

The University of Vermont

How Leaders Can Create Strategic Know-How

By Merryn Rutledge

Leaders who think strategically both encourage formal planning and continuously look for emerging opportunities. How can both ongoing strategic thinking and a concrete, formal plan help your organization?

Agility: Planning know-how, especially when it is spread around an organization in business units and project teams, helps your organization remain agile in the face of shifting circumstances.

Planning skill: If the leadership system does not know how to plan, then its ability to ride the winds of change is impaired. Individual leaders may be able to catch the wind, but individual leaders do not stay forever; they may move to different companies or retire. The leadership system — irrespective of individual personalities such as your current executive officers and board — needs the organizational knowledge to plan.

Focusing diverse viewpoints: I have often seen changes in the business environment both mobilize people and polarize them. Impending change mobilizes those who see change as important, inevitable and even exciting. Other folks (typically the recipients of change) see impending changes as undesirable, threatening or impossible — and the two viewpoints become polarized. Organizations that know how to systematically gather diverse viewpoints, revitalize mission, mediate differences and set goals end up being able to function in both opportune and adverse circumstances.

Improving continuously: Whatever formal strategic planning methods you use, a strategic frame of mind must involve reflecting upon the organization's effectiveness and gathering insights from stakeholders inside and outside your organization.

Examples of ways to take stock include:

- Ask yourself: What strengths does the organization need to capitalize on?
- Check your financial pulse and other business results.
- Ask: What do customers think of your products and services? How do you know?
- Ask: What are your current and emerging markets? Competitors?
- Ask: Who are potential strategic partners?

These questions test mission effectiveness, uncover blind spots and reveal opportunities that you must know about in order to make and keep your organization sustainable.

Aligning work with strategic direction: Formal strategic plans, whether they are a set of goals, a balanced scorecard or some other kind of matrix with measurement targets, create opportunities to bring the organization into alignment. A formal plan, if used wisely and evaluated and updated regularly, becomes the chance for the board to reorganize, for internal leaders to champion and implement specific parts of the plan, and for individual staff members across the organization to align work processes and individual performance goals with organizational goals and targets. Everyone becomes a strategic thinker.

Thus, thinking strategically — as, for example, foreign policy experts and explorers do — means that you and leaders everywhere in the organization are looking far out on the horizon even while attending to day-to-day operations. In strong, sustainable organizations, strategic thinking is a habit of mind and a set of practices: using data to take stock of the current situation, envisioning

positions, planning shorter-term tactics, anticipating contingencies, evaluating results and making adjustments.

Merryn Rutledge is an instructor for the Vermont Business Center and president of the ReVisions, LLC, consulting on organizational and leadership development. This article is adapted from her book, "Strategic Planning Guide for Leaders of Small Organizations." To order the book, write her at info@revisions.org. For more information on Rutledge's work, visit <http://www.revisions.org/>.

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