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Strategy Thinking and Planning

CPA Congress

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Purposes and Request Time

- Strategy Thinking v Strategic Planning

- Strategy Models and Maps

- Environmental Awareness and Creativity

- Creating awareness, involvement, participation and acceptance
  - What would you like to focus on?

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Why we think

- A natural part of life
  - Not reptile brains, human brains
- Passion and knowledge
- Weighing up options and actions
  - Risk and reward
- Creation of individuality

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Why we don't think

- Busy in the day to day rush
- Lack of passion and interest
- Lack of sources
- Seen as dreaming and impractical
- Respond now and go along with the crowd
- It's easy
  - Reptile brain, not human brain
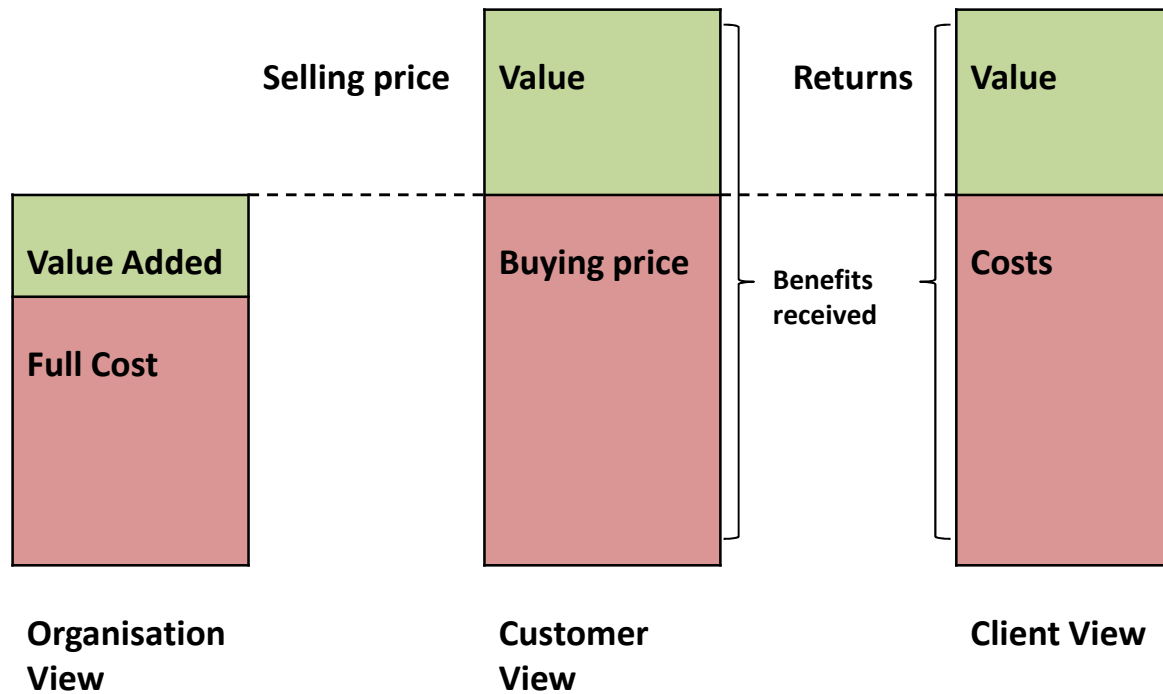
Thinking v Planning

Business Plan 101

- 3 Key questions
  - What are you going to sell?
  - Who are your target customers?
  - How can you beat or avoid the competition?
- Implementation
  - How do we get there?
  - How much is it going to cost?
  - When do we arrive?
  - Who is responsible?

