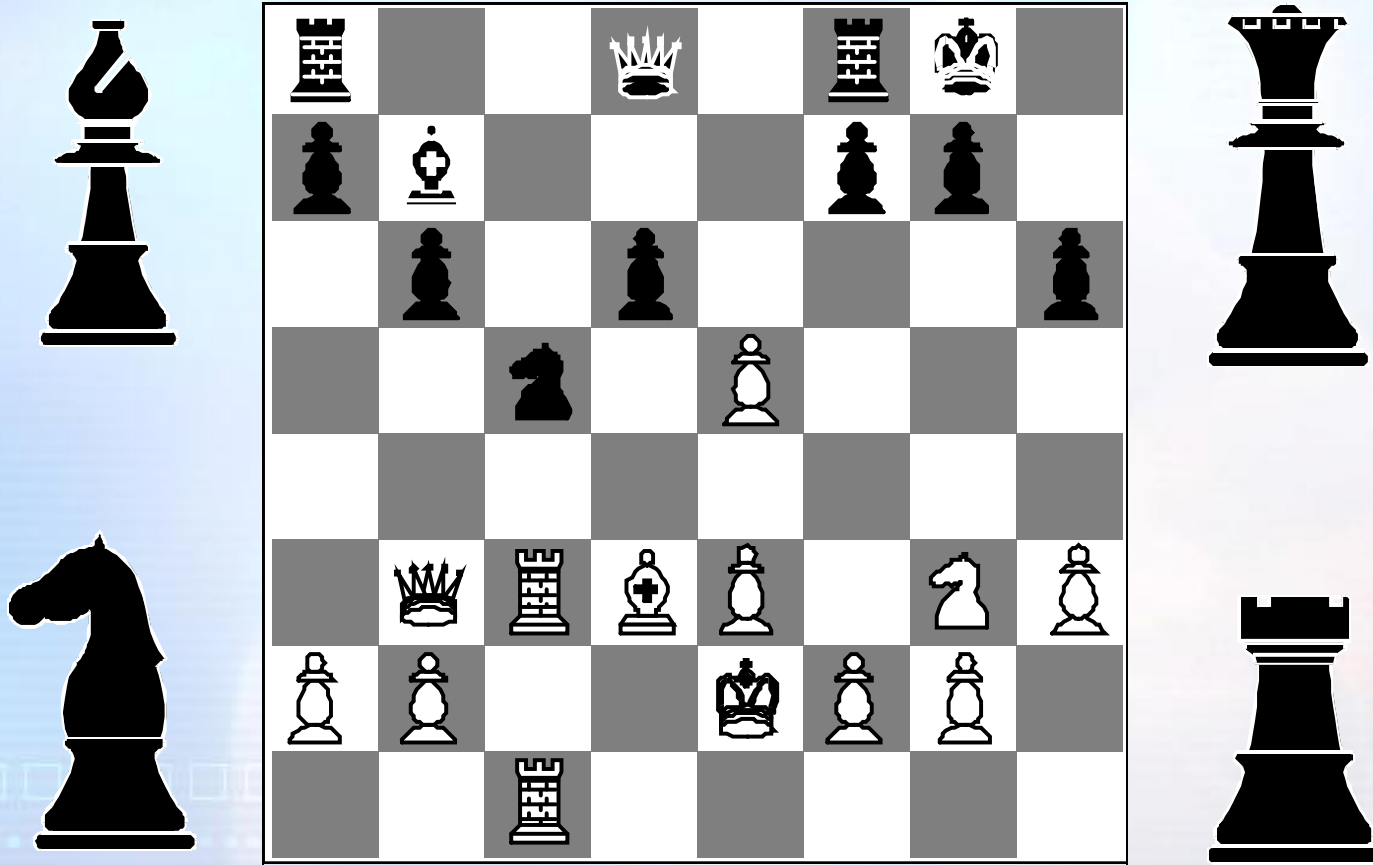


How to Be a Strategic Thinker



Why Strategic Thinking?





