

Strategic Thinking: Strategy's Orphan

Maree Conway
Thinking Futures
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....using futures approaches to
integrate strategic thinking into
strategy development and planning



- What Strategic Thinking is and why do it
- Strategic Thinking and Strategy
- Some Tools for Strategic Thinking
- Back to work



What you wanted

- The role of assumptions
- Is strategic thinking a formula process?
- Where does risk management fit?
- Challenges integrating strategic thinking into a large, geographically dispersed organisation.



- What's your definition of strategic thinking?



- Strategic thinking is identifying, imagining and understanding possible and plausible future operating environments for your organisation...



...in order to make better informed decisions about action to take today.



Strategic Thinking

- Strategic thinking informs the development of **strategy**.
- Strategy is about the **future**.
- Strategic Thinking is **thinking about the future**.

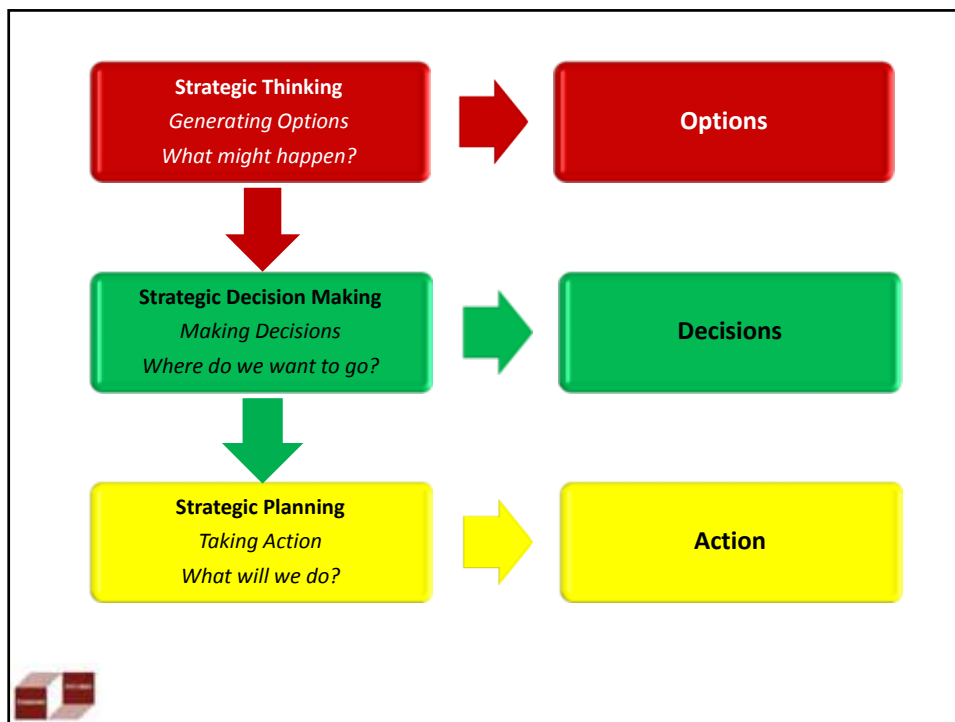


- **Strategic Thinking** informs the development of **futures ready strategy** for an organisation.



- **Futures ready strategy** is flexible strategy that readies an organisation to respond to the challenges of the future.





Long term

Uncertain


Divergent

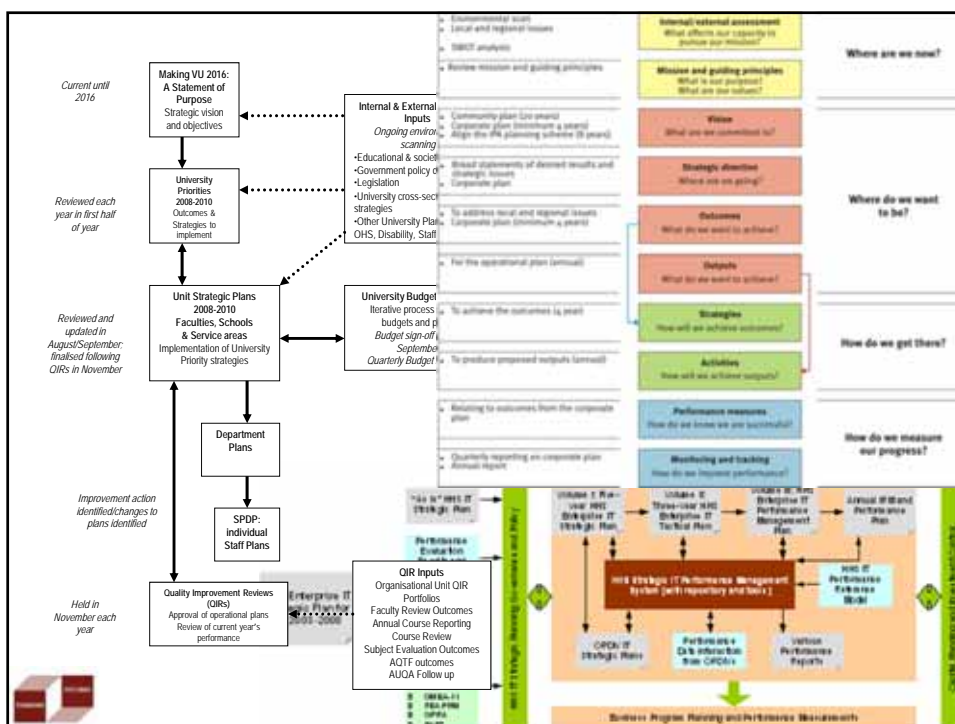
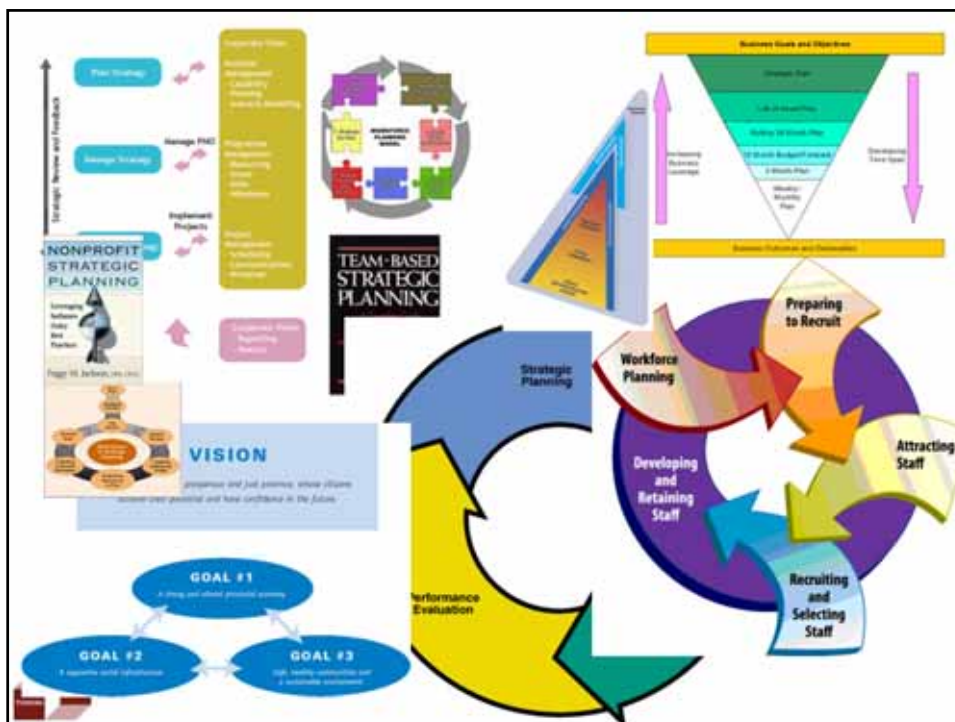
Incomplete