Bradford and Duncan (2000) Simplified Strategic Planning

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The Value Proposition

Selling price

Value Added

Full Cost

Organisation View

Value

Buying price

Customer View

Returns

Benefits received

Value

Costs

Client View

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Strategy Thinking 101 – The Result

- They become us – actually they and us are one
  - Steven Denning, Radical Management
  - Delighting the customer
- Long term sustainable success through adaptability and foresight
  - Maree Conway, Thinking Futures
  - Create and respond to future eventualities
- Creates the Value Proposition, not limited by product
  - Kaplan and Norton, "Strategy Maps" and "Balanced Scorecard"
  - Leverage intangible assets for sustainable value creation

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Exercise One

- Redescribe your chosen company
  - Why did we come together
  - What are our shared values
  - What are the issues being faced that we want to address
  - What is there about us that means we can create a solution
  - Will this help all (or a large proportion) of those who face the issue
  - Can we get the solution to those who need it

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Thinking v Planning

Thinking Future

- Envisions multiple potential futures within the shared framework
- Identifies potential challenges to the framework
- Identifies trends and seismic shifts

Planning Future

- Creates the immediate and medium term future
- Charts a path to success
- Manages risk
- Provides achievable direction

Thinking v Planning

Thinking Theme

- People
  - The future of many events are driven by people
  - Organisations, including Governments, are formed and driven by people
  - Trends are driven by people

Planning Theme

- The Organisation
  - How does this group of people face the challenges being presented
- Operations and Actions
  - Driving the focus of our people

Thinking v Planning

Thinking Who

- All of us – customers, employees, suppliers, shareholders, stakeholders

- External and non-actives
  - New viewpoints
  - Challenge assumptions
  - Identify success barriers

Planning Who

- Senior leaders in the business

- Skilled at planning, measurement and oversight

- Experienced operators
  - Sense checking

- External experts
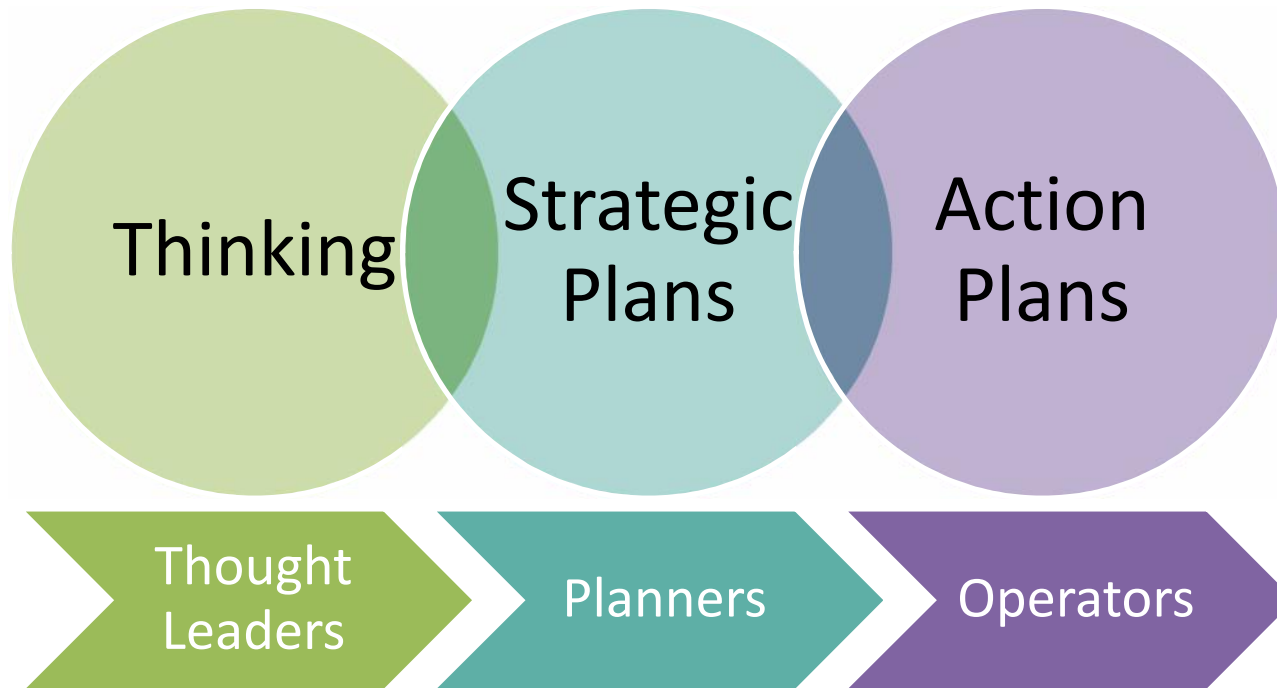 - Address weaknesses and add value

