In a time of unprecedented uncertainty in the business landscape, strategic leadership is more critical than ever. The ability to think strategically and navigate change effectively is key to creating a sustainable organization that can stay ahead of its competition — yet true strategic thinking and planning skills are a rarity among company leaders today. They are often too consumed with the present or too focused on near-term goals. In fact, according to Chief Executive Magazine, seven out of 10 leaders are not considered strategic.

However, the need for leaders to become more strategic is undisputed. One recent Harvard Business Review article reported that when executives were asked to select the leadership behaviors most critical to their organization’s future success, 97% chose strategic thinking. [Kabacoff, Robert (2014). “Develop Strategic Thinkers Throughout Your Organization.” HBR Blog Network, Harvard Business Review, February 7.]

If strategic thinking is widely accepted as a critical business skill, why is there such an acute shortage of strategic leaders? For one, the actual practice is clouded with ambiguity, leaving many wondering what “being strategic” actually means and how they can strategically lead their own companies. To most leaders, the notion of being strategic is fuzzy, poorly defined, and hard to grasp. Because of this ambiguity, few managers get or give concrete advice on how to become more strategic.

A GUIDE TO BECOMING MORE STRATEGIC

It’s clear that a framework for developing strategic leadership skills is needed. Decision Strategies International, our future-focused strategy and leadership development consulting firm, took on this challenge. Through research at the Wharton School of Business and at our firm where we involved more than 20,000 executives from around the world, we have identified six skills that are essential for leaders to thrive in the uncertain environments: the abilities to anticipate, challenge, interpret, decide, align, and learn. When mastered and used in concert, these Six Key Disciplines of Strategic Thinking are proven to help leaders of organizations large and small hone their strategic leadership abilities. True strategic thinkers:...
Winning the Long Game

1. **Anticipate** changes in the market by staying closely connected with customers, partners and competitors, rather than becoming disconnected and reactive. Instead of focusing on what is directly ahead, leaders must anticipate disruption by looking for game-changing information at the periphery, searching beyond current boundaries and building networks to help them scan the horizon.

Entrepreneurs like Tesla’s Elon Musk, Apple’s Steve Jobs and Amazon’s Jeff Bezos excel in spotting unmet market needs and figuring out how to serve them profitably. They have an eye for change that they leverage through innovative business models and products that leave their competition often playing catch up. In other words, they excel at anticipation.

2. **Challenge** assumptions and the status quo by considering the viewpoints of people who think outside the box and are open to new ideas. It is easy for leaders to rely on tried and true solutions, especially when disruption pushes them to the boundaries of their comfort zone. Strategic leaders repeatedly challenge the old way of doing things and encourage different — even contrarian — points of view.

For example, Sir Richard Branson challenged an incumbent industry when he launched Virgin Airlines in 1984. It was, admittedly, an uphill battle convincing his board of directors that a record label executive was more capable of improving the industry than heads of other airlines. However, he knew there was room for improvement when it came to service and customer experience on flights. Virgin Airlines went on to redefine what “high value” and “high end” meant in an otherwise outdated industry. That’s what strategic leaders do: they reframe the situation.

3. **Interpret** a wide array of data and viewpoints rather than looking only for evidence that confirms prior beliefs. Anticipating change and challenging conventions can surface valuable facts and figures that must be thoughtfully analyzed to yield actionable results.

Strategic leaders compare and contrast these data points in unconventional ways and test multiple hypotheses before arriving at conclusions.

A classic illustration of picking up a weak signal, and decoding the hidden meaning, was when Steve Jobs paid a visit to Xerox in 1979. He saw a prototype mouse that could navigate a screen as part of an office automation system that Xerox was developing. What he noticed, that few others did, was the potential of this device to serve as a natural interface for the innovative, user-friendly personal computer that Apple was envisioning. What data and intelligence are you, or your competitors, missing by not connecting the dots?

4. **Decide** what to do after examining the options and then exercise courage to get it done. Strategic leaders use process and discipline to arrive at a good enough position and make timely decisions, avoiding missed opportunities due to analysis paralysis. They tend to frame the decision and approach, balance speed, rigor, quality and agility, and take courageous stands, even with incomplete information.

One storied example is the crisis faced by shoe retailer Zappos in 1999. Sales were stagnant and their funding would soon dry up. In a bold move, the company announced it would begin offering free shipping. This didn’t seem to make much near-term business sense, but Zappos was pretty confident it would address the hesitation customers felt about buying shoes online that might or might not fit. In the end, the bold decision saved the company and ultimately defined their customer experience philosophy. Despite pressure due to time and the consequences of failure, Zappos made a strategic decision weighing the pros and cons under a challenging situation.
Align the interests and incentives of stakeholders, based on understanding different views. Strategic leaders must know how and when to align divergent agendas to work toward a common goal while welcoming diversity. Actively encouraging open dialogue among stakeholders and addressing misalignment helps to build trust and reach consensus.

Whole Foods is a great example of a company that does this well. The grocery chain formed self-managing work teams who oversee their own businesses, manage their own P&Ls, make merchandising decisions, and are in charge of personnel for their close-knit teams.

Learn from successes and failures by experimenting, making small bets, and mining the lessons from both the good and the bad. Successful leaders embrace learning in its many forms, whether through interactions with various customers, partners and market segments, experimentation by way of innovation, or ongoing check-ins and after-action debriefs to surface early indicators of success and failure. Leaders can improve performance and decision-making when armed with these insights, which are both key to long-term strategy.

Remember a few years ago when Netflix announced changes to its pricing model? The announcement angered customers and prompted many to cancel their subscriptions. Luckily, CEO Reed Hastings was willing to learn from the incident and took customer feedback into consideration before ultimately re-adjusting the company’s business plan.

The ideas in this article are further elaborated in the upcoming book, *Winning the Long Game: How Strategic Leaders Shape The Future*, which will be published in December by Perseus Press. For more information, visit WinningtheLongGame.com.