



Digital
Marketing
Institute

THINKING STRATEGICALLY

Study Notes

Thinking Strategically

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LESSON 1: BECOMING A STRATEGIC THINKER

UNDERSTANDING STRATEGIC THINKING

What is strategic thinking?

Strategic thinking is a process you can use to view, weigh up and create the future for yourself and others. It is an extremely effective and valuable skill. When used correctly, it can help you make good decisions related to work or to your personal life.

In order to understand strategic thinking, you first need to understand strategy. Now, there are many ways to define strategy, so let's settle on just one! Consider how you can bridge the gap between policy and tactics. What tactics can you use to implement the policy? This is your strategy. You can also think of strategy in terms of means and ends. You have an *end* in mind. What *means* can you use to reach that end? This again is the realm of strategy. We have resources available to us to get us to our end. Then how we deploy or arrange those resources is our *strategy*, and how we actually execute the actions are our *tactics*.

The classic 1987 *Harvard Business Review* article, "Crafting Strategy" by Henry Mintzberg, presents the idea of 'emergent strategy'. An emergent strategy is one that was not initially planned. Instead, it was formed through consistent actions that formed a pattern over time or through solving an unexpected issue that emerged. Rather than being planned for, it emerged naturally.

Strategic thinking in action

An in-house printing department printed a monthly sales list for the company's freight shipping agency. This was printed on the company's standard letter-headed paper. The company was successful, and its list of containers for hire was growing. This made it necessary to print on both sides of the paper. The headed paper was tearing in the printing machines when it was turned over.

The print department supervisor, using strategic thinking, proposed turning the sales list into a simple, folded page printed on plain paper with illustrations in one color on the front. The use of color in this context was unheard of. The trial run of the first leaflet produced a sensation in the London Baltic Exchange, multiplying the company's sales, as well as solving the printing problem. The result was, because of the publicity, the company won the largest container agency contract in the world at that time. Every other company was still printing its list on standard headed paper.

BENEFITS OF STRATEGIC THINKING

Now that you know what strategic thinking is, consider the benefits!

- With strategic thinking, you become **proactive** rather than reactive. You take the initiative and look actively for possible ways to improve. You don't just wait around hoping that something turns up, or that someone else will force you to change.
- Strategic thinking can also give you a **better sense of direction**. When you see, or indeed create, opportunity to achieve a change, this spurs you to move towards it.
- **Better operational efficiency** is another benefit. You begin to notice opportunities for better ways of organizing or doing work. Seizing them tends to lead to efficiencies and savings in time and resources.
- Did you know that strategic thinking can help to **increase market share and profitability**? This is because deliberately applying future thinking to building vision contributes directly to this.

- You can make your **business more durable**. Each of the benefits already mentioned creates a foundation for durability.
- Efficient strategic thinkers tend to **notice windfall opportunities** and take advantage of them. When something fails, they don't throw their hands up in despair. No, they notice some new opportunity or idea that arises from the failure. They don't think in terms of solving problems. They think in terms of seeking solutions. This creates a more positive mindset.

Benefits in action

Intrinsically, strategic thinking feeds and enhances a company's vision to achieve its goals. Here's an example of how it can be applied to creating vision in the first place.

A group of radiography superintendents in a hospital specializing in the treatment of cancer had heavy workloads treating patients themselves. They reported being unable to find time to supervise their team members. Each of six superintendents reported treating ten patients per day on average. When asked how many patients each of their five or six team colleagues were treating each day, they did not have that information.

Someone suggested they give one of their own patients to each member of their team. This meant that they would have five or six fewer patients each day. And this, in turn, would leave them time to ensure their colleagues had their support and direct help at extra busy times. The new strategy increased productivity, and also improved working relationships and enabled better supervision.

CHARACTERISTICS OF STRATEGIC THINKING

Natural strategic thinkers tend to be big-picture oriented and direction-setters. These skills come naturally to some. And even if you don't already have these skills, they can be learned.

What are some of the main characteristics of strategic thinking? It is conceptual, systems-oriented, directed toward the future, and opportunistic in nature.

At its core, strategic thinking involves planning for the future. This means preparing strategies and conjuring ideas that will both cope with changing environments and consider the various challenges that lie ahead. This is strategic thinking in its forecasting or predictive form.

But there is another form of strategic thinking. A more powerful form of strategic thinking involves designing the desired future, and planning to make it happen. In other words, instead of just planning for the future, you aim to create the future!

Strategic thinking in action

A group of six outdoor education centers served the education system's inner-city schools in a major UK city. They were concerned that, with budget cuts, they were vulnerable to withdrawal of funds and to closure. In fact, three other centers had already been closed in the previous three years.