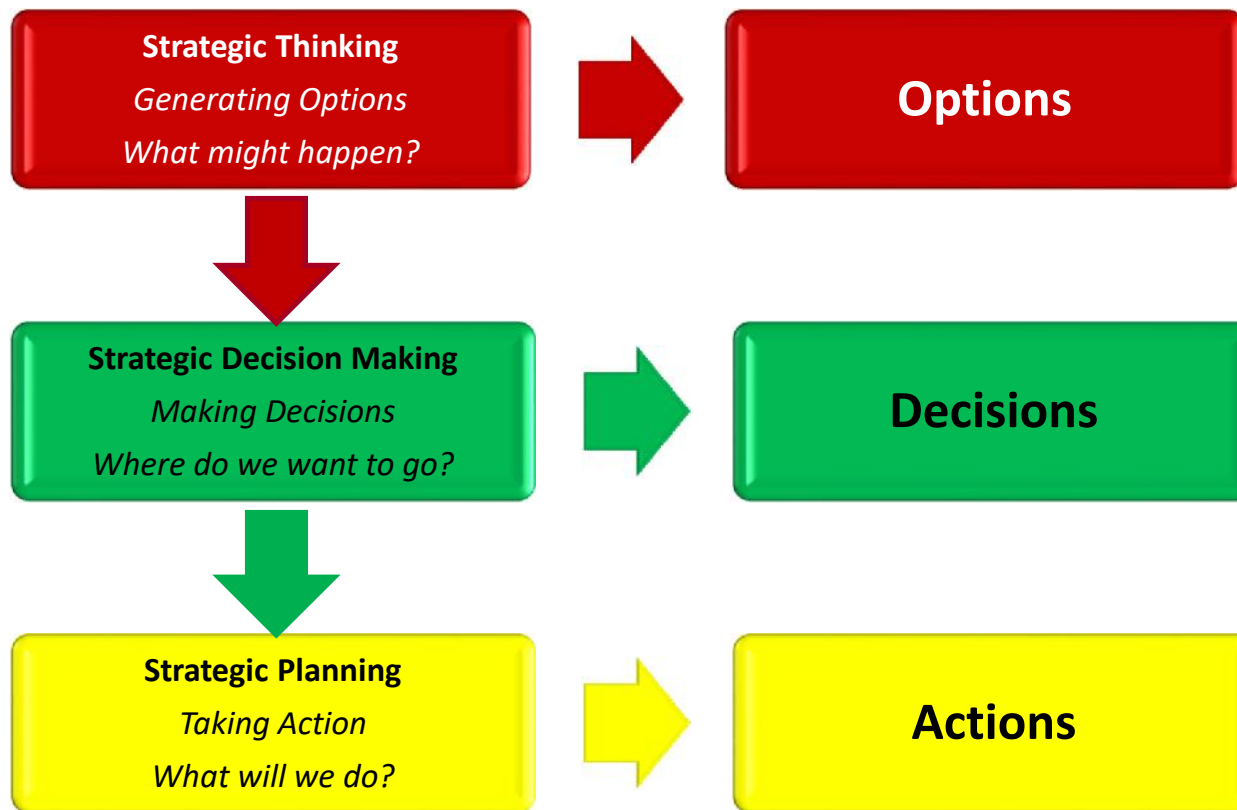www.corpgrowingpains.com

Models and Maps

The Stages of Strategy

Thinking

Strategic Plans

Action Plans

Thought Leaders

Planners

Operators

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Levels of Strategy

Strategic Thinking

Generating Options

What might happen?

➡️ **Options**

Strategic Decision Making

Making Decisions

Where do we want to go?

➡️ **Decisions**

Strategic Planning

Taking Action

What will we do?

