



The need for strategic thinking in today's leaders

You don't have to work in strategy to think strategically. In fact, studies confirm that the most valued skill in leaders today is strategic thinking. No matter what industry you work in, uncertainty is a key part of a work environment, so to remain competitive in such a volatile space, the need for forward thinking leaders is essential.

STORY

Lindie Meintjes

Business Development Manager

Baker Tilly Staples Rodway Taranaki

Strategic thinking involves forward looking, with emphasis on long-term goals and identifying ways to achieve those goals. Thinking is strategic when it focuses on a bigger picture, a greater purpose, and a positive plan. We often lose out on future opportunities and possibilities when we fail to think strategically today.

Practicing strategic thinking

Strategic thinking starts with a goal. On a personal level, it involves identifying and defining the kind of person you want to become within a certain timeframe and setting in motion the actions and mindset that are required to get you there. It involves the uncomfortable process of getting rid of habits, behaviours and attitudes that hold you back, no matter how deep-seated they are.

If this sounds like an impossible mind shift, then start with a strategic planning session.

Why a strategic planning session is key

In the business realm, strategic planning is the process of defining an organisation's direction or strategy with systematic steps to pursue this strategy and achieve goals. The problem however is that many leaders think their strategic plan needs to be lengthy and complex to qualify as a "good" plan. The truth is your plan needs to be short and simple so that every employee in your business can understand and execute it – one full page can be too long! This could be something you revisit weekly, monthly or yearly, depending on what works best for you.

It is important to kick off a strategic planning session by understanding and articulating

your personal values. This helps to ensure you are emotionally invested in the purpose of your business and allows you to align the business goals. This is especially important when you have multiple business owners, making sure you all set out your personal values and purpose in order to ensure they align. You can then move forward in defining a business purpose (mission) and core values for the organisation with personal values in mind. This creates the platform on which the vision and strategy is built on.

Another thing to consider is whether your employees are thinking strategically too, especially if they're contributing to the goals of your business. In this case, having a strategic plan that everyone in the organisation can read, understand and execute is key. Usually this would be a one-page document with a clear vision and mission statement, complimented by a few critical financial and non-financial objectives that will deliver the company's success.

Next steps

There is no point in developing a strategic plan if you don't communicate and implement it successfully.

A critical success factor for implementing your strategic plan is putting processes in place to deliver the plan and regularly monitor, manage and review the plan to ensure it is agile enough to adapt to ever changing circumstances.

By thinking and living strategically today, we define what the successes of tomorrow could look like, no matter how that success is defined.

lindie.meintjes@bakertillysr.nz

THE STRATEGIC PLANNING PROCESS

An effective strategic planning process gets to the heart and soul of your business. By working through key elements, you can create a coherent plan and present it in a way that immediately creates focus and provides direction to daily activities.

There are 7 basic elements of a strategic plan:

1. Mission Statement

This should describe the purpose as to why your business exists. Care should be taken as not to make the statement generic; it should really articulate the company's purpose, goal, product or services offered and its primary customers or market.

2. Vision Statement

A vision statement can also be called an ambition statement, as it articulates the way you see the future of your business. The declaration of the organisations objectives serves as a guide for internal decision making.

3. Core Values

It is essential to have alignment of personal values to set the corporate values for the organisation. The core values are the fundamental beliefs upon which your business and its behaviour are based. It "sets the tone at the top" and guides the external and internal affairs of the company.

4. SWOT Analysis

It is important to fully understand both internal and external factors that affect your business. This will require a critical analysis of your operating environment. A thorough understanding will allow you to identify your clear advantages and focus on those to be successful.

Identify your unique capabilities, differentiating factors and understand how to use these to your advantage to achieve long-term goals.

5. Key Performance Indicators (KPI's)

Having a clear understanding of the key drivers of your business will make resource allocation and performance management more effective. Focus on the key drivers that will have the most impact on your business when managed properly.

6. Goals and Objectives

Goals describe how you plan to achieve the vision you set out and aligns with the mission statement. Long-term goals are broken down into one-year objectives that will push you forward to achieve the forward-looking vision.

Yearly objectives are further broken down into short-term goals, defined by tangible action plans over the next three months to push you to the yearly goals.

Each objective should be SMART; Specific, Measurable, Achievable, Realistic and Time-based.

7. Action Plans

A strategic plan should have clear activities assigned to individual employees with intended outcomes to provide clear direction and immediate focus areas to achieve goals and objectives.