See the Possibilities

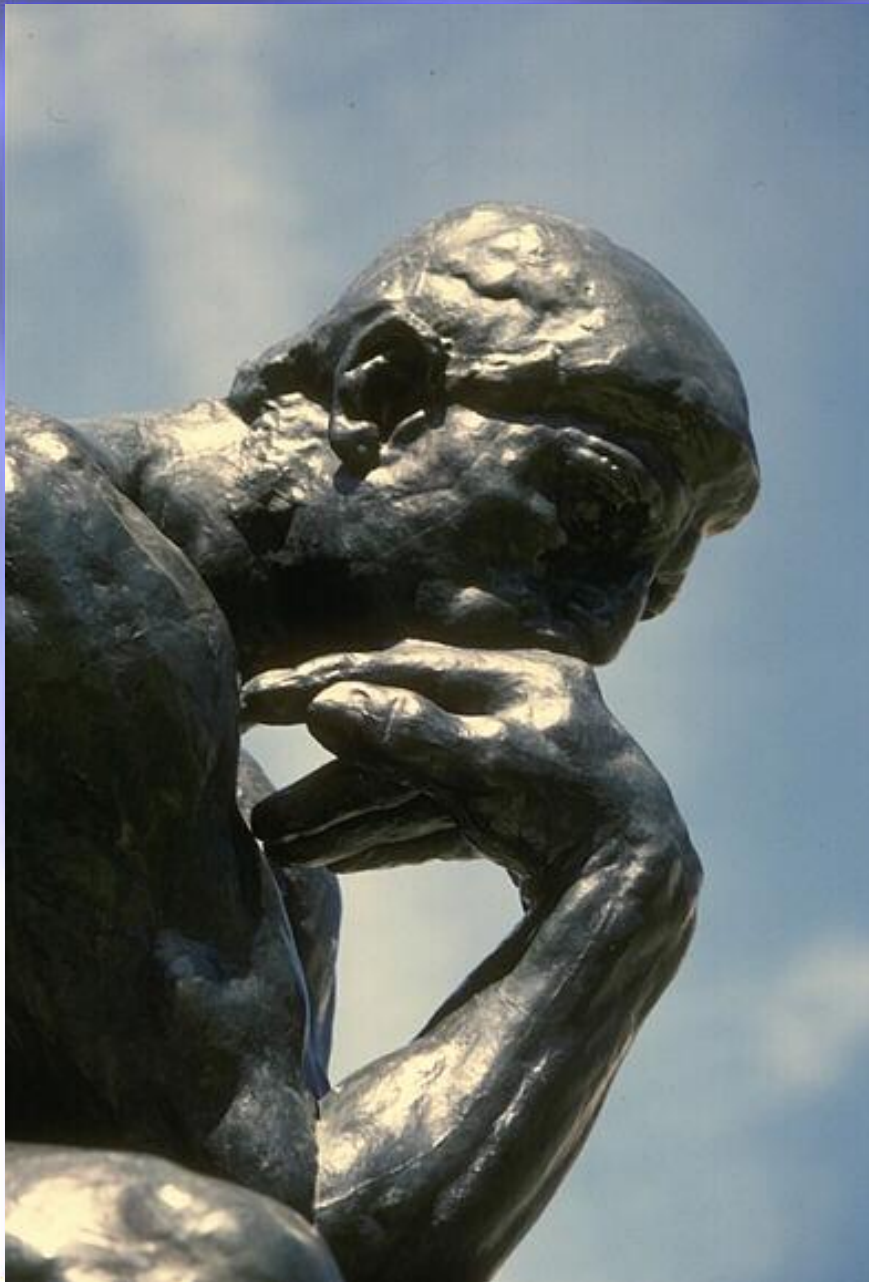
Today's Objectives

- Provide an Overview of Strategic Thinking
- Promote Creativity
- Review Key Strategic Questions and Tools
- Enhance Your Strategic Thinking Skills

Agenda

- Strategic Thinking Concepts
- Strategic Questions and Templates
- Strategic Thinking Assessment





Strategic Planning concepts

Strategic Thinking - What Words Come to Mind?