➡️ **Actions**

Courtesy:
Maree Conway
Thinking Futures

Thinking Futures

Thinking Exploration

Exploring Our Organisation

What brought us together	Defines the shared values and value proposition
What are our shared values, vision, goals	Defines the issue (problem/opportunity) and solutions

Exploring our Universe

What is happening that can affect the way stakeholders act	Creates frameworks in which we can operate
What can we predict about the future actions of stakeholders	Sets parameters for chaos and risk

Exploring our Options

Within these frameworks, what are our key strategies	Identifies key objectives for 3mths to 5 yrs
What must we do to ensure our value proposition	Sets base for Action Plans

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Design Thinking

Define	Research	Ideate

Prototype	Select	Implement	Learn

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Balanced Scorecard

Courtesy:
Kaplan and Norton
Books:
✓Balanced Scorecard
✓Strategy Maps

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Balanced Scorecard
Innovation and learning

- Three dominant categories
  - Employee based items such as staff competencies, productivity, satisfaction
  - Systems capabilities
  - Procedural based items which promote motivation, empowerment and alignment

Mind Maps

- Commercially and freely available
  - Mind Maps
  - Stakeholder Maps
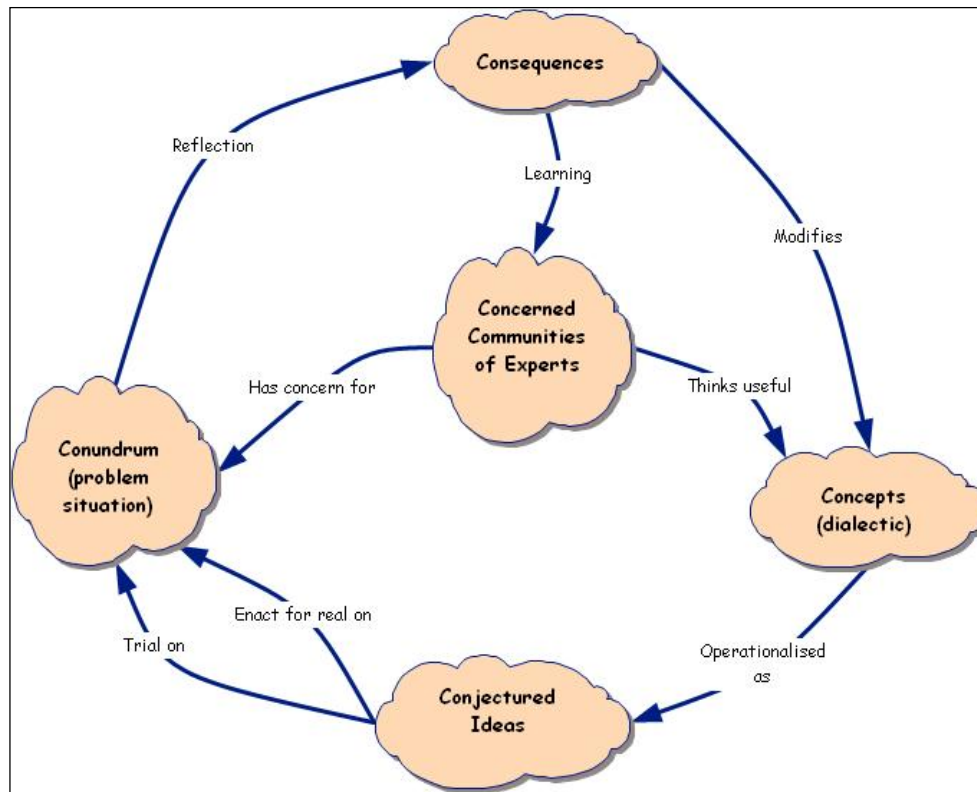 - Strategy Maps
  - Variation: Tag Clouds
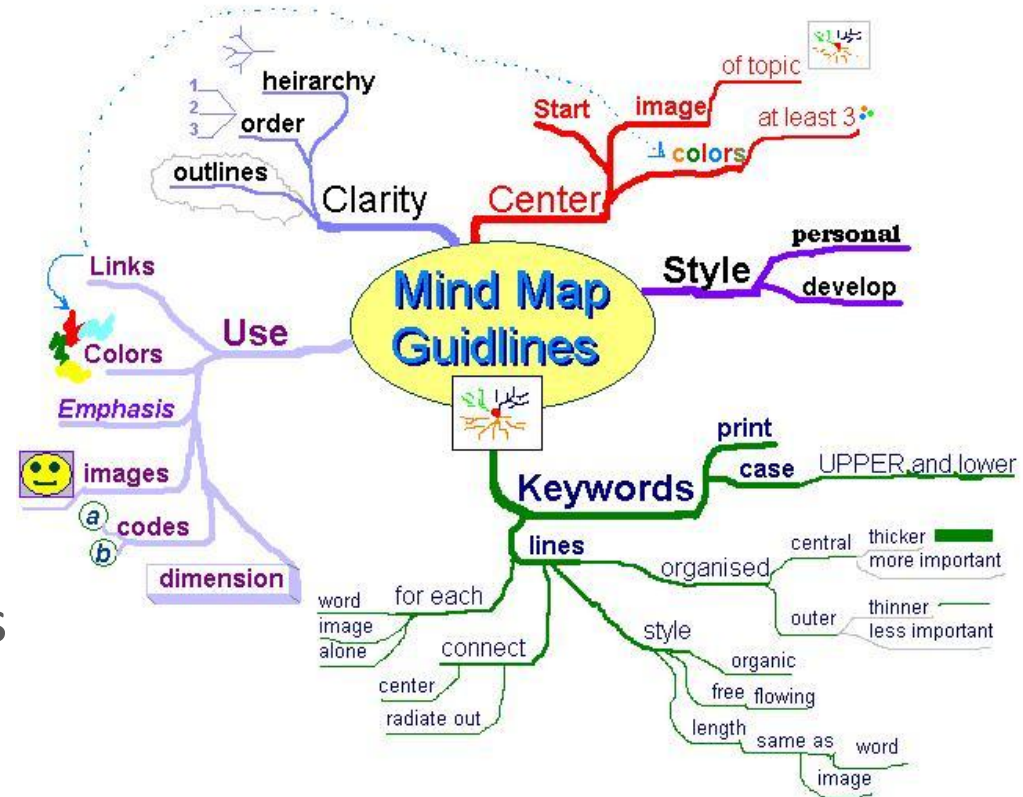
Exercise Two