A Senior Education Officer persuaded them that, although they had always been competitors, the centers would be stronger if they joined forces, shared resources, and supported one another. This was a new strategy!

One way to do this was to create a shared *vision* of how successful they could be. Guided through the visioning process, they developed the skills to think strategically about many of their systems, procedures, and operating plans.

FUTURE-BASING®

Origins of Future-basing®

Rather than trying to predict the future, you can create it instead. One specific method you can use is called Future-basing®. It's a powerful process that involves four stages:

- Creating a vision
- Deciding clearly how to achieve it
- Building operational plans
- Generating a motivation to act

It encourages creative thinking and the sharing of ideas. This in turn builds a strong sense of common purpose between people who work on it together.

Future-basing® was learned by a commercial team in a military aircraft manufacturing and servicing organization. It was part of a project team formation process, and they used this technique to design their vision for a successful signing of an order on time and within budget. Because they were skilled at project management, they quickly recognized how they could develop their strategy, including the steps they could take and the deployment of their resources. The visioning process itself helped them to create a genuine sense of common purpose. The contract was signed in time and within budget!

Future-basing® can be used to develop and focus team objectives, create new systems and procedures, and resolve conflicts by thinking beyond them. It can help you build an organization-wide vision and cascade it through and across the business. And then you can design, plan, and evaluate projects in order to make that vision a reality.

Applying Future-basing®

Step 1: Stimulate imagination by 'reviewing the future'

In other words, you actually base yourself in the future when building your vision. A good way to do this is to describe your future vision as if it is already real. The first step is to fix a date and time as the basis for your vision, no matter how far ahead your goals lie.

Step 2: Create a frame for success

Think about what you are successful at. A helpful tip here is to generate a series of short headings describing important success areas, based on how your team or organization analyzes its operating environment. This enables you to focus attention on streams of achievement. Since you will naturally choose success areas that are important to you and the organization, your values are automatically built-in.

Step 3: Develop the vision

Under each success heading, list specific achievements. These are things that have been achieved in the imagined future. Phrase the achievements in the present tense and use positive terms. In groups, members are invited to write their own desired achievements, and to personalize their descriptions with 'we', 'us', 'my', 'our', and so on.

Step 4: Analyze your feelings

Did you realize that strategic thinking involves more than just the logical part of the brain? You need to pay attention to your feelings too. So the fourth step is to note the evidence from your feelings. Now your achievements have been realized in this ideal future, how good does it feel? Are you pleased, amazed, excited, happy, relaxed, or energized?

Step 5: Map out how you got to this ideal future

Now that you know where you want to reach, the fifth step is to map out how we got to this ideal future. Remaining in the imaginary future, people 'remember' that, for each achievement to be true, there must have been at least one critical action or event which led them to here. Indeed, there may have been more than one event. As they are 'remembered', these actions or events are mapped out onto a progress chart to create a critical path plan or analysis.

Step 6: Generate buy-in

One way to achieve buy-in is to have in the room as many stakeholders as possible when the vision is being generated. You can also cascade Future-basing® across the organization. This can be done by creating the central vision, and then training people in various divisions or departments to create their own appropriate parts of the vision and action.

Finding metaphorical or symbolic ways to capture the vision and share it in story form is a way that leaders inspire their people to become involved and make things happen.

NOTES

LESSON 2: TRANSITIONING FROM MANAGING TO LEADING

THE DIFFERENCE BETWEEN MANAGING AND LEADING

Managing and leading are similar, aren't they? After all, they have the same purpose, right? Well, in real terms they are actually different roles in the same play. Metaphorically, a leader is like an explorer who leads a fleet of ships to discover new lands. And managers are the various ships' captains who follow the explorer's directions and get the ships safely to their destinations.

So how does this apply to organizations?

The manager

First of all, a manager is an executive who gets things done.

Managers are concerned with making things work through planning, budgeting, organizing, staffing, controlling, and problem solving. They focus on organizing information, people, and resources. And they make sure the work gets done and that products and services get out the door on time.

Although we may use extensively the term 'team leader', such leaders are really managers. They are involved in all the managerial tasks of organizing other people to execute the work. In fact, they often do much of this work as individual contributors themselves. This role, and even those of most senior executives, is really another level of managing.

The act of managing is attractive to many, because it allows for measurement and control. These certainties are difficult for managers to give up in exchange for the uncertainties and greater risks inherent in leadership.

The leader

So what is a leader then? A leader is someone who *inspires* others and *guides* people to get things done.

