

Strategic thinking for Organisations

Strategic thinking employs thinking tools to enable organisations to move from what they are currently to what they could be in the future.

By DR VICTOR S.L.TAN

Strategic thinking requires the ability to analyse the overall organisation and the industry. In our consulting engagement with clients to undertake strategic direction setting, our company has developed the BACHA analysis tool to help chief executive officers and managers translate strategic thinking into tangible strategic action plans.

This begins with an analysis of the five mindset components: Blindspots, Assumptions, Complacency, Habits and Attitude (BACHA).

This helps organisation eliminate blindspots, question outdated assumptions, reduce complacency, identify unproductive work habits and induce a positive attitude to take action for strategic change.

The following are some examples of strategic questions to address.

- What are the possible blindspots of the organisation with regard to our internal environment: process, structure, people, technology, strategy and system that are preventing us from countering threats and capitalising opportunities in the external environment?
- What are the assumptions about customers, suppliers, competitors, regulations and people that are outdated and need to be corrected to stay relevant?
- What areas in our organisation have we become complacent in? Are our skills level or service competitive? Is our company over-dependent on one product or market?
- What are the unproductive habits that prevent people from undertaking strategic change? Is it the habit of using fear by leaders to intimidate people into conformance? Is it the habit of passing the buck? Or is it the



habit of "fire-fighting", which focuses on solving problems rather than preventing them?

- What are the areas that people have negative attitude in? Why are there resistance and how can we overcome them?

Diagnose the organisation

The first step in strategic planning process involves an assessment of the internal environment. It begins with understanding the strengths and weaknesses of the company.

Strategic thinking is required here to ascertain the implications of the weaknesses on the company's long-term goals. The objective is to address these weaknesses in the most effective and efficient way to help achieve the organisation goals.

Likewise, strategic thinking is needed to explore the implications of the strengths of the organisation and how to capitalise on them to position itself successfully in the industry. An analysis of the process, structure, technology, systems and people is done to ascertain the company's capability to handle current and future needs to stay competitive.

It is from these strategic gaps that specific strategies are identified

later to come up with action plans to address them. Strategic thinking is also needed to diagnose the key issues and root causes and then come up with the right strategies to overcome them.

Analyse industry

Strategic thinking is also needed to analyse the industry and its implications for the organisation. Understanding customer needs and anticipating their future needs enable companies to come up with the right products and services.

Understanding the strengths and weaknesses of competitors and their strategies is critical to enable a company to position itself competitively in the marketplace.

Strategic thinking enables organisation to address changes in the industry, such as new technology, regulations, customer preferences and new competitors in an effective manner to counter the threats and capitalise on

opportunities arising from the new landscape.

Create a vision

After organisation diagnosis and industry analysis, the next stage of strategic thinking involves crafting a vision to define the desired future of the organisation.

Strategic thinking is required here to envision a future that not only provides a clear direction but also inspires and enables the organisation to compete successfully in the future.

A well-crafted vision needs to arouse the people to eliminate their complacency and get them to think big. In fact, the two famous strategic thinkers, Hamel and Prahalad, the authors of *Competing For The Future*, pointed out those companies that had assumed global leadership during the last twenty years are those with grandiose ambitions that were out of proportion to their resources and capability.

Sound strategic thinking is needed to enable leaders to see the possibilities of the future and paint a clear picture of the desired and exciting future state to guide their organisations to that destination.

Develop strategies

Strategic thinking that does not result in action is nothing much, and an action which does not arise from strategic thinking is nothing at all. Thus, formulating strategies must follow after strategic thinking.

Effective leaders encourage their people to think strategically to bridge the gaps between what the organisation is currently achieving to what it desires to achieve in the future.

Such leaders get people to think strategically to come out with an effective strategy in marketing, operations, finance, internal processes or human resource to enable organisations to achieve their goals in a sustainable manner.

As the famous strategy guru, Michael Porter of Harvard Business School, pointed out: "The best CEOs I know are teachers, and at the core of what they teach is strategy."

If only leaders would invest a little time and effort in strategic thinking, most companies would perform better.

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