Building a Strategic Thinking Organization

Social change organizations are called upon to do what sometimes feels nearly impossible — to change entrenched ideas, dismantle oppressive systems of power and find solutions to some of the most intractable problems of our day. It will take a great deal of experimentation and smart risk-taking by nimble, strategic thinking organizations to construct the future we are just beginning to truly envision.

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IS YOUR ORGANIZATION BEING STRATEGIC ENOUGH?

Strategic thinking is the life force of social change organizations. As we all know, most social change organizations have far fewer resources than the large systems and institutions they are trying to change. It's the ability to think and act strategically — to devise and execute bold and creative strategies to amplify impact — that enables social change organizations to build movements and orchestrate huge social, cultural and political shifts in our society.

At the same time, in this complex and rapidly changing world, it can be difficult to keep your strategic edge. Conditions change so quickly on the ground; new trends and unanticipated obstacles seem to pop up all too quickly and way too often. Operating in a hostile political climate and facing multiple oppositional attacks can leave organizations in a defensive posture with less energy for proactive strategy development.

Even those organizations on an upswing can experience growing pains as they begin to scale up and expand their reach. While growing your organization may be exciting, it can also feel daunting. Scaling up often necessitates having to navigate the terrain of hiring, training and supervising new staff, forming new partnerships, building out new programs and creating more robust systems for managing human and financial resources.

Organizations can get so caught up in building out their programs and activities that they may loose sight of important trends and developments that could impact their ability to achieve their strategic goals. Building a strategic thinking organization is the best insurance policy against losing your strategic edge.

Imagine if we could improve our strategic thinking — how much more effective we could be? This toolkit provides you with simple, easy to use exercises and tools to build a strategic thinking organization.

WHAT EXACTLY IS STRATEGIC THINKING?

Strategic thinking is the ability to accurately assess your environment, forecast changes and to use the data to orchestrate opportunities to amplify your impact. While a formal strategic planning process may happen every 3 or more years, strategic thinking should be happening every day and at all levels of your organization. Strategic thinking organizations are especially adept at the following:

ENVIRONMENTAL AWARENESS AND STRATEGIC FORESIGHT

The ability to accurately read the current and emerging trends in order to anticipate new developments and changes that are likely to impact your community, organization and movement.

OUT OF THE BOX THINKING

The capacity to generate multiple, creative and "out of the box" approaches to tackle challenges, optimally position the organization and leverage people power to create breakthroughs.

AGILITY AND ADAPTABILITY

Highly effective organizations take a flexible approach to strategy formation that is highly responsive to changing conditions. They have developed guiding criteria for weighing options and are able to determine a course of action swiftly enough to seize key strategic opportunities, to course correct as needed and to continually build momentum for social change.

Change is the only constant. The way you view and manage change is a key predictor of future success.

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THE STRATEGIC THINKING MINDSET