- Create a Mind Map for one idea, product or service for your chosen company

Concept Led Strategy

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Courtesy:
Mike Metcalfe
University of SA
Ideas Research Group

http://www.unisa.edu.au/irg/

E – S – C – Gap Framework

- Developed at Monash Mt Eliza Business School
- Used as a central tool for Strategy development at all levels
- Environment – Strategy – Capability Gap framework
- See Practical Australian Strategy by Graham Hubbard, Graeme Pocknee and Graeme Taylor (1996) Prentice Hall Australia

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Chaos theory

- Weaknesses of many strategy models and management models
  - Relatively linear
  - Feedback is within the structures
  - Based on recurrent patterns
  - Too many exceptions for real value

Chaos Theory

- The study of complex, non-linear, dynamic systems

  Source: Levy (1994)

- Systems continually transform themselves to higher levels of complexity

- Even dynamic systems have boundaries that guide and influence growth

- Dynamic systems are self-organising in how they structure themselves and in how they grow and change

  Source: Bechtold (1997)

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Contribution to strategic planning

- Planning must be continuous
- Planning must tap into all stakeholders
- Based on understanding of purpose and evolution of purpose
- Allow freedom of action
- Apply holistically
- Acceptance of uncertainty
- Strategic thinking must become a cultural centrepiece of the organisation

Source: Bechtold (1997)

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Implementation

- Boundaries
  - Define and review changes
- Connections (relationships)
  - Members of the organisation
  - External environmental connections
- Predict Patterns, not outcomes
  - Patterns are repetitive, not identical

Real Time Strategic Planning

- Triggers
  - Normal
    - Calendar – annual plan
  - Real time
    - Feedback on performance
    - Sudden opportunities
    - Dramatic environmental changes
- Approaches
  - Scenario Planning
  - Think tanks and focus groups

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Scenario Planning

- Designed to help organisations cope with uncertainty and risk

- Taps into knowledge and promotes learning

- Challenges set ways of thinking and "good judgement"