Agile / Flexible

Risks

Analytical

Change

Anticipation

Vision

Future

Proactive

Innovation

Scenarios

Impacts

Insights

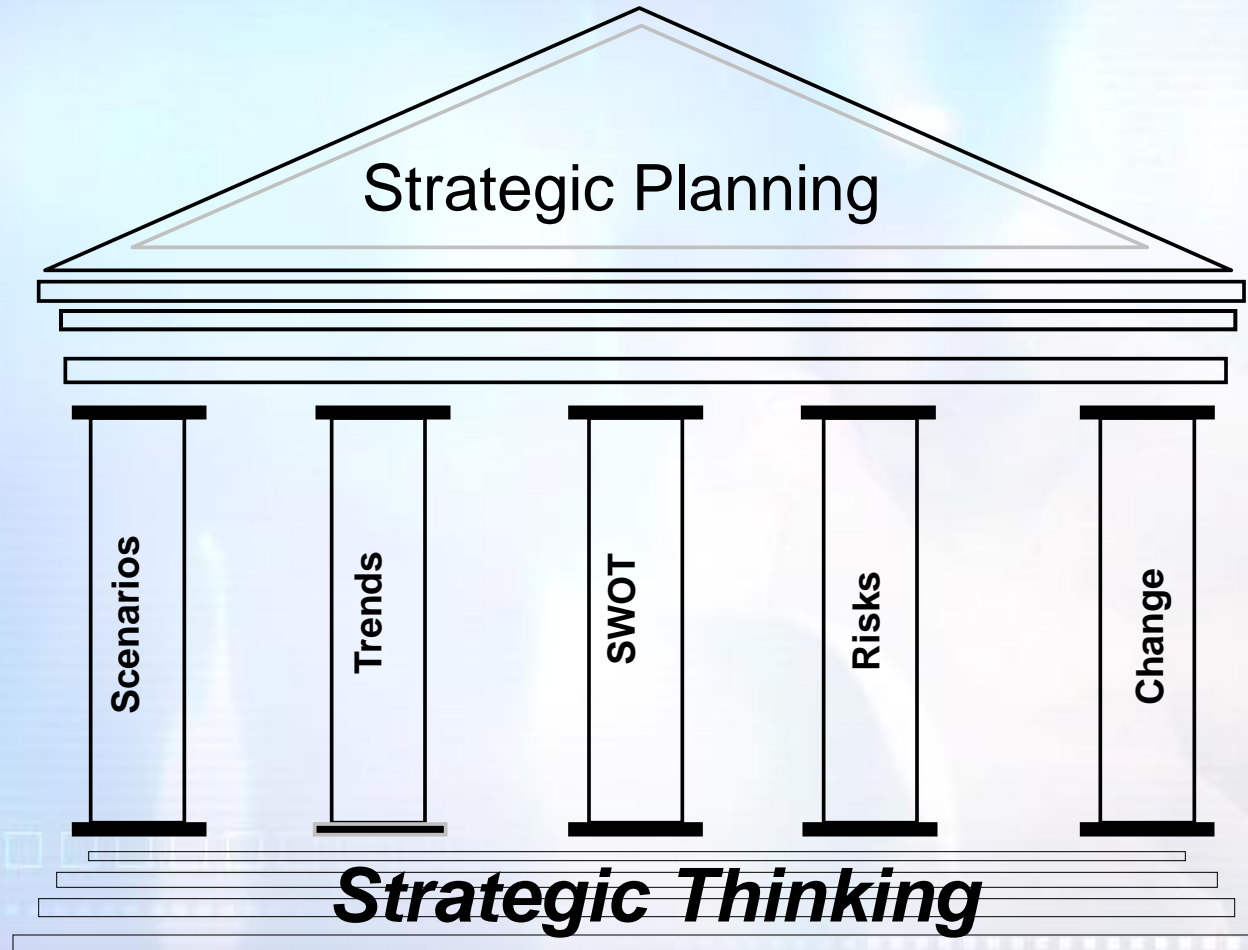
Alternatives

Forward Looking

Long-term

Big Picture

What is Strategic Thinking?



Planning Process



Strategic Thinking Questions

- What business are we in? Not in? Should be in?
- What is our differentiation? Uniqueness?
- What will our customers need in future?
- What are expectations of our stakeholders?
- Who will be our future competitors? Suppliers? Partners?
- How fast do we want to grow? How do we want to grow?
- What are the future trends and how will they impact our company?
- Where are the gaps from today-people, process, technology?
- What is the degree of change? What is our change readiness?

Attributes of a Strategic Thinker

1. A Good Leader - Develops strategic thinkers
2. Visualizes long term future scenarios
3. Forms broad strategies and allowing specifics to emerge with time
4. Looks for environmental cues to develop “what ought to be”
5. Identifies patterns based on intuitive thinking
6. Re-writes rules of competition.
7. Asks the right questions

Strategic Thinking : Is Leadership the missing link-An Exploratory Study

Manu Amitabh, Arun Sahay

What Limits Our Strategic Thinking?

- Paradigms
- Culture
- Lack of Training
- Too Busy
- Past Success
- Killer Phrases

Killer Phrases

We have tried that before	Let's form a committee	You've got to be kidding
It's against company policy	Leadership will never approve it	It's not in the budget
I had that idea 3 years ago	This is the way we've always done it	It will never work
Great idea but not for us	It'll never fly	I'll get back to you
Let's be practical	Don't rock the boat	Yes, but.....
What will people say?	People don't want to change	Not in my life time
If it ain't broke don't fix it	Maybe next year	No.....Way

Paradigm

- Greek origin – “paradeigma” pattern
- Set of rules that define boundaries
- Double edged sword – solve problems, filter
- Paradigm shift – change the game, new rules
- Going Back to Zero rule

Famous Paradigms

“I think there is a world market for about five computers.”

Thomas J. Watson, Chairman of IBM, 1943

“There is no likelihood that man can ever tap the power of the atom.”

Robert Milliken, Nobel Prize in Physics, 1920

“Who the hell wants to hear actors talk?”

Harry Warner, Warner Brothers Pictures, 1927

“The phonograph . . . is not of any commercial value.”

Thomas Edison, 1880

“Flight by machines heavier than air is unpractical and insignificant, if not utterly impossible.”

