

Paint-By-Numbers Strategy

Kenneth Sawka

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Is it just me, or are organizations becoming less capable of creative strategic thinking? I ask because I have noticed a disturbing trend recently -- the over-reliance of many executives, strategic planners, and competitive analysts on forms, templates, and fill-in-the-box forms to conduct strategic analysis and develop competitive strategy in lieu of their own original thought.

There are hundreds, if not thousands, of methodologies, frameworks, and approaches to help guide strategic thinking -- Porter's Five Forces Analysis, Strengths-Weaknesses-Opportunities-Threats (SWOT) Analysis, and Value Chain Analysis, to name a few. These tools are invaluable at helping analysts and executives deal with massive amounts of data, spot key trends and patterns, and draw conclusions about industry, market, and competitor behavior.

In more and more companies, however, these tools are being asked to do more than they are able. They are expected to be, in many ways, like magic black boxes, into which goes mountains of data, statistics, reports, and information, and out comes a customized, tested, and resilient strategy, ready to be deployed.

To illustrate, a manufacturing company recently engaged Outward Insights to help it improve how it assesses and considers competitive and external dynamics on its new product development and pricing strategies. Through a combination of formal training programs and project-specific workshops, we have introduced a core set of approaches to facilitate strategic thinking for competitor and industry analysis, and have embedded those approaches into the company's existing market evaluation processes.

In working with the company, it became clear that many market analysts, sales directors, and senior executives struggled to think about the external environment in creative and strategic ways. In many cases, they were incapable of even beginning to form initial judgments without "templates." They needed forms to fill out, tables to fill in, and process maps to follow, to guide their thinking from point A to point B.

The problem, of course, is that no two competitive issues are the same, and trying to develop a "template,"

"procedure" or any other similar crutch is virtually impossible as it could never cover all potential types of competitive and strategic analysis. Yet without them, professionals at this company were paralyzed in their ability to engage in the creative and strategic thinking necessary to address and understand some very serious competitive challenges.

In the view of Fiona Graetz of the Bowater School of Management and Marketing, strategic thinking and strategic planning are "distinct, but interrelated and complementary thought processes" that must sustain and support one another for effective strategic management. The role of strategic thinking, according to Graetz, is to "seek innovation and imagine new and very different futures that may lead the company to redefine its core strategy and even its industry." Strategic planning, meanwhile, is to "realize and support strategies developed through the strategic thinking process and to integrate these ideas back into the business." (Graetz, F. (2002) "Strategic Thinking versus Strategic Planning: Towards Understanding the Complementarities", *Management Decision*, vol. 40, no. 5)

As techniques such as scenario-based planning and business wargaming continue to grow in popularity, an organization's ability to engage in true strategic thinking becomes increasingly important. While strategists can apply strategic methodologies and frameworks to aid their strategic thinking, such approaches are not substitutes for strategic thinking.

In the same vein, strategic planning exercises cannot be seen as fill-in-the-blank exercises that fail to challenge their participants and provide an environment for true strategic thinking. In these situations, strategy and analytic methodologies much be considered as like a sculptor's chisel or a carpenter's lathe; tools that can help these artisans practice their craft, but that cannot create the sculpture or the cabinetry for them.

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