

Practicing Strategic Thinking

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Attending a Federal Reserve Board meeting in Chicago I heard this observation made on the future of Midwest agriculture, *“Thinking is hard work. That’s why most people don’t do it.”* I failed to write down the name of the person who made the statement, but the quote has stuck with me and it remains written at the top of the white board in my office.

You could say making a statement like this is heavy handed and not fair to remarkable thinking churning around us every day. For example, check out the “Kony 2012” video on You Tube > <http://www.youtube.com/watch?v=Y4MnpzG5Sgc> . It is a great example of a leader and his team coming together to accurately assess a specific situation and put forth an innovative strategic approach to realize a long term vision. On the other hand, we needn’t look further than the 2008 Great Recession to see a monumental example of failure to “think.”

In the context of strategic management we define strategic thinking as “the process of looking outward at the external environment in which the organization operates or competes. It is also an introspective process for looking inside the organization and understanding how employees, policies, processes and procedures produce value for customers, employees, and other stakeholders.”ⁱ To facilitate strategic thinking we must take time to discover the trends and facts in every situation. As Sun Tzu commented (circa 500 BC):

“Study the past and analyze current conditions to create an edge.”

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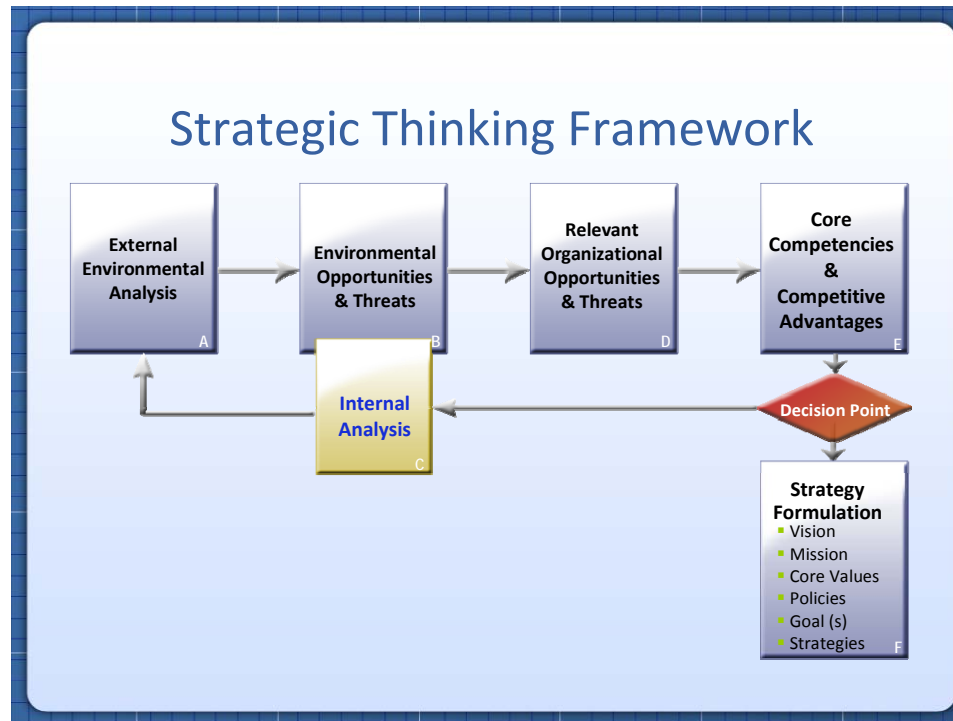
“Know yourself, your opposition, and the environment within which interaction will occur.”ⁱⁱ

Any time a leadership team takes time to “think out loud” it increases the probability their strategy design will be successful. Why? Simply put, leaders often see an organization’s situation through the lens of their own understanding. A narrow scope or lens, if you will, based on their unique understanding of their own strategic landscape.

A shared understanding emerges when deliberate effort is made on a regular basis to gather up, consolidate and openly discuss the facts and information available to the leadership team. Make an upfront investment (time and resources) in this “team” work and you will be able to accurately discern where best to focus the application of efforts and limited resources going forward. Team based work is the path that leads to alignment and alignment is the ultimate key to strategy execution.

Coming to consensus on where best to focus does not happen automatically. When teams attempt to think together oft times there are disconnects in perspective which result in disharmony and, when handled appropriately, provide an opportunity to channel productive stress into improved decision making. When this occurs all leaders must be willing to listen to one another and find productive ways to work through the matters at hand for the betterment of the organization.

This process is due diligence driven, continuous and downright hard work requiring steadfast commitment to be of sustainable value. It is especially important to note strategic thinking is not solely a behavior exhibited by the leadership team. Everyone involved is expected to “think”, prepare and contribute during leadership team meetings to make it work. Below is a conceptual framework we use to organize the strategic thinking process in our own education, training and consulting practice. We have found this framework to be of tangible value on the front end of any strategy formulation initiative.



Strategic thinking takes root in an organization’s culture as feedback is generated after strategy is deployed and implemented. In the end, strategic thinking requires leaders to synthesize a wide range of trends, facts and information to be creative and action oriented based on what they learn and be attentive “listeners” to the lessons to be learned as the strategic plan moves into and through implementation.

ⁱ Frank Mruk, Howard Rohm, Randall Rollinson and David Wilsey, Association for Strategic Planning SMP/SPA/SPA Certification Guide, 2011 Edition, Page 48.

ⁱⁱ M.R. McNeilly, Sun Tzu and the Art of Business: Six Strategic Principles for Managers, New York: Oxford University Press, 1996.