STRATEGIC THINKING ORGANIZATIONS

1 Anticipate Change

2 Challenge Assumptions and Biases

3 Gather and Interpret Data

4 Design New Possibilities

5 Make Good Decisions in Real Time

6 Align People and Resources

7 Innovate and Adapt
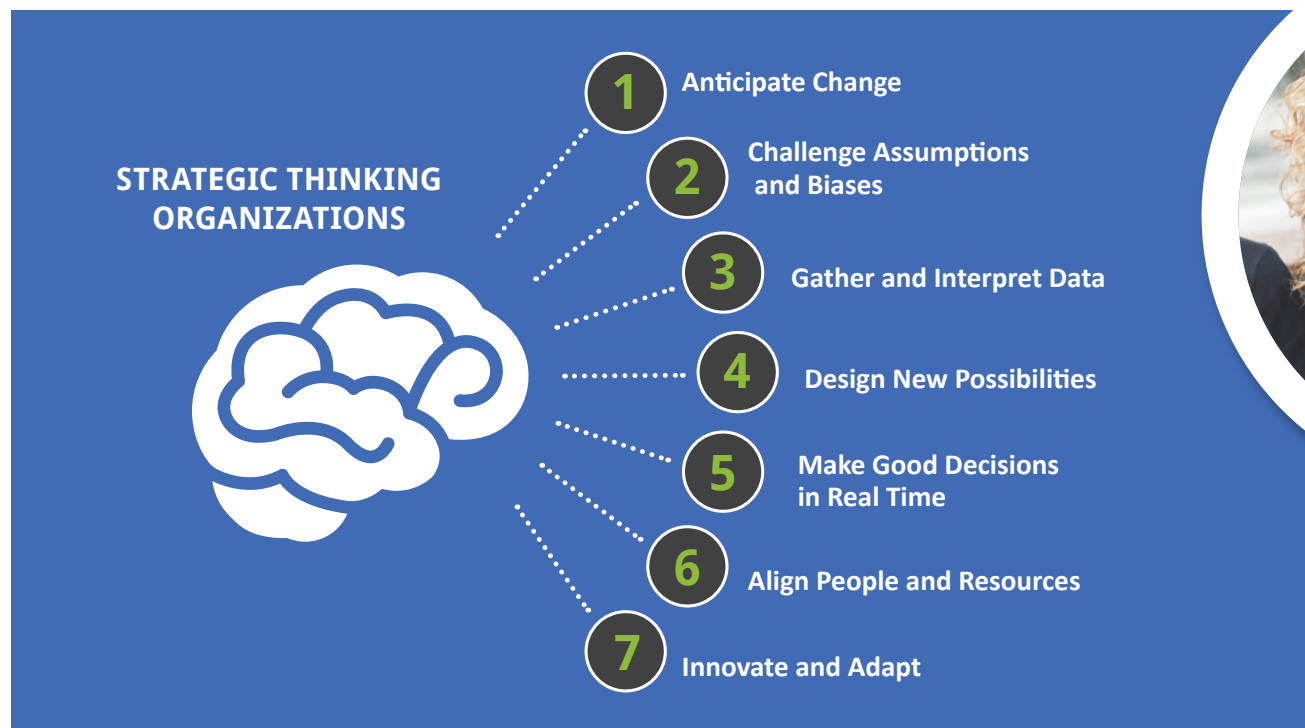
STEP 1   Anticipate Change

Change is the only constant[1] and the way you manage change is a key predictor of your success. The more we understand the context in which we are working, the more capable we are of designing tailored strategies to navigate the specific challenges we face and to seize the right strategic opportunities to amplify our impact. Therefore it's a good practice to take stock of the key trends impacting your community, organization and movement at least once a year.

To better anticipate change, consider the following:

- **Regularly scan your environment** to better understand the emerging trends.
- **Gather information from a wide network** of thought leaders, experts and stakeholders — not just similarly minded people — in order to begin to see multiple sides of the issue.
- **Pay attention to signs** of emerging cultural and socio-political shifts that could open up strategic opportunities.
- **Begin to forecast** ways your organization might adapt to changing conditions.
- **Consider how other organizations** are evolving in your social change network and how your organization may need to change and adapt as well.

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Use Context Mapping to Scan Your Environment and Identify Trends

Context Mapping is a simple and effective scanning exercise to help you identify those trends that could be especially important to your strategy formation. Use the worksheet below to identify trends for each of the categories below.

EXTERNAL TRENDS

SOCIO-CULTURAL TRENDS

INTERNAL TRENDS

• Social Movement or Change Sector:

• Thought Leaders:

• Legislative:

• Legal:

• Governmental:

• Research:

• Funders:

• Other:

(e.g., shifts in public opinion and attitudes, media framing, influencers, memes etc.)

ECONOMIC CLIMATE

POLITICAL CLIMATE

• Staff:

• Board:

• Members/Participants:

• Programs:

• Structures:

• Systems:

• Resources:

• Other:

TECHNOLOGY TRENDS & ACCELERATORS

UNCERTAINTIES

CONSTITUENCY NEEDS

*(e.g., your community, member base or target population)*

TRY IT ON ▶

After completing the context mapping process, examine your organization's current position by conducting a **SCOT Analysis (Strengths, Challenges, Opportunities and Threats).**

Use the worksheet on the right to generate discussion about your organization's major strengths and challenges and use the data from your context mapping process to help you identify your organization's key opportunities and threats.

