

Günter Müller-Stewens

**The New Strategist: Shape Your
Organization and Stay Ahead of
Change**

Made by Blinkist



These key insights in blinks were written by a team of experts at Blinkist. We screen the world of nonfiction to choose the very best books. Then, we read them deeply and transform them into this concise format that brings you the most inspiring ideas from the text.

Maybe these blinks will inspire you to dig deeper, or maybe they're enough to start you thinking and then on to something new. However you read blinks, we hope they help you become an even brighter you.

What's in it for me? Learn the practice of being a successful strategist, not just the theory.

What do you expect from business leaders in today's world? Financial literacy, data-crunching skill, marketing know-how, organizational talent...The list goes on. But all these general business competencies will not go far without the one that brings them all together: strategic leadership.

In our volatile business environment, leaders are faced with constant major changes. New technologies and new global challenges like climate change have all made planning and decision-making more complicated. And this new world order brings new responsibilities for companies and for those who guide them.

That's why the *new strategist* is needed. Anyone who wants to steer an

organization to success needs the ability to develop and implement strategies that respond to the changing conditions. In these blinks, you'll learn what professional strategists do, the competencies they need to have, and the tools they can use to guide their work. You'll discover the responsibilities they have and the practical solutions they can implement in their journey to becoming the strategic leader that every modern company needs.

You'll also find out

- why maximizing profit is no longer the only purpose of a business;
- how an advisor differs from a specialist when it comes to strategy; and
- what a strategist and an architect have in common.

Strategists in today's world have to consider values and meaning, not just profit.

If you asked an executive at Nippon Telegraph and Telephone – the world's top company in 1990 – what its purpose was, the answer you'd be most likely to hear is profit. What else could it possibly be?

Nowadays, companies like Apple and Google are at the top. And the combined value of the top 3 in 2018 was actually eight times higher than in 1990. But for the new big names, success is about much more than the financial gains.

The key message here is: Strategists in today's world have to consider values and meaning, not just profit.

Maximizing profit alone just doesn't cut it anymore. People increasingly expect

social responsibility from companies.
And strategy has to reflect that.

So before even getting to the specifics of the business, the first thing to consider is the underlying philosophy – which has to be a *humanitarian* one in today's world. That means it has to start from the idea that the purpose of companies is to serve people.

That's because no one really believes anymore that material wealth alone is what motivates us. As humans, we all have a desire for dignity and equality, and we expect our work environment to reflect that. We want companies to provide us not just with nice things, but with meaning and a vision of the future.

Consider companies like Google or Lego. It's not just their colorful interior design or attractive architecture that account for their success. The difference is in the spirit. People who work there feel fulfilled by their jobs; it makes them feel

like a part of something bigger – and even that they’re making the world a better place.

That desire for meaning can’t be ignored.

And for strategists, it means optimizing the benefit created by the company in line with these values. How can this happen?

Well, a useful first step is to get clear about the purpose of the company in concrete terms. To help with this, the strategist can ask: to whom is the company responsible and what benefit do we want to create for them?

And a good way to structure the answer is to apply the time-honored *stakeholder management approach*. The idea behind it is that companies should be led in line with the interests of their stakeholders.

Who are your stakeholders?

They are the people or groups who get something out of the company and who influence it in return. The list goes on from the obvious like owners and customers to employees and suppliers and even to society as a whole. The question for the strategist is how these groups can be prioritized.

A unified corporate strategy is key to a sustainable business.

In modern companies, people in all kinds of positions have strategic responsibilities. There's not just the CEO; there are also board members, people who're part of the executive team, chief finance officers, chief technology officers, not to mention strategists themselves.

A wider spread of responsibility is a good thing. However, the problem comes when the overall corporate strategy becomes nothing more than a sum of its parts.

That's just not enough.

The key message here is: A unified corporate strategy is key to a sustainable business.

Just what *is* a corporate strategy?

