

Is Strategic Thinking Your Blind Spot?

by Mike Hawkins



The biggest challenges most leaders face aren't what they often think. Most say their biggest challenges are related to their people. For sure, leaders often struggle to recruit and hire good people. They constantly work to guide, develop, and retain good people. They give a lot of attention to setting goals for people, tracking people metrics, and holding people accountable. However, many leaders' biggest challenge is not directly related to people, at least not other people.

As with many people, leaders are most challenged by themselves. Their success is most inhibited by how they think and act in some way. Yes, the same can be said for anyone. We all think or act in some way that limits us from reaching our full potential. The problem though is that we often don't know it. Personally, or professionally, we often lack a self-awareness of our biggest limitations. These unknown shortcomings are blind spots. Others can often see them, but we can't.

One blind spot in particular that many people in positions of influence have is not being strategic. They don't think strategically. Or at least they don't think as strategically as they could.

Many organizational leaders are operationally oriented. They were promoted from operational roles or still work in operational roles, so they are naturally operationally inclined. They primarily give their attention to an existing strategy rather than create a new one. They focus on doing more of, or doing better at, what they already do. They work diligently "in the business", but not so much "on the business." They are reactive rather than proactive.

In terms of organizational performance, studies find that more organizations eventually fail from outdated and bad strategies than bad operations. Strategy makes the bigger difference. Done properly, strategy creates more value. An organization generally can't overcome an ineffective strategy with operational execution.

Many people can benefit from thinking strategically. This is the point of the cliché often said by leaders and non-leaders alike (and by the way this quote is often misattributed to Albert Einstein): "You can't expect to get different results if you keep doing the same things." Personally, or professionally, everyone needs to get off the *treadmill of busyness as usual* at times. They need to escape the tactical day-to-day focus, at least occasionally, and think about things differently. Or as the famous idiom suggests "get out of the forest so you can see the trees."

Besides being stuck in the trees or daily weeds of work and life, the biggest challenge to being strategic is knowing how to be strategic. Many people talk about being strategic but don't have an approach to follow or tools to use. When asked for a definition of being strategic, they generally don't have a good answer.

Listed below are four areas in which people can be strategic, particularly leaders of organizations. If you don't have a clear perspective on being strategic, consider how well you do, or your organization does, in each of these four areas:

1. Thinking strategically – Considering the "big picture" (aka systems thinking), the longer-term, risks, and consequences (second-order thinking). The big picture includes considering internal organizational elements, external ecosystem elements, and the interactions between them. Internal elements include everything your organization does that defines the culture, from vision to execution. Considering the external ecosystem includes understanding, planning for, and leveraging competitor moves, economic changes, social changes, and government influences. Longer-term considerations include what might have a significant impact on the future such as developing people, making investments, and implementing

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- improvement initiatives. Assessing risks include considering potential downsides as well as longer-term negative consequences related to employees, customers, operations, finances, legal exposures, and reputations.
- 2. **Innovating** Being curious and creative. Challenging the status quo. Innovation involves thinking outside the box of practicality and not being constrained by "how things have always been done around here." For example, in thinking about products or services, it might include leveraging technology and data instead of merely making incremental improvements to existing features. In thinking about market expansion, it might include creating a new market category instead of merely expanding geographically. In marketing, it might be thinking about how to generate word-of-mouth marketing and influencer referrals instead of traditional brand marketing. Innovating includes having an obsession with how to better know and address customer and stakeholder needs. It is about making disruptive changes, not just matching what others do. It certainly isn't lowering prices. Remember, there is only one *lowest-cost* provider in your market. Neither is innovating merely doing something slightly better than what others do. It is about offering something significantly better and different.
- 3. Creating and updating a strategy A strategy is what you plan to do to respond to a threat or leverage an opportunity. It could be related to any element of the "big picture." It could be a plan to attract top talent that builds a pipeline of candidates who want to join the organization. It could be targeting a new customer market segment that is big enough to matter, small enough to lead, and a good fit with your capabilities. From an overall business perspective, it includes: knowing the problem(s) you solve, positioning yourself in your targeted markets, targeting your most valuable customers, having a compelling value proposition with a confident point of view, leveraging your strengths which provide competitive differentiation (aka a distinctive capability), and providing highly-desirable outcomes that are enabled by the offerings you provide. Strategies are often developed through thought-provoking questions like "What are the biggest problems our customers face?", "How might we better help our customers address their problems?", "What threats are we in most need of addressing?", and "What point of view might we craft to create a community of loyal believers?"
- 4. Strategic planning Strategic planning is an approach to crafting a strategy. It involves capturing and interpreting data, leading strategic planning sessions, using strategy tools, debating strategies, identifying impactful initiatives, and creating action plans that move ideas into implementation. Initiatives can be internal (e.g. cost savings, people development, process improvements), external (product innovation, market expansion), or both (e.g. collecting and selling operational data). Strategy tools often come from consulting organizations and academia, which can yield practical business improvements including quick hitters as well as longer-term large-scale initiatives. Planning includes challenging the status quo and "thinking outside the box." It is considering concepts such as how to improve efficiency, move customers through the buying cycle, or convert a small market of early adopters into large-scale adoption. It includes contingency and scenario planning for "black swans" (aka unpredictable events with high impact) and "gray rhinos" (aka probable events with high impact). It includes taking advantage of "silver linings" which are opportunities that come about due to adverse events. Events include geopolitical conflicts, government regulatory policies, economic trends, technology trends, and social trends. For more information on planning, see: https://alpinelink.com/docs/Does_Planning_Equal_Forecasting.pdf

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