Organizational SCOT Analysis

| STRENGTHS	OPPORTUNITIES
CHALLENGES	THREATS
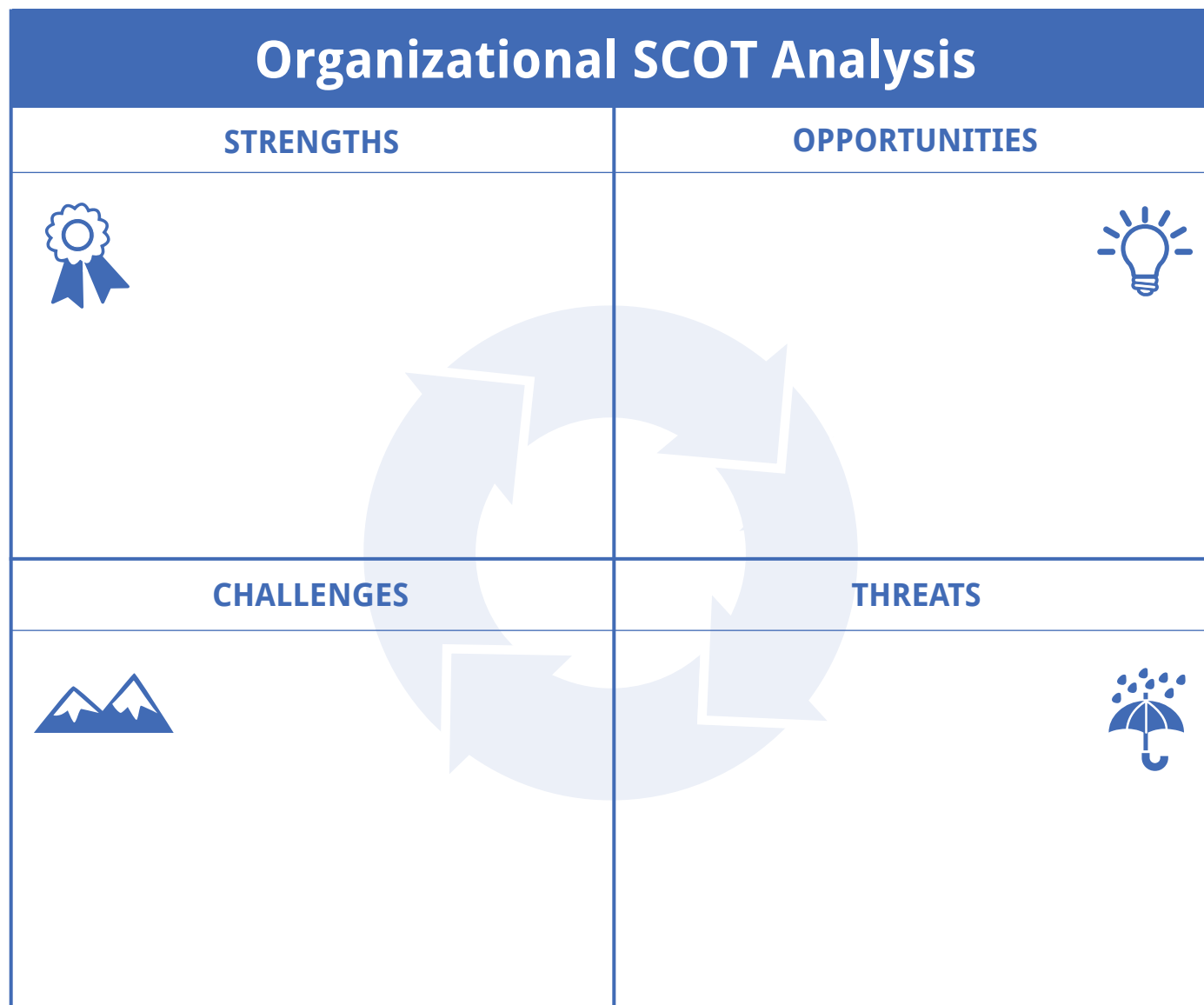
ACTION STEP: Practicing Strategic Foresight

After completing the Context Map and SCOT Analysis, consider the following questions:

1. What are the top 3–4 trends most likely to impact your organization and your constituency in the next few years?

2. What exactly are the potential threats and opportunities these particular trends represent for your organization?

3. How might you need to adjust your existing strategies to more fully take advantage of strategic opportunities and protect against potential threats?

4. What new strategies will your organization need to employ to create breakthroughs in your work?

5. How can you best monitor the uncertainties identified during this context mapping exercise so that you are best prepared?

