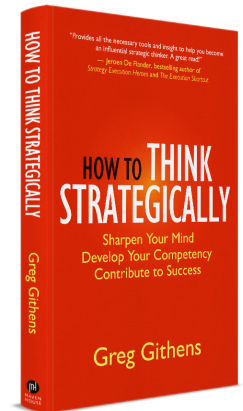


How to Think Strategically

Sharpen Your Mind. Develop Your Competency.
Contribute to Success.

by **Greg Githens**



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Cleverness

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THE SUMMARY IN BRIEF

There are thousands of jobs posted on career search sites that explicitly require strategic thinking. Organizations value individuals who can think strategically and want them on the front line of management as well as in the executive suite. Competent strategic thinkers are exceptions. For that reason, they are rare. One challenge of organizational development is in recognizing that prevailing culture often discourages deviation from the norm. Hence the cliché, the nail that sticks up gets hammered down.

Greg Githens, in *How to Think Strategically*, draws from his experience as an employee and as a consultant, for an array of organizations: fast-growing entrepreneurial companies, family businesses, large businesses, government agencies, military, universities, and nonprofit community and professional organizations. He's worked with those at the top of the organization and those on the front line. Find the personal relevance in Githens' examples and questions. You will be rewarded with competence and mastery that will benefit you in all areas of your life.

IN THIS SUMMARY, YOU WILL LEARN:

- The difference between strategies and goals.
- To identify the microskills needed for strategic thinking.
- Understand why ambiguity is a precursor to great strategy.
- How curiosity sparks insight for forward thinking.

Competence and Cleverness

This book's big idea is that individuals are the sole practitioners of strategic thinking, and each person practices it in a way that can be judged as competent or not. Competent individuals have the capacity and ability to understand a situation and act reasonably. Strategy is a relationship among ends, ways, and means. People with competence and cleverness are the ones who connect the dots in the relationship.

Moneyball

Moneyball is a story about a brilliant strategy developed by an unorthodox leader willing to challenge conventional beliefs. Billy Beane, the general manager of the Oakland A's professional baseball team, believed that his rivals were not valuing talent correctly and that he could exploit his better knowledge. His policy was to secure the contracts of undervalued players and deal away overvalued players. Oakland's Moneyball strategy was effective and produced an exceptional result: over a multiple-year period, Oakland won more regular-season games than any other team (except the Atlanta Braves) and reached the playoffs several years in a row. They did this with the lowest payroll in the industry.

Beane recognized the reality of the situation. He observed and acted on his insights. Then he developed a new set of dominating ideas. His premise was that getting runners on base was the key to winning games. This stood in contrast to the traditional approaches. By changing strategy based on data, they were making a smart bet—and it worked. Beane, an individual with unique competence and cleverness, changed baseball.

Future Thinking

Christopher Columbus is one of the most significant people in the history of humankind, bringing the lands that are now called the Americas to Europe's attention. Columbus spent much of his early life on the Mediterranean Sea learning the basics of seamanship. He later ventured north and south on the "Great Ocean," as the Atlantic was then called. He acquired the idea of finding a trade route to Asia by sailing west. Columbus was curious and listened for details as he talked to fellow travelers. He then organized his thinking by looking to the future. He thought in new ways. He studied the weather and learned map-making. All these parts of his narrative provided sparks of insight.

Resources

Columbus had a big idea, but he needed resources. He undoubtedly found it logical to begin with a request for sponsorship from King John II of Portugal, because Columbus had contacts within the Court. Columbus also smartly developed a relationship with the Spanish royalty, who eventually provided him with the resources needed for his project.

Cognition

Columbus' curiosity and other habits of mind are consistent with the concept of higher-level thinking. When Portugal refused support, Columbus pivoted to Ferdinand and Isabella of Spain, who were receptive when he most needed their sponsorship. A good strategy adapts to changing information about the situation. He began his voyages expecting to find large and sophisticated trading centers. He never found those cities, so he switched tactics, applying all he had observed and taking advantages of relationships he had built. Although Columbus needed the help of many other people, his individual experiences, insights, and effort are at the center of the story. He understood the situation, adapted to it, and formulated a reasonable approach to advance his interests and the interests of his sponsors.

