

# Learning to Think Strategically

**By BH Tan**

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In my work as a leadership consultant, I frequently hear senior leaders lament that their people are too operational and not strategic enough. Truth be told, most people have little idea what being strategic means. Perhaps not even the senior leaders who utter it so glibly.

There is a commonly held perception that strategy is about formulating big thoughts and gazing into the future. And it is often considered the exclusive preserve of top management, while those people lower down the rungs should just execute.

Let's start by addressing the first issue. How can organizations develop strategic thinking if they aren't even sure what it looks like? Strategy is the art and science of effective decision-making about an uncertain future. It is about harnessing qualitative and quantitative insights to make choices on where and how to compete to beat the competition through value creation in your chosen market. Managers at all levels throughout the organization will have to make such choices. Not only about what to do but also what not to do. As resources are limited, choosing to do something will come at the expense of something else. Hence we must first subtract before adding on. Choice making is fraught with difficulties because we will never have sufficient data and information. It will also involve thinking and leading differently. Consider the following cases.

A sales director of a technology company in China is facing intense pressure in meeting his quotas. There is a new go-to-market strategy set by HQ in the US.

Competition is intensifying. The industries being targeted require the sales organization to have deeper technical expertise than what they currently possess. What choices must he make to regain his competitiveness?

An emergency room doctor attending to a number of critical cases simultaneously has to decide how she and her team of nurses will prioritize patients to treat depending on the severity of their condition. What should she do?

The second issue is the misguided notion that strategy and execution are separate. This implies that top management makes the choices while the rest of the company should just obey. To be sure, the most important job of the CEO is doubtless to articulate the strategy by defining the *primary choices*. But strategy is meaningless unless it is translated into reality by various operating units downstream. These operating units themselves have their own unique constraints that the strategy from the top cannot possibly have defined adequately. Their managers will have to exercise judgment and make choices on what to do and what not to do. There is a sound strategy behind every successful execution. Strategy and execution cannot be separate but must proceed hand-in-glove.

## **Achieving strategic alignment**

Each operating unit must translate the *primary choices* into *derived choices* in a process of strategic alignment. Leaders in operating units need to first see a clear line of sight between their responsibilities and the CEO's

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strategy. Their challenges and opportunities will be different from other operating units'. Hence their greatest value-added is to identify and initiate new ways of doing things. Change is risky. But the greatest risk is not taking any risk as the business environment is rapidly shifting. Their next step will be to engage their teams on how to execute, i.e. define priorities, trade-offs, take calculated risks, manage resource allocation and develop talent to become more agile and proactive. They must think globally and act locally.



Columbia Business School Professor William Pietersen uses a gearbox as a metaphor for strategic alignment. In a business meeting, the CEO of a major corporation said to his executives, "I see my responsibility as controlling the larger wheel in a gear box. The role of the gear box is to transmit power. Every time I turn that large wheel just one notch, all the smaller wheels will spin progressively faster. Those smaller wheels are you and your teams. My most important job is to turn the big wheel on just the right issues so that all the energies of the company are driving the few things that matter most to our success. All of you also have your hands on the large wheel, and you owe it

to your teams to turn that wheel on just the right issues- those that line up with our corporate priorities."

A dilemma that is frequently encountered is that many top leaders can't clearly articulate what the strategy is. This is borne out by a research by Roger Martin, former Dean of Rotman School of Management at Toronto. He reported that 43% of managers surveyed cannot state their own strategy. Operating unit managers need to persist in engaging senior stakeholders to seek greater clarity. But soon they will realize that the ambiguity will not go away.

The organization is in a state of flux. There is indeed an upside here though. It gives managers more room for flexibility and innovation.

Wait no more. Huddle with your team members. Lay it all out and debate choices to be made.

Now motivate them to go full throttle in the directions that have been broadly aligned with the corporate strategy. Top management will no doubt be monitoring the company's progress through their monthly corporate dashboard. There will be opportunities for progressive course correction.

### **A lesson on strategy from sports**

The 21<sup>st</sup> Commonwealth Games 2018 in Gold Coast provides an object lesson on the overriding importance of strategy. Talent, expertise and experience are all prerequisites. But absent a *winning strategy*, even the

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longest reigning champions will find themselves outmaneuvered by their challengers. It starts with players changing their mindset: their inner game.

Since table tennis was inducted in the Commonwealth Games in 2002, Singapore's women players had won every gold medal consecutively up to 2014. In 2010, they famously beat the sport's juggernaut China to clinch the World Team Table Tennis Championship in what was dubbed the "Miracle of Moscow."

On Sunday 8<sup>th</sup> April 2018, the top-seeded Singapore side met with India in the team finals. Chances of an upset were low. And the talk was about India bringing home the silver. There was a feeling of déjà vu for both teams. It was to be a rematch of the 2010 Games' women's team



**Feng Tianwei**

final during which India took home the silver. But the unthinkable happened that day. Singapore was stunned 3-2 in the opening match between India's Manika Batra (ranked world 58) and Singapore's Feng Tianwei (ranked world 4). Boosted psychologically by their first win, the Indian team clinched the next two matches and romped home to a 3-1 victory.

Post-match analysis yields useful lessons not only in sports but for business and the battlefield. The success of

the Indian team is by no means a fluke but the result of their team vision, organization, training and most importantly, a *winning strategy*.

India's coach Massimo Costantini said, "Singapore are used to extremely fast balls. Our job was to create some sort of interference in that speed by playing soft balls, dead balls, spinny balls. Everything but speed and it paid off." However, it's one thing for the coach to develop strategies off-court and another for the players to implement them. During the match, it was entirely up to the Indian players to adapt and improvise.

Batra said, "Even in my wildest dream I had not thought that I will beat an Olympic medalist and world number 4. ....I knew that Feng was having difficulty with my pimped rubber and I realized that I did not use it as my strength all the time. I kept changing my game. I did not want to keep her settled."



**Manika Batra**

Finally in Feng's words: "Our opponents have improved a lot.... There were changes in my opponent's game, and I have not practiced against this type of (unique) playing style. Maybe they're the only ones in the world who play like that. We didn't get the opportunity to learn those techniques."

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### **Strategic thinking as a learning process**

For organizations to continue to flourish, they will need to reinvent themselves again and again. By encouraging all to think strategically, they create a virtuous cycle of reflecting, learning, experimenting and adapting.

On Friday Apr 13, Singapore redeemed themselves by winning the women's doubles gold. Feng Tianwei and Yu Mengyu trounced Manika Batra and Mouma Das 3-0

to retain the title they won in Glasgow in 2014. And finally on Saturday Apr 14, Feng squared off again with her nemesis Batra. This time the Indian star was triumphant. Feng, the Commonwealth Games singles gold medalist in 2010 and 2014, lost her crown.

To think strategically, start by changing our inner game. Identify patterns that no longer work. Then disrupt. Or be disrupted.

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