6. Moving forward, how can your organization become more nimble, adaptive and responsive to changing trends?

Your ability to make quality, strategic decisions is largely influenced by your ability to critically examine your operating assumptions. To become a more strategic thinking organization, consider the following:

Practice Strategic Disruption. Organizations sometimes hold on to old strategies or solutions when there is mounting evidence to support the need for change. Build a culture where people are mindful of the drawbacks of status quo thinking. To challenge complacent, status quo thinking you will need to embrace the dialectical relationship between strategic planning and strategic disruption.

Jeanne M. Liekdtka, one of the seminal thinkers on strategic planning, describes strategic disruption as part of the flow of any strategic enterprise. Liedtka writes,"Organizations must foster the creation and alignment of strategies, structures, systems, and staff [strategic planning] necessary to support efficiency and effectiveness and the disruption of alignment necessary to foster change and adaptability [strategic thinking]."[2]
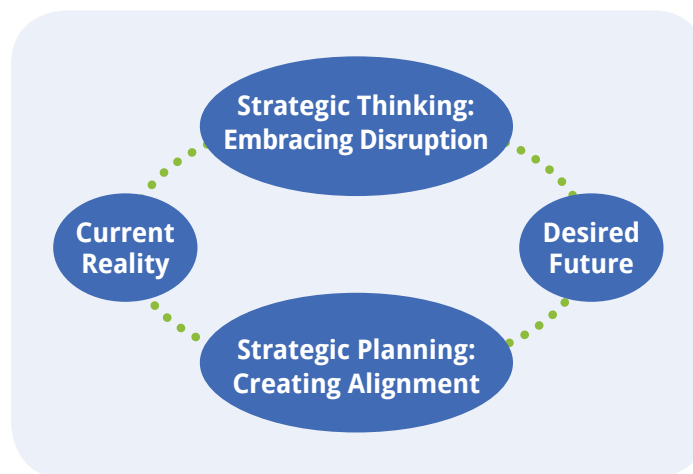
Organizations that don't practice strategic disruption can stagnate and lose their capacity to adapt to change.

While having a strategic plan is essential to fostering alignment on vision, values and core strategies, it's equally important to build an organizational culture that is practicing strategic thinking all the time including utilizing strategic disruption dialogue to sharpen your core strategies.

Organizations that embrace strategic disruption tend to be innovation leaders. They ask themselves, how could we do things differently for greater impact? They are not afraid to experiment with new leadership structures, critically examine their theory of change, re-configure teams for greater impact and are unafraid to question the "sacred cows." They foster a culture where outside of the box thinking is valued and understand that contrarian viewpoints that spur productive dialogue can be invaluable to developing better programs and impact strategies.

STEP (2) Challenge Your Operating Assumptions and Biases

Identify and Address your Biases. We all have mental models or frameworks we use to interpret the world around us, and these mental models influence our decisions and actions everyday.[3]

Mental models can be very useful in helping us organize and make meaning out of the endless stream of information and stimuli we experience everyday.[4] However, our mental models if left unexamined and unchecked, can cause us to become rigid in our thinking, can harbor our biases and negatively impact our ability to create and adapt to change.

- **Be mindful of your mental models.** Ask yourself: What biases and filters am I using to frame my understanding of the issue, opportunity or challenge? What am I not taking into account?

- **Engage diverse thinking partners and experiment.** Look for thought partners inside and outside of your organization that won't merely serve as echo chambers for the same ideas. Use a design thinking approach by creating learning laboratories and small experiments to test your operating assumptions before diving into large-scale change initiatives.[5]

TRY IT ON ▶ Manage your Biases To Make Better Decisions

According to research conducted by John Beshears and Francesca Gino, there are a range of cognitive biases that can interfere with our ability to evaluate information and make effective decisions.[6] Use the list below to identify biases that may be impairing effective decision-making within your organization.

Biases Related to Perceiving and Evaluating Alternatives

- **CONFIRMATION BIAS:** When greater value is placed on evidence consistent with your beliefs and not enough on valuing conflicting or contradictory evidence.
- **GROUPTHINK:** Striving for consensus at the cost of making realistic assessments of the alternatives.
- **ETHNOCENTRICITY:** Focusing too narrowly on your own perspective without sensitivity to how others will be affected by the strategy or initiative.

