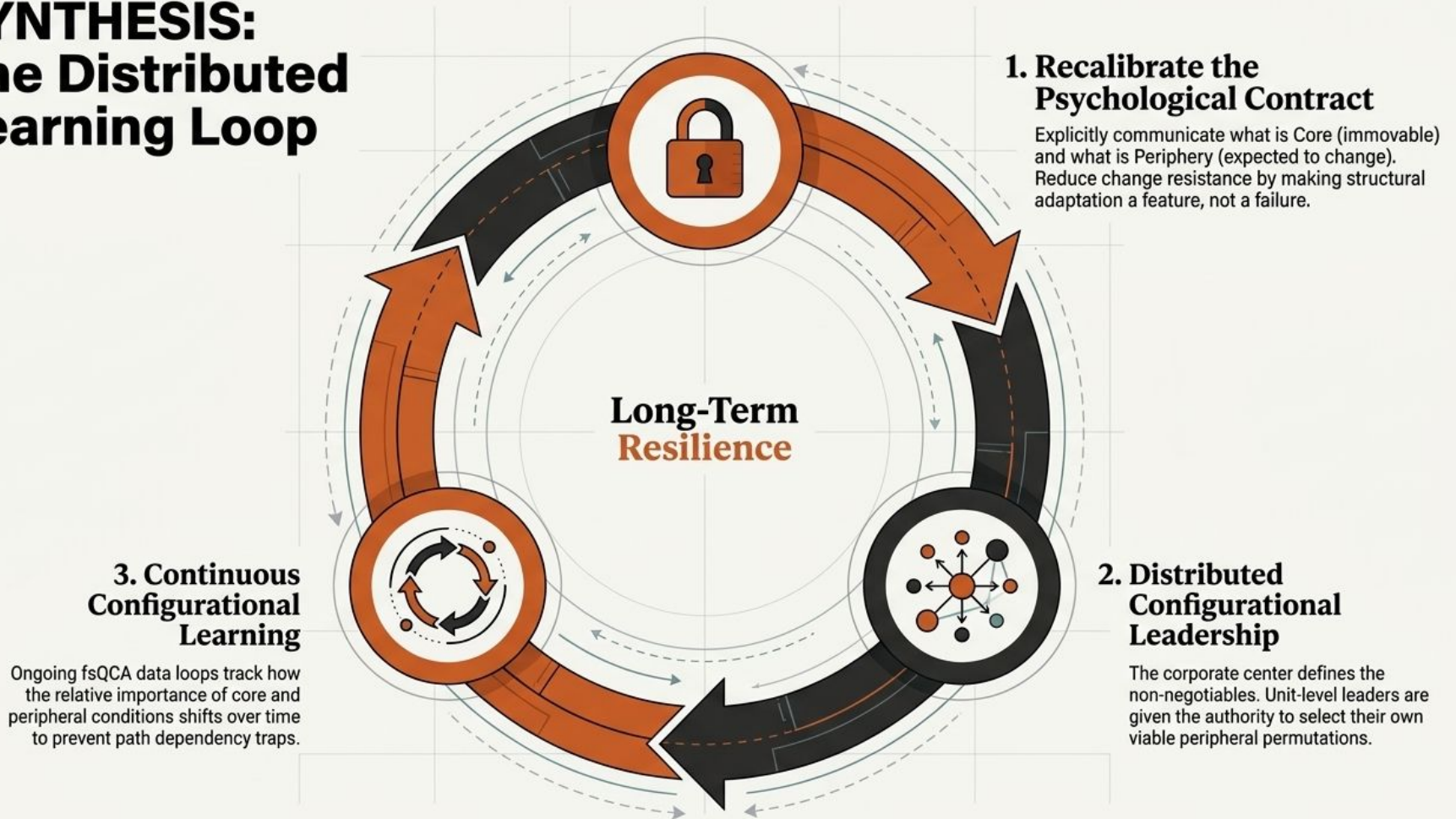


Old Method: Net-Effects (Independent Variables)



New Standard: Conjunctural Causation (fsQCA)

SYNTHESIS: The Distributed Learning Loop





**Stop asking:
'Which type are we?'**

**Start asking: 'Which combinations
of conditions consistently produce
the outcomes we seek?'**

The distinction between causal core and periphery
transforms typologies from static labels into dynamic
engines of competitive advantage.