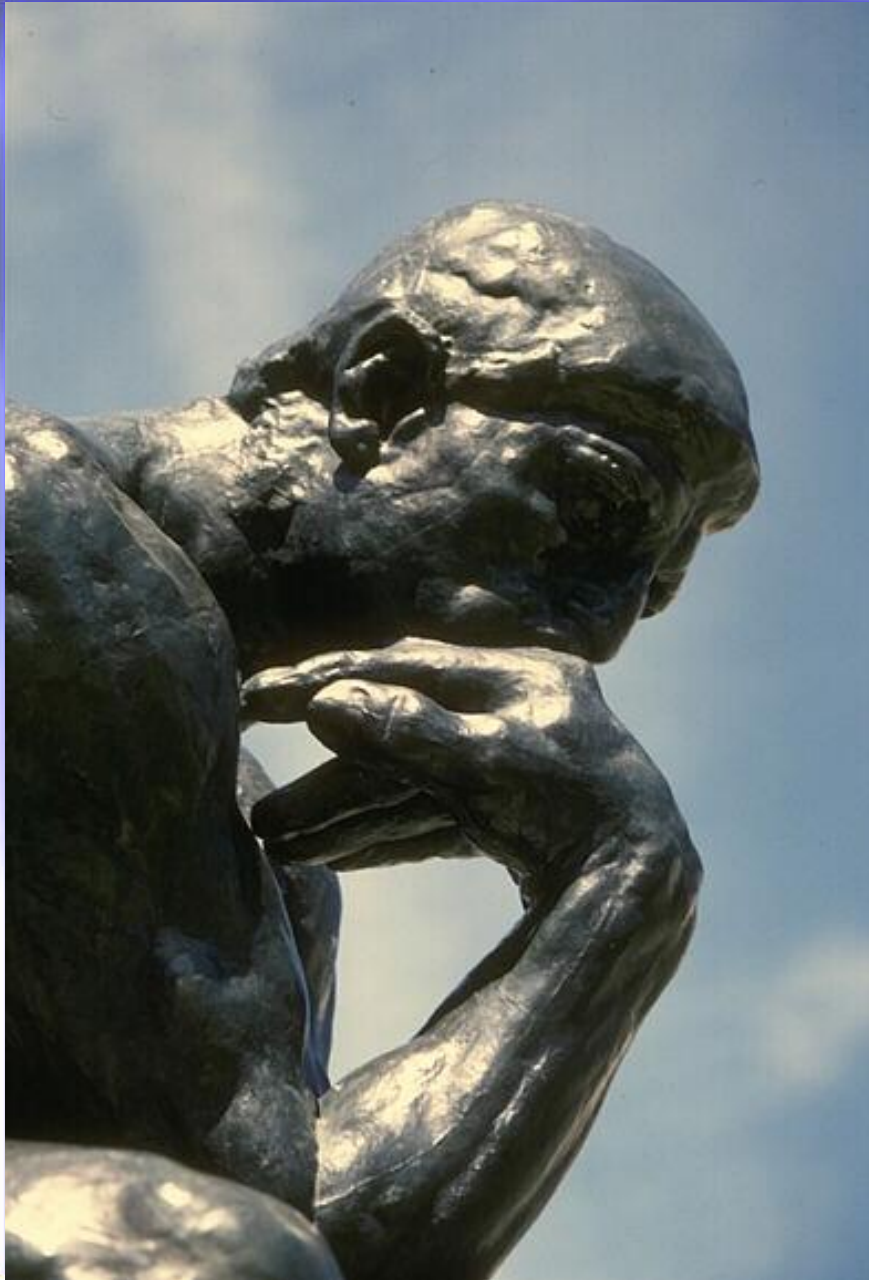
Simon Newcomb, 1902

“There is no reason for any individual to have a computer in their home.”

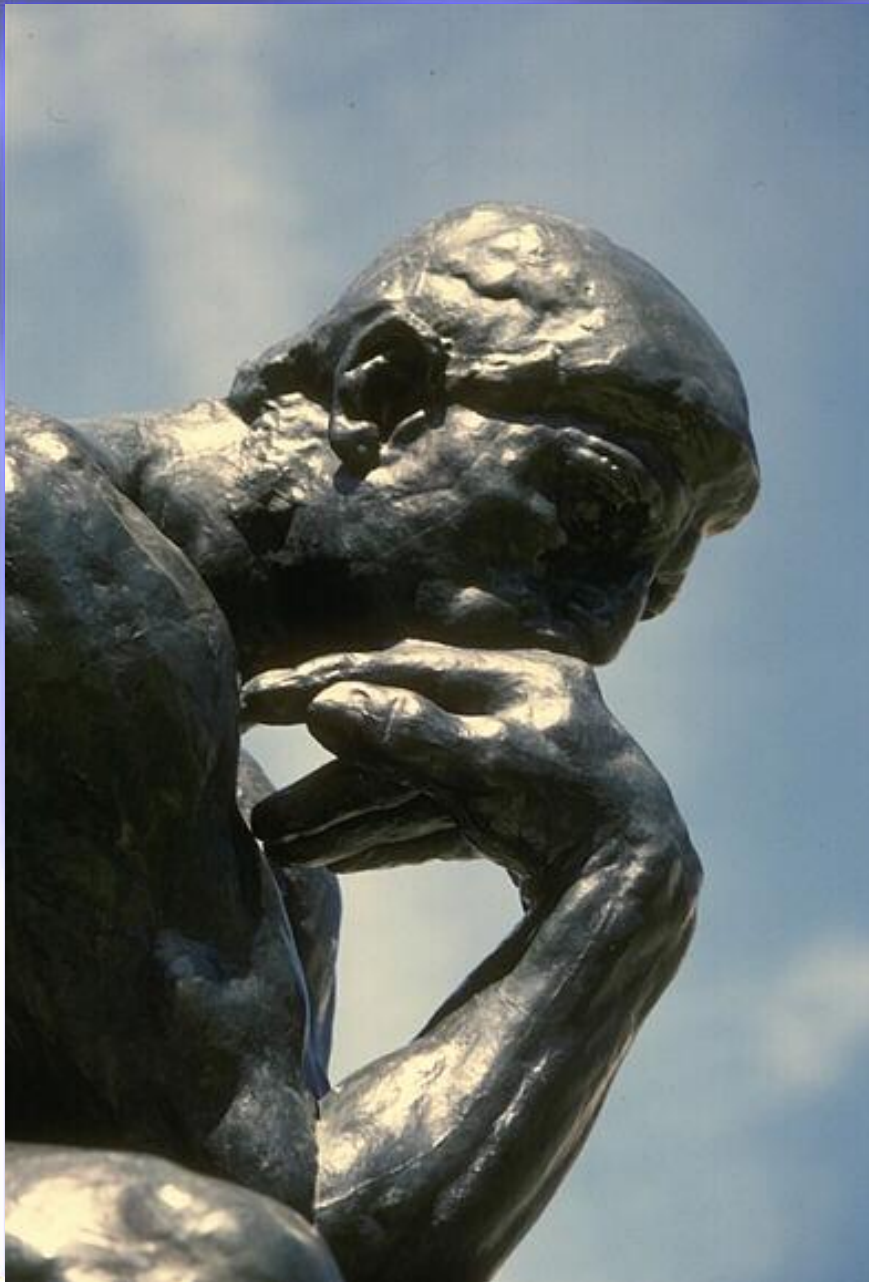
Ken Olsen, president of Digital Equipment Corp., 1977