- Identifies and broadens current and future perceptions

See also: Maree Conway, Thinking Futures

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Implementation

- Strategic conversations
  - Articulation of individual knowledge through real situations
  - Contribution to common pool of knowledge
  - Introduce new knowledge from internal and external sources
- Challenging basic assumptions
  - Assumptions become general consensus
  - Paradigm shifts

Entrepreneurship Roddick style

- Vision
- Craziness
- Instinctive actions
- Ideas
- Optimism
- Knowledge and limits

- Streetwise
- Creativity
- Ability to mix the lot
- Storytelling

We were searching for employees, but people turned up instead
Business as Unusual
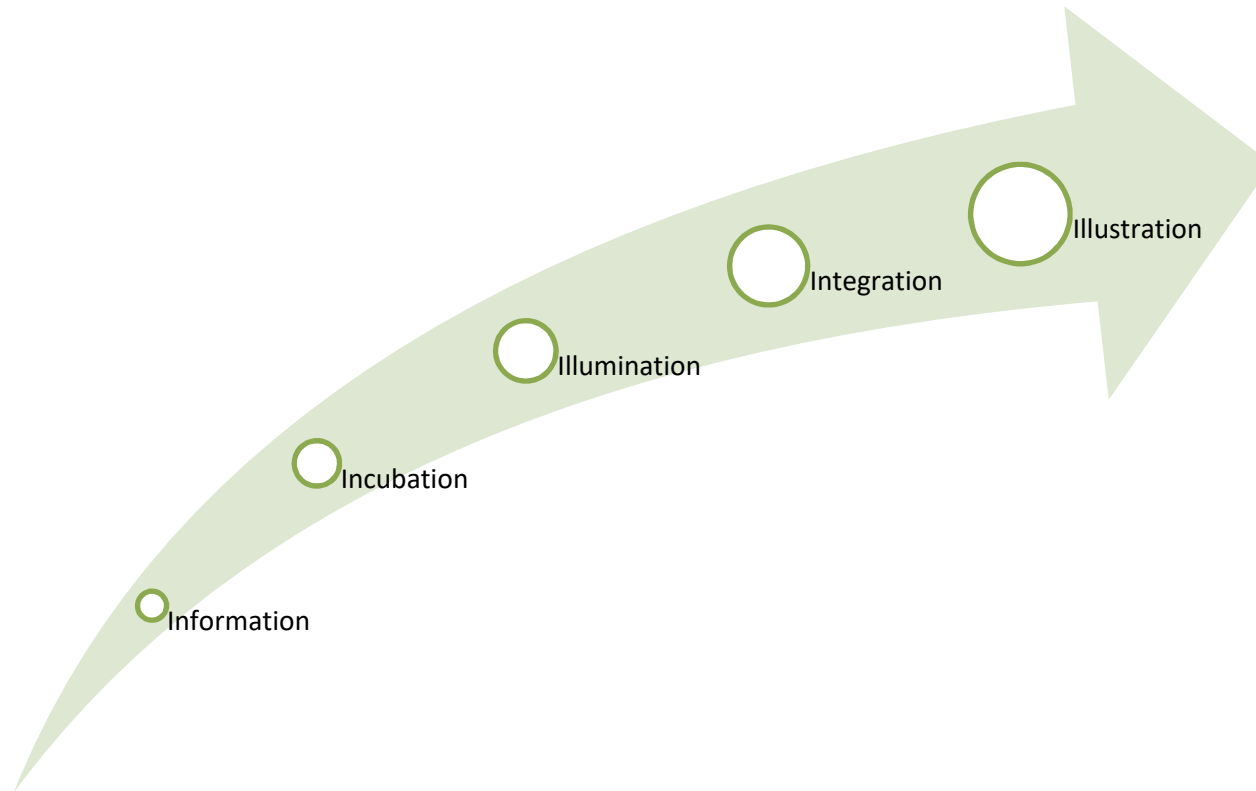
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Environment and Creativity

