

The Strategic Thinking Director

Has anyone come across a strategic thinker recently?

Usually you would know as it seems that description of someone is quite rare.

So why is this so?

Maybe it is best to start with the question as to what is meant by the word “strategic”?

Strategic thinking is a process. It defines how people consider, analyses, perceive, generate ideas and thoughts. This often is within a future directed context. This involves a set of critical skills.

Reflective Questions

Before looking at what some of those critical skills maybe, it is initially worth asking ourselves a few questions:

1. Does our organisation have a clear and compelling purpose?
2. As an organisation do we share our resources across all our business units?
3. Is our organisation good at learning from what is done – successes, failures, and everything in-between?
4. Compared to our competitors do we continually regenerate our business?

How did you fare answering the above questions?

If you struggled to confidently respond to each of the above, then it probably means that you either lack people with strategic thinking; or those strategic thinkers are not very robust in their deliberations and influence.

Whatever the answer, it is not positive, and change is required now.

Our operating environment is one of volatility and complexity; made far worse if our decision-making is slow, and the activities of the business is non-aligned, and its direction is uncertain.

The following outlines some of the common characteristics of strategic thinkers.

Life-long Learning

Learning, especially to the strategic thinker is ongoing. It is a real sense of interest and commitment in the pursuit of knowledge often in an unlimited fashion. It involves personal development, but also self-sustainability, as well as competitiveness and employability. A strategic thinker is a person who clearly pursues this learning throughout life. Its effect is to enhance their thinking to become more flexible, diverse, and contemporary. It lends itself to

learning to know and learning to do; which leads to people who are more innovative and adaptable.

A further benefit is that strategic thinkers are more comfortable in dealing with uncertainty, sharing of ideas, thoughts, and insights; and navigating through challenging circumstances.

Long-term Focus

Strategic thinkers are more comfortable maintaining a focus on long-term goals rather than flitting from one idea to another. This becomes important when faced with multiple daily



distractions and pressures to achieving urgent tasks. The strength is having an ability to focus your attention, over a longer timeframe, on a limited but important number of specific activities.

The tendency is to pay more attention to the here and now; because it is present and pressing. Yet it is proven that it is the consistent long-term focus which delivers the optimal outcomes for any organisation.

Not unreasonably there exists the difficult challenge as to how to monitor and measure the progress or achievements across the longer-term

timeframes. For directors given their staccato appearances and engagement it is easier to concentrate on the short-term activities and sacrifice the longer-term perspectives and tracking. Yet without the longer-term there is a dilution in the direction and overall focus.

Openness to Change

Strategic thinkers also personally show a capacity to entertain different and maybe uncommon ideas; and therefore, to change their behaviours as may be necessary. The ideas do not need to be new as such, rather that they are counter-intuitive or less commonly accepted or adopted.

This openness involves various elements including having an active imagination, being sensitive, especially to emotional aspects of issues, being very aware of their feelings, and holding a high level of intellectual curiosity. A director who is strong across all of these elements will offer real value to the operations of the board, and its genuine contribution to the organisation's performance. It is having this openness which drives a director's elevated level of creativity, intelligence, and knowledge.

The untapped potential

Directors and senior staff have different timeframes.

That is the reality which needs factoring into the relationship of boards, CEOs and management. Of itself such recognition should not be allowed to passively weigh on the organisation long-term performance imperatives.

Potentially the board can address this and facilitate the diminution of its affects.

One wonders sometimes whether the regularity of turnover of the board chairman negatively contributes to the issue; or in fact, positively impacts as it cements the strength of the CEO, who likely has the corporate knowledge?

Of course the opposite may be true that the long-term CEO may be caught up in too much of the day-to-day activities.

So, what is your organisation's strategic rhythm? It is clear whatever your answer that both the board and the management team must be fully aligned in their timeframes and, the creation of the strategy must be as one.

Also, whatever the organisation does concerning its strategy planning, the question that emerges here is what happens to the ongoing strategic thinking requirements of the organisation? In developing the organisation's strategy, the board, CEO and managers should address this important issue.

Why? The board needs to be capable of and to perform the pressure-testing of the organisation's strategy across the meetings and the year.

To ensure that your board can do this in a meaningful manner, then the following aspects are important to gain a better understanding of the board's appreciation of:

- the business environment in which the organisation operates – detail of the key external trends
- the key drivers of the organisation's business including the specific capabilities that the organisation uses which enables its differentiation from competitors
- its understanding of the skills and resources that the business relies on to deliver its outcomes being the same as those shared with management
- feeling comfortable in engaging with management as equals; and as part of a healthy tension, being fully involved in high-level participation and a collaborative dynamic
- having a continuing engagement in the strategic space, ensuring ongoing presence of mind with the organisation's strategies, as well as, the alignment requirements in navigating the challenges that are inevitably thrown up over time
- being confident in reviewing and making of decisions as and when necessary

Conclusion

Directors and the senior leadership group who possess superior strategic thinking skills, can usually demonstrate that their organisation possesses absolute clarity of purpose, prominent levels of accountability, a culture which thrives on challenge, and being comfortable balancing certainty with adaptability and change.

The challenge is to identify your own board gaps, and then make any necessary changes over time. It is the case for most boards that they could do with more strategic thinkers, not less! So, the governance imperative is to consciously pursue identifying and attracting more strategic thinkers to become a director on your board.

October 2018

Damien J. Smith LLB B Com FAICD FCIS FCSA FIML CAHRI

Managing Director

Enterprise Care Pty Ltd

and Australian Legal Practitioner – **Damien J Smith Lawyers & Consultants**