Paradigm Shift Question

What is impossible today, that if were possible, would have a fundamental and dramatic improvement in your business?



Strategic Questions & Templates



- New Company Scenario
- Trends
- SWOT
- Risks
- Change
- Scenarios
- 80/20 Principle
- Strategic Sales
- Hedge-Hog
- Balanced Scorecard
- Start Stop Continue



New Company Scenario

New Company Scenario

We are starting a new company that will gain significant market share from our current company and your competition.

What is your Strategy for this new company?



Trends

Looking Back to Look Forward



3
Imagine **Now** from ~~10~~ Years Ago

Trends and Impacts

- Industry
- Regulatory
- Economic
- Consumer
- Technology
- Governmental
- Customer
- Workforce
- Globalization
- Competitive

Trends and Impacts

Trends

Impacts-Problem or Opportunity



Trends Action Plan

Trend Area	Responsibility	Actions	Timing



SWOT

SWOT



SWOT Analysis

Strengths

Leverage Strengths

Weaknesses

Address Weaknesses

Opportunities

Seize Opportunities

Threats

Mitigate Threats

SWOT Action Plan

SWOT Area	Responsibility	Actions	Timing
Strengths			
Weaknesses			
Opportunities			
Threats			



Risks

Strategic Risks

What are the strategic risks of the company?