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The 5i creativity process

Illustration

Integration

Illumination

Incubation

Information

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PEEST Analysis

- Originally PEST analysis - also PESTLE
- Used to examine the current environment and the environment we will be operating in
- Organises the knowledge under discrete headings that enable us to make workable models
- End result of PEEST – Critical Success Factors

PEEST Analysis

- Political - what is the current political environment – with what impact on us

- Economic – what is the economic environment in which we operate

- Environmental – what are the environmental (green sense) concerns that we will need to face/deal with

- Social – Where do we sit in our community

- Technological – How is technology changing/challenging us

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Prioritising

- Don't just have a list – order it

- Critical success factors

  – statements that identify the most important environmental factors for us to succeed

  – What are the three to five most important challenges we face to reach our picture of success

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Exercise three

- Conduct a political environment analysis for your chosen company

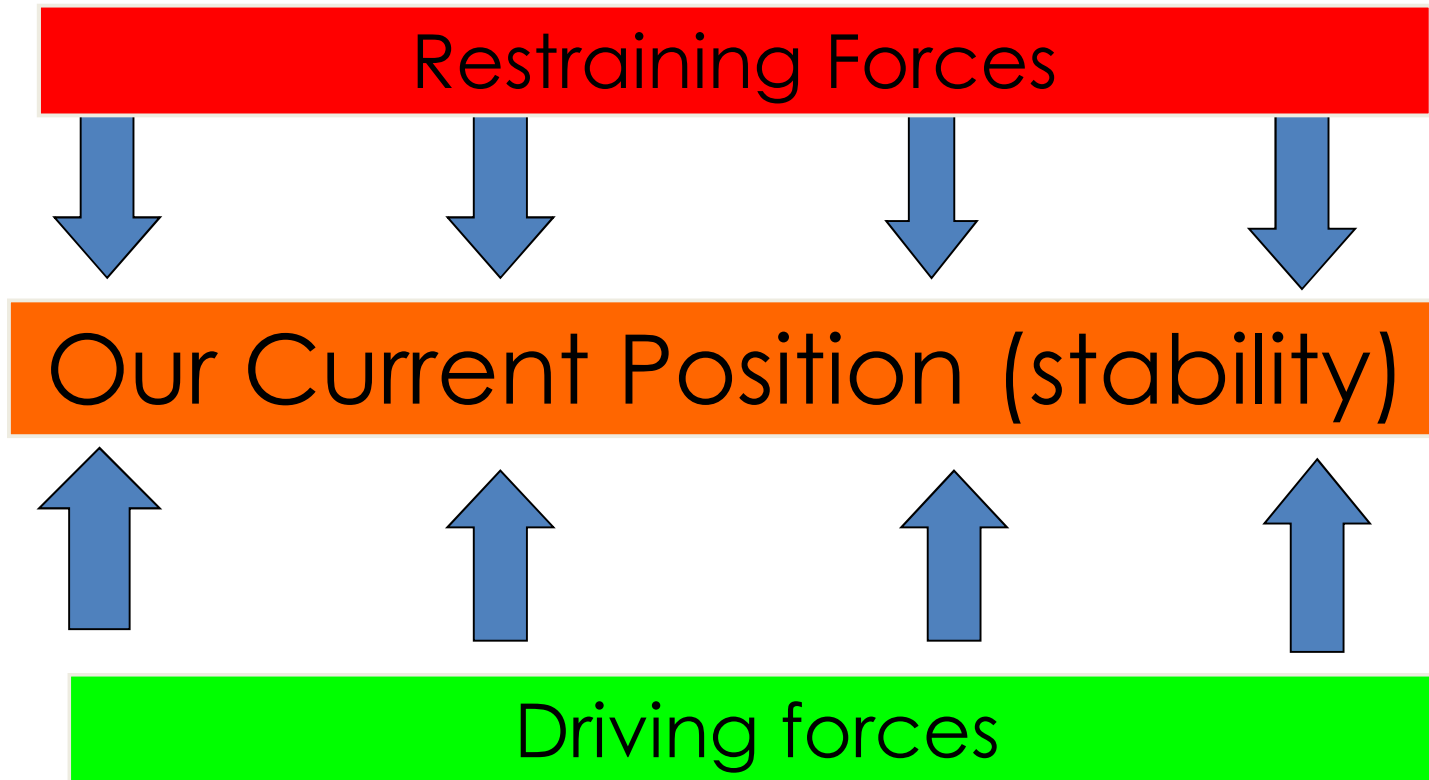- Identify one critical success factor

Force Field analysis

- Another way of examining current environment and how to reach the picture of success

