

Strategy Is a Mindset

By Timothy Murphy
Senior Consultant

As a business leader, if on the occasion when you bring together the entire leadership team for a strategic summit you find yourself engaged with discussing important tactical issues but not strategic ones, what's going on? Why are highly capable professional management teams often unable to come together and craft cohesive and pertinent strategies for taking businesses to the next level? Why are even the best seemingly spot-on strategies taking much more energy and greater resources than necessary to execute on? And why do they frequently end up with only mediocre results?

I often think of a cartoon I once saw where two medieval armies, clad with armor, swords and catapults, are squaring off on the battlefield. Off to the side is a man in a suit, carrying a suitcase full of missiles, machine guns, and fighter planes, who looks keen to make a sale. The junior officer, in his tunic, turns to the general and asks if he has time to have a meeting with the fellow in the suit. The general replies, "I feel like he has something important to talk about, but I don't have the time right now." Funny thing is, the general may in fact be right. With a battle imminent, he may not have the time for a meeting, as it could jeopardize their survival. But isn't it a shame that he's had to put off an encounter that could have certainly turned the odds in his favor.

You can't ask a starving man to write a symphony; you have to feed him first. And similarly, you can't ask a leadership team dealing with survival issues to think and act strategically. First the team needs to address their survival. Then it can focus on growth. And once a team gains a handle on managing its own growth, it can then focus on evolving the organization to higher stages of performance.

To move teams from being tactically oriented to strategically proficient is a developmental process. And how to cultivate this capability within a tactically focused senior leadership team requires an understanding of how *mindset* informs the roles that each individual plays, which then becomes the basis for creating and executing on highly effective strategies.

What Is Strategic?

"Strategic" is a common term, perhaps even a cliché. In organizational circles, it is often used to mean the ability of a person or a team to build a plan of action or to articulate a direction to move in. It may imply an ability to see what others don't and to exploit competitive advantages that ultimately produce an ROI. But rarely do we associate it with a mindset that inevitably produces results.

True strategic thinking has two foundations. First, it requires a methodology for understanding business growth as a systems science. Second—and this is crucial and often overlooked—it recognizes the interior, or behavioral, drivers of human beings.



To think strategically is to understand that at the root of all behaviors is a mindset, a set of beliefs and values that a person operates from. Consider, for example, of someone whose highest priority is making money. Such an individual will act in accordance with that priority and make decisions based on their preference for profit over all else. On the other hand, think of a person who is motivated by a higher social good. They may choose to even sacrifice their own well-being to effect social or political change. There is no value judgment meant here of either mindset but simply a statement of fact. How a person speaks and acts is directly related to their beliefs and values—in essence, what we are calling their mindset.

As it relates to business growth and evolution, mindset is the context within which an individual can think strategically. This concept also extends to the collective mindset of a leadership team: they will operate strategically when they intentionally focus on cultivating a collective attitude that enables higher levels of strategic thinking to emerge between members.

Often, tactically oriented teams, or teams that react operationally to the ongoing needs of the business, put off strategy until (if they're lucky) that special time of year when the Board or CEO expects delivery of a so-called strategic plan. Then some effort is made to codify the current thinking of the leaders and attach measurable goals to it. It's not uncommon for the documents that result from these efforts to have limited usability and effectiveness. These forms of planning have their place, but actually creating strategies that result in market success can and will only ever arise from the level of strategic mindset a team has achieved together.

Without the right mindset, individuals may be more committed to their own self-interest, political power bases or survival rather than to what is best for the enterprise. And as a team begins to recognize its own underlying mindset, and as their individual motives become more transparent to one another, parties acting out of self-interest are not tolerated. What emerges is a peer environment where team members hold each other mutually accountable not only to business results but to behavioral standards. Greater degrees of candor, authenticity and the ability to depersonalize (not take personally) really tough issues all enable the team to discuss and rapidly resolve the deepest and most intense underlying tensions. Harnessing this kind of tension then becomes the source of innovation and increases the team's ability to move with agility and focus in response to market conditions.

The System of Roles

As a team tackles the really tough issues together with an ever-higher degree of trust, honesty, and the ability to depersonalize issues, a framework is set for dealing with the next most important factor, the system-of-roles. A system-of-roles is how authority, work, and consequences, both positive and negative, are divided among people.

A system-of-roles puts the right people in the right job with the right mindset. It is essential for developing compelling value propositions, creating successful purchase moments, and delivering on the promise of performance of any suite of products and services. For example, most businesses have product development, sales and delivery personnel, and their interaction is what creates a business process. The speed at which an organization can develop, sell and



deliver is directly proportional to business growth. Having missing or ineffective roles is the surest path to business flatlining, stagnating, or worse. For this reason, the right system-of-roles is the heart of an organization's success.

The system-of-roles is probably *the* most challenging area for any team to deal with, and the one most avoided by CEOs for two reasons:

- 1) It's where personal aspiration collides with the needs of commerce, and people take it *very, very* personally. It's so frequently tied up with peoples' power bases that they are very reluctant to give it up until they see a path forward or until their power play can no longer be tolerated by the rest of the team.
- 2) It's often so close to the political meshwork of a team that CEOs find themselves unable to effectively coach their direct reports. Also, without the rational system for understanding business growth that a clear system-of-roles provides, one doesn't have the essential logic to identify missing or ineffective roles and then to motivate players to change roles. CEOs end up not being able to move their team without causing a major disruption to operations. It is not uncommon for CEOs to avoid these issues for years, thinking that at some point in the future they can make the change, but the time is definitely not now.

Only when an effective system-of-roles is in place, can a team then begin to create effective strategies. And only when those strategies are aligned, from the enterprise level on down, can you begin to realize effective workflows for executing those strategies. In sum, mindset is the source of a team's ability to think and act as a strategic unit. It enables them to deal with the toughest system-of-roles issues and then work interdependently to create and execute strategies and effective workflows—in that order.

It is guaranteed, if certain principles are adhered to and practiced, that you can evolve teams from a tactical, sometimes even survival-based posture, to a strategic mindset. These principles are measurable and learnable by any team with a commitment to growth and evolution.

For more information about Growth River, or to receive a free enterprise team assessment, please contact us at engage@growthriver.com.