Leadership is about getting up front and driving the bus. It is focused on making things happen, but not on making them work. (That's the manager's job!)

Leaders scan the environment, see possibilities, and create a vision of the future. And from this they create a strategy for achieving it. They communicate that strategy to other people, and inspire them to buy-in and make it happen. Leaders either create the structures or systems that managers manage, or they mold existing systems, or organizations, into something new that better fits the demands of a changing environment.

Leadership becomes more essential in times of rapid change where new thinking and direction are needed.

By starting new enterprises, inventing new concepts, and driving new and innovative projects, leaders explore the territory of the unknown. This is not what managers do. So switching roles from manager to leader demands letting go of the certainties of managing and embracing the uncertainties of creating a future.

It is not unusual for business "leaders" with a managerial mindset to find it difficult to change what they have been doing, because they know what works. In other words, they are unable to flip into a leadership mindset and they continue to relate to people, work, and challenges as a manager would.

But as Marshall Goldsmith, the famous coaching thought leader, says to executives, “What got you here won’t get you there!”

Leading requires a different set of skills to those of managing. It involves committing to further personal development and to learning those skills. This is both a challenge and a prime objective for anyone aspiring to become a leader.

Leadership in action

Following a re-structuring of a multimedia organization, an experienced marketing manager was appointed to lead a newly established social media division. His assignment was to study the role and commercial potential of social media in achieving the organization’s objectives. He was asked to create and lead a vision for the organization’s social media strategy.

His first action was to meet with all of his staff and establish a relationship with them all as their new boss. He knew how to work with people in a highly creative environment. The staff loved him. He managed the division effectively and quickly introduced many brainstorming initiatives that enhanced the creativity of the whole team. Six months later, other directors and heads of divisions in the company had still not met him. It appeared not to occur to him to look at the entire organization and its business as a whole, and to focus on a vision for development. He was an effective and competent manager, but he lacked any understanding of being a leader. A year later, he left the job.

DEVELOPING A LEADERSHIP MINDSET

To transition successfully into a leadership role, managers need to develop a leadership mindset. To do this effectively, leaders need to be able to:

- Visualize how things should be
- Communicate the vision
- Take a wider, more panoramic view

Leadership mindset

Leading requires a different mindset to managing. Leading is more focused on *creating the unknown* than on controlling the known. It deals with setting direction rather than with operational detail.

Changing mindset in order to think like a leader is not easy. Metaphorically speaking, if you are naturally left-handed, choosing to do as many things as possible with your right hand is a challenge! It would require disciplined thinking, and doing consciously things that you would normally do automatically.

Managers are accustomed to planning actions and events on a “get the job done” timescale, and used to finding solutions to undo problem situations. So how can they adjust to longer timescales, and the challenge of envisioning new situations or realities?

Example

Imagine a manager is governing a village in a valley. What if the manager decided to move up from the valley to the mountain top and look at the entire landscape from higher up? Seeing to the far horizon could reveal a storm coming in that could flood the village. The manager, with this information, now has the opportunity to act as a leader!

A leader could envision moving the village farther up the mountainside to stay above the flood. The new challenge becomes how to inspire and persuade everyone to move house, leave the familiar, and create a new home above the flood plain. The leader is not concerned with how specifically to move and re-build the village. The leader is just concerned that the village is moved and re-built.

Changing mindset may need courage and determination. What if a new site for the village is difficult to find? What if people don't want to move house and live farther up the mountain? What if the mountain looks hard to climb in the first place, or the view turns out not to be worth it? This is the challenge facing the manager: how to climb the mountain anyway, just to find out.

Visualize how things should be

As the example shows, to develop a leadership mindset, a leader needs to be able to *visualize* how things should be and lead by communicating that vision. For example, a manager at one level pays most attention to how the business produces its products and services, and how efficiently it does that. Meanwhile, a manager at a higher level pays attention to its target market and how to satisfy that market by producing the right products in the right way. This second manager may be a director of the business, and considered its leader. But the activity described is still managing.

What if that director's horizon moves to the entire industry that the business serves at national or even international levels? Questions may then arise. For example, is our target market the only one for us? With such a wider scope, new possibilities become obvious and creating a vision to achieve them a more compelling idea.

Communicate the vision

Once a vision begins to crystallize, the challenge of how to make it happen presents itself. As a first step, you need to explain the vision to others so that they can become enthused by it. Then you have to recruit people, opinions, and resources to the cause, to gather momentum and make it look solid even before there is any tangible reality. The focus has now moved away from the certainties of doing the work to the more intangible. Ask questions such as "What if this...?" or "How could that...?" to engage people's excitement and creativity.