- Maps where we are now and the factors that drive and restrain us

- Final result – Critical success factors or key performance fields

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The first map

Restraining Forces

Our Current Position (stability)

Driving forces

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The next stage

Worst Case	Drivers	Current State	Barriers	Best case

De Bono Lateral Thinking

- A method of analysing and using information

- Values Technique – The Six Medals

- Information and Ideas – Six Hats
  - Can be used at any stage – large or small projects, team or individual

- Key is to tackle one perspective at a time

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Brainstorming

- Very useful if the rules are clear
    - One theme for discussion at any one time
    - Get everyone involved as soon as possible
    - Don't criticise each other (no judgements!)
    - Freewheeling is encouraged
    - Quantity now, quality later
    - Make sure all can see the all relevant ideas at all times
    - Identify common themes
    - Make sure you define the problem!

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Persuasion and Influence

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Don't think about management

THINK ABOUT LEADERSHIP

Leadership Communications

- Strategy Thinking is a leadership activity
  - People based – in action and analysis
  - Foresight
  - Predictive (including of uncertainty)
  - New frameworks and directions
  - Influences every part of the organisation

Management Counselling

- Knowledge of the organisation
- Access to and respect of management
- Access to an intelligence network
- Familiarity with what's being said on the street
- Solid skills base – be good at your job

- Propensity towards action
- Reasonable Knowledge of PESTLE
- Strong sense of integrity and confidence
- Acceptance of anonymity

These tips are modified from Fraser Seitel's work, *the Practice of Public Relations*

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Practical Tips

- Stories
  - Springboard Stories
  - Case Studies
- Make it about them/us, not me
- Don't hide what you are doing
- Identify allies
  - Utilise pre-existing relationships
  - Multifaceted relationships
- Third party endorsement
- Your practical example

Organisations succeed when they lead their stakeholders, including their customers

Communications are an integral part of every human endeavour

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Leading your team

- Recognise that you can make an impact and commit to it
- Prepare your approach
- Create an experience, not just information
- Focus on the high points, not the detail
- Explain the way forward and the expected value
- Remember who – individually – you are talking with

- Bring your communications to life, through stories, interaction, multiple channels
- Listen and have conversations
- Identify and address issues
- Help others to lead in conjunction with your efforts
- Be You! Let your personality shine

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High Performance Teams

- Self-Organising
- Look out for the wellbeing of the whole group
- Every member is an "owner"
- Shared responsibility, accountability and achievement
- Share values
  - Giving, generosity
  - Belief in doing something special
- Commit to a new, different future
- Not bound by hierarchy
  - Task leadership

- Stories and questions
  - Create the Us not Them
  - Create the relationship
  - Create the invitation
  - Create dialogue, not argument
  - Promotes listening

Courtesy:
Steve Denning
Radical Management

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Exercise Four

- Craft a story about how one of your chosen company's customers benefits from strategy thinking

Porter's Seven Surprises for CEO

- They can't run the company
- Giving orders is costly
- It is hard to know what's really going on
- They are always sending a message
- They aren't the boss
  - Boards, Directors, Customers, Clients
- Pleasing shareholders is not the goal
  - Long term value creation
- They are still only human

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Dear CEO, 11 Starting Points

1. Make sure you know your values, vision and story
2. Understand your own experience, which tells you communication works in the long term
3. Create a communications philosophy and apply it
4. Communication is central and essential to leadership
5. Regardless of titles, you are the chief communicator for your organisation
6. Actions speak louder than words
7. Most of your effective, influential and persuasive communication will be done by your people, not communication tools
8. Never stop listening, never stop learning, and make sure your communications team is listening too
9. Relationships are multifaceted, communications must be too
10. Everyone you are communicating with is human
11. Make sure you directly work with your communicators

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