



# Techniques for Strategic Thinking and Planning

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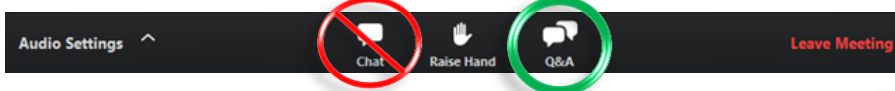
January 2021

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## A Few Notes...

- Recording
  - We are recording this webinar and will email you the link to view the replay within 48 hours.
- Handout of the Webinar
  - We will provide a PDF copy of this webinar when we email the link for the replay.
- Questions during the webinar
  - Please use the Q&A box that is located on the bottom menu and type your question in the pop-up box. **Do not use the Chat box for questions.**
  - We will answer as many questions as time permits at the end of the webinar.



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- 48 years experience in business structuring, strategy formulation and implementation, change management, and the design and execution of innovative operational business models and solutions in the private, public, government and nonprofit sectors through first-line and executive level management positions
- Business Experiences:
  - Senior Vice President of Administration and instructor at the **Milwaukee School of Engineering – University**
  - Manager and Systems Engineer in marketing, hardware, software, product development, management, consulting, education, AI/expert systems and publishing with the **IBM Corporation**, Milwaukee, WI and San Jose, CA
  - Member of inaugural executive-in-residence team for technology start-ups at the **Plug and Play Technology Incubator** in Sunnyvale, CA
  - Currently - Officer/consultant/instructor with the **Strategy Management Group and Balanced Scorecard Institute** on 75 client consulting, internal training and advisor engagements to date
- Bachelor - Industrial Management; MBA – Technology Management; Doctoral candidate

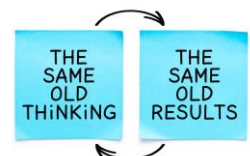
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## Do Any of these Statements Sound Familiar?

- When your organization gathers to discuss the coming year’s strategic plan, often the review team defaults to the typical tools used year after year to conduct the annual strategy review. While that process may have carried the organization’s strategy in the past, there are more than enough signals that the organization has to widen their view and understanding of drivers of change on the organization.
- Current pandemic and economic times have forced to the forefront the need for organizations to employ additional techniques to identify possible strategic directions through likely scenarios the organization might face, how the periphery is providing challenges to the firm’s current business model through technological and social changes and what might the future bring into the organization’s landscape periphery of where it conducts business and how it conducts business.
- Does the organization need to get in an offensive or defensive position in order to survive into the future?



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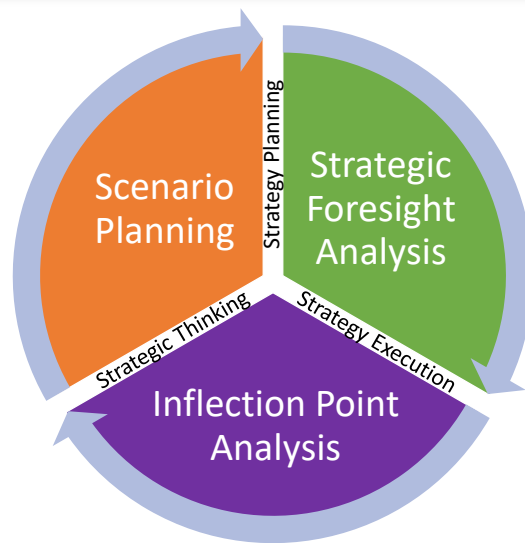
The problem with the future is that it is different, if you are unable to think differently, the future will always arrive as a surprise.

Gary Hamel

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## Techniques for Strategic Thinking and Planning



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### Scenario Planning

Scenario planning is a powerful tool for *anticipating and managing change* on an industry level or environmental level, and scenario thinking is the strategic perspective necessary in today's turbulent business environment.

Scenario thinking incorporated into scenario planning is useful in almost any *strategic question* in today's businesses.

Scenario planning is clearly *the link between futures thinking and strategic action*, between creative, innovative and imaginative futurizing and the more *hands-on strategic planning*. And strategic planning, or strategizing, without scenario thinking is more or less pointless.



(2009) Lindgren, Mats; Bandhold, H. Scenario Planning - Revised and Updated: The Link Between Future and Strategy . Palgrave Macmillan UK. Kindle Edition.

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### Strategic Foresight Analysis

Foresight is *thinking about the future to inform decision making today*. Using foresight allows us to take a forward view to *identify possible, plausible and probable futures* and then to *develop a preferred future*.