Microskills

Githens draws attention to twelve microskills of strategic thinking. They apply whether one is discussing military strategy, stock market investing, or governance of a philanthropic organization. We'll look at a few here.

Curiosity

Curiosity is perhaps the most familiar of the strategic thinking microskills and the easiest to incorporate into a busy daily routine. One tip for keeping curiosity in operation is to monitor your thinking, asking yourself this question: "Am I in learning mode?" Strategic thinkers tend to question everything. They want to know how things work and wonder how they can be made to work better. They're curious about people and their backstories. Githens offers this tip: Find people whose points of view are the opposite of yours. Rather than try to change their minds, learn why they hold that point of view and how they arrived at it.

Storytelling

The strategic thinking microskill of storytelling is a natural capacity. People understand the basics of stories: characters, tensions, actions, and resolutions. A story can explain an organization's current position in society and its relationship

to its rivals. One important use of story is the prospective story, one that involves the organization and its people in a new, different, future state. A story can help others make sense of ambiguity, lead people to adopt new beliefs, and organize their actions.

Reflection

The microskill of reflection is sharpness applied to oneself. Your goal is to develop a continually improving understanding of what is important to you and your organization. Productive solitude provides the opportunity for you to test your inclinations and deepen your understanding of the nature of your present reality and the possibilities of the future.

Fuzzy Front End of Strategy

Githens describes the crafting of strategy as three phases: the fuzzy front end of strategy, the structured back end of strategy, and the programming of strategy. On the front end, the strategic thinker is noticing interesting things—patterns, trends, coincidences, curiosities, and anomalies.

Better Questions

A better strategy can be generated if answers are found to quality questions, rather than quality solutions found for poorly posed questions. The ability to ask short, excellent questions is a skill. Notice how a talented television interviewer helps a subject reveal important information. Since strategy often involves conflicting ideas, status, and hurt feelings, it's better to use a conversational tone rather than an interrogative or argumentative tone. Ask one high-quality question at a time and patiently wait for a thoughtful answer.

Knowledge Soup

Knowledge soup refers to loosely organized, dynamically changing knowledge. The problem is related to ambiguity: parts of the soup make sense to some people and not to others; some people see the same “thing” and label it differently from others, some people see things that others don't, and so on. A strategic thinker retains an open mental stance to sense the big picture. She will be optimistic that she can find a way through the knowledge soup and reach clarity.

The Uncomfortable Unknown

Strategic thinkers focus more on learning rather than knowing. The lesson for strategic thinkers is to keep stretching, putting aside the feelings of stupidity and frustration. The fuzzy front end of strategy is a venture into the unknown. The better your questions, the more you increase your probability of learning something useful.

Pockets of the Future

In the year 1996, fewer than one percent of Americans used cell phones. Within a decade, the cell phone became an everyday part of people's lives. Details found in the present have significant future implications. William Gibson remarked that “the future is already here; it's just not very evenly distributed.” Strategic thinkers are the ones who recognize the future.

Anticipation

Anticipation, the ability to imagine the later-than-now, is a strategic microskill. There are three different kinds of anticipation. The first two are preparation and planning, both of which operate with the assumption that the future is “closed.” Stated differently, in the first two kinds of anticipation, the strategist operates with the assumption that everything worth knowing is known. The third kind of anticipation is discovery and is “open” to emergence.

Strategic Decisions

Louis V. Gerstner Jr. was the only outsider hired as CEO in IBM's history. He started in 1993. IBM's business model was a good fit for the situation in the 1960s, and it followed the natural inclination of operational thinkers to use specialization and process to solidify its advantages. The good fit of the 1960s became a misfit in the 1990s.

