

# Understanding Strategic Thinking

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Let's consider the role *strategic thinking* plays in the *strategic management* process by slicing it in thirds:

1. Understanding the evolution of strategic thinking as *a distinct type of thinking* with its own inherent attributes.
2. Recognizing the implications of strategic thinking for CEOs and their strategic management team as they attempt to apply it in their organizations.
3. Emphasizing the practical value of strategic thinking by the organization's leadership team.

### The evolution of strategic thinking

Thinking strategically as an intuitive, *highly individualistic process* has always been the province of leaders whether in military, church, business or other types of organizations. The 1950s and 1960s were witness to U.S. corporations establishing strategic management processes in their organizations. Leaders at this time maintained tight control of strategic thinking and seldom, if ever, fashioned an organization-wide inclusive creative process.

At the same time, the growing complexity of their organizations led many leaders to accept strategic *planning* as a means to gain control over their organizations. However, these plans resulted in outcomes similar to business plans of the day...essentially extrapolations of past performance with some adjustments to market conditions. These early efforts at strategic planning were seldom the result of a thoughtfully designed strategic architecture based on creative thinking.

During this time elaborate--and costly--strategic plans continued to be developed only to end up gathering dust on executive management credenzas. Several factors contributed to this "failure to execute" and it is instructive to identify the principal difficulties *since many of them are still evident in many organizations*:

- Leadership by executive management had not yet emerged as indispensable prerequisites to a successful strategic management system. Consequently, new and boundary-expanding opportunities based on creative and innovative thinking were often missed.

- A preference on the part to top management to maintain a short-term operational and "silo management" approach, i.e., finance, marketing, operations, and human resource domains of independent thinking and action.
- A preference for analytic and convergent tools and concepts, as opposed to more open-ended and creative approaches. These approaches were still regarded as the domain of top management, and not easily translated into a shared managerial focus on operational thinking and action.
- A view of *strategic planning* as a monitoring and control process on the part of top management and strategy implementation as a lower level management process (along with the persistent and unaddressed barriers and difficulties that require top management attention).
- The inability of the executive team to become champions of and thinkers in the strategic management process--and failure to recognize and develop the attributes of creativity and innovativeness *in other members of the organizations* and to infuse them in the corporate culture.

Given this perspective, it is understandable that tools and concepts to formulate strategies would be analytic ones easily translated into strategic plans. Accordingly, there was a proliferation of tools and concepts, analytic and convergent; that is, clear-cut and to the point--and above easily accepted by top management.

As useful as this approach was, its major shortcoming was the lack of a methodology for developing an integrative strategic architecture--without which, strategic thinking becomes an umbrella term for *thinking about strategy*, that is, a catch all including any tools, concepts, or techniques that purported to formulate or develop strategy.

It was Mintzberg (1994), who finally put things into perspective with his definition of strategic thinking; which is *a particular way thinking with discernible, inherent attributes*. Elton Lawrence (1999) puts it succinctly: "Mintzberg views *strategic planning* as a *systematic programming of already identified strategies* for which an action plan is then developed. In contrast, *strategic thinking* is a *synthesizing process utilizing intuition and creativity*. The outcome is a statement of strategic intent focused on the future, not simply a projection of past trends, and market predictions."

Heracleos (1998) contrasts strategic thinking and strategic planning. He views the strategic thought process as synthetic, divergent, and creative, and the strategic planning process as analytic, convergent, and conventional. He also makes a very useful observation: "It all comes down to the ability to go up and down the ladder of abstraction, and being able to see both the big picture and the operational implications, which are signs of outstanding leaders and strategists."

## The challenge of strategic thinking

An emphasis on “creative thinking” might be better viewed as a long-needed reconfiguration of strategic thinking itself, since strategic thinking requires a *balance* between creative, divergent, holistic thinking and analytic, convergent, and disaggregated thinking.

In their efforts to correct the imbalance between creativity and analysis, they may have swung the pendulum too far toward the former, and minimized the many benefits of analytic thinking that are also required in the strategy formulation and development processes. In any case, Mintzberg and subsequent theorists and researchers have already done their most important service to leaders and strategists in organizations (of all types) by doing the following:

- Identifying strategic thinking as a particular kind of thinking based on intuition and creativity
- Identifying the purpose of strategic thinking as the synthesizing of an integrating perspective of the enterprise
- Clearly distinguishing the major differences between strategic thinking and strategic planning.

The challenge for today’s leaders and strategists is to redress this long-standing imbalance between analytic and creative thinking in the strategic management processes and in their strategy support systems. It is an imbalance already recognized in many strategy-focused organizations and growing numbers of practitioners and consultants in the field.

## References

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