In a world where the pace of change only accelerates and tried and true practices can unravel in a matter of months, would you like to have just the top ten executive committee members engaged in strategic thinking or would you like to have everyone who could contribute involved thinking about how to keep the ship on an even keel?

Historically, strategic work has been the province of top leaders. These individuals were charged with developing a strategic direction that was intended to ensure the current and future success of the organization. The executive committee did the “heavy lifting” and everyone else down the line was expected to “execute” the plan. In hierarchal organizations, this top-down approach was reinforced by the culture.

In today’s increasingly complex world, where changes are occurring concurrently on many fronts, it may be useful to consider developing a climate where everyone is encouraged to think strategically. We are not talking about strategic planning. Strategic planning is a process organizations put in motion periodically to outline the desired future state. The result of this process is a strategic plan that articulates the vision, the values, the mission and strategic goals the organization will pursue in order to position itself to be successful in the future. While this is usually an important and worthwhile process, it may no longer be sufficient to provide the full spectrum of strategic guidance needed in our fast changing world. Strategic thinking is the practice of determining “what is the right thing to do” in any given set of circumstances. Strategic thinking requires a person to regularly get up on the balcony and consider different options or scenarios and make choices that take into account long-term impacts.

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<th>Strategic Thinking</th>
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<td>Asking “What is the right thing for us to be doing” on a current choice</td>
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<td>An exploration of options that could be pursued in regard to discrete choice versus plunging ahead based on the past</td>
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Unfortunately, too many managers are so focused on the tactical, so overwhelmed with the immediate, that they never even consider higher-level strategic choices. For example, the call center manager who is so busy trying to get staff on the phones or scrambling to get the answer for the 100th caller, that s/he hasn’t ever stopped to consider whether there is a better way to provide this service. Or the increase in orders looks like an upturn and the manager requests additional production hours rather than looking at potential process improvements. If a manager is accustomed to focusing predominantly on the tactical challenges, he or she may not be able to see the forest through the trees.

Strategic choices can be made at many levels within most organizations. Top leaders can make decisions about the direction, about market segments, what new services might be offered, or what research and development corporate will underwrite. Managers at the divisional level can challenge their groups to think strategically about how they could better serve their customers, how they could better deploy or adapt technology to their advantage, or how they could systematically develop the capacity of their staff—in short, engaging everybody in asking what are the right things for the unit to be doing a year from now?

In looking at a particular issue, a person with a strategic lens will see choices, or can visualize different scenarios, rather than simply respond to the immediate concern and move on to the next fire that has to be put out. In the example above, as demand expands, an operationally oriented manager looks to add people to the process or use overtime. A more strategic manager may play out a growth scenario versus a short-term spike scenario based on past trends. This analysis may lead to a longer-term plan to automate steps in the process in order to keep costs in line or to work with a supplier to lessen the preparation needed. Another example would be the more strategic manager who listens to a customer’s request for a variation in a product or service and sees an opportunity rather than simply responding to the request—or saying flat out, we can’t do that.

**Steps in Strategic Thinking**

1. Frame the issue at the strategic level - versus tactical. (E.g. *How could we better serve our customers? How could we better leverage technology?*)
2. Outline the options.
3. Identify important considerations (E.g. alignment with corporate direction, impact on customers, cost or revenue implications).
4. Develop a couple scenarios and play out your premises.
5. Determine the right thing to do from a strategic perspective.
6. Design an action plan.

**Developing More Strategic Thinking**

Leaders need to do three things to develop strategic thinking throughout their organizations. Initially, they need to create or extend an environment that fosters a more strategic mind-set at all levels. Second, they need to provide a strategic road map so there is a touchstone for people to use to ensure decisions are aligned with the overarching direction. Third, they need to encourage the adoption of a common language and tool set that people can deploy.

Many organizations have already embraced more inclusive processes for strategic planning and other important decision making opportunities that draw from multiple levels of the organization. These initiatives send a message to people that their input is wanted and their ideas are important. These efforts to involve others further down the organization encourage people to become more engaged at a strategic level. At Indiana University, they published in December 2008, a strategic plan entitled, “**Empowering People: Indiana University’s Strategic Plan for Information Technology 2009.**” Over 140 members of the IU community participated in task forces that helped formulate this plan. Numerous other stakeholders are involved in developing strategies to accomplish the fifteen recommendations and the accompanying 72 actions needed to carry out the proposed direction.
This broad-based effort accomplished all three things that leaders need to do to develop strategic thinking throughout the organization. By having students, faculty and staff involved in a process designed to outline a strategic road map, senior leaders have created an environment that fosters strategic thinking. The resulting document also provides a strategic framework that can serve as the touchstone for others to use as they make strategic decisions elsewhere within the University. And the plan spawned a common language. A complementary program for IT Leaders at IU is providing participants with a shared tool set.

At MIT, where the endowment was significantly decreased due to the economic downturn (thus, lowering income to be used to support operating costs), senior leaders opted to involve the community in a process designed to identify systemic ways to reduce expenditures. Nine task forces were started with working groups that involved over 200 community members to work on areas such as education, research, space, procurement, IT and revenue enhancement. Other community members were invited to submit suggestions via an idea bank. There has been broad-based participation in the development of a plan to help MIT wrestle with this financial challenge.

Like Indiana, MIT’s leaders have created an environment that fosters strategic thinking at many levels and they have provided a financial direction participants can use to guide local decisions.

Organizations are in a far more challenging environment where change is more dynamic. The more people scanning the environment while thinking strategically, the better. Leaders will be better served by sending a message that they want everyone fully engaged in ensuring the organization is making the best decisions and determining, “What are the right things for each unit to be doing to position us to be successful in the future?” Cultivating strategic thinking at multiple levels of the organization will enable numerous people to make the right choices with a strategic perspective in mind.

The following are practices MOR Associates has used with clients to help develop strategic thinking within multiple levels of the organization.

1. Asking participants to identify external or internal forces and trends or customer feedback or financial data and play out the implications of this analysis. This exercise, wherever it begins, invites people to explore different scenarios.

2. Simply having people identify 3 to 5 strategic issues within their unit will help participants focus on critical areas within their sphere of influence. Once they start this practice, it is easy to spot other issues that have longer-term implications they need to consider.

3. Engaging people from different levels of the organization in task forces, focus groups, or action learning teams will give participants a practice field for developing their strategic thinking capability.

4. Having people use a different format for taking notes can help sharpen an individual’s strategic lens.

5. Having managers ask the right questions can also foster strategic thinking. Examples might be: What other scenarios have you considered? What do you think the long-term implications are if we do that? Using coaching questions such as these will, in some cases, prompt people to raise their perspective.

6. Design an action plan.