Well, in the world of strategic management there are two types of strategy. On the one hand, there's business strategy – which is made up of many small business-specific strategies. They deal with the issue of how the company will compete – all the things it needs to do in its particular business area to be successful. And on the other hand, there's corporate strategy – the overarching strategy that guides that company as a whole.

The corporate strategy is not just about the *how* of running a business – it answers the question of where to compete. In other words, it looks at the business areas where the company should act in future to increase its success. It determines how the company will create added value.

When it comes to the top level, the most important strategy work is developing a corporate strategy. And this is about

developing an externally-focused strategy. It means responding to and adapting with changes in the social and economic environment.

And responding to them means not just recognizing and following trends, but also knowing that they don't last forever. In fact, the longer a trend has been around, the more it's likely to come to an end, and new opportunities to be created based on the exact opposite. For example, the trend towards digitization is already being replaced by its opposite, with e-commerce giants like Amazon and Zalando opening up their own brick-and-mortar shops.

But it doesn't end with trends. Corporate strategy is also about developing a holistic business concept – something that holds together the different parts of a company, and provides direction for development in the future. For example, car manufacturers have started to

present themselves as providing mobility instead of just selling cars.

And once everything is clear at the top level, the task is to bring the organizational structure and management systems together to support the corporate strategy. That way, everything can be consistent and the business a well-oiled machine working for a common purpose based on a coherent vision of the future.

The chief strategy officer should be an active driver of strategic business development.

Now that you understand the importance of strategy, you might be wondering who the person who can lead all that work is. And while many people within a company may strategize in all kinds of ways, sometimes even without knowing it, there is one role who does this full-time: the chief strategy officer.

It may all sound a bit mysterious, but if done right, the chief strategy officer has the potential to be the catalyst of change in a company.

The key message here is: The chief strategy officer should be an active driver of strategic business development.

So, who are chief strategy officers, and what exactly do they do?

Well, the range of activities that a typical CSO does is actually very diverse.

Unsurprisingly, creating a strategy and supporting its implementation are at the top of the list. And this can involve anything from making radical changes due to new business circumstances to competitor and market analysis and putting new initiatives in place. But CSOs also do things like develop the business portfolio, and spearhead mergers and acquisitions. And they support the CEO in shaping the overall direction of the company.

What's more, CSOs have a crucial role to play as stewards of the company philosophy and values – they can be the ones to make sure that the leadership takes decisions independently and with the company's long-term benefit in view.

And the good news is that there's no single right way to get all these things done. In fact, researchers have identified

four main types of CSO who can all achieve great things in the role. The one that works best for your company depends on the context.

Who are they?

First, there's the *advisor*. The advisor is particularly good at formulating strategy and competitor analysis. They also have great communication skills and excel at leading a small strategy team.

Then, there's the *specialist*. Specialists, as the name suggests, often have expert knowledge and years of experience in areas like finance or marketing, and they work best as a sounding board for the CEO and the management team.

Next on the list is the *coach*, who is a generalist and has comprehensive know-how in management. Such a person would be great at managing strategic initiatives that are aimed at transforming the company.

And lastly, there's the *implementer*. They often have great political and negotiation skills and tend to communicate the most, at all levels of the company.

Implementers are great at leading large departments.

The strategy department should be a hub of strategy work within the company.

These days most companies recognize the importance of strategy for a well-functioning business, and the majority have a department dedicated to strategy. Yours probably has one too.

But what does it actually do and how do you know if it's effective?

Defining something as intangible as strategic success can be tricky. It's not a matter of numbers like the profit margins. And different stakeholders might have different views of what a successful strategy looks like. That's why it's a good idea to have some ground principles for an effective strategy department.

The key message here is: The strategy department should be a hub of strategy

work within the company.

To start with, the most important role of a strategy department is coordinating all the strategic activities in the company.

After all, strategic work happens everywhere throughout the company, and the difficulty can be in seeing how it's all connected. If the strategy department isolates itself from all the activity, it loses influence. And it creates a feeling that it's locked away behind closed doors in the headquarters, doing mysterious things no one can understand. Instead, it's best to keep things transparent. That way the whole company can benefit.

