Strategic Thinking

Idea In Short

Most organizations have plans, and many still drift. The reason is often that planning and strategic thinking get treated as the same thing. Planning programs known actions, while strategic thinking is a way of seeing and reasoning that links a long-term intent to the choices a team makes this week. Scholar Jeanne Liedtka proposed that strategic thinking has five elements: a systems perspective, a focus on intent, intelligent opportunism, thinking in time, and a hypothesis-driven approach. This article uses her model to explain how to align vision with tactics, how strategic thinking differs from strategic planning, how to build each element, and how to avoid common traps.

A regional logistics firm has a five-year plan with detailed budgets and milestones. In year two, a major customer changes its sourcing model, and the plan's assumptions fail. Teams keep delivering to the plan because it says so, while the opportunity that the change opens goes to a competitor. The firm had a plan. It lacked the thinking that would have noticed.

Strategic thinking versus planning

Wikipedia notes that, according to Jeanne Liedtka, strategic thinking differs from strategic planning along several dimensions of strategic management, and that planning tends to assert control through measurement systems on the assumption that organizations can measure and monitor important variables accurately and quickly.1

A summary of the field by a Canadian public service research unit recalls a division of strategic thinking into two modes: strategy as intelligent machine, a data-driven, information-processing approach, and strategy as creative imagination. The first resembles planning, while the second reflects the open reasoning that the concept aims to capture.2

A paper in a management journal describes strategic thinking as creative, disruptive, future-focused, and experimental, and observes that its development is rarely encouraged in the

bureaucratic, financially driven, incrementally focused planning approaches common in organizations.3

The point is not that planning is bad. Plans coordinate action. The risk lies in letting the plan replace the thinking that keeps it relevant.

The Liedtka model

Liedtka's 1998 article defined five key elements of strategic thinking, according to a leadership training firm that summarizes the model.4 The Canadian summary shows them as systems perspective, intent focus, intelligent opportunism, thinking in time, and hypothesis driven.

The elements work together. Systems perspective shows where you sit in the whole. Intent focus gives direction. Intelligent opportunism lets you seize openings that fit your intent. Thinking in time ties past, present, and future together. The hypothesis-driven approach turns beliefs into tests.

The rest of this article takes each in turn, with an emphasis on how it links long-term vision to short-term action.

Systems perspective

The Canadian summary describes the first element as having a mental model of the complete system of value creation from beginning to end, and understanding how your own work fits within it. It connects the idea to Peter Senge's systems thinking, which Senge called arguably the most critical of the five disciplines of a learning organization.

A strategic thinker therefore sees links, such as how a pricing choice affects service load, or how a supplier change affects customer promises. Without the systems view, tactics optimize one part at the expense of another.

To practice, draw the flow of value from customer need to delivery, and mark where each of your tactics touches it.

Intent focus

Wikipedia's account of the model explains that an intent-focused thinker is more determined and less distractible than rivals in the marketplace, and credits Hamel and Prahalad with popularizing strategic intent.

CMOE adds a practical rule. Narrowing your intent to one or a select few strategic targets lets you drop activities that distract. If an initiative does not align with your intent, set it aside or reshape it so that it reinforces the strategy.

State your intent in one sentence that a new hire could repeat. If it takes a paragraph, it is probably a list of goals and not an intent.

Intelligent opportunism

Strategy must stay open to chance. Liedtka's term intelligent opportunism describes the ability to notice and use openings that were not in the plan, as long as they serve the intent.

The logistics firm in the opening example missed such an opening. The customer's sourcing change was a signal, and a team tuned to intent could have asked how it served the firm's aim.

Build the habit with a simple filter. When something unplanned appears, ask whether it advances the intent, what it would cost, and what you would stop to make room.

Thinking in time

Wikipedia's description of the model says thinking in time means holding past, present, and future in mind at once, and quotes Liedtka that the gap between today's reality and the intent for the future is what is critical.

Practically, this means looking back to understand how you got here, looking at the present with clear eyes, and looking forward to the intent. Tactics then become the steps that close the gap.

A useful exercise is to write three short paragraphs: how we got here, where we are, and where we intend to be. Then list the five actions that most reduce the gap.

Hypothesis driven

The last element brings creative and critical thinking together. Wikiwand's summary says it ensures that both are included in strategy making and explicitly brings the scientific method into strategic thinking.5

In practice, treat your strategy as a set of claims that you can test. We believe that customers in segment A will pay more for faster delivery. We will test that with a small pilot, and we will change course if the pilot fails.

This habit keeps vision and tactics aligned over time. Each test tells you whether the tactic still serves the intent.

Aligning vision with near-term tactics

Start from intent. Write it clearly, and share it widely, so every team can check its work against it.

Translate intent into a few choices. Decide where to play, how to win, and what to stop doing. Then express each choice as a near-term tactic with an owner and a date.

Link each tactic to a hypothesis. Why do we think this action will advance the intent? What would show it is not working? Review the hypotheses on a regular cycle, and update the tactics.

Keep a short feedback loop between the front line and the leadership team. People closest to customers and operations see signals first, and strategic thinking depends on those signals reaching the people who set intent.

Building the capability in a team

Run a quarterly strategy conversation that is separate from budget reviews. Ask four questions: what has changed in our environment, what have we learned from our tests, what does our intent now require, and what should we stop?

Rotate who prepares the discussion. When people from different functions take turns, the

team gains a wider systems view, and junior members practice the habit.

Keep records of hypotheses and results. A simple table with the claim, the test, the result, and the decision builds a memory of what the team has learned, and prevents it from re-arguing old questions.

A hypothetical example

Imagine the hypothetical logistics firm again, now with a new strategy lead. She writes the firm's intent in one sentence: become the most reliable regional partner for time-sensitive shipments. She maps the value chain, and sees that late customs paperwork causes many delays. She frames a hypothesis, that a customs-support service will improve reliability and attract new accounts, and runs a six-month pilot with two customers.

When one major customer announces a sourcing change, she asks whether the change serves the intent, and proposes to bid for the new flows with the customs-support offer. The pilot results support the hypothesis, and the firm scales the service. The company is invented, but the example shows how intent, systems view, opportunism, time, and testing work together.

Cautions

Do not treat the five elements as a checklist to complete once. They are habits of reasoning that you repeat as conditions change.

Beware of vagueness. An intent that anyone can agree with, such as be the best, guides nothing. Make it specific enough to exclude options.

Finally, avoid a false choice between thinking and planning. Good plans make thinking effective, and good thinking keeps plans useful.

- 1Strategic thinking
- 2Strategic thinking, Canadian public service research summary
- 3Strategic thinking, management journal article
- 45 key elements of strategic thinking and how to leverage them, CMOE
- 5Strategic thinking, Wikiwand

Summary

Strategic thinking means aligning a long-term vision with near-term tactics through a way of reasoning that is systemic, intent-focused, opportunistic, time-aware, and hypothesis-driven. Liedtka's model describes these five elements, and commentators contrast the approach with strategic planning, which programs known steps. Strategic thinking is creative, future-focused, and experimental, and bureaucratic planning cycles often discourage it. Leaders can build it by clarifying intent, mapping the system, holding past, present, and future together, and testing assumptions as hypotheses. Take one current initiative, write its intent in a single sentence, and list the hypotheses that must hold for it to succeed. Then share both with your team and ask what they would add.