



Strategy The Key Domain of Directors, Chief Executive Officers and Executives/Senior Managers

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In this article, Michael Goldsworthy discusses why directors, chief executive officers and executives/senior managers must continue to adopt new approaches to their strategic thinking, strategic discussion and strategic decision making ... in essence, the strategic development and growth of their organisation.

Prior to C19 directors, chief executive officers and executives/senior managers were increasingly adopting a more rigorous and focussed approach to;

- the planning, implementation and monitoring of their organisation's strategic transformation strategy
- the analysis of their current business model and determination of their future business model and its alignment to their renewed or new vision, mission, values and core business statements; and
- understanding current and future customer requirements, and the strategic positioning of their organisation as measured against their peers, the marketplace and the industry or sector in which the organisation operates.

For chief executive officers and executives/senior managers the impacts and implications, challenges and risks of C19 means there is now, more than ever, work to do 'in the business'. However the medium to long-term success of organisations and their businesses depends

on the directors, chief executive officers and executives/senior managers ability to 'work on the business' and strategically position it for the new normal. The need to adopt a more rigorous and focussed approach is critical in the new normal generated by C19.

There are six key principles that can support directors, chief executive officers and executives/senior managers in these approaches;

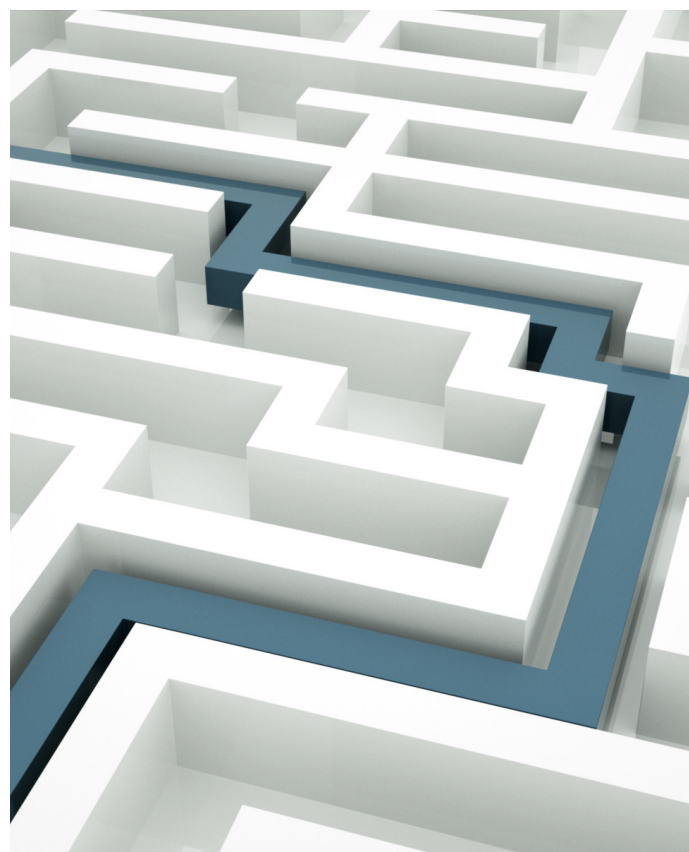
1. Boards Strategise, Directors Are Strategists

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.

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Strategic thinking, strategic discussion and strategic decisions are key processes of strategising boards. These processes enable boards and individual directors to understand and appreciate such trends, forces and components as:

- The emerging industry/sector big picture, which is 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 strategic reports and presentations should paint a snapshot – a picture that refreshes or complements the directors own industry insights and business intelligence (see number 3 below) or if needed 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 the development of a new strategy or envisioning a new future. All directors should be encouraged to develop and/or strengthen these traits. 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

Understanding the components, dynamics and trends of the industry/sector in which their organisation operates is critical for directors, eg. in the aged care and disability industries understanding the affects of customer choice and control and the creation of competitive marketplaces brought on by Commonwealth and State Government reforms. 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.

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Tours and visits, industry forums and conferences, joint board dinners and forums, winners' weekends and innovation tours were all activities smart boards were using to get out of the boardroom to inform themselves about the industry/sector their organisation operates within and what other boards and organisations are doing.

While C19 has curtailed many of these activities the move by conference organisers, professional associations and professional service firms to host larger numbers of virtual events ensures directors continue to have a suite of options to gain industry insights and business intelligence. The publication of articles and blogs also remains a valuable source.

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 and 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/sector in which it operates. If individual directors and/or boards do not acquire this knowledge and keep it up to date 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 executives.

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.

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Typically this approach to leadership and strategising will only be adopted by a more mature, sophisticated boards 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 contribute 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 to ensure the organisation they govern and lead is both successful and sustainable into the future.



About The Author

A visionary, an entrepreneurial strategist, a big picture thinker, Michael Goldsworthy is widely known by directors, chief executive officers and executives of community businesses (NFPs) throughout Australia for his comprehensive understanding of the big picture and his strategic insights into the current and future trends and dynamics of the various human service industries/sectors.

Michael is an engaging, educative and strategic opinion leader; his primary modus operandi are facilitating, strategically advising and project management. His significant ability to engage and influence boards, chief executive officers and executives/senior managers and provide practical strategies and tools is acknowledged by industry leaders. He has a demonstrated track record of turning theory into practice, ensuring leaders balance their "heads and hearts" (that is business and service objectives) and advance proactive strategies and projects for the future.

About the Article

This article was first published in the Better Boards Conference 2015 Magazine. It has been modified to account for the onset of C19 and emergence of the new normal it has generated.

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