At this point, you're probably wondering how all that transparency and connection can be achieved.

Luckily, the author and his team of researchers, together with Roland Berger Strategy Consultants, have found some answers. After studying the strategy

departments in four major companies, they've hit on the crucial areas to focus on. They all revolve around the idea of integration and leadership.

The first area is *social integration*. This is about enabling cooperation between all different departments in a company and stakeholders, so that everyone feels like they're contributing and their voice is heard. It's one way to ensure that there is trust, openness and support in discussing strategic topics.

The second one is *content integration*. This means creating a common understanding of strategy and objectives within a company. In this area, the strategy department can be most useful where it takes a neutral role, independent of specific interests of various stakeholder groups. That way, strategic work can be done for the whole company, cutting across specific groups.

And lastly, there's *functional leadership*. This is the future-focused activity of the department – how it actually creates strategy. The department looks for trends, identifies them and works on their implications for the company and its units. And when decisions are taken, they need to be clearly justified, so that everyone can see the reasons.

The more networked and interactive the strategy department is, the better it can serve the rest of the company – and be recognized for the value it creates.

Strategic leaders help the organization develop a profitable and successful future.

When the national Swiss railway was looking for a new head of strategy, it had quite a long wish list. They were looking for a versatile candidate who could see both the big picture and the details – responsible for everything from the overall corporate strategy to individual department ones, as comfortable working with the CEO on the business model as developing new work standards with HR. Quite a lot on one person's plate!

And the ability to pull it off comes down to strategic leadership.

The key message here is: Strategic leaders help the organization develop a profitable and successful future.

On the one hand, strategic leaders deal with value generation – they make sure that the company stays on a course where it continues to be profitable. So leaders should be great strategic thinkers, able to understand and interpret all the external pressures that affect the company.

But a strategy is not just about analyzing and thinking. It needs to be put into practice. And this means that everyone else in the company also needs to be committed to the vision. After all, a manager can't do it alone without all the other employees.

Think of it this way – strategic leadership is basically a social and political activity. It's all about working within the social context of the company – negotiating and inspiring dialogue. A strategic leader needs to have the ability to create a community of colleagues, who all work together towards common goals.

It should be clear by now that a strategic leader must be both a visionary and a great implementer, with amazing communication skills on top.

But it doesn't stop there. For those who want to dive deep into specifics of what exactly makes the perfect strategic leader, researchers have developed a tool. It's called the *Model of Strategic Leadership Competency* – or *MSF Model* for short. It's a detailed analysis of competencies based on observing how successful leaders behave. And it specifies a way to evaluate someone's capabilities, so that they know what to strive for.

So, for example, one quality it names as essential is the ability to provide strategic direction. Seems obvious, right? What else would a strategic leader do?

But the difficulty is knowing exactly when someone has done that successfully – and how they could grow in their role.

To help with this, researchers have broken it down into a scale. So, at the basic level, you just need the ability to think about the future. But if you want to perform at a high level, things get more involved. It's about understanding customers and how their benefits can be made a strategic priority – as well as integrating the wider context into strategic development.

To be effective, strategic work needs to use the right tools.

You wouldn't start building a house or even making a chair without the right tools. Strategy may be a bit more abstract than carpentry but it's also a craft – and has its own tools that the craftspeople can use to help their work.

And just like with any craft, the tools come in different types. First, there are the process tools, which we'll get into. They're like the hammers and the wrenches, and the one you choose depends on what you're trying to achieve. And then there are strategic initiatives - the fancy power tools you need once in a while if you want to do some serious structural work.

The key message here is: To be effective, strategic work needs to use the right tools.

First, let's talk about processes. When it comes to strategic planning, there are several formal processes available to guide your work. The good news is that none of them is better than the other – it's a question of choosing the one that works for you in a given situation. Some processes, like the *command approach* are more top-down, and focus on the ability of management to lead and set goals. Others, like the *planning approach*, is about putting frameworks in place that enable decisions to be made systematically in steps.

