

Strategic Thinking

SAN FRANCISCO
Phone: 415-241-8000
Fax: 415-241-8010
600 Townsend St., #550W
San Francisco, CA 94103

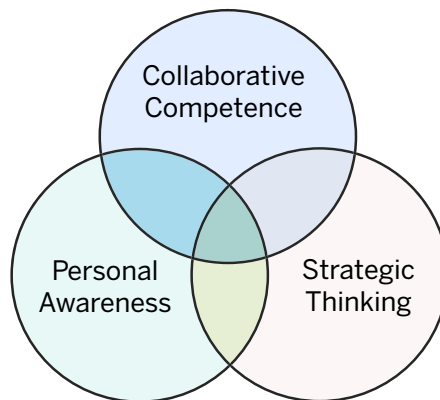
BOSTON
Phone: 617-234-2700
Fax: 617-234-2727
625 Mount Auburn Street
Cambridge, MA 02139

INTRODUCTION

The Conference Board's Research Report, *Developing Business Leaders for 2010*¹, identified a core list of skills that leaders in 2010 must have to succeed:

- Cognitive ability
- Strategic thinking
- Analytical ability
- Making decisions in an environment of ambiguity and uncertainty
- Personal and organizational communication skills
- Influence and persuasion
- Managing diversity
- Delegation
- Talent manager and finder
- Personal adaptability

INTERACTION ASSOCIATES synthesized these core skills into 3 critical content domains: **Personal Awareness, Strategic Thinking, and Collaborative Competence**. It is our experience that this combination of skills powerfully equips leaders for success in the increasingly competitive global environment.



INTERACTION ASSOCIATES' models and tools for *Strategic Thinking* build robust competency in the first four skills outlined in The Conference Board's *Developing Business Leaders for 2010* report: **Cognitive ability, strategic thinking, analytical ability, and making decisions in an environment of ambiguity and uncertainty.**

¹ Barrett and Beeson. *Developing Business Leaders for 2010*. The Conference Board, New York, NY, 2002.

WHAT IS STRATEGIC THINKING?

Strategic Thinking is the process of taking in complex and ambiguous data and making sound, shared decisions.

At the core of *Strategic Thinking* are nine skills. These skills provide the backbone for organizations to develop organization-wide competence in making very complex decisions.

THE BUSINESS CASE FOR STRATEGIC THINKING™

Strategic Thinking skills are increasingly valuable and essential for successful leadership as business increases in speed — cycle time, information dispersion time — and complexity — globalization, matrixed organizational structures, interdependencies.

A lack of *Strategic Thinking* has an enormous negative impact for the leader and the organization. Its lack leads to:

- **Poor choices**—bad decisions that could have been avoided. Losses of money, energy, morale, market share.
- **“Churn”**—individuals, teams and organizations don’t make choices or make choices that don’t stick.
- **Slow reaction times**—individuals and groups don’t make a timely choice, or don’t figure out that they’ve made a bad choice for a significant period of time.
- **Increased decision making cycle time**, which slows implementation.

Strategic Thinking provides the foundation for ideas that leaders use to move themselves and their organizations forward. It is a continuous process/pattern of understanding and making choices about critical and complex issues. In today’s world, strategic thinking happens primarily in groups. Therefore, it’s critical to develop leaders’ *collaborative* strategic thinking skills.

INTERACTION ASSOCIATES has helped dozens of companies improve the *Strategic Thinking* skills of its leaders and other key employees. Our development focus is on transferring **nine Strategic Thinking Skills** that build strategic thinking competence, collaborative capability to engage others in strategic conversations, and the personal awareness to make sound judgments and decisions.

STRATEGIC THINKING IS NOT

- Strategic Planning,
- A step-by-step, linear process,
- A finite task,
- A model for analysis of complex industry/market dynamics,
- Development of direction for an entity, and translation into aligned organizational action - mission, vision, strategy, tactics.

It is important to note that strategic thinking practices and processes are useful tools to apply to these tasks.

WHY THE STRUGGLE TO DEVELOP STRATEGIC THINKING CAPABILITY?

Companies struggle to build strategic thinking capabilities because:

- It is frequently confused with “strategic planning” — organizations erroneously build capability to develop strategy versus the critical/strategic thinking skills required to deal with difficult complex issues NOT about strategy.