Biases Related to Framing Alternatives

- **LOSS AVERSION:** When you experience losses more acutely than comparable gains resulting in a more risk-averse posture.
- **ESCALATION OF COMMITMENT:** When you are willing to invest additional resources in an apparently losing proposition because of the effort, time and money that has already been invested.
- **CONTROLLABILITY:** When you overestimate your ability to control outcomes and therefore misjudge the degree of risk.

Stability Biases

- **STATUS QUO BIAS:** A preference for the status quo in the absence of pressure to change it.
- **PRESENT DAY BIAS:** Over-valuing immediate rewards and under-valuing long-term gains.

Source: Adapted from John Beshears and Francesca Gino (Harvard Business Review, May 2015)

STEP 3 — Gather and Interpret Data

When you seek out data from diverse sources, you will likely acquire complex and seemingly conflicting information. Gather your best strategic thinkers to help make sense of the data.

- **Don't hide your head in the sand.** Actively look for missing information or evidence that might disconfirm your favored hypothesis.

- **Look for hidden patterns in your data.** The process of exploring different hypotheses or explanations for any conflicting data will yield new insights. These insights serve to deepen your understanding of the complexities of the issue or challenge and will invariably help you design better solutions and strategies.

> *Wisdom begins by recognizing the facts and then 're-cognizing,' or rethinking, them to expose their hidden implications."*
>
> — J.K. Paasikivi
> *Former President of Finland*

STEP 4 — Design New Possibilities

The best solutions come from abundant rather than scarcity thinking. Consider multiple options at the outset and avoid binary thinking and getting prematurely locked into simplistic "go" or "no-go" decision frameworks.

Utilizing a scenario thinking approach enables organizations to examine the most promising options using a set of guiding criteria for making a strategic choice. To commence scenario thinking, begin with clarifying the strategic issue or question you want to address. Then galvanize your best thinkers and engage in a robust brainstorming exercise to examine the range of possible options or strategies to address the issue.

Use the worksheet on the next page to get started.
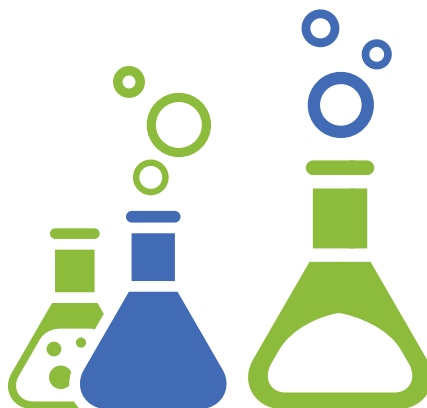
> *We can't solve problems using the same kind of thinking that we used when we created them."*
>
> — Albert Einstein

TRY IT ON ▶

Use a Scenario Thinking Approach to Consider Options
Utilize the worksheet below to generate discussion and consider your top options for addressing a strategic issue or challenge.

Scenario Thinking Worksheet

Describe the key strategic issue or question you are trying to address in one short sentence:

Describe the 3 best scenarios you can foresee at this time. ➜	**Scenario 1:**	**Scenario 2:**	**Scenario 3:**
1. How is this scenario consistent with our core values?			
2. What are the potential benefits of selecting this scenario?			
3. What are the potential risks or challenges associated with selecting this scenario?			
4. How might we mitigate the risks/ challenges?			
5. What is our field scan telling us? (e.g., Who is taking what position on this issue and why? Is there any organization doing something similar already?)			
6. What would we need to do to be successful? (Consider listing specific strategies to increase the chances of success in areas such as: communications, advocacy, public policy, base building, public education, fundraising, alliance building, etc.)			
7. What is the movement moment calling for? (e.g., How will taking this option/position advance our movement goals?)			

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STEP (5) Make Good Decisions in Real Time

One of the biggest challenges social change organizations face is developing a framework for making good decisions. Make decisions too quickly without defining the problem or issue well enough or without challenging assumptions and gathering data, and you are very likely to misstep. Take too long to deliberate, then you risk losing momentum and missing a strategic opportunity.

The key to making good decisions in real time is to be clear about your decision-making criteria and balance rigor with speed.

TRY IT ON ▶

Use a Decision Matrix

When making important decisions, consider using a decision matrix (worksheet on the following page) to decide among various options. The example on the next page takes into account some of the key variables you may want to consider in selecting an optimal strategy. Additionally, since it's likely that each criterion may not be equally important, you can also assign a "weight" to each criterion on a scale of 1–3 (low, medium and high importance) with 3 being the highest importance and then tally the totals for each option to help you make a decision.