Beyond linear

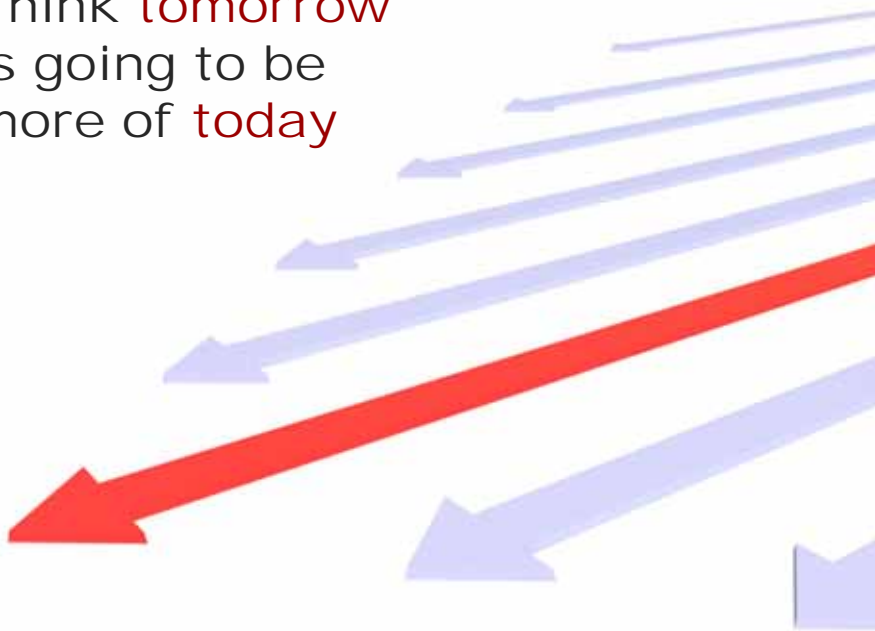
Disrupting alignment



- Current strategy processes tend to focus on the plan as the major outcome, rather than a shared understanding of your organisation's preferred future to inform action today.
- 



Think **tomorrow**
is going to be
more of **today**



Can't cope
with the
unexpected




Usually don't explore the
long term future




Prefer **quantitative**
over **qualitative**
information





Don't
challenge
assumptions



Downplay or dismiss staff **beliefs,**
hopes and fears about the future





- While the need for planning has never been greater, the relevance of most of today's planning systems and tools is increasingly **marginal** (Fuller, 2003).



- It may well be that the typical strategic planning exercise now conducted on a regular and formal basis and infused with quantitative data **misses the essence of the concept of strategy and what is involved in thinking strategically** (Sidorowicz, 2000).



- A major assumption of the strategic planning literature ... is that all of these terms [strategy, planning] necessarily go together. [That is] Strategy formation is a planning process, designed or supported by planners, to plan in order to produce plans” (Mintzberg, 1994).





- Current strategy processes live in the **pragmatic** futures realm.
- Working within the existing paradigm, making it better, but not challenging it.
- We call it 'strategic planning'.

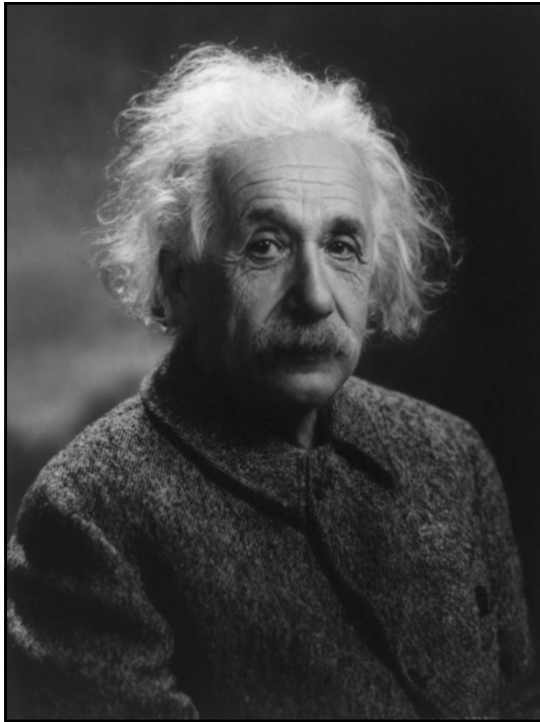


- Beyond strategic planning – to strategy development and implementation.
- Moving into the **progressive** futures realm, where we challenge the current paradigm and re-interpret how we do business to meet the challenges of the future.



Moving from pragmatic to progressive approaches requires a strong focus on building a high quality strategic thinking capacity in your organisation.





We can't solve problems by using the same kind of thinking we used when we created them.



...because what works today will probably not work for those who follow you in the future...








- If you don't spend the time to improve the quality of the thinking that goes into your strategic decisions, then you will get superficial, limited and ultimately useless strategy.

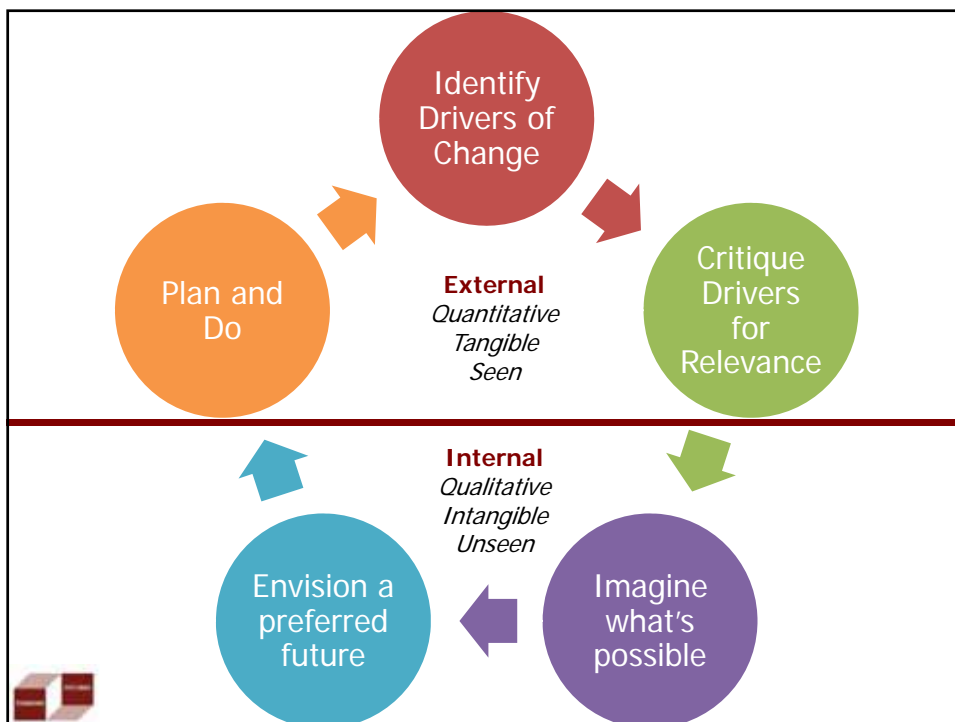
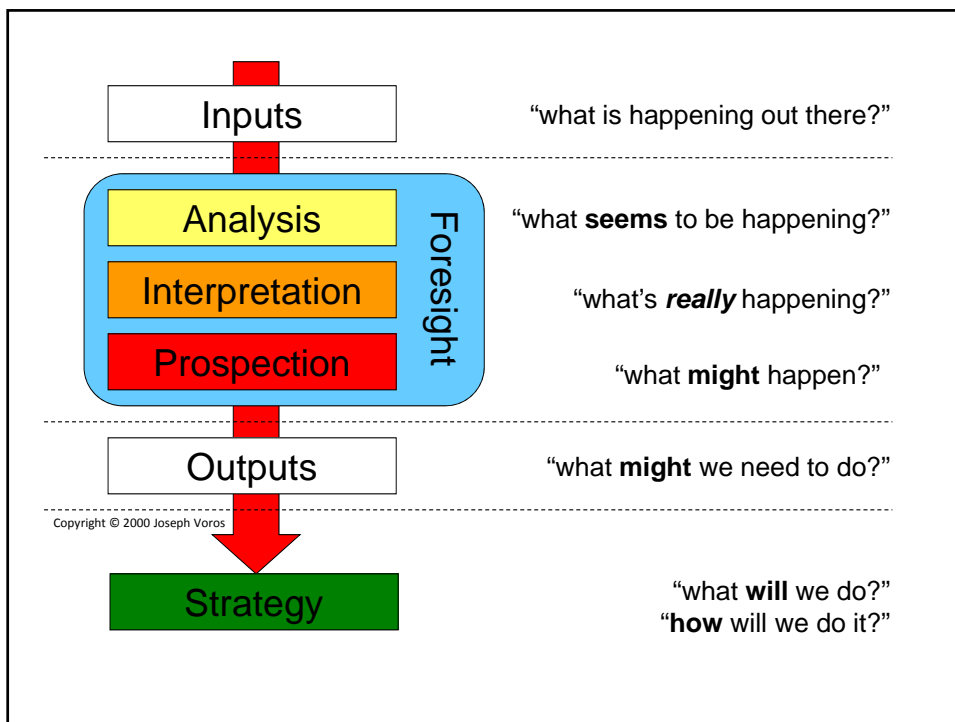