Key Distinction:

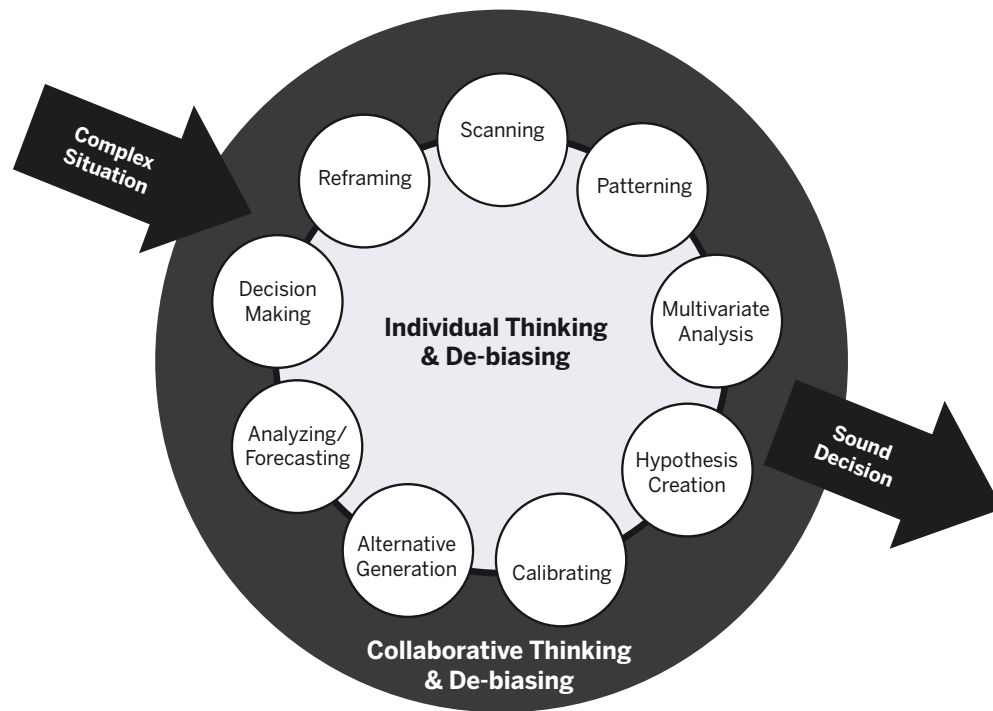
- **Strategic Planning:** *Finite Activity, applied in one context, for one purpose.*
- **Strategic Thinking:** *Continuous Activity, which can be applied in a number of contexts for many purposes.*

- Strategic thinking capability has historically been a black box: “s/he’s got it, or not.”
- Strategic thinking has been viewed as an event, with key steps and a finite outcome.

STRATEGIC THINKERS CAN

- See the forest *and* the trees.
- Scan for just the right amount of data from the best sources to inform decisions.
- Organize/bucket data into meaningful patterns.
- Demystify complex situations for others.
- Identify and understand the relationship among multiple complex variables. Make sound judgments about cause and effect.
- Create robust, data-based hypotheses and conclusions. Educate others and build agreement on those hypotheses and conclusions.
- Seek out and enroll key stakeholders strategically in their projects/decisions.
- Think through the possible impact of different options and select a course of action that produces positive results.
- Constantly seek data and reframe hypotheses and conclusions as necessary without getting stuck in old decisions, beliefs, or paradigms.
- Sit in the middle of a highly complex, ambiguous situation and select a successful course of action.
- Describe the belief system from which they are operating to identify areas of alignment/ lack of alignment with others.
- Identify and integrate short and long term variables in difficult decisions.

NINE STRATEGIC THINKING SKILLS



CONCLUSION

INTERACTION ASSOCIATES has been a pioneer in the field of *Strategic Thinking* skill development since the 1990's. We fine-tune learning and development activities so leaders and other change agents learn to apply *Strategic Thinking* skills both as individuals and as leaders or members of teams. This mix ensures a practical application of the skills in a variety of situations that affect the performance of the organization.

INTERACTION ASSOCIATES has more than 35 years' experience in developing leaders and change agents in large organizations, helping them maximize their strategic advantage and generate sustained business results. Leaders who participate in our development programs emerge with an extraordinary set of models, tools and skills that significantly increase their probability of success.