HR	Sales	Legal	IT	Mfg	Financial

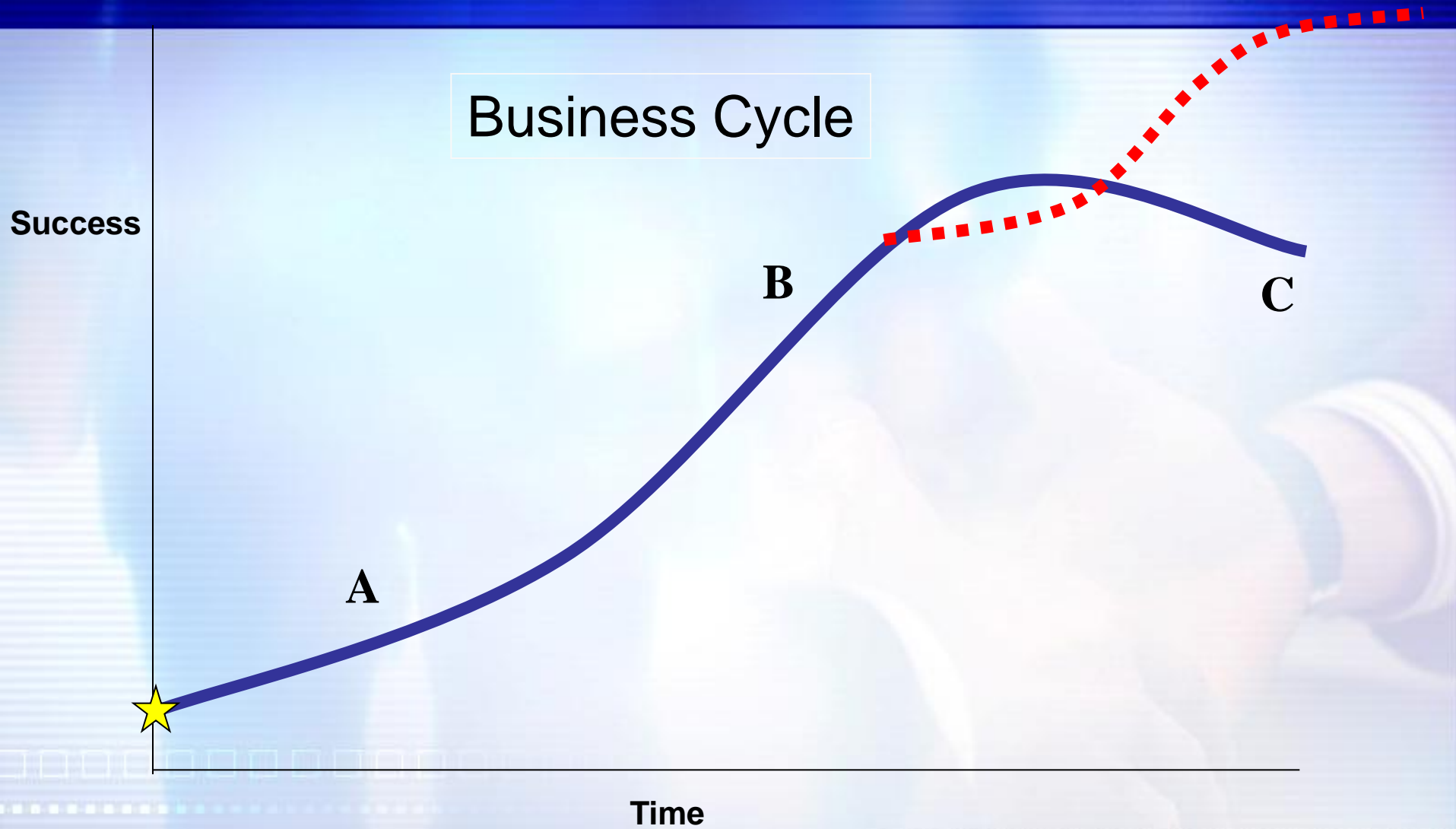
Plans to Mitigate Strategic Risks

Risk Area	Responsibility	Actions	Timing



Change

When do you make change?



Success = \$, Growth, Problems Solved, etc.



Good
is the Enemy
of
Great



Scenarios

Scenario Analysis

- Disciplined method for imagining possible futures
- It is not a forecast. It is more of a what if.....
 - What can conceivable happen?
 - What would happen if.....?
 - What are our options, choices?
 - Makes risk management possible

You can't predict the future, but you can prepare and be ready for the future.

Future Scenarios

- Low growth – 3-5%, organic
- Modest growth – 7-9%, organic
- High growth – 10-15% - organic
- High growth – 10-15% - 70% organic, 30% M&A

Scenario Planning

Scenario/Contingency	Action



80/20 Principle

80/20 Pareto Principle

What 20% of the _____ makes up 80% of the _____?

20 % Customers – 80% Revenue?

20 % Products/Services – 80% Revenue?

20 % Inventory Products – 80% Value/Costs?

20 % Expenses – 80% Costs?

20 % PowerPoint Slides – 80% Message/Value?