Take a wider, more panoramic view

By doing that successfully, a leader can spot risks and potential problems before they develop. The organization can then put in place measures to deal with the challenge. From this wider perspective a leader focuses on the general rather than the specific, thinking as a generalist rather than as a specialist.

With this wider, bigger-picture perspective, seeing into the distance and noticing potential risks is part of learning to tolerate uncertainty and ambiguity. Talking to a wider range of people becomes normal, because more people are involved, and wider perspectives and many more opinions and experiences become available. Making decisions and choices has wider implications, and whether or not to make something happen as part of progressing a vision, may be one of a variety of such decisions. In this way, the leader's thinking is naturally more generalist in its focus than the pragmatic, implementation-focused manager's mindset.

DEVELOPING AN EXECUTIVE PRESENCE

Leaders should work to develop their executive presence in order to "send the right signals" and to get ahead. You can do this by:

- Improving your interpersonal and communication skills
- Believing in yourself
- Looking the part

Improve interpersonal skills

You need to inspire other people and have them believe enough in your vision to follow you. So not only do you need to have the knowledge to communicate your vision, but you need to be able to transmit enthusiasm and energy in the ways that you engage people. This includes giving people your total attention, building rapport, and asking questions to help them explain their thoughts. Also learn to observe their non-verbal responses and adjust your own to match their way of connecting and speaking. Leaders need to be able to do this with everyone, regardless of their status.

Leading also demands speaking in groups or meetings, and delivering confident and coherent presentations. Being skilled at explaining your thoughts and ideas clearly and checking that people understand you are all ways to inspire confidence. This persuades people to believe that following you will bring success. The most powerful way of sharing ideas to engage people is to turn everything you say into a story. Human beings are hard-wired to respond to stories, and developing this ability is central to building executive presence.

Believe in yourself

How would someone look and sound if they wanted to sell you something that they themselves did not believe in? Having a vision that you know deep down is important, valuable, and worth achieving is only part of the story. You need to convey to others that you can, without any doubt, develop strategies to make it happen and bring people with you. You can do this with your tone of voice, your posture, the ways that you move and speak, and how you give your attention to, and engage with, people. It shows up in an air of self-confidence that is contagious. Some people also call it *charisma*.

To learn about this, pay attention and observe people who are perceived as competent leaders. Notice how they look when nobody is watching. See how they connect with people around them, where and how they give their attention. See if you can notice how they scan their environment, and how they affect the atmosphere when they walk into a room. There is something about them that shows they can make things happen.

Look the part

People need to see a leader when they look at you! Personal dress is an essential part of developing an executive presence. If you want to influence others, it works best when you join them first in their view of the world before attempting to lead them to yours. How do people expect leaders to dress and carry themselves, especially in the environment where you work? That is the dress code. Take the trouble to choose clothes that belong to a leader in your surroundings. Take care of personal grooming, such as personal cleanliness and keeping your hair groomed and smart. Smart people look smart, and image is central to everything a leader stands for.

Executive presence in action

Let's look at an example of these ideas in practice. A training manager with leadership ambitions was working closely with his company's board. He wished at one stage that he could speak the language of the board members. His big learning was to show he could *listen* to their language and encourage them to talk. He did not need their knowledge; listening was his skill. He invested in a more expensive suit and some fine neck ties, and noticed how board members carried themselves in meetings and presentations. In short, he behaved as they did. This enabled him to build and maintain rapport, and to influence board members who behaved with him as *if he were one of them*. When they saw him, they saw a leader!

THINKING WITH A GLOBAL PERSPECTIVE

As a leader, you need to be a 'big-picture person'. You should think with a global perspective. How can you do this? You need to:

- Study your industry and the environment in which it operates
- Expand your global experience by working in different cultures
- Be a continuous learner, and share what you learn

Study your industry and the environment in which it operates

How well do you know your industry or the field that you work in? How much do you know about your company, the market it serves, and how well it does that? As a manager, activities of planning, organizing, and so on may be so well prescribed that you can operate effectively without needing to think about any of these issues. But to be a leader, that wider view is essential – because if you don't know what is going on, how can you create a vision and convince others to follow?

Taking an interest in your industry, and in the market and environment that your company exists to serve, is an essential step. It will give you a wider point of view. And this greater understanding will help to lift you above the concerns of day-to-day management.

Expand your global experience by working in different cultures

If you are to lead in an environment that is truly global, then you must build up direct experience in other cultures as well as countries. How can you explore opportunities to take on assignments for extended periods in other parts of the world? Are you free to do so?