The Decision Matrix Worksheet

INSTRUCTIONS

STEP ONE: Assign a "weight" to each criterion depending on its level of importance (1 = lower importance, 2 = medium importance and 3 = high importance).

STEP TWO: For every criterion, score each option on a scale of 1–5: 1 = Poor, 2 = Fair, 3 = Good, 4 = Very Good and 5 = Excellent.

STEP THREE: Multiply the weighted value by the criterion score to secure the final score for each option.

EXAMPLE:

If criterion #1 is weighted as being of "medium importance" (a value of 2) and Option #1 has a rating of "excellent" (a value of 5) for criterion #1 and these two variables are multiplied, then the score for Criterion #1, Option #1 is 10 (2 x 5 =10).

The Decision Matrix Worksheet   *See instructions on previous page.*

| Criteria	Option 1:	Option 2:	Option 3:	Comments/Notes
1. The option advances our long-term strategic goals. **WEIGHT:**				
2. The outcomes are well defined and achievable. **WEIGHT:**				
3. The option has the potential to significantly amplify our impact. **WEIGHT:**				
4. We have or can obtain sufficient resources & staffing to succeed. **WEIGHT:**				
5. It is consistent with our unique role/niche in the field and doesn't duplicate the efforts of others. **WEIGHT:**				
6. It creates opportunities for short term wins that can build momentum and critical mass. **WEIGHT:**				
7. We have a clear strategy to mitigate the risks. **WEIGHT:**				
8. The option enhances our strategic positioning and visibility with key constituencies and influencers. **WEIGHT:**				
9. The human and financial investments are reasonable in light of the potential rewards. **WEIGHT:**				
10. We have strong alignment for this option across allies, thought leaders, influencers, funders, etc. **WEIGHT:**				
11. Other Criterion: **WEIGHT:**				
TOTALS FOR EACH OPTION: *(weighted value x criterion score)*				

STEP **6**   Align People and Resources

Strategic leaders must be able to find common ground and achieve buy-in among stakeholders with disparate views and agendas.[7] Co-creating or implementing change initiatives requires us to act with a great deal of emotional intelligence. Major changes in strategy can cause trepidation, heightened anxiety and sometimes resistance among organizational players and external stakeholders. Organizational leaders will need to manage the emotional climate in order to navigate creative tensions.[8] Creating pilot programs or targeted experiments can also be a good way to introduce new ideas, foster early successes and build momentum for full buy-in.

- Remember that change initiatives require you to inspire and captivate the "hearts and minds" of people. To increase the prospects for success, make sure to **communicate early and often to create and sustain buy-in.**

- **Create guiding teams** to maintain momentum and support full implementation of your change initiative.[9]

- Monitor progress regularly in order to **make course corrections** as needed.

TRY IT ON ▶

The Change Cycle Diagram to the right, created by Ann Salerno and Lillie Block, will help you understand the stages of change and the thoughts, feelings and behaviors typically associated with each stage.[5] Use this diagram to help guide people from the typical sense of loss related to letting go of what is "known" to the stage of discovery where new ideas and possibilities are abundant.

