

Thinking Strategically

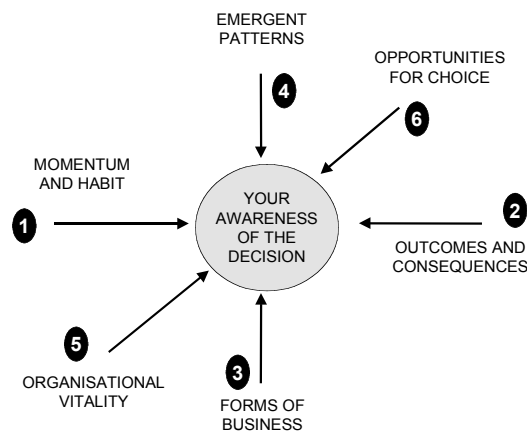
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The span of a strategy relates to the intended duration and extensiveness of the mission it serves. In that sense strategy is not about the long term but about the whole term, beginning now. Strategy “on the hoof” is the art of revising battle plans whilst continuing to spur the horse forward. There is no longer time to stop at the Inn and think ‘off the horses’ back’.

Michael Porter points out that we have to stay in the saddle whilst doing strategy better. “Some managers think, ‘The world is changing, things are going faster – so I’ve got to move faster. Having a strategy seems to slow me down.’ I argue no, no, no – having a strategy actually speeds you up.”

This approach is difficult to practice because of the split between the executive brains and the planning brains. The executives do without thinking and the planners think without doing. Both extremes lose the plot. Some of the mental traps that perpetuate this state of affairs are:

- The momentum of immediate activity.
We are in a juggernaut hurtling down a highway, unable to see more lucrative by-roads that lead to strategic success.
- Over-confident opinion.
We have to be confident and determined to take charge but then overshoot the mark and fail to question our own assumptions.
- Unperceived assumptions collapse in the business model.
Many of those assumptions have not even been articulated so the only way they get challenged is when they reach the market place and by then we have run out of lead time.
- Misread causes for actual performance.
We have our pet theories about what causes what. This reinforces a tendency to defend the view in the best traditions of flat-earthers.
- Misaligned intent.
In the absence of strategy we are at the mercy of the next critical thing, a reactive pile of priorities and no one agreeing where the crucial action needs to be.
- Rejection of creative improvement.
We go for operational efficiency and cost control rather than strategies to grow the top line.



These traps all perpetuate a situation where competitive differentiation erodes so rapidly that everyone is competing in a commodity world where financial performance is dependent on who can eat whom next.

So how can we exit the trap? We have to start from our own mind as a decision-maker and experiment with adopting views that contradict the conventions of today's thinking. Here are a few, based on the following assertion:

Strategy is not long term because there is no such thing as a future decision. All decisions that are really taken are taken in the now. Strategy is in the present. What gives it future potential is a sense of direction. This present moment of our mind is subject to a number of powerful influences that shape our decision-making whether we are aware of it or not:

1. *The impression on the mind of ingrained momentum – “habits die hard”.* We can't stop the world, get off and then make the decision, get on and start the world again – the horse is galloping.
2. *The causal consequences of current activity.* Events are in train through cause effect, feedback and the properties of complex systems that mean there are results happening whatever.
3. *The current forms of business.* If we liken a business organisation to an animal, it can't change its species on command – business models are ingrained in a context
4. *Deeply emergent patterns of change.* Many changes are not a sudden shock or mystery if we realize the DNA of change is also ingrained in the present.
5. *Organizational vitality expressed through options.* The organisation is living and however we bean count it, people, society, reputation and history determine its ability to adapt. The power of adaptability is greater than the ability to compete.
6. *Strategic choices amongst options based on firm intent.* Strategy is as much about limiting the basis of choice as about expanding it.

These six influences are represented in the diagram.

So how can we train our mind into a new way of looking at our challenges and seeing that, as Michael Porter put it, “having a strategy actually speeds you up”? The catch is that you have to slow down and pause to get quicker. Take a break, take a walk, whatever gets you detached from the day to day rush. First, clarify and connect with your innate best sense of direction. Don't worry if it is right or wrong. The corrective feedback will come from the process.

When your purpose and direction are clearer, ask yourself the following questions:

The Seven Questions for Strategic Self-Appraisal

1. How confident am I that our current momentum will be able to sustain our ambitions?
2. How long will our current business model endure for achieving shareholder and stakeholder satisfaction?
3. How great is our range of real viable options for doing better and staying successful?
4. What do we understand of the consequences of taking any options in terms of dynamic impact to and from our environment?
5. Can we see how to create or align with any deep shifts in our business environment caused by conditions or competition?
6. What real choices do we have, is our strategic intent clear and well tuned to implications of the five previous questions?
7. How far has our approach to strategy been on a comprehensive enough level to maximise good surprises and minimise bad surprises?