And often, it's a good idea to mix and match, depending on the situation. For example, Red Cross generally uses an annual planning approach, but when crisis strikes – like a humanitarian disaster – it switches to the command approach in order to make decisions quickly.

Processes help your planning run smoothly, but if you want to create momentum on change, that's where strategic initiatives come in.

Strategic initiatives are interventions in business-as-usual. They work best when strategists believe that urgent change is necessary.

That means they're really useful in conditions of uncertainty, when the ability to respond dynamically becomes crucial. Instead of following the usual slow process of decision-making, they increase flexibility. That's because they can directly address specific themes that are crucial to the success of a company. And their impact can also be immediate.

For example, by putting into place a new strategic initiative after the 9/11 terror attacks, Lufthansa managed to avoid bankruptcy. It responded quickly to a new situation, implemented a technical overhaul for its planes, and also took the

chance to assess its internal processes.
As a result, it got through the hard times
and generated more than a billion euros
in additional cash flow over three years.

Strategists need to be modern.

Are you old enough to remember renting videos from Blockbuster? Feels like a long time ago, right?

Or maybe you're young enough that you've never even heard of Blockbuster—and there's a reason for that.

Blockbuster Video didn't adapt to the times, and has since been replaced by forward-thinking companies like Netflix. Its strategy failed to modernize.

The key message here is: Strategists need to be modern.

And it's not just video tapes that are obsolete these days. Old ways of thinking about business are also on their way out, and paradigms are shifting.

Blockbuster is just one example of a company that's failed to adapt. All kinds

of long-established businesses from banks to bookshops are suffering, as online shopping and mobile banking take over.

With new business models constantly springing up, companies need to keep urgently coming up with new ideas. For example, start-ups are flourishing and traditional companies find themselves in a challenging position, since their familiar ways of working are no longer enough.

Take the sharing economy and its platform-based companies like Airbnb. It's a totally new business form – and presents a huge challenge to traditional hotel chains. They need to find ways to compete, for example by coming up with new offerings for customers like personalized complementary services or event management.

It's clear that strategy has never been more necessary.

But strategists need to change with the times. The future must be urgently rethought and strategy with it.

Being modern doesn't mean being fashionable. It means being able to clearly see the signs of the times and interpreting and engaging with them. It means the ability to be prepared for the future.

What exactly does this mean for strategists?

Well, to start with, they need to stop being specialists who are remote from the organization's daily life. Instead, they have to be in the center of the happenings.

They also need to get better at creating dialogue and negotiation with stakeholders. That way, they can be the interface between groups, mediating while leading when difficult decisions

have to be made. They allow for choice while maintaining responsibility.

The strategist is the architect of the future. But unlike real architects, their design remains forever unfinished and constantly worked on and improved.

Final summary

The key message in these blinks:

In the face of unprecedented change in the business environment, strategy must be rethought, together with the role of strategists. Every company is unique in its challenges and circumstances, but everywhere the new strategist should be a leader at the interface of all the departments. Strategists should be architects of the future who respond to change while fulfilling their responsibilities to the people who use and benefit from their organizations.

Got feedback?

We'd love to hear what you think about our content! Just drop an email to remember@blinkist.com with the title of this book as the subject line and share your thoughts!

What to read next: *Strategy Safari* by Bruce Ahlstrand, Henry Mintzberg, and Joseph Lampel

Now that you understand the basic principles of being a strategic leader, you might be looking for even more hands-on advice. You might want to dig deeper into all the approaches and ideas about strategy that are around. And you might be wondering about specific steps you can take to get started on your journey through the strategic wilderness today.

Let *Strategy Safari* be your guide. You'll learn about all the major schools of thought on strategy, their strengths and weaknesses, and how to formulate the strategy for your business using your knowledge. So if you're ready to start strategizing, head on over to our blinks to *Strategy Safari*.

Nice work! You're all done with this one.

We publish new books every week at
blinkist.com.

Come and see – there's so much more to learn.

Inspired to read the full book?

[Get it here.](#)

Copyright © 2014 by Blinks Labs GmbH.
All rights reserved.