IBM first gained success with its accumulated proprietary expertise in the computing industry. Over time, it gained advantages over rivals and became an incumbent leader. Eventually, discontinuities emerged, such as personal computing and competitors—Microsoft and Apple. IBM noticed the discontinuity (emergent opportunity) and responded with a new strategy. They planned to break the company apart and function as small companies. Gerstner listened, asked lots of questions, and reversed the decision. He revealed that his decision to keep IBM together was the most important decision he made as CEO. Strategy involves making bets. No strategy can be guaranteed to succeed. Gerstner's decisions layered one over another to produce success.

Spark of Insight

Insights are the secret sauce of strategy. An insight is a person's realization of a new and better explanation of the situation. The mind realizes insights through three pathways: finding connections, exploring contradictions, and using creative desperation. Try the following techniques to spark insight.

Walking the Fenceline

Begin with an analogy: the property line of a residence resembles the periphery of an organization. The first step is to walk the fenceline stopping periodically to look out at your neighbors, and then turn toward your house to take your neighbors' points of view. The next step is to use your imagination to examine various stakeholders' points of view. For example, how does a customer see your organization? Or a new hire? Or a government regulator? Or a supplier? The walking-the-fenceline exercise will increase your empathy for the perspectives of others and help you to identify the issues that may have a broad or long-term impact. You can spot opportunities for innovation, which are often found at the fringe of the organization, where things are murky and ambiguous.

Time Travelers

Imagine a time traveler (from the past or future) who has just appeared in the present. This involves the reframing technique of projection (because this is one person's point of view) and narrative framing (because the time slice has changed). The visitor from the past sees the present as a special world, full of changes in technology and culture. The visitor from the future sees the missed opportunities. This time traveler scenario can help further elaborate the time horizons through questions such as these: What would the time traveler recognize as familiar? What would the time traveler recognize as new?

Mastery

A strategist will always seek to mature her perspective and talents. Trust in self and others, confidence, regulation of thoughts and behaviors, influencing others, high-quality conversations, and the courage of leadership are marks of an individual exercising personal and interpersonal mastery.

Perspective

A person's strategic perspective is grounded in her personality, life experiences, and present point of view. Jen-sen Huang founded Nvidia, a graphics chip manufacturer. He explained that, as a member of the video-game generation, it seemed obvious that there would be a continuing demand by video gamers for better-performing computer chips. Huang saw the opportunity for a business model focused on creating and supplying those chips. To him, it was common sense, albeit a common sense that was unique to his team. It wasn't a matter of having a vision; it was a matter of holding a unique perspective. One person's strong signal is another person's weak signal, and one person's nonsense is another person's common sense. Everyone has their unique perspective, and that's a source of value.

Dialogue and Deliberation

The goal of dialogue and deliberation is to deepen and enrich the sharing of knowledge. Knowledge can be a turning point for strategy. Billy Beane's conversation with Sandy Alderman pointed toward an unorthodox logic that evolved into the underpinnings of the Moneyball strategy. Lou Gerstner's meeting with Dennie Welsh led to a "mind afire" realization that IBM's future was a service-centric business model. It's possible that a conversation between Christopher Columbus and his brother sparked the insight that a voyager could exploit the prevailing winds to sail west and the westerly winds to return. Better-quality discourse can lead to better strategy.

Leadership is a choice to grapple with the multi-faceted nature of reality and the courage to help other people do the same. Ordinary leadership involves "perfecting the known," whereas the chief task of extra-ordinary leadership is "imperfectly seizing the unknown."



Greg Githens is a well-known thought leader in the project management community: PMI SeminarsWorld seminar leader, and PMI Chapter speaker. He is an executive coach & advisor for innovation and strategy, applying the tools of program & project management. He brings superb skills in analyzing growth opportunities, industry insights, customer value propositions, and design. He has strong business acumen and is focused on the vital topics of strategy and strategic thinking, innovation, go-to-market & new product development process, business development, business model optimization, value proposition design, governance and risk management.

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