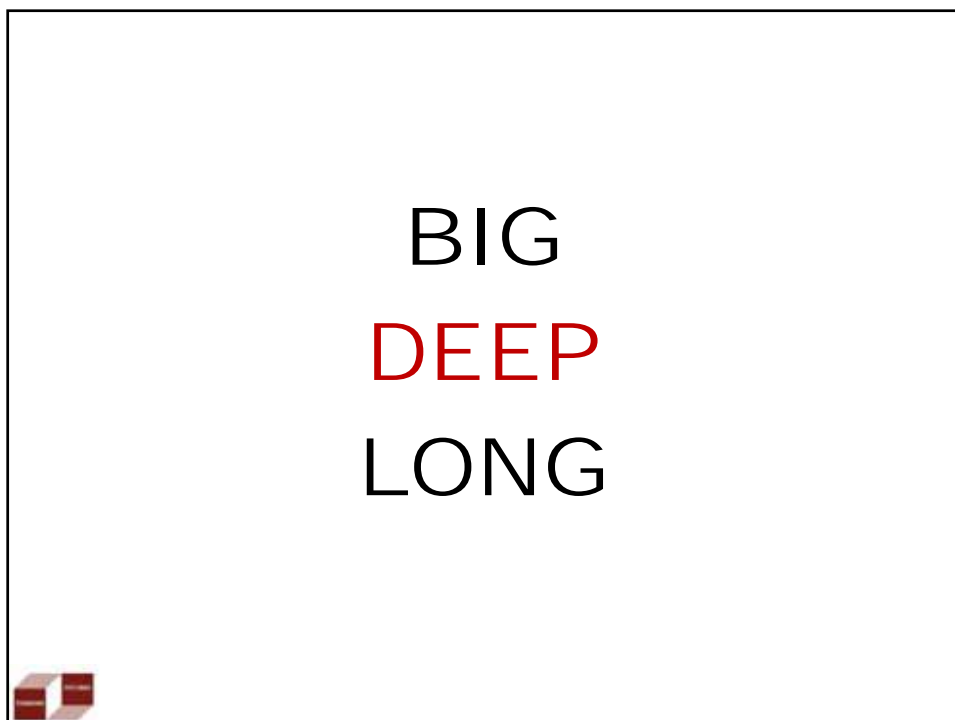
Reactive Future Approach	Proactive Future Approach
What has happened?	What is happening?
What caused it to happen?	What is driving the trends that will influence our future?
	What are our alternative futures?
How do we respond?	What ought we do today?
	What would be the long term consequences of our actions today be?
What will we do?	What will we do?
<i>After the event</i>	<i>Anticipating the event</i>



The gap between **reactive** and **proactive** approaches is bridged by making time for **strategic thinking**.









Our
assumptions
encase us in
the **past**.

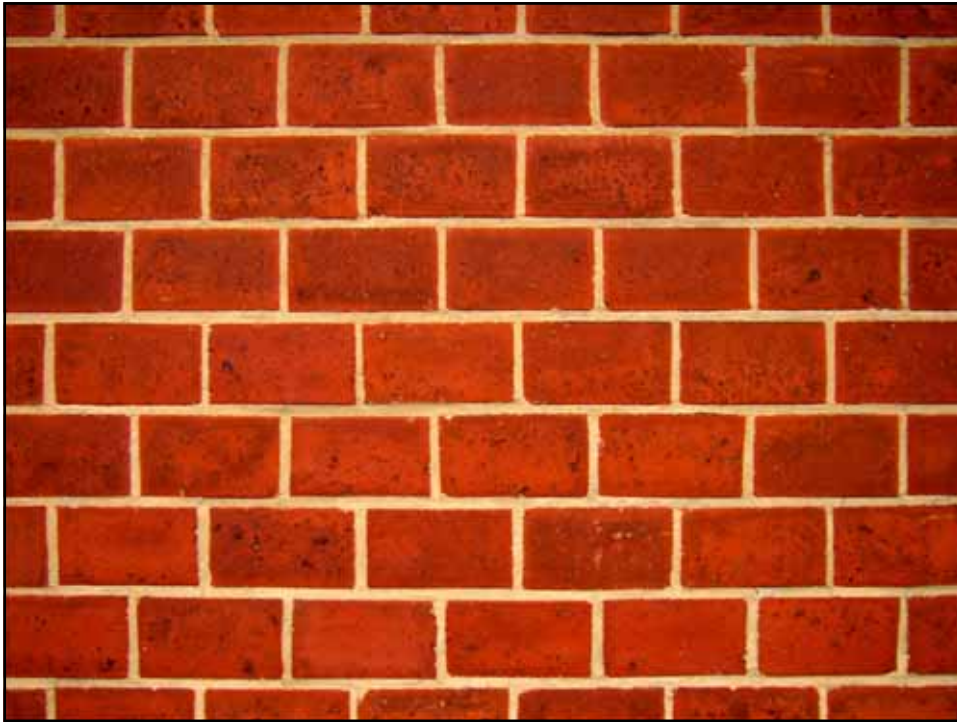
Your Worldview

- The network of ideas, beliefs, biases, prejudices, social and cultural embedded-ness, and taken-for-granted assumptions through which you interpret and interact with the world, other people and yourself.
 - Constrains what you see in the world, and the way the world is organised and operates.
 - Shapes the way in which you see the world and what you notice, and the way the world is organised and operates.