The future is characterized by uncertainty, complexity and much that we simply cannot yet know. More significantly, *we do not know what we do not know*. Foresight has value because it allows us to acknowledge uncertainty and seek to better understand it, not try to explain it away with predictions.

Conventional strategic planning processes have become tired, formulaic and rarely produce truly innovative and futures ready strategy.



(2019) Conway, Maree. Foresight Infused Strategy: A How-To Guide for Using Foresight in Practice. Thinking Futures. Kindle Edition.

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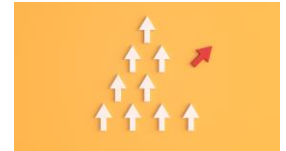
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## Inflection Point Analysis

A strategic inflection point is a time in the life of a business when its fundamentals are about to change. That change can mean an opportunity to rise to new heights. But it may just as likely signal the beginning of the end. An inflection point occurs where the old strategic picture dissolves and gives way to the new, allowing the business to ascend to new heights. However, if you don't navigate your way through an inflection point, you go through a peak and after the peak the business declines.

(1999) Grove, Andrew S. *Only the Paranoid Survive* (pp. 32-33). Crown. Kindle Edition.



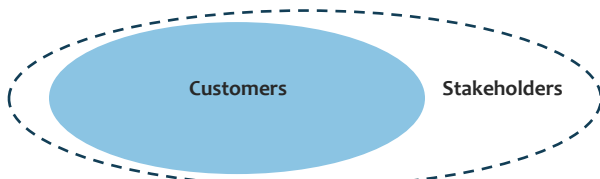
An inflection point is a change in the business environment that dramatically shifts some element of your activities, throwing certain taken-for-granted assumptions into question.

(2019) McGrath, Rita. *Seeing Around Corners: How to Spot Inflection Points in Business Before They Happen*. HMH Books. Kindle Edition.

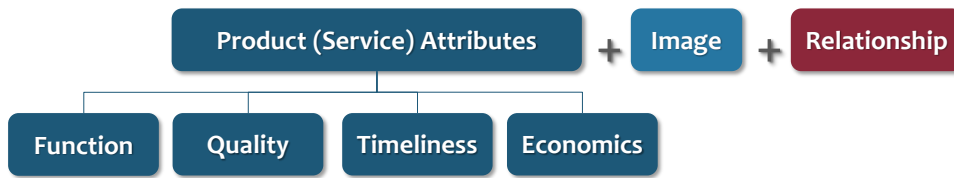
# Needed Base Elements to Use the Techniques for Strategic Thinking and Planning



## Tools to Develop the Base Elements in Order to Use the Techniques for Strategic Thinking and Planning



Customers / Stakeholders Groups	Customer Value Proposition			
	Needs	Attributes	Image	Relationship
Customers				
Stakeholders				

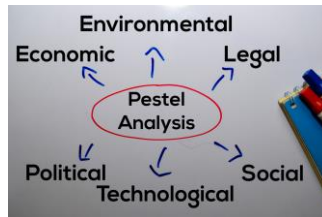
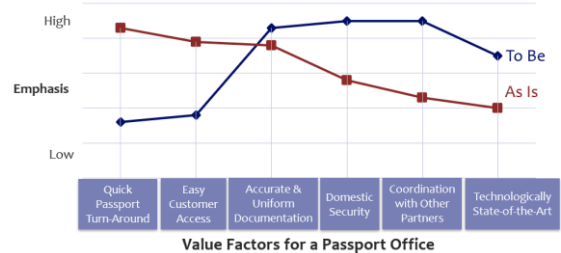


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## Tools to Develop the Base Elements in Order to Use the Techniques for Strategic Thinking and Planning



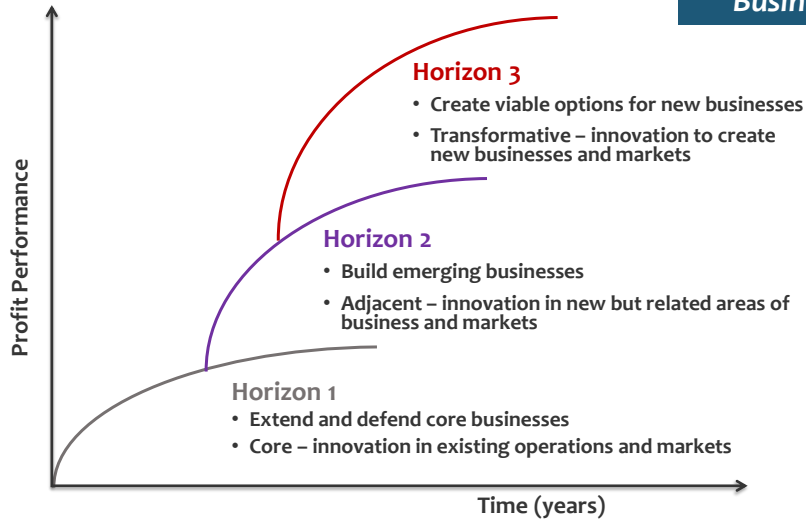
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## The Horizons of Strategic Innovation

