

STRATEGY

Find time for strategy

Do not let operational pressures overwhelm, says **Anna Bateson**



The pressures of solving operational problems can ‘squeeze out’ a board’s strategic thinking. Found at the end of agendas, considered after routine updating, covered quickly or rescheduled – if boards only gather on a quarterly basis, its collective strategic thought processes can be inhibited.

Creating the future takes time and effort because the context in which strategy is formulated, implemented and reviewed is shifting continuously. Given this reality, astute organisations have devised pragmatic and effective solutions to the challenge.

Scheduling

A board schedule that covers at least 12 months of activity for the committee and the board can help overcome diary conflict.

A good board planner recognises mandatory activities, establishes focus and momentum and provides appropriate time for operational and strategic agendas. Board events on strategic thinking, held in locations away from operational interruptions can improve the quality of dialogue. Creating a macro plan of when, where and why board activity will take place provides a foundation for improved thinking, but this alone, is not sufficient.

Processes

Good governance relies on a clear process for: strategic analysis; formulation; implementation; and review. Although multiple tools exist, it is key to make sure that only those that are appropriate are chosen. Clear roles for the board and committees, with effective information flows, facilitate quality strategic decision making. Defining priorities, ensuring board papers are timely and streamlining discussions also facilitate this process. Robust procedures require that alternatives and their implications are reflected upon before decisions are made. Proper debate ensures the risks of maintaining status quo are collectively understood.

Insights

Involving a broad range of stakeholders in the board’s strategic process is gaining in popularity. It helps create a rich picture of internal capability and of external opportunity and threats. It also helps breed engagement. Advisers recommend seeking insights from those who are likely to deliver difficult messages to the board. The views of dissatisfied customers or suppliers will provide a more accurate summary of strengths and weaknesses than the opinion of ‘friends’.

Many organisations depend on the activities of others to deliver value to their customers. Developing foresight of the intentions of those in the value chain equips a board to make better informed choices about future direction. This brings better results than relying on extrapolating current activity.

Dynamics

Building an environment where independent thinking is encouraged, alternatives explored and different styles of decision making respected, requires effective chairing. Achieving a common understanding of the words used to describe the direction of travel and the desired behaviour on the journey is critical. Increasingly, the language used is generated in partnership with stakeholders.

The development of explicit criteria, to assist with the selection process between strategic alternatives, ensures that there is rigour in the decision making process. Effective boards focus on identifying and tracking those few performance indicators which will enable it to monitor whether their organisation is delivering the results they need in the required way.

When the board has established a common purpose and understanding, it is far easier for individual members to consistently reinforce the story they have developed and to sustain their interest in the strategic process.

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