Erhard and Jenson, *Being a Leader and the Effective Exercise of Leadership*,
Harvard Business School, Research Paper 09-022, April 2010.

We all have
blind spots
that cause
us to miss
or simply
reject
important
information.



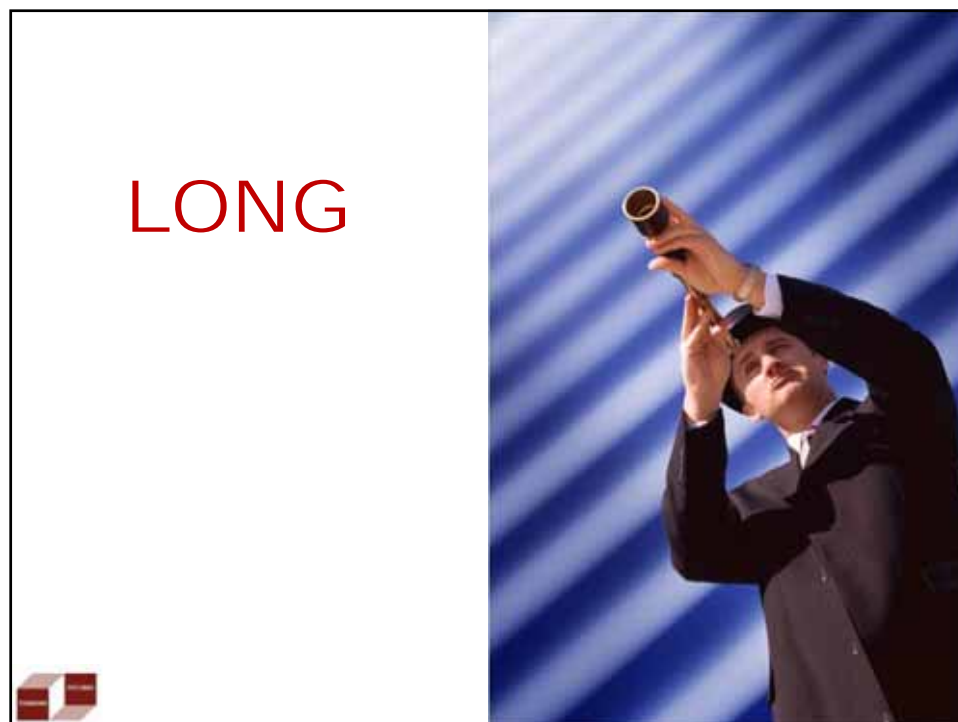
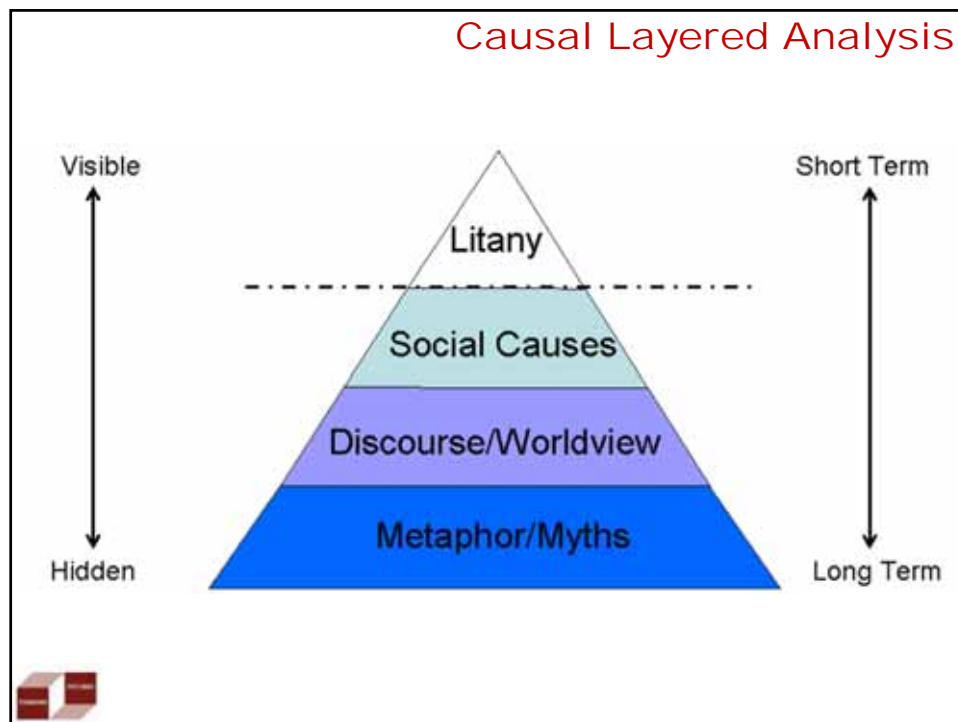


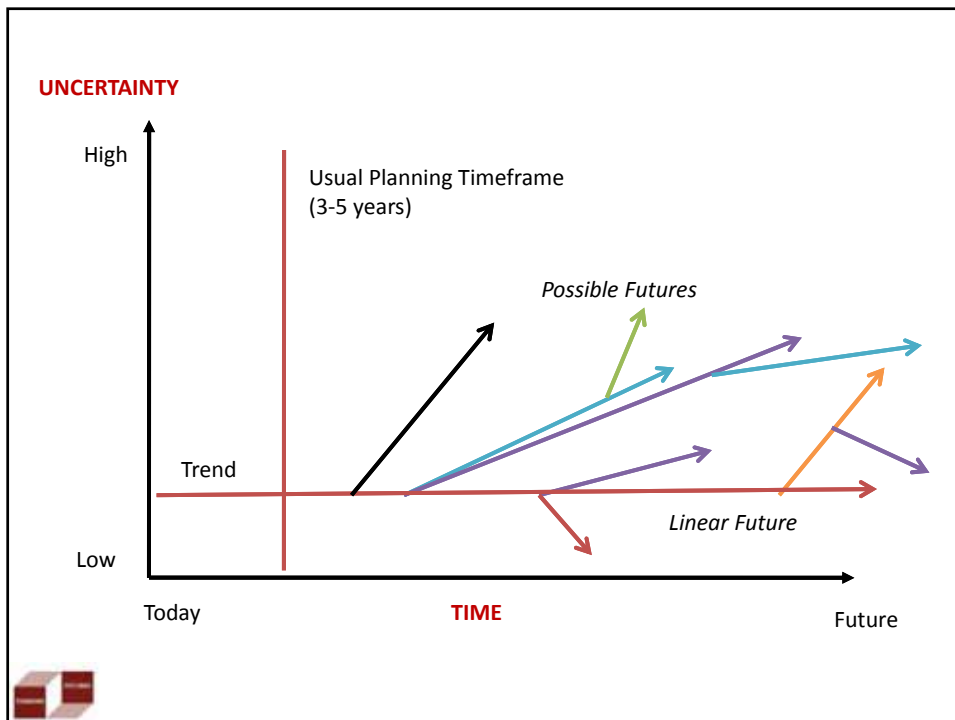
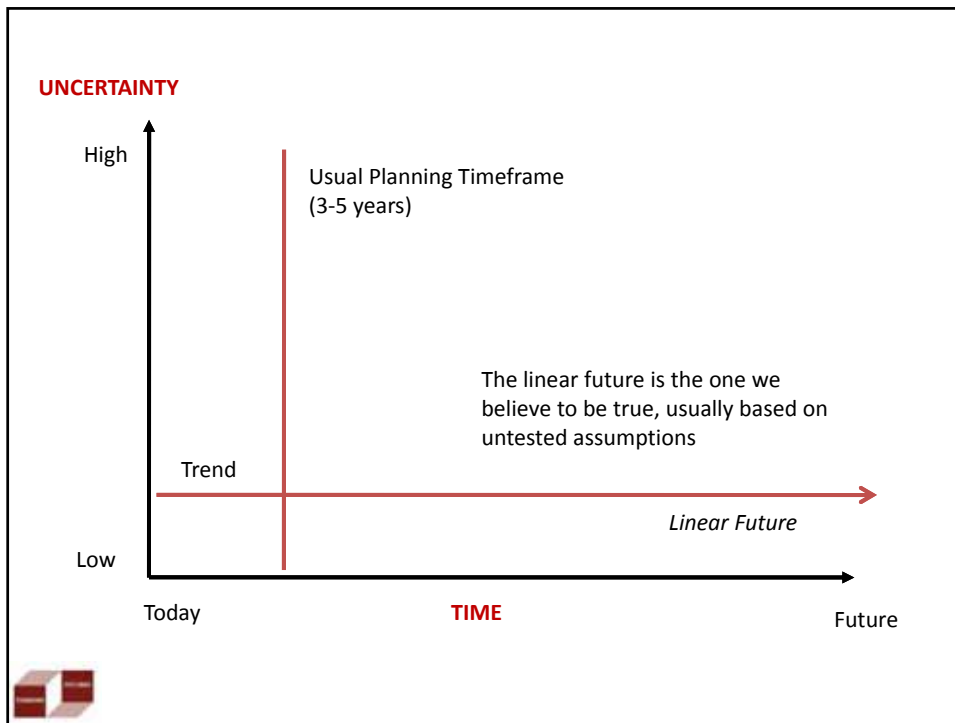
Recognise the blinders