To gain a truly global view, such assignments would need you to immerse yourself in the culture as completely as you can, giving you the chance to learn how the local people think and what they consider important. It may require learning a new language if it is different from your own. And remember, being directly involved in a project with specific results is more valuable than just being located in an overseas office.

Expanding your global experience in this way is a big commitment. Although this level of commitment is far beyond what most people are prepared to do, it is what distinguishes people with leadership qualities.

Be a continuous learner

Share what you learn. Leaders are constant learners. Since their focus is on what is not known yet, everything they do is a learning experience. Tolerating ambiguity and living and operating outside of their comfort zones are part of the territory. So effective leaders not only recognize their own need to develop learning skills, they treat with great importance the issue of sharing what they learn to help others develop and become leaders.

So they mentor, they coach. They inspire greatness in others. They work to create an environment that nurtures expansion and growth, so that people can be their best at whatever they do, and feel supported and trusted. Developing coaching skills and experience is one of the biggest personal assets a leader can acquire.

RECRUITING AND RETAINING TOP TALENT

To be successful, leaders need to surround themselves with good people. How can you do that? By recruiting the right people to your team. And once you have recruited them, you need to keep top talent on board. Leaders can do this by exhibiting trust in team members, and by developing their talents and inspiring them to achieve great things.

Recruit the right people

Attracting top talent is an increasingly important issue. Leaders have to recruit the best possible team in order to drive their vision forward and bring it to life. So it's advisable that they involve themselves personally and completely in the entire recruitment process.

As a leader, you should insist that new recruits fit with the corporate culture. Having the necessary background and talent to do the job is just one piece of the puzzle. For a candidate to really flourish, a culture fit is every bit as important as experience, talent, and education.

You also will need recruits who are prepared to take on any task. The natural pressure of limited resources means that teams need to learn to do more with less, wear multiple hats, and be prepared to take on any task. Some people prefer to work in a structured environment, yet an early stage in pursuing a vision may require people to be outside of their comfort zone. This can be a challenge, and it points back to having a culture fit.

Also, aim to recruit people who display passion – for anything. Skills can be learned either through education or experience. Finding employees who have a passion is rare. It doesn't necessarily have to be about the job. It can be anything, from playing golf to running to singing with perfect pitch!

Trust your team

When you have your ideal team in place, you need to trust them. As Steve Jobs of Apple once said, "It doesn't make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do."

One of the benefits of employing talented people is gaining their expertise and passion in developing and communicating your vision. If you trust in your own ability to select the best people, then it makes sense to trust your team! So give them the space to build and improve on your ideas. As a leader, your focus is best applied to sharing your vision with your employees. Focus on engaging

them in co-creating it with you, gaining their buy-in, and encouraging and challenging them to become the greatest people they can be.

Inspire your team

As a leader, one of your goals is to develop and inspire your team. Leaders should work to develop their team, to help them reach their full potential, and to inspire them to become the leaders of tomorrow. The best leaders inspire greatness in others. They create an environment for people to expand and evolve, and provide them with the support and encouragement to become successful in whatever they pursue.

As a leader, how can you do this?

Show how when things go wrong, there is always something to learn

Great leaders teach that successful people aren't born but made, through all kinds of experiences. Remind your team that paying attention when things fail and learning from the experience is a key feature of being successful.

Encourage imperfection

Don't let perfect be the enemy of excellent. Remember, you don't have to be perfect to inspire others. Instead, seek to inspire your people with the way you deal with your own imperfections. How do you accommodate and work around these shortcomings, and still focus on what you can accomplish?

Provide a safety net

Encourage your people to try new ideas without fear of repercussions or criticism if they don't work out. Show them that the more they try, the more they will succeed. After all, calculated risks can pay off in the long run. The very best leaders encourage their people to take risks and drop fear. Remember, only those who are willing to risk going too far can find out how far they can go.

Stick to your commitments

There is great strength in being responsible and keeping your word. If you tell someone you'll do something, then do it. Be honest about your limits. Understand that when people fail, it's most often not because of a lack of desire but a lack of commitment.

Set high standards

Although you should be tolerant of mistakes and imperfections, you should also insist on high standards. Set high standards for yourself and lead by example, knowing that demonstrating character is the best way to lead your people to develop their own high standards and work ethic.

Effective recruitment in action

A marketing manager had a desk that was always clear. He was questioned about it one day and he explained that he had highly skilled and experienced team members to carry out the multiple marketing tasks from day to day. So everything that arrived at his office had someone's name on it, and was delegated or distributed as soon as possible. He kept for himself his activities as a

department ambassador and driver of the overall vision. He also considered that by far the most essential part of his role was to be available as a coach and mentor for his team colleagues.

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