

# Strategy... The Key Domain of Directors, Chief Executive Officers & Senior Managers

MICHAEL GOLDSWORTHY | STRATEGY

In this article, Michael Goldsworthy discusses why boards are adopting new approaches to their strategic thinking, strategic discussion and strategic decision making in the boardroom...in essence, their strategic development.

Directors, chief executive officers and senior managers are adopting a more rigorous and focussed approach to;

- the planning, implementation and monitoring of their strategic transformation strategy, not just a strategic plan,
- the determination of their future service/business model and its alignment to their renewed/new vision, mission, values, core business and/or philosophical statements and their emerging/future services,
- the strategic positioning of their organisation as measured against their peers and the marketplace/industry or sector in which the organisation operates.

The new world of human services is upon us... the two key drivers causing boards, chief executive officers and senior managers to adopt the above approaches are the introduction by Commonwealth and/ or State Governments

of customer choice and control, and the creation of a highly competitive marketplace in which organisations will operate.

Six principles that support these approaches are worthy of consideration:

## 1. Boards Strategise, Directors Are Strategists

Dynamic and proactive boards should, first and foremost, strategise, because individually directors are or should be strategists. In essence, strategy is a way of thinking, not a framework or set of procedural exercises or tools... in fact, traditional strategic planning processes and tools are giving way to scenario planning and therein new, more powerful processes and tools that provide directors with such elements as privileged strategic insights, unique industry or organisational perspectives and defining potential competitive advantage.

Strategic thinking, strategic discussion and strategic decisions are key processes of strategising boards. These

processes enable boards to understand and appreciate such components as:

- The emerging industry/sector big picture, the stage and backdrop upon which the organisation is currently positioned and the likely industry/sector scenarios and their organisation's various strategic options and associated key assumptions, risks and indicative strategies.
- The current 'state of the nation' of their organisation and therein the mission criticals that will need to be addressed to ensure the organisation's future success and sustainability, as well as the various differentiators from the organisation's peers and the marketplace.
- The agreed future scenario of the organisation, in essence its desired future and the associated strategies and/or projects that will propel the organisation forward.

## 2. Strategists Don't Just Rely On Voluminous Reports & Presentations

The days of voluminous reports and presentations being

provided to directors in preparation for their annual strategic planning workshop, to assist them with coming up to speed with the organisation and/or the industry/sector in which they operate, are over.

Short, sharp,

presentations should paint a snapshot – a picture that enables directors to quickly come to grips with both the industry/sector and organisational situation as well as the associated issues and/or potential opportunities or solutions.

The personality traits of strategic foresight, insight, creativity, innovative thinking and entrepreneurship are but a few of the human qualities and processes that some directors can provide to a board that is actively pursuing development of a new strategy. Whilst not commonly acknowledged, it is worth considering that the personality type of each director is just as important as the skills, knowledge or experience each director brings to the boardroom.

## 3. Industry Insights & Business Intelligence Assist Boards To Strategise

Whilst the vast majority of directors of NFPs contribute significant value and benefit to their board from within their own industry/career skills and experience, many struggle to understand the components, dynamics and trends of the industry/sector in which their organisation operates.

*Smart boards are getting out of the boardroom. Tours and visits, industry forums and conferences, joint board dinners and forums, winners' weekends and innovation tours are just a few of the ways directors are informing themselves about the industry/sector their organisation operates within and what other boards and organisations are doing.*

Up-to-date industry/sector and business intelligence and understandings can provide critical contributions to strategy, discussion, and formulation, but this relies heavily on individual directors adopting such a mentality and approach

Smart boards are getting out of the boardroom. Tours and visits, industry forums and conferences, joint board dinners and forums, winners' weekends and innovation tours are just a few of the ways directors are informing themselves about the industry/sector their organisation operates within and what other boards and organisations are doing. Typically, boards that attend such events use e-boardrooms 24/7, 365 days a year and may only meet once every two months, undertaking such events and activities in between.

#### 4. Recognise The Past, Understand The Present, Create The Future

Creating the future for one's organisation is not just about individual directors being strategists, intuitive, creative, entrepreneurial or putting forward new ideas and opportunities. As a board, directors also need to:

- Recognise past events, processes or learnings.
- Understand the present organisational situation, and the mission criticals that the organisation is facing; that is, those things that are fundamental to the future success and sustainability of the organisation.
- Create the desired future of the organisation, a set of descriptors or a picture of the future state of the organisation and the strategies that will propel the organisation forward.

Across Australia many directors are working hard to increase their understanding of both their organisation and the industry in which it operates. If individual directors and/or boards do not acquire this knowledge they, more often than not, develop flawed organisational strategies or worse still, operational strategies that are in fact not their domain and should not be contained within a strategic plan.

Therefore, it must be recognised by boards that the crafting of powerful, realistic and practical strategies that are founded on recognising the past, understanding the present and creating the future, is typically an art form developed by directors over many years.

#### 5. Leadership Teams, The Collective Strategic Capital Of An Organisation

An increasing number of boards are coming to recognise the real value and benefits of forming and utilising a leadership team – the collective and collegial approach that brings together and harnesses the skills, knowledge and wisdom of the directors, chief executive officer and senior managers.

These leadership teams focus on both the internal organisational and external industry strategic challenges and opportunities. They also utilise the organisation's vision, mission, values, core business and philosophy as a touchstone against which they can confirm or refute their strategic thinking, strategic discussion and strategic decisions.

Typically this approach to leadership and strategising will

only be adopted by a more mature, sophisticated board of directors.

In so doing, each individual leader not only recognises their own and others' respective governance or management roles and responsibilities but, most importantly, proactively contributes to this methodology.

#### 6. Talk Is One Thing, Action Is Another

As many a veteran director of the boardroom can attest, 'talk is one thing, action is another'. Whilst focus and discipline in strategising is paramount fulfilling both halves of this mantra is critical if documented strategies are to be properly implemented and monitored.

It is on this basis that an increasing number of boards do not just have a strategic plan, whether an A3 or a full strategic plan, but have also obtained and customised a strategic planning system. In essence, they are utilising a strategic planning framework, process, documents and tools to plan, implement and monitor their strategies.

In summary, boards should "fly their helicopter, not push the lawnmower and talk about the grass clippings".



**Michael Goldsworthy**  
*Australian Strategic Services*  
Michael is the Conference Chairman.

# Sprout CAST

CHATTING WITH CHANGEMAKERS

**SproutCast – Social Enterprise Podcast.**

Check out the **SproutCast** podcast for interviews with changemakers, social entrepreneurs, and for-purpose leaders about how to create positive impact in society and shape a better world.

Online at <http://sproutsummit.com/podcast/>