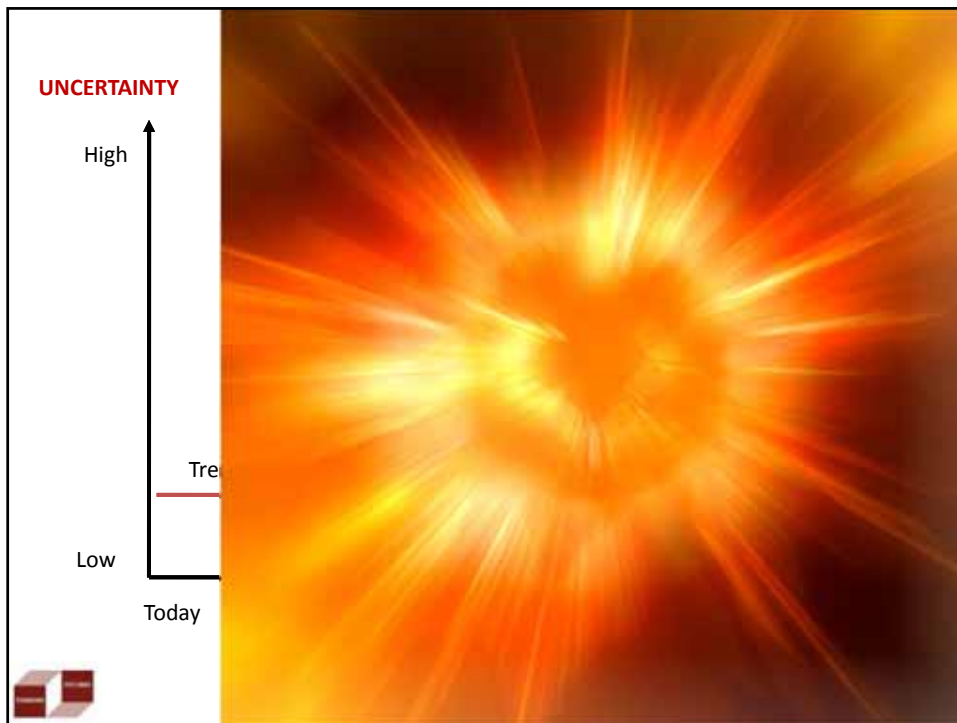
- Mental filters (*patterned responses*)
- Overconfidence (*far too certain*)
- Penchant for confirming rather than disconfirming evidence (*not locked in*)
- Dislike for ambiguity (*want certainty*)
- Group think (*Abilene effect*)

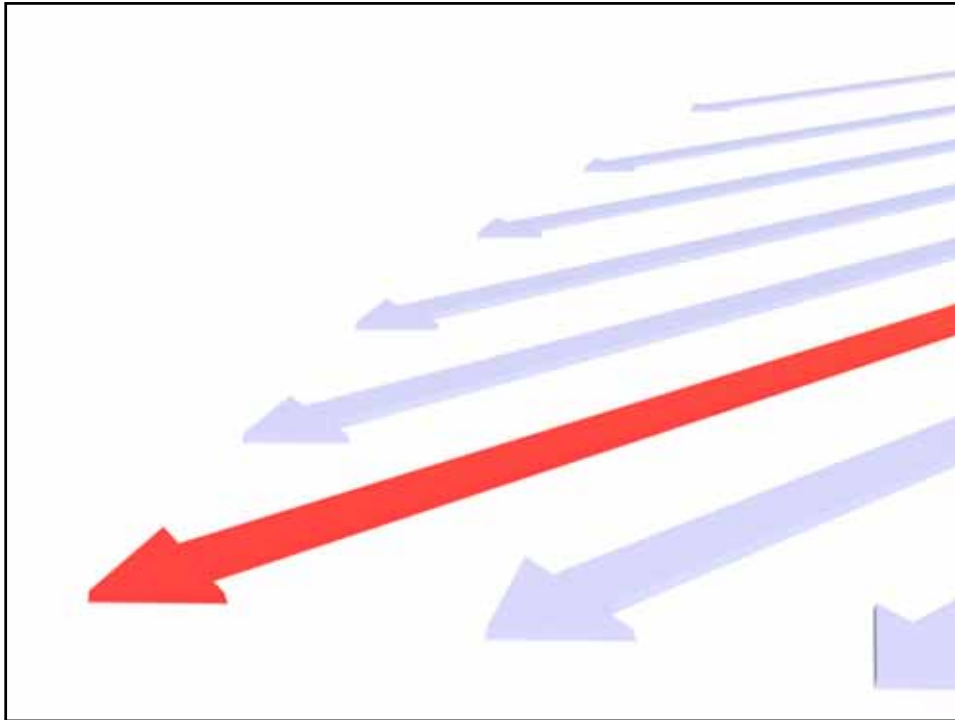
PJH Schoemaker and GS Day
Driving through the Fog, Long Range Planning 37 (2003): 127-142











It's about changing
the way you think...

- Moving beyond pattern response and habitual thinking that no longer works well when uncertainty is dominant.
- Re-training our brains to see new things and make new connections (ie be creative).
- Moving our brains from automatic pilot to manual steering.