The Change Cycle Diagram
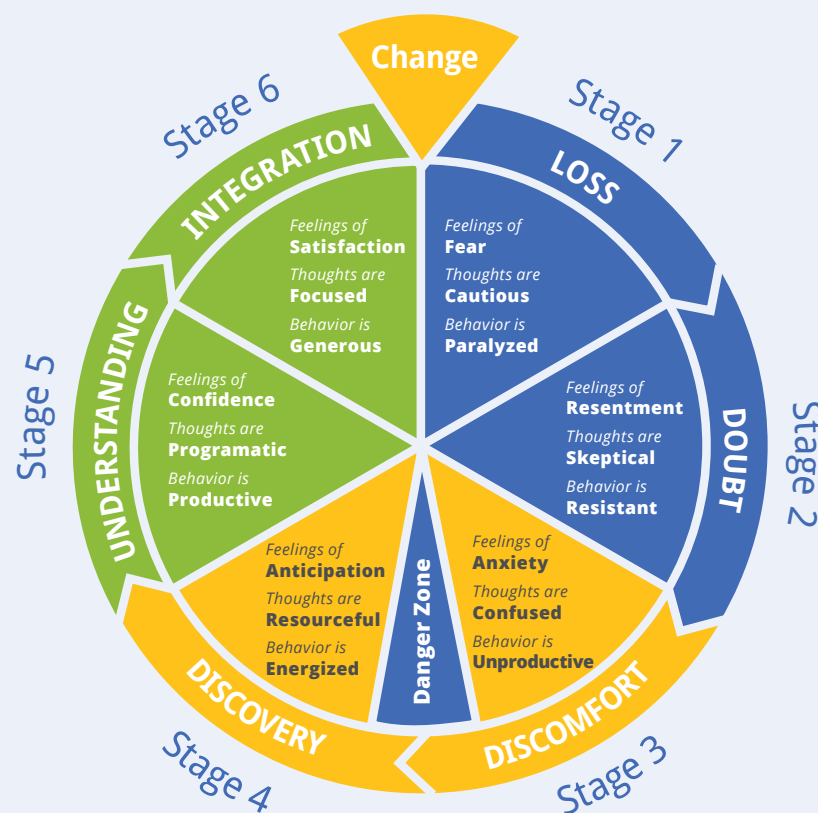
Source: The Change Cycle: How People Can Survive and Thrive in Organizational Change by Ann Salerno and Lillie Brock (2008)

STEP **7** Innovate and Adapt

Think of your organization as a learning laboratory, testing and refining ideas and strategies for achieving greater impact.

Study Your Failures: They Are Your Springboard To Success

Build an organizational culture that values inquiry and group learning. Foster an environment where mistakes are seen as normal events that when carefully examined can yield invaluable lessons that lay the groundwork for future successes. Document lessons learned so they become the basis for building institutional knowledge and developing better organizational practices and strategies.

Make the Hard Calls Early

Many organizations wait too long to adjust their strategies, wasting valuable resources and sometimes losing credibility along the way. Assess strategies and initiatives regularly and when strategies don't seem to be working, make real time adjustments, and consider experimenting with different approaches to assess the best strategy to move forward.

> *I believe that we have only just begun the process of discovering and inventing the new organizational forms that will inhabit the twenty-first century. To be responsible inventors and discoverers, we need the courage to let go of the old world, to relinquish most of what we have cherished, to abandon our interpretations about what does and doesn't work. We must learn to see the world anew."*
>
> — Margaret J. Wheatley
> *Author, Leadership and the New Science*

TRY IT ON ▶ Growing Your Organization's Garden

When making choices about how best to deploy organizational resources, consider using Your Organization's Garden Exercise to generate discussion about what your organization should seed, grow, harvest and plow.
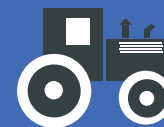
SEED

What is your organization not doing presently that you need to seed or germinate in order to achieve greater strategic impact?

GROW

What is your organization doing that is working really well, vital to your mission, and which you need to do more of or expand?

PLOW

What is simply not working or no longer relevant and you need to let go?

HARVEST

What has your organization done so well that it can now leverage in order to expand its influence and achieve its strategic goals?

Be Relentless About Building Your Adaptive Capacity

Social change organizations are called upon to do what sometimes feels nearly impossible – to change entrenched ideas, dismantle oppressive systems of power and find solutions to some of the most intractable problems of our day.

It will take a great deal of experimentation and smart risk-taking by nimble, strategic thinking organizations to construct the future we are just beginning to truly envision. One of the greatest contributions organizations can make to advance social change is to operate more like learning laboratories, where experimentation is the norm and failures or missteps are seen as essential building blocks to future success.[10]

It will take courageous leadership to construct more strategic organizational models. The task will require relinquishing our old mental models that we often hold as "absolute truths", tolerating the discomfort of "not knowing" and a ferocious commitment to building inquisitive leaders throughout the organization.

To become more effective, we will need to build our adaptive capacity. Building our adaptive capacity involves the continuous process of developing and testing new ideas, garnering lessons learned and innovating for greater impact, coupled with the ability to anticipate and respond more quickly to changing conditions.[11] This essential practice holds the key to helping organizations continuously improve and evolve into more powerful agents of change.

ENDNOTES

1 Attributed to Heraclitus (c. 535–c. 475 BCE), a pre-Socratic Greek philosopher: http://plato.stanford.edu/entries/heraclitus

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