### Business and Industry



Source: Adapted from *The Alchemy of Growth*, Baghai, Coley, White (1999)

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## Start by Asking These Questions

### Business and Industry

7. What opportunities are there outside existing industry or our structure boundaries?
6. How much could we grow by changing the industry structure through acquisitions or alliances?
5. How and where could we expand into new geographies?
4. How could we expand sales by developing better delivery systems for customers?
3. How could we grow by introducing new products and services?
2. How could we extend the business by selling existing products or services to new customers or constituents?
1. How could we increase sales and services to the same customers or constituents with the same product or services mix?

Source: Adapted from *The Alchemy of Growth*, Baghai, Coley, White (1999)

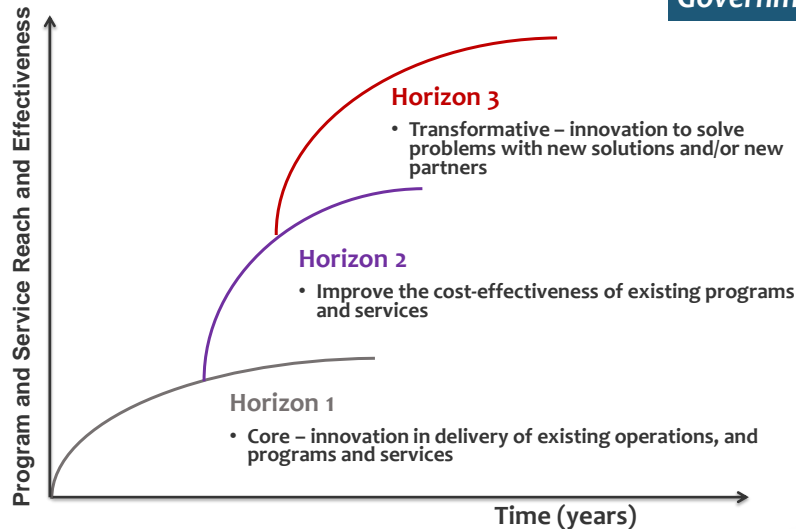
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## The Horizons of Strategic Innovation

Government and Non-Profit



Source: Adapted from *The Alchemy of Growth*, Baghai, Coley, White (1999)

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## Start by Asking These Questions

Government and Non-Profit

7. How can we improve the cost-effectiveness of our programming to “do more with less”?
6. How much could we expand our services’ reach by building partnerships with other stakeholder groups?
5. How can we expand into new service areas or localities not currently served?
4. How could we expand services by developing better delivery systems or improving current delivery systems for our stakeholders?
3. How could we involve other stakeholder groups to reach more constituents?
2. How could we extend program reach by offering services to new stakeholders?
1. Do we have a clear understanding of stakeholders’ needs, and the available programs and services to satisfy those needs?

Source: Adapted from *The Alchemy of Growth*, Baghai, Coley, White (1999)

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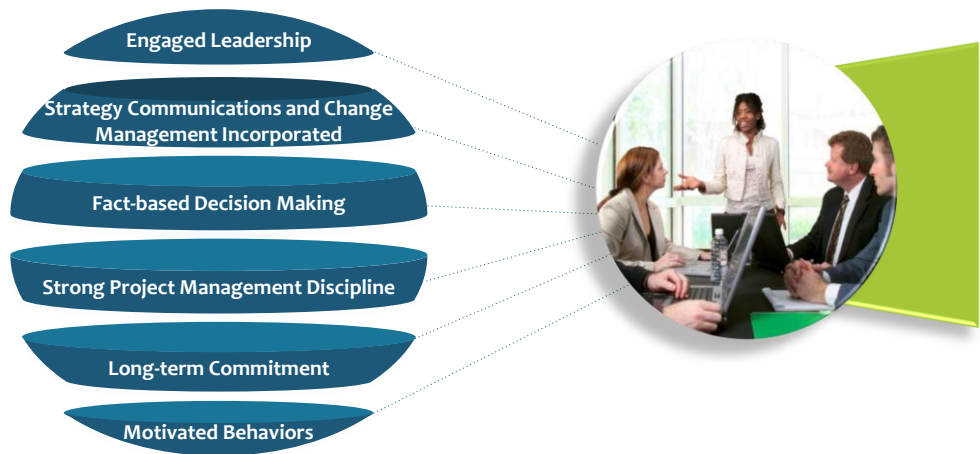
## Cycle of Enhanced Strategic Performance Review – Thinking – Planning