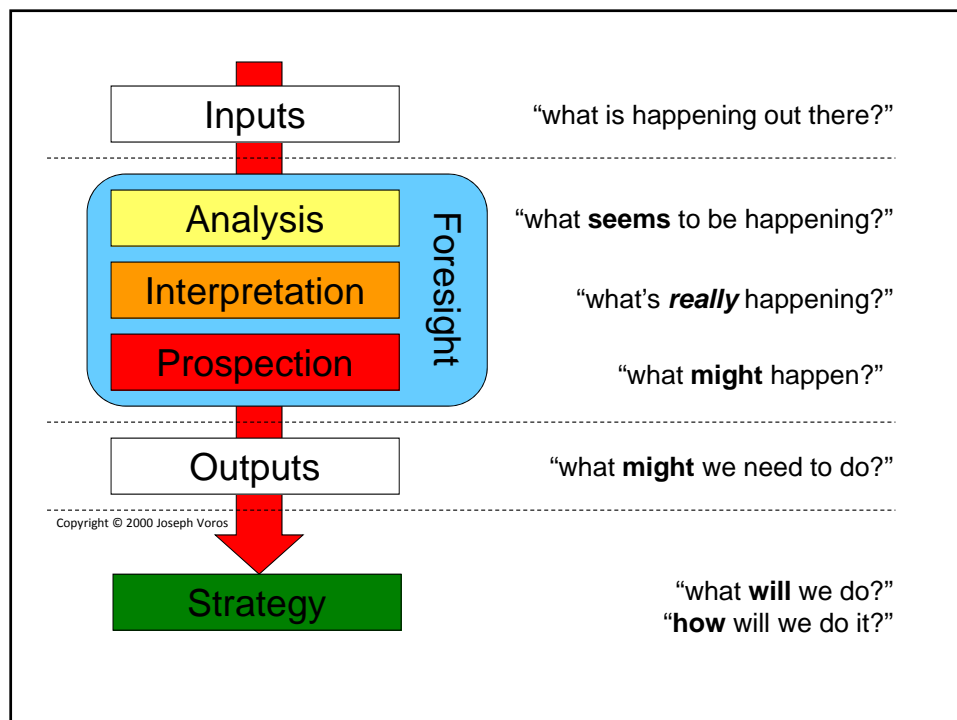


- The aim of strategic thinking is to understand - as best we can - the long term context of our decisions today, so that we make those decisions as wise and as robust as is possible.



Conventional Business Thinking	Futures Thinking
Immediate term	Depth of vision
Own business focus	Cross-disciplinary
Attention to detail	Broad vision
Techno-economic trends focus	Trends and emerging issues
Problem approach	Systems approach
Less attention to connections	Interactions and cross-impact
Continuity assumption	Wild cards and discontinuities
Bottom line focus	Strategic focus
Un-discussables	Speak the unspeakable
Short term focus	Long term orientation
A single future	Alternative futures
Mainstream thinking	Mind changers
Past and present dominate decision making	Future dominates decision making

Some Strategic Thinking Tools

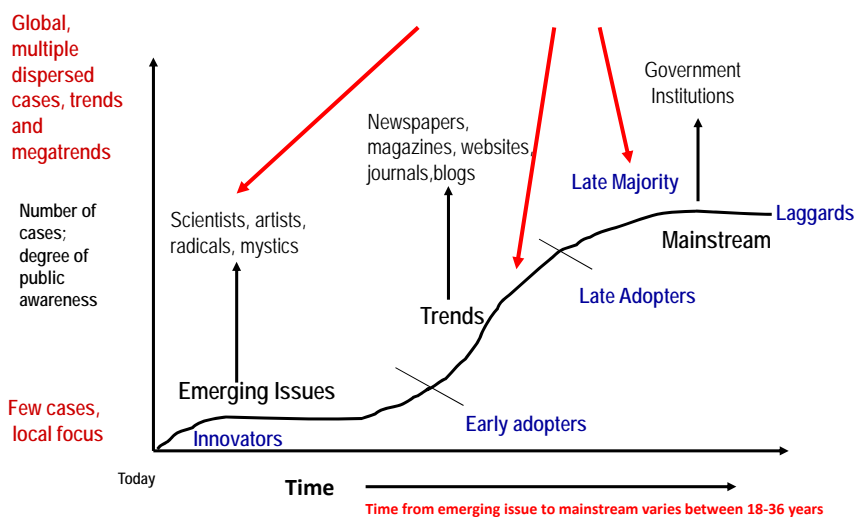


Inputs

- **Environmental Scanning**
- Provides the raw information to inform your strategic thinking.
- Both internal and external to your organisation.



Where to scan



Adapted from the work of Graham Molitor and Wendy Schultz, and Everett Rogers



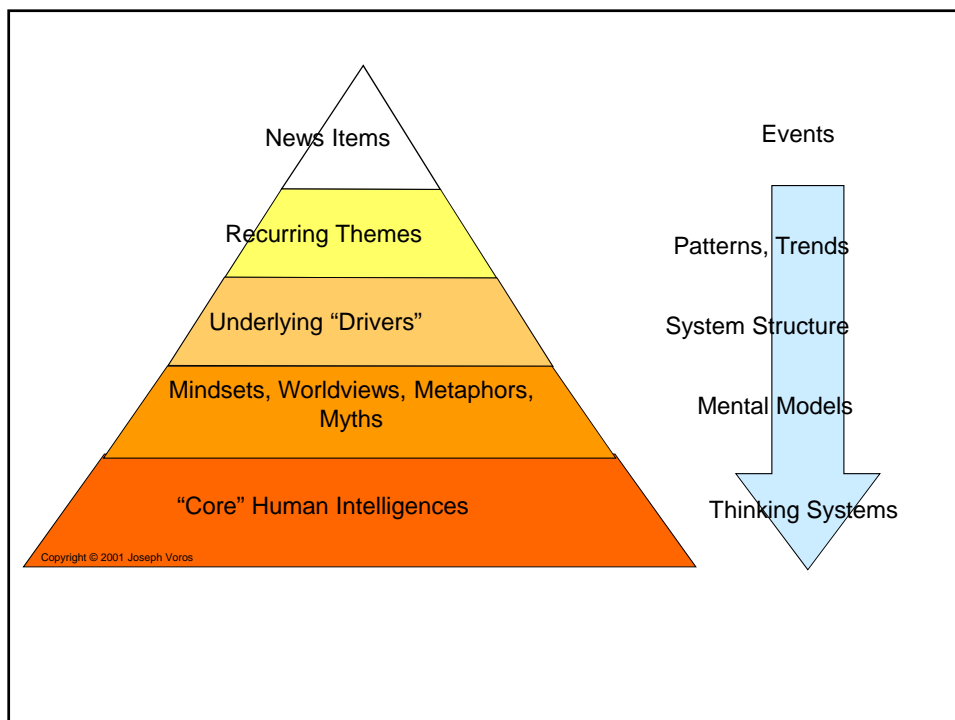
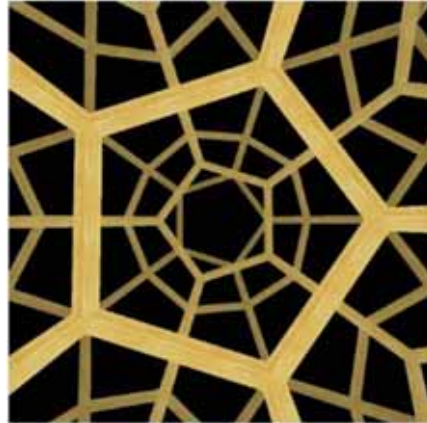
Analysis

- Looking for patterns and themes relevant for your organisation.
- Trend analysis
- Emerging Issues Analysis
- Forecasting
- Delphi



Interpretation

- System structure and dynamics
- What's driving the trends? And what does it mean for us?
- How will they develop?
- Futures Wheel
- Cross Impact Analysis
- Causal Layered Analysis



