

## Strategic Thinking



**Goals:** Skillful strategic thinking helps people to strengthen their Thinker's ability to guide others well in big picture thinking and decision-making. It enables people to deliver sustainable results. This type of thinking is critical to align decision-making and processes with strategic goals.



**Strategic Thinking** answers the question, "Where are we going, and what goals and steps will most likely help us get there?" Good, well stated strategy guides the right behavior. Dee Hock, founder and former CEO of Visa said it well, "Simple, clear purpose and principle give rise to complex and intelligent behavior. Complex rules and regulations give rise to simple and stupid behavior."



**Tactical Thinking** answers the question, "How do we get this task done?" Tactics usually resolve some of the following challenges: safety, speed, cost effective, efficient, repeatable, quality, etc. One challenge: Our caveman tends to look for quick, tried-and-true response to problems. E.g., "How does this remind us of that we've done in the past?" This is often fine, but sometimes the way we did it in the past may lead us away from our current strategy.



**Thumb Game lessons:** The strategic approach seeks to understand clearly the big picture goal (To earn as many points as possible in 30 seconds) before launching into action. Choose a strategy that fits the goal, regardless of what we've done in the past. In this game, collaboration and innovation combined earned far more points.



**Balanced Goal Setting** guides an organization (any entity) to act in a manner that enables it to fulfill its functions sustainably. Without balance most organizations fail. This is also true of individual people, governments, etc. Think of your organization as resting upon five legs in order to stand up. Organizations can lean on one leg more than the others, but if any one leg breaks, income stops coming in, or the ability to deliver stops.



The goals that guide an organization must address the needs of the five major types of stakeholders. Just as a chair cannot stand without one of its legs, ignoring the goals of any one stakeholder can lead to ruin. Examples of misalignment: 1. Enron: Bankrupt, CEO imprisoned. 2. Arthur Anderson: vegetative. 3. Halliburton: Shareholder losses of 22 billion.



Every organization, of every size, has at least these **Five Major Stakeholders**. 1. Owners: The entity (or entities) that pays the producers. 2. Users: Those that utilize the products and / or services of the producers. 3. Producers: The people producing services or products. 4. Suppliers: The ones that supply information, services and products necessary to you. 5. Enforcers: Governments, watchdog organizations, anyone who enforces legal compliance.

Owners can be: Shareholders, companies, boards, nonprofits, government programs, schools, or any group that has an identity as a sustainable entity

Users can be: External customers, internal customers who depend upon the producers to fulfill their functions in order to fulfill their own functions, end users of nonprofit or government programs (and thus the citizenry)

Producers can be: Employees, volunteers (especially in nonprofits), or anyone that needs to do some action to keep this organization producing

Suppliers can be: Product vendors, service vendors or any group or person who has something you need to fulfill your function

Enforcers are any group that enforces laws such as: Security Exchange Commission, federal courts, Federal Occupational Safety and Health Administration, Equal Employment Opportunity Commission, Federal Bureau of Investigation, Internal Revenue Service. Etc.



*Everything* the organization and producers do should support the balanced goals, including: a) core mission and core values b) Vision, strategy, actions plans and tactics. c) Performance reviews. d) Rewards and recognition structures. e) Training. f) Policies. g) Leadership behavior. h) What people are held accountable for

Examples of good alignment are Sony and Zappos.

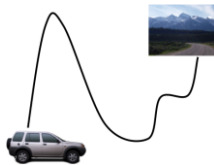


**Zappos** – an unusual example of well-prioritized and balanced goals. CEO Hsieh says, “Zappos is a service company that happens to sell shoes. Our marketing budget goes into customer service and training. Great customer service IS how we market. [Our strategy] is about giving employees permission and encouraging them to just be themselves”.



### Use strategic thinking to:

1. Look for ways to increase efficiencies
2. Guide groups and individuals to contribute to the long term goals
3. Increase morale
  - As people know where they fit
  - Decisions can be made based upon merit rather than a whim of the boss
  - People know how to contribute best
  - Hold everyone accountable to goals
4. Cut tasks and projects that don't contribute to strategic goals
5. Understand everyone's goals and roles and how to relate with them on an interpersonal level



Strategic thinking allows you to align everything critical to successful growth. Create strategy that builds on the core of your culture, and energizing vision, and the strengths of your organization. As you progress, redesign systems to enable you to fulfill your vision. Develop your people and enhance momentum to propel both strategy and culture.



Begin with **Best DNA**. Your DNA (your core purpose and principles, strengths and passions, as well as the way you add value to your stakeholders) must be aligned. Your brand is your Best DNA seen from the outside, and should resonate throughout the company and the market. Once you've discovered your company's "Best DNA" be sure to allocate all the resources you need to make the most impact. Building on Best DNA can lead you to the greatest heights of success.

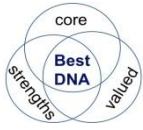


You need absolute clarity about the **Desired Destination**, and the milestones you will reach along the way to that destination. You need an energizing vision of this future. It must energize all stakeholders including employees, investors and customers. To do this a Desired Destination should:

1. create a compelling inner movie
2. be stated in one simple phrase
3. appeal to all stakeholders: owners, organization, employees, and customers (ideally even vendors)
4. be measurable if possible



**Discovering Best DNA:** Three key factors overlap to create your Best DNA. Strengths, Core Purpose & Principles, plus Added Value. Use the Positive Change Questions to discover what already is aligned with your DNA, and to strengthen your brand.



Interview key people from all major stakeholders to gain their input. Ideally, go to those who represent your ideal. Your ideal customers will tell you how to attract more like them. Your ideal employees align with your Best DNA and attract idea customers. Ideal vendors are those who also align with your Best DNA and really support you in living up to it.

Look for themes in the data you gather. You can learn the most often from stories about positive emotional experiences people have of dealing with your company.

Stay focused on what will strengthen your Best DNA, rather than getting sidetracked into trying to solve problems. Ignore issues those don't really add value to your Best DNA and/or towards achieving your Desired Destination (the current big vision for your company).



**Goals?**  
**What works?**  
**What else?**

**Positive Change Questions:** Create positive direction, momentum and creativity—fast. 1. What is the goal? This question can refocus on long-term objectives or the next action we need to do. 2. What are we doing already that works towards those goals? This helps us build momentum, and builds confidence in your Best DNA. 3. What else can we do towards our goals? This gets us brainstorming new ideas, adapting past practices and innovating, without wasting time exploring problems that don't matter.

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1. What I can do to manage time better and better.
2. What I can do to lead projects better and better.
3. My primary goals for this session.
4. What I can do to think more strategically when I need to.
5. Where do we balance goals well in our company?

6. What can our company do to balance goals even better?

7. Key lessons from the Big Picture game.

8. Specific examples of how I can use strategic thinking to make a positive change in my life? (E.g., for greater job clarity, productivity, morale, communication, and even at home.):

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9. Lessons from Best DNA video.

10. Ideas on how to create a Strategic Chain Map as a team.