

# A SHIFT IN THINKING: "STARCRAFT" MANAGEMENT

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The business environment is changing at the speed of light, yet many companies are maintain strategies made outdated by the changes made in the domestic economic situation, not to mentioning the international environment. Many companies have introduced new re-engineering programs for innovation; however, as these programs are based on the past conditions, companies cannot translate their creative ideas into practice. It is time that many companies need to shift their mode of thinking.

For that reason, it is worth delving into StarCraft, a real-time strategy game by Blizzard Entertainment which has gained extensive popularity among the youth. StarCraft may be just a computer game in the eyes of adults, but it has become an inseparable part of today's youth culture for its strong touch of reality in comparison with other computer games. Thus, various strategies employed in StarCraft may give helpful tips on

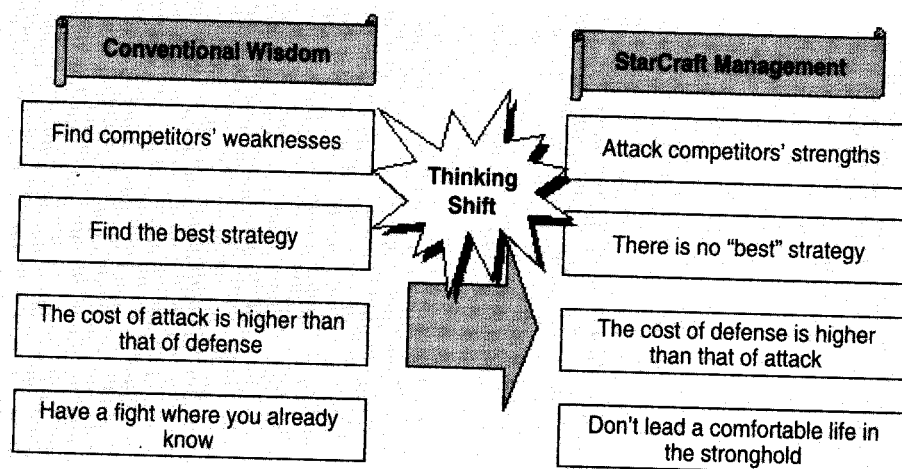
shifting to a creative way of thinking in business management.

## *StarCraft and Business*

StarCraft and business in reality bear close resemblance to each other. Players of StarCraft must gain sufficient resources to expand their territory. Their success depends on the amount of resources, the environment and the opponent's strategies. At first, they must optimize their resources to win. It is also important to decide when to expand, which weapons to choose and to adapt to circumstantial changes.

Both StarCraft players and CEOs in real life have common goals, namely survival and prosperity. For these objectives, they must search for a method which fully utilizes their abilities. The winning factor in StarCraft is not the number of persons, but various strategies

Figure 1. Thinking Shift in StarCraft Management



and detailed tactics.

### *Attack the Competitor's Strengths*

Players must have the battle in their opponents' territories and not their own. If a player disturbs his opponent's main territory, he delays the opponent from gathering resources and developing weapons. As the opponent cannot design strategies due to the distraction, the player has an advantage in terms of resources and weapons in battle. Likewise, a company must attack the competitor's strengths. Strengths, once destroyed, are not easily recovered. When a firm competes in a new market or a target region, it might like to think twice before draining its resources there. Instead of competing in peripheral markets, it should attack the competitor's key market. For example, Caterpillar established Caterpillar-Mitsubishi, a joint company with Mitsubishi, to compete with Komatsu in Japan, the homeground of Komatsu.

### *There Is No "Best" Strategy*

There is no "best" strategy in StarCraft. Resorting to a winning strategy in the past has a risk of being an ineffective strategy in a new situation, in which the opponents constantly change their strategies. Beginners of StarCraft tend to fall into a trap of employing the same weapons and strategies which proved successful in one game for the following games. This simplistic strategy leaves one vulnerable to an opponent, allowing the latter to read one's moves in advance. Companies should bear in mind that sticking to a "once-successful" strategy can impair its ability to perceive changes in their surroundings. As long as a company continues to soak itself in its one-time past success, it cannot continue to grow; it should ceaselessly keep a watchful eye on its environment. In the personal computer market, IBM stubbornly adhered to focusing on customer service, while Dell Computer tried various new ideas, including newly introduced Net-based sales, and prospered.

### *The Cost of Defense Is Higher Than That of Attack*

In order to win in StarCraft, players must attack rather than defend before the opponent makes any move. Usually the cost of offense exceeds that of defense in one area. Defense strategy costs more when one needs to cover his/her entire territory, whereas offense strategy can focus on one selected targets in the opponent's territory. In the case of business, offensive strategies are also more effective. When a firm decides to be defensive, it needs to spend a lot of time and cost in finding out the competitors' strategies, analyzing their intentions and countering them. In the fast-changing business environment, this undesirable depletion of resources may threaten a company's market initiative. The competition between Wal-Mart and Sears explains the logic. Wal-Mart used timely offensive strategies which incorporated the latest IT to quickly respond to the customers' needs. On the other hand, Sears focused on guarding its market share and was simply reacting to Wal-Mart's aggressive strategy. As a result, Sears ended up losing its initiative and share in the market even where it used to prevail. It is impossible to protect every market a company has; instead, companies need to be offensive to gain a competitive advantage in a new battle ground.

### *Don't Lead A Comfortable Life in the Stronghold*

In order to win in StarCraft game, players need to broaden their territories outside of their stronghold. Beginners prefer remaining in their own territories to entering unknown areas; as a result, they fall behind experienced players, since they are limited to gathering resources and producing weapons only within the boundary territories. The same strategy applies to business. Firms should shed the tendency to settle down in a familiar environment. One frequently made mistakes is

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falling into the trap of “low risk, low return” by staying in the stable, familiarized markets. Such markets have low risks in the short run, but they are exposed to all the other competitors. No firm can obtain good results in the long run, spending resources to hold an old market given the severe competition. CEOs should seek to enter new markets. By staying mainly in the U.S. market, its home market, RCA was faced with a crisis in their home electronics business upon the price-competitive Japanese firms’ invasion into the market.

Apparently, and more often than not, many

firms are introducing new management techniques and changing their organizational structure and system in order to adapt to the changing business environment. Yet it is important for the top management to change its frame of thinking if the firm wants to sustain its success. To break the frozen mindset, CEOs should think flexibly to reflect different concepts and phenomena. Especially in mature industries, such as television and automobiles, thinking is crucial for firms to gain competitive advantages over rivals. **VIP**