Strategy — Connective's Approach

Playing to Win — Applied to Connective

Connective Strategy Cascade · 2025

"The broker community can't imagine doing business without Connective"

Our Strategic Framework: Playing to Win

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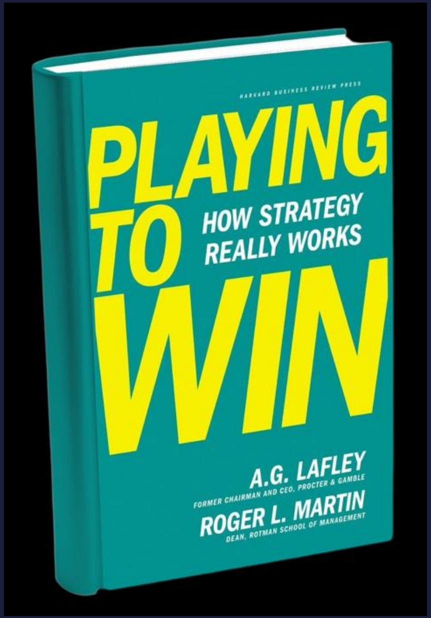

What Is Playing to Win?

A strategy framework developed by A.G. Lafley (former CEO of Procter & Gamble) and Professor Roger Martin (Rotman School of Management, University of Toronto). Published in 2013, it has become one of the most widely adopted strategy frameworks globally — used by multinational corporations, government agencies, non-profits and fast-growing businesses alike.

Global Recognition & Use

- **Wall Street Journal & Washington Post Bestseller**
  Thinkers50 Best Book of the Year 2012–13
- **Roger Martin: #1 management thinker in the world**
  Thinkers50 ranking, 2017 — and #1 management consultant, 2026
- **Direct clients include BHP, Amcor, Macquarie Bank**
  Also P&G, Lego, Ford, American Express and Verizon
- **Widely used across Australian financial services**
  The PTW cascade is a standard tool in major Australian bank strategy teams and consulting practices

Why Connective uses Playing to Win: It is structured around five plain questions that work at every level — from the board to the field. It forces hard choices rather than comfortable generalities. And it connects aspiration directly to the capabilities and systems required to deliver.

Introducing Playing to Win

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There is no shortage of strategy frameworks. Playing to Win is one of many — but it has earned its place as the framework we use at Connective for a specific reason: it is simple, choiceful, and built for communication at every level of the organisation.

Other Widely Used Strategy Frameworks

Porter's Five Forces

Analyses industry structure and competitive dynamics. Excellent diagnostic tool but doesn't tell you what choices to make.

Balanced Scorecard

Links strategy to operational metrics across four perspectives. Strong for measurement; weaker on choice-making.

Blue Ocean Strategy

Challenges industry boundaries through value innovation. Powerful for disruption thinking; less practical as a day-to-day operating framework.

OKRs (Objectives & Key Results)

Goal-setting and execution rhythm. Excellent for alignment but not a strategy framework — it assumes the strategy is already made.

McKinsey 7S / BCG Matrix

Useful diagnostic lenses for alignment and portfolio decisions, but neither provides a complete theory of how you win.

Why Playing to Win Works for Connective

Five questions anyone can answer

The cascade is structured around five plain questions. A BDM in the field can understand and connect their work to the strategy — not just the executive team.

Choice, not aspiration

PTW forces explicit decisions about where you will and won't compete. Most strategy failures come from avoiding hard choices. PTW makes avoidance impossible.

Cascades through every level

The same five questions apply at the company, division and individual level. Connective's residential, CAF and corporate cascades are all nested within the same logic.

Integrates capabilities and systems

Unlike frameworks that stop at positioning, PTW explicitly connects strategy to the MHC and EMS required to make it real — closing the gap between intent and execution.

Tested at scale

Developed through P&G's transformation under A.G. Lafley and Roger Martin, and subsequently applied across industries, sizes and sectors worldwide.

What Is Strategy?

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Strategy is not a vision. Not a plan. Not best practices.
Strategy is an
integrated set of choices that uniquely position the firm to create sustainable competitive advantage.

Strategy IS	Strategy IS NOT
✓ A set of deliberate, hard choices	✗ A mission statement alone
✓ Focused on where to compete	✗ An operational plan or budget
✓ About creating competitive advantage	✗ Following industry best practice
✓ Cascaded across every level of the org	✗ Optimising what you already do

The goal is not to play—it is to WIN.

The Strategy Choice Cascade

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1 **Winning Aspiration**

What does winning look like?
The purpose and motivating goal of the enterprise.

2 **Where to Play**

Which markets, segments, channels & geographies
will we compete in?

3 **How to Win**

What is our competitive advantage?
How do we create unique value in our chosen arena?

