

STRATEGIC THINKING

Make Strategic Thinking Part of Your Job

by Ron Carucci

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It's a common complaint among top executives: "I'm spending all my time managing trivial and tactical problems, and I don't have time to get to the big-picture stuff." And yet when I ask my executive clients, "If I cleared your calendar for an entire day to free you up to be 'more strategic,' what would you actually do?" most have no idea. I often get a shrug and a blank stare in response. Some people assume that thinking strategically is a function of thinking up "big thoughts" or reading scholarly research on business trends. Others assume that watching TED talks or lectures by futurists will help them think more strategically.

How can we implement strategic thinking if we're not even sure what it looks like?

In our 10-year longitudinal study of over 2,700 newly appointed executives, 67% of them said they struggled with letting go of work from previous roles. More than half (58%) said they were expected to know details about work and projects they believed were beneath their level, and more than half also felt they were involved in decisions that those below them should be making. This suggests that the problem of too little strategic leadership may be as much a function of doing as of thinking.

Rich Horwath, CEO of the Strategic Thinking Institute, found in his research that 44% of managers spent most of their time firefighting in cultures that rewarded reactivity and discouraged thoughtfulness. Nearly all leaders (96%) claimed they lacked time for strategic thinking, again, because they were too busy putting out fires. Both issues appear to be symptoms

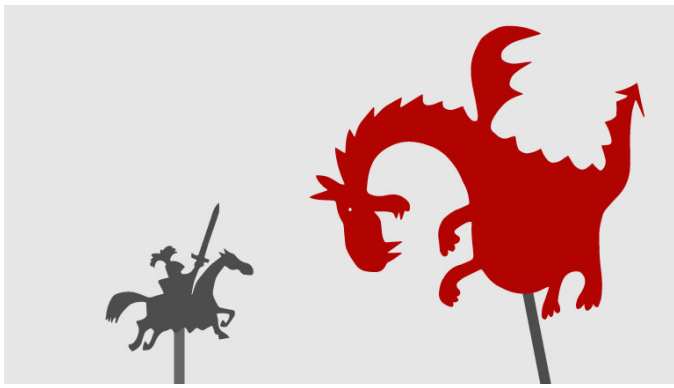
masking a fundamental issue. In my experience helping executives succeed at the top of companies, the best content for great strategic thinking comes right from one's own job.

Here are three practical ways I've helped executives shift their roles to assume the appropriate strategic focus required by their jobs.

Identify the strategic requirements of your job. One chief operating officer I worked with was appointed to her newly created role with the expressed purpose of integrating two supply chain organizations resulting from an acquisition. Having risen through the supply chain ranks, she spent most of her time reacting to operational missteps and customer complaints. Her adept problem-solving skill had trained the organization to look to her for quick decisions to resolve issues. I asked her, "What's the most important thing your CEO and board want you to accomplish in this role?" She answered readily, "To take out duplicate costs from redundant work and to get the organization on one technology platform to manage our supply chain." Her succinct clarity surprised even her, though she quickly realized how little she was engaged in activities that would reach that outcome. We broke the mandate into four focus areas for her organization, realigned her team to include leaders from both organizations, and ensured all meetings and decisions she was involved in directly connected to her mandate.

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Thinking Strategically

Unfortunately, for many executives, the connection between their role and the strategic contribution they should make is not so obvious. As quoted in Horwath's study, Harvard Business



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School professor David Collis says, “It’s a dirty little secret: Most executives cannot articulate the objective, scope, and advantage of their business in a simple statement. If they can’t, neither can anyone else.” He also cites Roger Martin’s research, which found that 43% of managers cannot state their own strategy.

Executives with less clarity must work harder to etch out the line of sight between their role and its impact on the organization’s direction. In some cases, shedding the collection of bad

habits that have consumed how they embody their role will be their greatest challenge to embodying strategic thinking.

Uncover patterns to focus resource investments. Once a clear line of sight is drawn to a leader’s strategic contribution, resources must be aligned to focus on that contribution. For many new executives, the large pile of resources they now get to direct has far greater consequence than anything they’ve allocated before. Aligning budgets and bodies around a unified direction is much harder when there’s more of them, especially when reactionary decision making has become the norm. Too often, immediate crises cause executives to whiplash people and money.

This is a common symptom of missing insights. Without a sound fact and insight base on which to prioritize resources, squeaky wheels get all the grease. Great strategic executives know how to use data to generate new insights about how they and their industries make money. Examining patterns of performance over time – financial, operational, customer, and competitive data – will reveal critical foresight about future opportunities and risks.

For some, the word *insight* may conjure up notions of breakthrough ideas or “aha moments.” But studying basic patterns within available data gives simple insights that pinpoint what truly sets a company apart. In the case of the supply chain executive above, rather than a blanket cost reduction, she uncovered patterns within her data that identified and protected the most competitive work of her organization: getting products to customers on time and accurately. She isolated those activities from work that added little value or was redundant, which is where she focused her cost-cutting efforts. She was able to dramatically reduce costs while improving the customer’s experience.

Such focus helps leaders allocate money and people with confidence. They know they are working on the right things without reacting to impulsive ideas or distracting minutia.

Invite dissent to build others’ commitment. Strategic insight is as much a social capability as it is an intellectual one. No executive’s strategic brilliance will ever be acted upon alone. An executive needs those she leads to translate

strategic insights into choices that drive results. For people to commit to carrying out an executive's strategic thinking, they have to both understand and believe in it.

That's far more difficult than it sounds. One study found that only 14% of people understood their company's strategy and only 24% felt the strategy was linked to their individual accountabilities. Most executives mistakenly assume that repeated explanations through dense PowerPoint presentations are what increases understanding and ownership of strategy.

To the contrary, people's depth of commitment increases when they, not their leader, are talking. One executive I work with habitually takes his strategic insights to his team and intentionally asks for dueling fact bases to both support and refute his thinking. As the debate unfolds, flawed assumptions are surfaced and replaced with shared understanding, ideas are refined, and ownership for success spreads.

Sound strategic thinking doesn't have to remain an abstract mystery only a few are able to realize. Despite the common complaint, it's not the result of making time for it. Executives must extract themselves from day-to-day problems and do the work that aligns their job with the company's strategy. They need to be armed with insights that predict where best to focus resources. And they need to build a coalition of support by inviting those who must execute to disagree with and improve their strategic thinking. Taking these three practical steps will raise the altitude of executives to the appropriate strategic work of the future, freeing those they lead to direct the operational activities of today.

Ron Carucci is co-founder and managing partner at Navalent, working with CEOs and executives pursuing transformational change for their organizations, leaders, and industries. He is the best-selling author of eight books, including the recent Amazon #1 *Rising to Power*. Connect with him on Twitter at @RonCarucci.

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Abhay Kamath 10 days ago

Thanks Ron. What would be appropriate time allocation for strategic work? Leaders cannot avoid getting into day-2-day stuff, its part of what they are paid to manage, and also gives insights into whats going on (or not!). I found 10% of time (so about one day every fortnight) for strategic thinking - about my work and linkage to organization strategy as adequate. What do others think?

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