Strategic Sales

Strategic Sales Questions

**S
E
R
V
I
C
E
S**

Customers

Current

Expanded

New

Current

Current Services
Current Customers

Current Services
Expanded Current
Customers

Current Services
Brand New
Customers

Expanded

Expanded Services

Expanded Services
Expanded Customers

Expanded Services
Brand New
Customers

New

New services
Current Customers

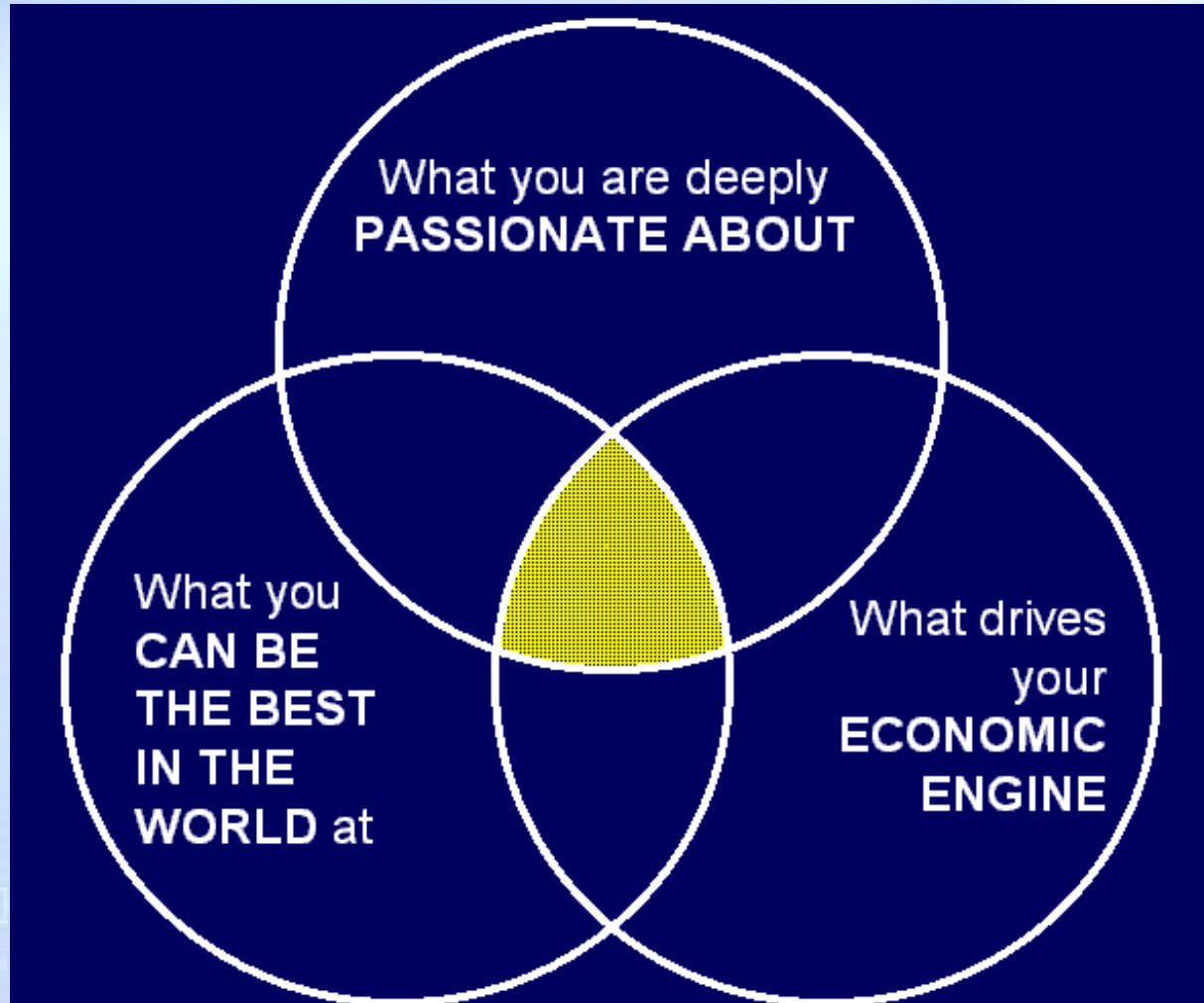
New Services
Expanded Customers

Brand New Services
Brand New Customers

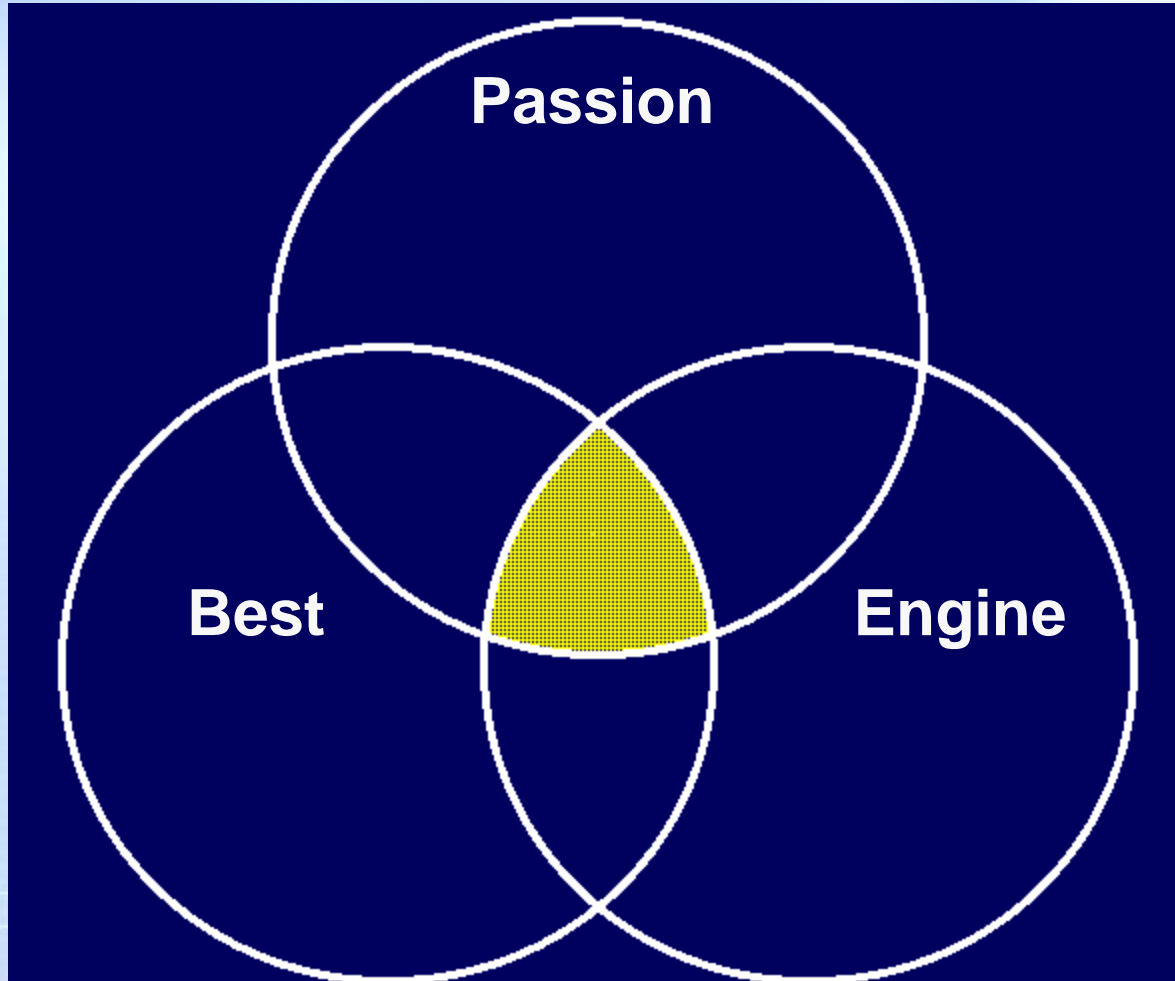


Hedge-Hog

Hedgehog Concept



How Would You Fill In the Circles?