4 **Must-Have Capabilities (MHC)**

The activities you invest in disproportionately
to make your theory of advantage real.

5 **Enabling Management Systems (EMS)**

Resource allocation, decision rights and measurement
that build and maintain your MHC.

Each choice shapes the next—and all five must reinforce each other.

1 | Winning Aspiration

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THE PRINCIPLE

Winning Aspiration

Defines what winning looks like for your organisation. Not just financial targets — it frames the purpose, the competitive ambition, and the customers you exist to serve.

Key principle: *If you're not trying to win, you're wasting your people's time and your investors' capital.*

CONNECTIVE

"The broker community can't imagine doing business without Connective"

- The aggregator of choice for established & experienced brokers across Australia
- Market-leading platforms, systems and support that create genuine broker dependency
- The go-to lender partner — creating value through openness and collaboration
- Lead the mortgage industry through advocacy and thought leadership

2 | Where to Play

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THE PRINCIPLE

Where to Play

Narrows the competitive field. You cannot be all things to all people.

Defines:
- Which customer segments
- Which geographies
- Which product categories / channels
- Which vertical stages of the industry

Key principle: *Choosing where NOT to play is just as strategic as choosing where to compete.*

CONNECTIVE

BROKERS

- Experienced mortgage brokers (residential)
- Commercial & asset finance brokers
- Bankers transitioning to broking
- Emerging broker talent

SEGMENTS

- Operating under Connective licence OR their own licence
- Residential, Commercial & Asset Finance panels
- White label products

GEOGRAPHY

- Australia-wide, with SMEs embedded in local markets

3 | How to Win

THE PRINCIPLE

How to Win

Defines your competitive advantage within your chosen playing field — how you create unique value that rivals cannot easily replicate.

Two primary routes:
• Cost leadership — deliver acceptable quality at lower cost
• Differentiation — create superior value that customers will pay a premium for

Key principle: *Where-to-play and how-to-win must reinforce each other — they form the heart of strategy.*

CONNECTIVE

Technology Superiority

Market-leading CRM and AI-driven tools, available 24/7 — hard to replicate at scale

Tailored Value Props

Segmented offers for residential, CAF and different broker types — not one-size-fits-all

Flexible Licensing

Broker's choice: own licence or Connective's — removing friction to join and stay

No Lock-in Contracts

Transferable trail and no lock-in — winning on merit, not on captivity

Local Market Presence

SMEs embedded in communities, creating support and belonging at a human level

Lender Partnership

Openness and collaboration as the aggregator of choice for lenders

4 | Must-Have Capabilities (MHC)

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THE PRINCIPLE

Must-Have Capabilities

The activities you invest in disproportionately — to a unique extent or in a unique way — that make your theory of advantage real.

Not generic strengths. Not table stakes.
MHC are the set of activities that specifically underpin your HTW in your chosen WTP.

Key test: If competitors could easily match the capability without conflicting with their own strategy, it is not a true MHC — it is a cost of entry.

Key principle: *MHC are the muscles of strategy. EMS are the nervous system that builds and maintains those muscles.*

CONNECTIVE

Mercury CRM & AI platform
Built in-house — 24/7, continuously iterated

Insight-led product development
Data → product loop competitors lack at this pace

Local SME network (embedded BDMs)
Human support model rivals have cut or never built

Broker segmentation & analytics
Deep intelligence enabling truly tailored propositions

Own-brand products (CHL, CAF)
Vertical integration that creates conflict for rivals to copy

Lender panel breadth & relationships
Resi, Commercial & Asset Finance depth

Innovative, broker-focused culture
AI-first mindset as an organisational capability

Distinguishing How to Win from Must-Have Capabilities

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A common error: listing capabilities in the How to Win box, or claiming a strength is a theory of advantage when it isn't. Martin's Can't/Won't Test separates the two.

How to Win — Your Theory of Advantage

The Can't/Won't Test

A How to Win is not a strength — it is a **theory of advantage**. To qualify, you must show why competitors:

Can't match you: structural barriers — scale, data history, switching costs, network effects

Won't match you: strategic conflict — matching you would damage their core business

Connective example:
A no-lock-in model with transferable trail is a HTW — incumbents won't match it because it would cannibalise their retention model. AI-first Mercury platform is a HTW because the cost of replication grows daily.

Must-Have Capabilities — Making it Real

The Reality Check

MHC are the activities you invest in to a **unique extent or in a unique way** that make your theory of advantage a reality. A strength is only an MHC if it is disproportionate relative to competitors.

