

Strategic thinking – a cursory analysis essay



**ASSIGN
BUSTER**

More and more, experts in the field of strategic planning and management are advocating for more attention to be paid on strategic thinking, and recommending for it to be considered a separate and distinct stage in the strategy planning and executing cycle. Results from the strategic thinking exercise feeds directly into creation of the strategic vision, which according Thompson, Strickland & Gamble (2008) is the first phase of a strategy-making, strategy executing cycle. Ingrid Bonn (Bonn, 2001) is very convincing in her argument that not only is strategic thinking an important aspect of any manager's role, but also that the thinker has special qualities.

This implies that not all managers are necessarily strategic thinkers, and in order for an organization to have the best chance at producing optimal strategic plans, they should be particular about the people they hire at levels where strategic decisions are required, and that there should be some sort of criteria to evaluate the creative strengths of these individuals. Since the function of strategic thinking cannot be the effort of one individual, it is imperative that care is taken to build a cohesive strategic management team, who complement each other, and are able to draw from each other in a way that their efforts will be truly representative of a thorough analysis of the available information and who can produce a set of best strategic options of courses of action available to the organization. In reality though, the cost, both in terms of time and also money, of investing in the process of preparing an involved, focused strategic vision and plan (involving the strategic thinking phase) can be very high, even prohibitive (Temkin, 2003), and as such may not be considered an immediate priority to an organisation's management team. As well, considering internal factors,

building such a strategic team can be a challenge occasioned by -among other issues- lack of appropriate/accurate information required by team to deliberate on the best strategic vision and consequent plans, or inadequate feedback of the results/effects of the existing strategy that is being executed; mistrust amongst the team members (especially if they feel that they are all not being given equal opportunity to exercise their creativity); professional competitiveness (where the chosen members of the strategic team feel that they can use the task as a means to shine), internal office politics (which can adversely affect the composition of the team), and insufficiently apportioned time to complete the strategic thinking and vision development phase and proceed with the rest of the strategic execution process.

This can affect the response from management and the other stakeholders and hamper their embrace of the proposed new strategy and consequently, the effectiveness by which it is launched and executed (Kotter, 1995).

Investing in effective strategic thinking and ensuring a focused strategic vision is definitely a move in the right direction. As reported by Bonn (Bonn, 2001) in her attempt to stress the importance of formulation of strong strategic vision, she draws on the results of a survey carried out (Collins and Porras, 1998 cited in Bonn, 2001, p. 6) on a number of companies, some of who had focused, well-thought-through strategic visions while others had much less deliberate, haphazardly formulated vision statements or vision statements which had no been reviewed for a length of time. The results were clear: over an 11 year period, those with focused strategic vision made a whopping average of 1500% more profit for its shareholders! Strategic

thinking allows for a thorough evaluation of: A company's competencies and skills, thus determining its strengths and weaknesses and their implication on the performance of the company; •The portfolio of a company's products/services, and thus their relevance within the markets which the company competes; •The environment in which the company competes in relation to its products/services as well as other interrelated industries, and the drivers to which it is subjected; •A company's target market (and potential target markets) and its needs; •Direct and indirect competitors and their current and potential effect on the company's competitive advantage; and •Capacities of suppliers and buyers which the company interacts with. (CFAR, 2001).

Such thorough, deliberate, focused evaluation of the environment within which an organization works undoubtedly allows for deliberate strategic decisions which increases the likelihood of it developing a more pro-active vision which takes into consideration of the effects of potential changes (positive or negative) within its operational environment, rather than forcing it to make reactionary strategic decisions drawing it away from concentrating on making any sustained gains in its competitive advantage, but instead making decisions to “ just keep its head above water”. Cost notwithstanding, the benefits as evidenced by performance of leading companies in different sectors is proof enough. References: Thompson A. A, Strickland A. J & Gamble J. E.

(2008) *Crafting and Executing Strategy: The Quest for Competitive Advantage*, 16th ed. New York: McGraw-Hill/Irwin Bonn I. 2001) ' Developing

Strategic Thinking As a Core Competency', *Management Decision*, 39 (1), pp. 63-70. Available from: <http://www.emerald-library.com/ft>

Temkin, T (2003) ' Strategic Plans Aren't the Answer (Part 1 of a 5 Part Series), *Nonprofit Boards and Governance Review*, September 2003 [Online]. Available from: <http://www.corestrategies4nonprofits.com/scans/nbg.pdf> Kotter J. P.

(1995) ' Leading Change: Why Transformation Efforts Fail', *Harvard Business Review*, [Online]. Available from: <http://harvardbusinessonline.hbsp.harvard.edu/hbsp/hbr/articles/article.jsp>

CFAR (2001) Briefing Notes: What is Strategic Thinking? , Center for Applied Research [Online]. Available from: <http://www.cfar.com/Documents/strathink.pdf>

pdf