

## EXECUTIVE SUMMARY

Abraham Lincoln said, “If I had eight hours to chop down a tree, I’d spend six hours sharpening my ax.” Strategic thinking is to solving a problem as sharpening an ax is to chopping down a tree. While we probably don’t need a three-to-one ratio of strategic thinking to implementing a solution, it is definitely clear that investing in structured thought has significant benefits over just jumping into the problem.

However, strategic thinking is more than simply solving a problem. It would be great if when we were faced with a problem, we could sit down and bring the necessary resources together to permanently solve it. Often this goal can be achieved; however, with regard to many of the complex challenges we face, it should not be surprising to learn it’s virtually impossible to develop a permanent solution. This isn’t a failure of the process of strategic thinking, but the reality of living in a constantly changing world. What works today may not work tomorrow. For example, a company’s strategic plan must address each client’s needs. This means a strategic plan must change to meet each client’s changing needs.

Change is often good. In the 1800s when someone was too hot, if he could afford it, he had servants wave hand-held fans in an effort to cool him. Today, fortunately for the HVAC and sheet metal industries, we merely turn up the thermostat of the air-conditioning unit. This reinforces the fact that strategic thinking is not a destination, but a journey. To be able to navigate this journey successfully with consistently reliable results requires a strategic thinking process.

An effective strategic thinking process offers a few significant benefits, which include the following:

- It helps everyone in the organization to not only understand the current strategy but buy in to it.
- It makes the company more flexible to the rapidly changing market conditions.
- It empowers employees to take initiative.
- It increases retention of your people after you have invested in their development.
- It develops your company’s future leaders.

Effective strategic thinking requires a system to tap your most important resources—your people’s knowledge, experience, and wisdom. The key elements of a strategic thinking system include:

- *Get the right people involved* – Jim Collins mentioned, “getting the right people on the bus in the right seats.” This step is critical because without the right people, it’s difficult to achieve the desired results. But just as important it’s about tapping into the knowledge, experience, and wisdom of your people throughout the organization. Studies reveal that when companies win awards for innovation, most of the time the idea came from the rank-and-file, not management.
- *Define the problem* – Unless you understand the problem, your chances of solving it are remote. In fact, the number one reason for project failure is not clearly defining the problem or goal. This requires communication with all those who have insight into the problem or situation.
- *Develop possible solutions* – There are usually multiple solutions to a problem. The objective should be to find the best solution that takes into account all of the constraints. Obviously, a technically better solution that can’t be installed by a critical deadline is not the best solution. This is an important concept because too often people jump on

the first idea that works instead of exploring all the possibilities. The problem is the first few ideas that surface are often the most obvious, and if they were the true answer, they would have been implemented before. Studies indicate the best ideas usually come between the fifteenth and twentieth ideas. It requires a collaborative effort to peel back layers of the problem to get at the source. When you are developing the possible solutions, there should be no debate or discussion on the merits or disadvantages of the idea because that discourages new ideas. In this phase of the process, we want quantity combined with a free flow of ideas.

- *Identify the right solution* – This phase is about analyzing the ideas put forth in the previous phases. The first step is to eliminate those ideas that don't fit within all of the constraints – Once this has been accomplished, the analysis process can begin in earnest. To be effective, it's essential that all key personnel are involved. That is the only way to fully take advantage of their collective experience, knowledge, and wisdom. There are tools to help improve this process, but one caution is to avoid focusing on data. When talking about the future, wisdom is more valuable than data because there is no data on the future.
- *Execute the strategy* – No matter how great the strategy, if it's not executed, it will not be successful. To a great extent, execution is about gaining buy-in, which is one of the main benefits of working through the above phases. Skipping them places the goal at risk.
- *It's about leadership* – Effective strategic thinking requires leadership. This leadership is not about command and control, but about perceiving the existing conditions and allocating resources, both capital and human, in the best manner possible. It's not

about the leadership coming up with all the ideas, but instead it's about the leadership making sure the company's strategic thinking process is followed.

Strategic thinking isn't just a theoretical process involving the mind but a practical application that engages everyone throughout an organization to better solve problems, plan projects, and develop the company's business strategy. Strategic thinking is the tool to deal with not only constant change but rapid change. It is therefore a skill that everyone needs to master. To paraphrase Edward de Bono, everyone needs to master the skill of strategic thinking to get the most of one's intelligence.