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## Critical Success Factors For Long-Term Sustainability

AKA: How to Protect Your Investment in Your Strategy Plan



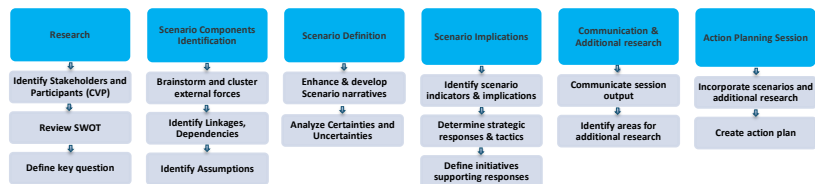
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## Introduction to Scenario Planning

### What is the Value of Scenario Planning? (The Why)

- **Rise in uncertainty and unpredictability** in the current environment favors flexibility found in scenario planning rather than forecasting
- Allows policy makers to **explore possible future outcomes** by making and learning from mistakes without committing resources
- “What if” analysis that **considers combinations of multiple uncertainties rather than limiting to one variable** as in traditional planning disciplines
- **Leverage creativity and points of view from various personnel** across the company without significant time commitments
- Cross-departmental **participants in the session can serve as ambassadors** to communicate key messages
- Allows for **identification of “no regrets” activities** that can inform investment decisions

## Scenario Planning Sessions (The How)



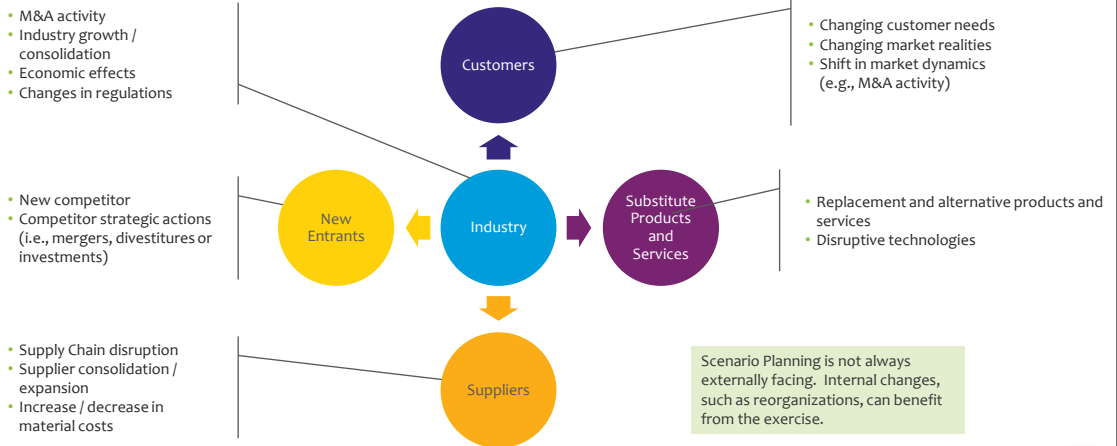
### Scenario Analysis Session Results

- Scenario narratives
- Scenario indicators implications
- Strategic responses
- Critical actions to support responses

# Scenario Planning

## When is Scenario Analysis Appropriate?

Scenario analysis can be used when the potential for big changes has been identified either within or outside a company



Adapted from:  
 • Shoemaker, P. (1995 Winter). Scenario Planning: A Tool for Strategic Thinking, Harvard Business Review: Boston: MA.  
 • Wilburn, K. and Wilburn, R. (2011). Abbreviated Scenario Thinking, Business Horizons, Kelly School of Business, Bloomington: IN.  
 • Garvin, D. and Levesque, L. (2006 July). A Note on Scenario Planning, Harvard Business School, Boston: MA.