Mercury CRM platform
Disproportionate R&D — built in-house, not bought off shelf

AI & data capabilities
Insight-led product iteration at a pace competitors can't match

Local SME network
Embedded BDMs — a human layer rivals have cut or never built

Own-brand products (CHL, CAF)
Vertical integration others can't replicate without conflict

Broker data & segmentation
Deep broker intelligence enabling truly tailored propositions

5 | Enabling Management Systems (EMS)

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THE PRINCIPLE

Enabling Management Systems

EMS are the nervous system of strategy — the signals, incentives, and feedback loops that translate strategic intent into coherent day-to-day action.

Three categories of distinctive EMS:
- **Resource allocation:** disproportionate investment in the capabilities that matter
- **Decision rights:** novel allocation of who decides what, and who is obligated to act
- **Measurement:** non-standard tracking of what actually drives your advantage

Key warning: *Systems accumulate like barnacles. Each well-meaning addition can conflict with others, pulling people in different directions — eroding distinctiveness imperceptibly until the drift is irreversible.*

CONNECTIVE — Mapped to EMS Categories

RESOURCE ALLOCATION

Broker Insight, Innovation & Delivery

Disproportionate investment in insight→product cycle

Culture & Leadership System

Remuneration, reward & talent — not left to default

DECISION RIGHTS

SME Performance & Capability System

Local SMEs empowered to act — decisions pushed to market level

Innovation Activation Systems

AI-first mandate — every team obligated to experiment

MEASUREMENT & TRACKING

CRM Enablement & Adoption Systems

Measuring broker engagement depth, not just numbers

Sales Performance & Coaching System

Non-standard metrics tied to broker outcomes, not just revenue

Connective Strategy: The Full Cascade

Winning Aspiration	The broker community can't imagine doing business without Connective
Where to Play	Experienced & established brokers (Resi + CAF) across Australia · Own licence or Connective's · All major finance panels
How to Win	Technology leadership (CRM + AI) · Tailored value props by segment · No lock-in · Local SME presence · Lender partnership
Must-Have Capabilities (MHC)	AI-driven tech platform · Insight-led product development · Local SME expertise · Own-brand products (CHL, CAF) · Innovative culture
Enabling Management Systems (EMS)	Culture & Leadership · Broker Insight & Delivery · SME Performance · Innovation Activation · CRM Enablement · Sales Coaching

Strategy Shortens Your Odds — It Doesn't Guarantee the Win

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"In strategy, there are no absolute answers or sure things, and nothing lasts forever. Building a strategy isn't about achieving perfection — it's about shortening your odds."

What Strategy Does

- Creates a coherent, integrated set of choices
- Focuses resources on where you can genuinely win
- Builds capabilities that compound over time
- Gives every level of the organisation direction
- Makes the logic of your position defensible

What Strategy Doesn't Do

- Eliminate risk or uncertainty
- Predict competitor moves perfectly
- Guarantee market conditions stay favourable
- Remove the need to adapt and iterate
- Work without the capabilities to support it

What Follows From This

- Strategy is a living set of choices — not a fixed plan
- Test your conditions before committing fully
- Build review systems that catch drift early
- Iterating on a good cascade beats starting over
- Honesty about what must be true is essential

A good strategy, rigorously tested and consistently executed, dramatically improves your probability of winning — but the market always has a vote.

Tools for Assessing Strategy Quality

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Tool 1: Strategy Logic Flow

Before committing to where-to-play and how-to-win choices, stress-test the logic across four dimensions:

1 Industry

What are the structurally attractive segments? What are the dynamics at play?

2 Customer Value

What do channel partners and end customers actually value? How does that differ by segment?

3 Relative Position

How do our capabilities and costs stack up against competitors, honestly?

4 Competition

How will rivals react to our choices — and can we withstand that response?

The logic flow leads to defined where-to-play + how-to-win choices — not a list of actions.

Tool 2: "What Would Have to Be True?"

Rather than arguing for an answer, ask: under what conditions would this strategic choice be correct? This converts conflict into collaborative testing.

1. Frame
Define at least two mutually exclusive strategic options. No real choice = no real strategy.

2. Possibilities
Broaden the list. Include unexpected options. Welcome all possibilities — no culling yet.

3. Conditions
For each option: what would have to be true about the market, customers and capabilities?

4. Barriers
Identify the conditions you're least confident about. These are your key risks — test them.

5. Test & Choose

Test lowest-confidence conditions first. Then choose with clear eyes.

"The answers — the things that would have to be true — are the conditions under which the group would choose to move ahead."

The Strategic Imperative

Strategy is choice. Not making choices is itself a choice — and a bad one.

The cascade forces discipline: each choice must be consistent with, and reinforced by, every other. A brilliant aspiration with the wrong MHC will fail. The right MHC without the right EMS to sustain them will erode.

For Connective, the cascade is not just a strategy document. It is a set of commitments that, when integrated, create a position in the market that brokers and lenders find genuinely hard to leave.