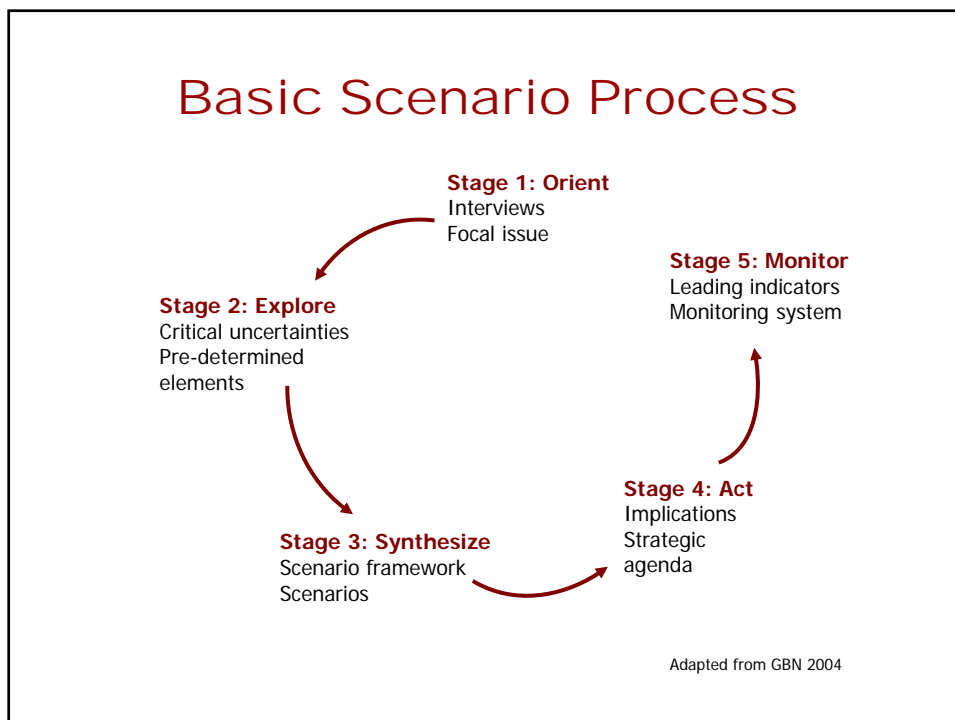
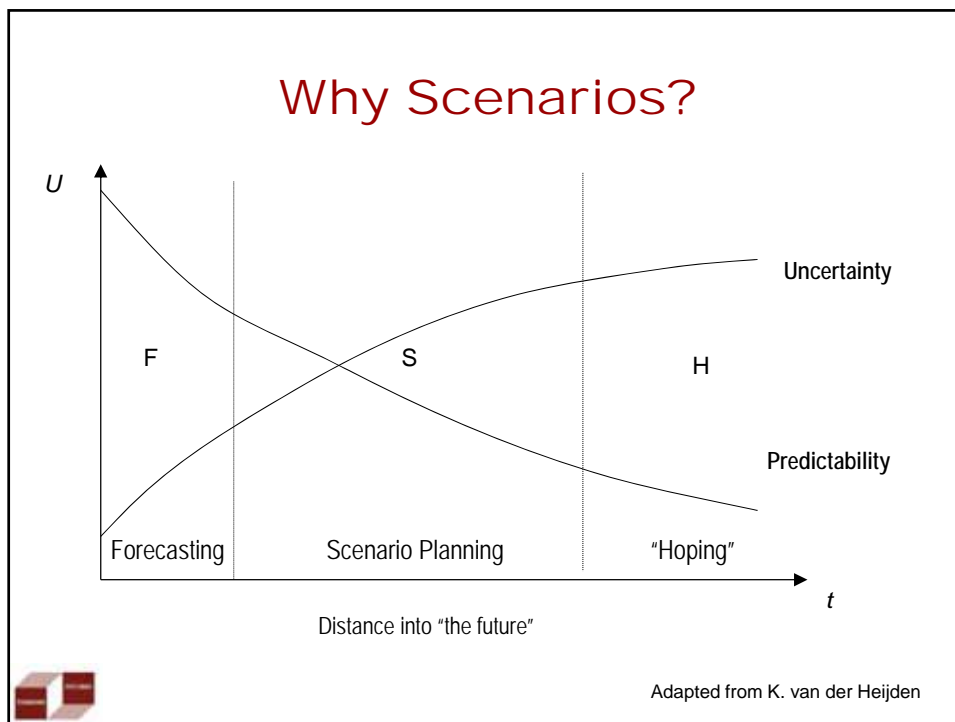
Prospection

- How will the trends evolve over the next 10-20 years?
- How might we respond? What are our options?
- Scenario planning
- Visioning
- Backcasting



- At this level it is useful to understand the different types of futures that we can explore
- Put in cone diagram.





Make a decision about your preferred future

- Once options are on the table, 'someone' makes a decision.



Then, plan to get there

- Vision
- Mission
- Goals
- Actions
- Measures



Technology



- There are many, many tools you can use.
- Which one you choose for a particular activity has to match your organisation's foresight maturity.
- <http://www.shapingtomorrow.com/fitforthefuture.cfm>



The Biggest Challenge to Strategic Thinking



The Busyness Syndrome



- The pressures of his job drive the manager to be superficial in his actions - to overload himself with work, encourage interruption, respond quickly to every stimulus, seek the tangible and avoid the abstract, makes decisions in small increments, and do everything abruptly.

Henry Mintzberg
The Manager's Job: Folklore or Fact, HBR, 1975



- “Managers who get caught in the trap of overwhelming demands become prisoners of routine. They do not have time to notice opportunities. Their **habituated work** prevents them from taking the first necessary step toward harnessing willpower: **developing the capacity to dream an idea into existence and transforming it into a concrete existence.**”

Heike Bruch & Sumantra Ghoshal, A Bias for Action: How Effective Managers Harness Their Willpower, Achieve Results, and Stop Wasting Time, HBSP, 2004



The Result?

Our organisations will tend to be purposeless wastelands, populated by the perpetually busy and the inherently unhappy.



Stephen Johnson, What do you do for a living?, 2007



- But what exactly are we busy with?



The impact of the busyness syndrome on strategic thinking

- I'm too busy dealing with today to think about the future.

...which means

- I can only think short term, not long term.





To think strategically, you have to move beyond busy.

Characteristics of Strategic Thinkers



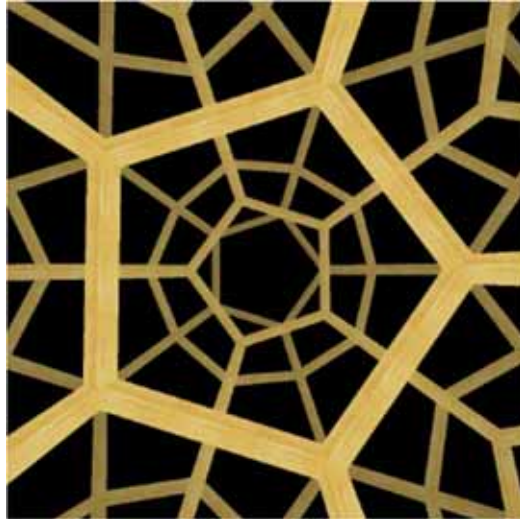
Open mind...