Balanced Scorecard

Balanced Scorecard

Financial

Customer

Operations/Processes

People/Training



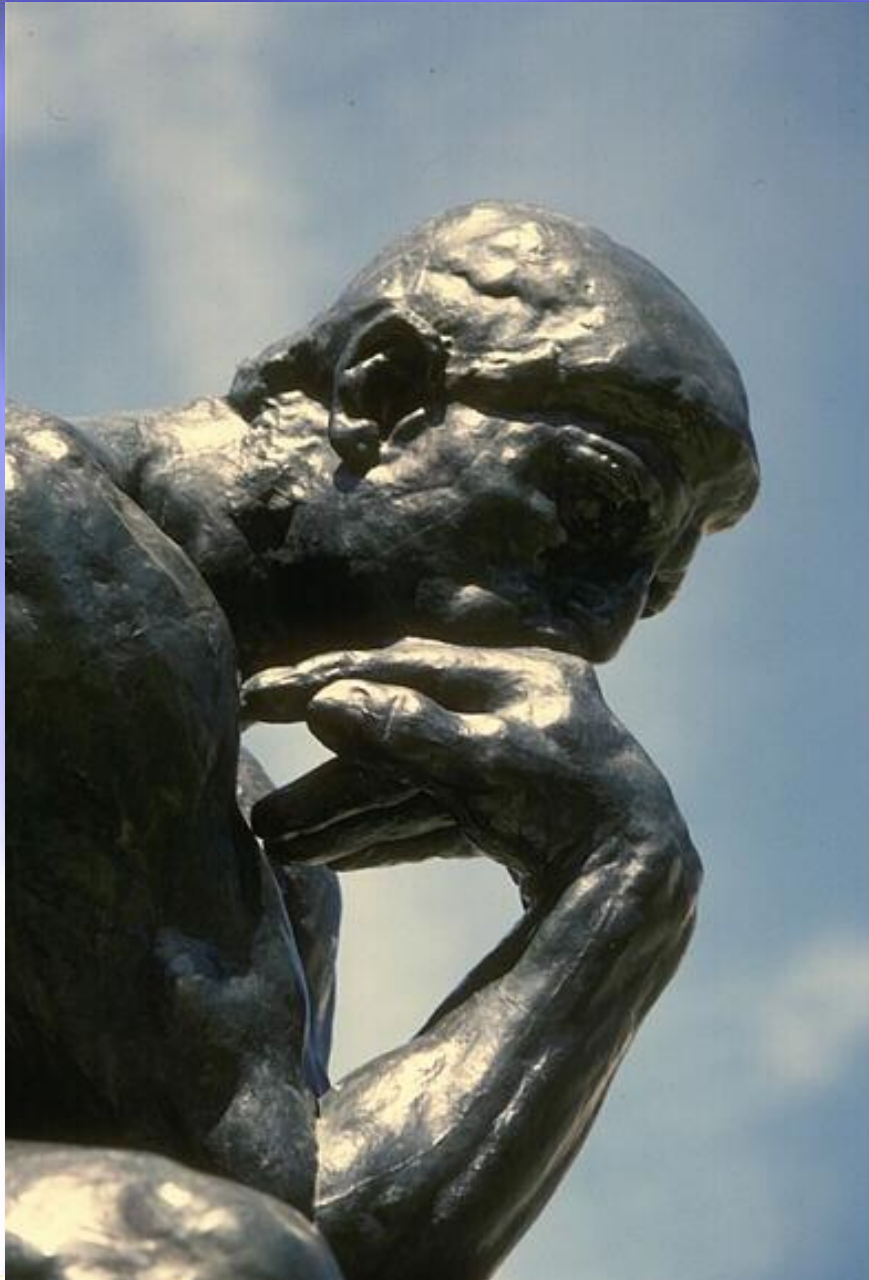
Start – Stop - Continue

Start – Stop – Continue

Start	Stop	Continue

What should be on your **STOP DOING** List?





Strategic Planning Assessment

Strategic Thinking Assessment

Strategic Assessment										
Questions	Not Covered			Good Job				Great Job		
	1	2	3	4	5	6	7	8	9	10
1. We have a current strategic plan that is communicated, clearly understood by all employees.										
2. We have defined our strategic risks and have actions in place to mitigate.										
3. We have identified our strategic gaps with plans to close them.										
4. We have a business continuity/disaster recovery plan in place.										
5. We are making change near the top of the change curve, change by choice.										
6. We have identified trends and are addressing their impacts.										
7. We have 80/20 focus-established strategic priorities.										
8. We have completed our SWOT analysis with actions to leverage/address.										
9. We have a culture that encourages debate, open discussion of ideas.										
10. We have a Stop Doing List.										
11. We have organizational alignment of our resources, goals and initiatives										
12. We have established a culture of accountability with supporting goals, measures, rewards and supporting behaviors										
13. Overall Strategic Thinking Assessment - per Above										

The best way to predict the future is to create it!



It's your move!



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