## Scenario Planning Approach Characteristics

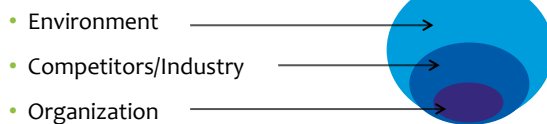
### Scenario Planning...

- Challenges assumptions
- Identifies multiple plausible futures
- Welcomes creativity and imagination
- Can be applied to specific situation (e.g. competitor actions) or broader macro situations

### Scenario Planning is NOT...

- An attempt to predict the future
- Contingency planning or a sensitivity analysis
- An alternative forecast
- Simple differences (good vs. bad, likely vs. unlikely)

### Outside-in

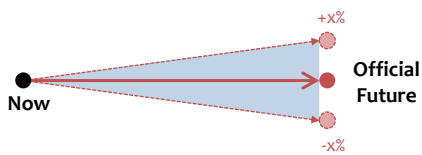


## Scenario Planning

### Scenario Analysis is NOT Forecasting!

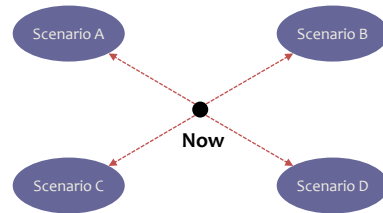
#### Forecasting...

- Creates a single, official view of the future
- Limits contingencies to a narrow band of variation



#### Scenario Analysis...

- Prepares the organization for multiple, divergent futures
- Identifies extremes to minimize chance of surprises



## Scenario Planning Sessions

### 1. Define the Key Question

Decide what you want to achieve and think about the time horizon you want to look at. This will be driven by the scale of the plans and scenarios that you want to test.

### 2. Gather Data

Next, identify the key factors, trends, and uncertainties that may affect the plan. If your plan is a large-scale one, you may find it helpful to do a SWOT, PESTLE or FIVE FORCES analysis of the context in which it will be implemented to identify political, economic, socio-cultural, and technological factors that could impact it.

### 3. Separate Certainties From Uncertainties

You may be confident in some of your assumptions, and you may be sure that certain trends will work through in a particular way. After challenging them appropriately, adopt these trends as your "certainties." Separate these from the "uncertainties" – trends that may or may not be important, and underlying factors that may or may not change. List these uncertainties in priority order, with the largest, most significant uncertainties at the top of the list.

### 4. Develop Scenarios

Now, starting with your top uncertainty, take a moderately good outcome and a moderately bad outcome, and develop a story of the future around each that fuses your certainties with the outcome you've chosen.

Then, do the same for your second most serious uncertainty.

Don't do too many scenarios in this step, or you may find yourself quickly hitting "diminishing returns."

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- Recording and Handout of the Webinar
  - We are recording this webinar and will email you the link to view the replay as well as PDF copy of this webinar within 48 hours.
- Next webinars will continue with Scenario Planning wrap-up, cover Strategic Foresight Analysis and Inflection Point Analysis
- See Slide 27 to assess your Strategic Management Maturity. Very quick and insightful!
- Questions during the webinar
  - Please use the Q&A box that is located on the bottom menu and type your question in the pop-up box. **Do not use the Chat box for questions.**
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# Test Drive a Strategic Management Maturity Model™ Assessment

SMG Solutions Training and Certification Software Resources About SMG

## The Strategic Management Maturity Model

Many clients ask a similar question as they work to improve their strategic management at their organizations: where do we stand compared with other high performing organizations? Until now, there was no clear method for answering that question. This recognition of a need for organizations to assess the quality of their strategic management led the Strategy Management Group to develop the Strategic Management Maturity Model™ (SMMM).



### Where do you stand against other high performing organizations?

Use the Strategic Management Maturity Model™ to assess your performance.

Begin the Assessment  
View the Full Article

- Go to this link: <https://balancedscorecard.org/strategic-management-maturity-model-assessment/>
- Press: Begin the Assessment
- Enter registration information
- Press: Begin the Assessment
- Complete the assessment (typically 5-10 minutes to complete)
- Your results will be emailed to you

Once you have your SMMM Results, if you like, contact me to confirm a date/time for a conference call for a review and analysis of your results:

- San Jose, California Office: +1 408 826-4417
- Email: [jdecarlo@strategymanage.com](mailto:jdecarlo@strategymanage.com)



# Thank You !

Questions or further information contact:  
Joe DeCarlo:  
[jdecarlo@strategymanage.com](mailto:jdecarlo@strategymanage.com)

