

Strategic Thinking

COMPETENCY

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Analyzing an organization's competitive position and developing a clear and compelling vision of what the organization needs for success in the future.

- a) Understands the organizations strengths and weaknesses as compared to competitors
- b) Understands the industry, market and product/service trends affecting the organization's competitiveness
- c) Develops distinctive strategies to achieve and sustain competitive advantage; translates strategies into clear goals and objectives
- d) Communicates a clear vision that energizes others to accomplish what the organization needs for success in the long term; consistently restates and reinforces that vision and direction
- e) Focuses on ways to build the organization's capabilities for the future

IMPORTANCE OF THIS COMPETENCY

Strategic Thinking involves analyzing an organization's strengths, weaknesses and potential in its marketplace and industry and developing a medium to long-term plan based on a competitive strategy. This ensures that the organization establishes a direction that will maximize its chances for competitive success. This competency is especially important for senior managers and for middle managers in marketing and sales, who are most likely to have interactions with customers and competitors.

GENERAL CONSIDERATIONS IN DEVELOPING THIS COMPETENCY

This competency requires several kinds of knowledge. First, in-depth market and industry knowledge is required: knowledge of one's own and one's competitors' products, processes, customers, and suppliers, and knowledge about trends in the marketplace and industry. This knowledge is gained by attending industry and trade shows, reading trade and industry publications, and talking with actual and potential customers and industry and market experts.

Second, company knowledge is required: an understanding of the strengths and limitations, both actual and potential in one's own staff, equipment, resources, and processes. This knowledge enables a company to identify the opportunities it is best positioned to exploit. Company knowledge is gained through company experience and through analysis and evaluation of company processes, staff, and equipment, and other resources.

Another component of this competency is strategic analysis, which is best learned through books and courses.

Strategic Thinking is the product of three other competencies: Diagnostic Information Gathering, Analytical Thinking, and Conceptual Thinking.

PRACTICING THIS COMPETENCY

- Obtain a copy of your company's strategic plan and any related documents. Read the document(s) and identify the implications for your unit: what should your unit be doing to ensure the success of the overall strategic plan?
- Attend an industry or trade conference and identify several trends in the industry or marketplace that have implications for your own organization.
- Talk to contacts inside or outside of your company who have familiarity with your industry and/or marketplace. Ask what they see as trends in the marketplace or industry. Identify possible strategies or action steps that your organization/business unit could take to exploit these trends. Discuss your ideas with your manager, unit, or other appropriate group.
- Work on a team that is developing a strategic plan for your organization or unit.
- Use a consultant or a self-study guide to help a team from your unit develop a strategic plan.

OBTAINING FEEDBACK

Prepare a strategic analysis of a product line or of your business unit and ask someone whose strategic judgment you respect to review and critique your analysis.

LEARNING FROM EXPERTS

Interview someone strong in strategic thinking. Ask what this person does to gain and analyze strategic information.

COACHING SUGGESTIONS FOR MANAGERS

If you are coaching someone who is trying to develop this competency, you can:

- Provide assignments that require strategic thinking, such as conducting strategic or market analysis, managing a product line, or developing a strategy for an organizational unit.
- Involve this person in meetings where strategic issues are discussed.

SAMPLE DEVELOPMENT GOALS

By June 1, I will read Michael Porter's Competitive Strategy and prepare a list of ideas that I can apply in my own business unit.

By July 15, I will complete a course on strategic planning offered by the American Management Association.

By September 15 I will convene a team to do a strategic analysis and develop a strategic plan for our department.

BOOKS

Ahead of the Curve: A Guide to Applied Strategic Thinking, by Steven Stowell & Stephanie Mead. Sandy, UT: CMOE Inc., 2005.

Beating the Commodity Trap: How to Maximize Your Competitive Position and Increase Your Pricing Power, by Richard Anthony D'Aveni. Boston, MA: Harvard Business Press, 2010.

Blue Ocean Strategy, by W. Chan Kim & Renee Mauborgne, Harvard Business Press, 2005.

Business Dynamics: Systems Thinking and Modeling for a Complex World, by John D. Sterman. Columbus, OH: McGraw-Hill/Irwin, 2000.

Choosing The Future, by Stuart Wells. Burlington, MA: Butterworth-Heinemann, 2006.

Essential Managers: Strategic Thinking, by Andy Bruce and Ken Langdon. New York, NY: Dorling Kindersley Publishing, Inc., 2000.

Good Strategy Bad Strategy: The Difference and Why It Matters, by Richard Rumelt. New York, NY: Crown Publishing Group, 2011.

Morrisey on Planning: A Guide to Strategic Thinking: Building Your Planning Foundation, by George L. Morrisey. San Francisco, CA: Jossey-Bass, 2001.

Scenarios: The Art of Strategic Conversation, by Kees Van Der Heijden. Hoboken, NJ: John Wiley & Sons, Inc., 2005.

Strategic Renaissance: New Thinking and Innovative Tools to Create Great Corporate Strategies Using Insights from History and Science, by Evan Matthew Dudik. New York, NY: AMACOM, 2000.

Strategic Thinking for the Next Economy, by Michael Cusumano & Costas Markides. San Francisco, CA: Jossey-Bass, 2001.

Strategic Thinking: A Step-By-Step Approach to Strategy, Second Edition, by Simon Wootton & Terry Horne. London, UK: Kogan Page Limited, 2002.

Strategic Thinking: An Executive Perspective, by Cornelis A. DeKluyver. Upper Saddle River, NJ: Prentice Hall, 2000.

The Execution Premium: Linking Strategy to Operations for Competitive Advantage, by Robert S. Kaplan and David P. Norton. Boston, MA: Harvard Business School Press, 2008.

The Power of Strategic Thinking: Lock In Markets, Lock Out Competitors, by Michel Robert. New York, NY: McGraw-Hill Trade, 2000.

The Strategic Planning Workbook, by Neville Lake. London, UK: Kogan Page Limited, 2006.

Thunderbolt Thinking: A How-to Guide for Strategic Innovators Revised Edition, by Grace McGartland. Bard Press, 2000.

SELF STUDY COURSES

How to Develop the Strategic Plan. American Management Association. Tel. 800 250-5308.
www.amanet.org/selfstudy/b06477.htm

How to Write a Marketing Plan. American Management Association. Tel. 800 250-5308.
www.amanet.org/selfstudy/b1397x.htm

EXTERNAL COURSES

Developing The Strategic Leader. Five days. Center for Creative Leadership. Tel. 336 545-2810.
www.ccl.org/leadership/programs/DSLOverview.aspx?pagelD=795

Facilitating Strategic Planning. Five days. National Training Laboratories Institute. Tel. 800 777-5227.
<http://www.ntl.org/>

Strategic Planning. Three days. American Management Association. Tel. 877 566-9441.
www.amanet.org/seminars/seminar.cfm?basesemno=2526

Strategic Thinking and Planning. Two days. Haines Centre for Strategic Management. Tel. 619 275-6528.
www.centretraining.com/strategic-thinking-planning-workshop.html

Leading Strategically: From Vision to Performance. Three days. United States Office of Personnel Management.
Tel 202 606-1800. <https://www.leadership.opm.gov/Programs/Executive-Development/EXE0005/Index.aspx>

EXTERNAL RESOURCES

See Appendix