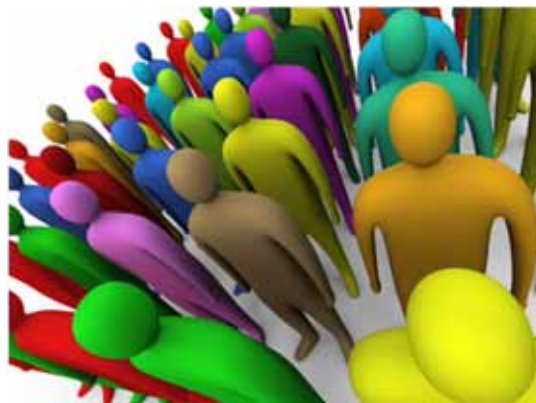
Curious...



Systems thinker...



Accept diversity...



Think outside the box...



Think outrageously at times...



Optimistic about creating
the future...



Challenge assumptions...



Aware of own worldview...



Are compassionate...



...and generous



...and, seek and foster collective wisdom



Back to Work





- Scan often, scan well

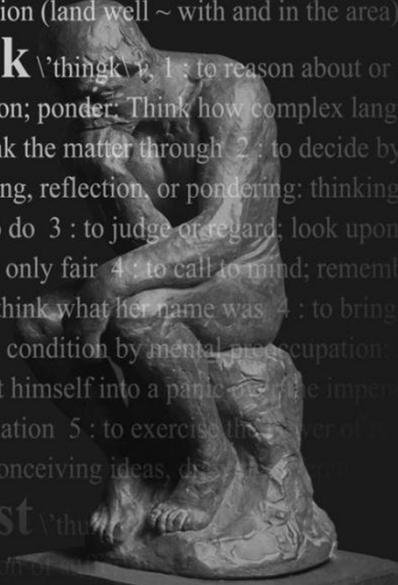


- Invest more time in doing this...

men and women) 2 : covered or surrounded with vegetation (land well ~ with and in the area)

think \ˈθɪŋk/ 1 : to reason about or to reflect on; ponder: Think how complex language is. Think the matter through 2 : to decide by reasoning, reflection, or pondering: thinking what to do 3 : to judge or regard; look upon: I think it only fair 4 : to call to mind; remember: I can't think what her name was 4 : to bring into a given condition by mental pre-occupation: He thought himself into a panic 5 : to undergo an examination 5 : to exercise the power of the mind as by conceiving ideas, discussing, or writing

thirst \ˈθɜːrɪst/ 1 : a condition of the body that causes a desire for liquid

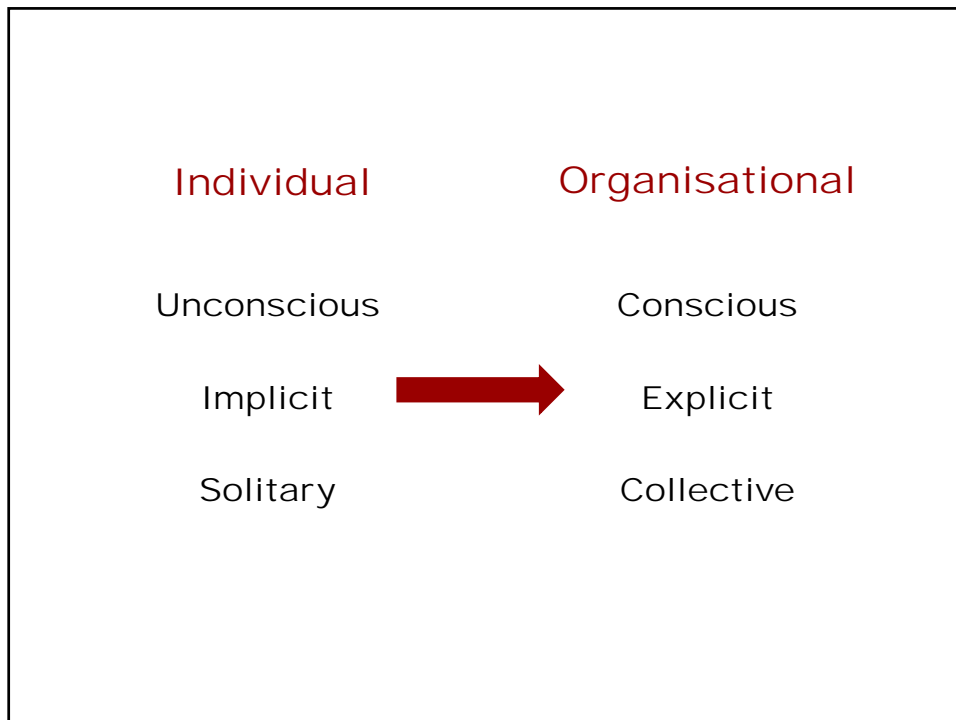


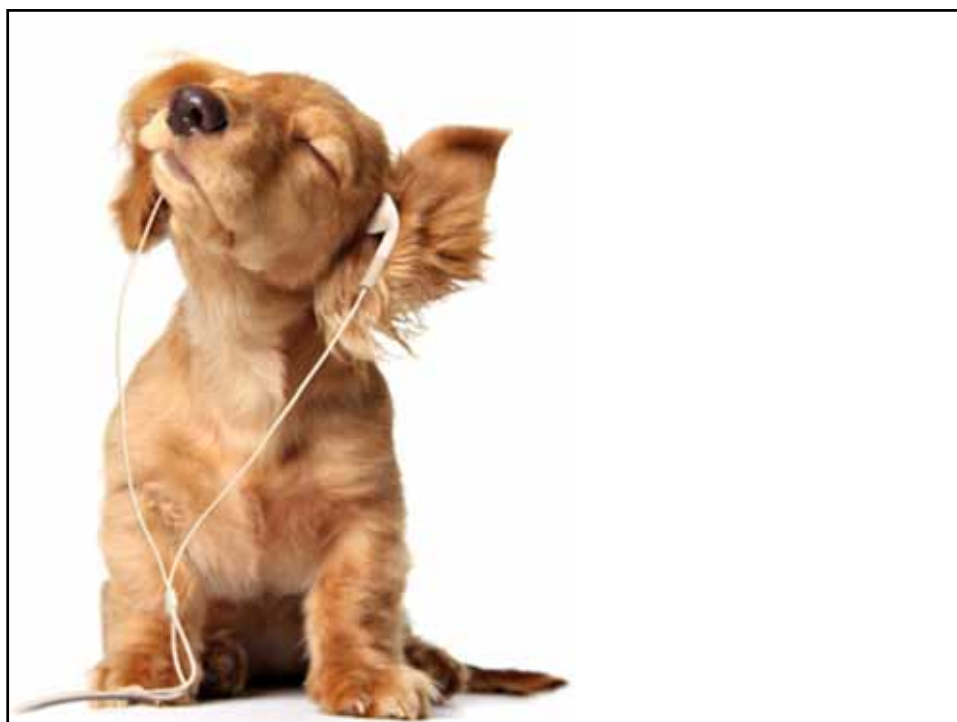
- ...as well as this.



Think long term, act today







- Download Building Strategic Futures Guides:

- Getting Started with Futures
- Environmental Scanning

<http://www.thinkingfutures.net/guides1>



Next Webinars

- Environmental Scanning 2
- So you think you can plan?
- Starting a Futures Project



Contact Details

Maree Conway

<http://www.thinkingfutures.net>
maree.conway@thinkingfutures.net

Tel: 03 9016 9506

Mobile: 0425 770 181

Skype: mkconway1

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Please complete the satisfaction
survey

and
thank you for attending!

