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## **Ready, Aim, Aim: Developing a Culture of Strategic Thinking**

**[Slide: (title) Ready, Aim, Aim: Developing a Culture of Strategic Thinking]**

Thank you. I'm delighted to join you this morning.

What a fitting place to talk about strategic thinking...in San Francisco. A.P. Giannini, an immigrant to this country, had a simple strategic objective for his little Bank of Italy. That plan called for steady and dependable growth.

Then fate and quick thinking took his simple strategy into history. On the days after the terrible 1906 earthquake and ensuing fires that engulfed this city, Mr. Giannini dispatched two of his most trusted subordinates to find what was left of the bank.

Having found the still smoldering safe, which held all of the deposits of the bank, they buried their find under a pile of garbage to disguise their valuable cargo and headed the wagon's horses southward toward Santa Clara. While they were off to their task, Mr. Giannini contracted and sent forth every cargo ship he could find to buy and return lumber. He knew that San Francisco would rise again and a booming city would need lumber to build the structures and capital to rebuild the businesses.

His little bank became what we know as the Bank of America, which funded much of the wine and movie industries in California. The bank bought bonds that supported the construction of the Golden Gate Bridge just out the window there. It lent sums to fund Henry Kaiser's wartime growth and helped launch the Hewlett-Packard, now known as H-P.

Mr. Giannini was a strategic thinker of the first order. While others were panicked or dumb-struck, he was executing his plan. He did it!

**[Slide: Nike – Times Square]**

*Just do it!* ... Nike's been telling us that for years. This two-story billboard in Times Square makes it hard to forget.

Just do it. ... Take action. ... Damn the torpedoes. Full speed ahead.

But what are we supposed to do? And why are we supposed to do it?

How are we to know the answers to those questions unless our actions are preceded by a plan? And not just any plan, but a plan based in strategy.

**[Slide: (type): strategy]**

*Strategy*. Now there's a word for 21<sup>st</sup> century leaders.

**[Slide: (image) military battle scene]**

In ancient Greek, the word *strategos* meant the art of generalship, of devising and carrying out a military campaign.

But history records no reference to Greeks actually using the word.

**[Slide: (Image) - Sun Tzu]**

The first formal works on the subject are from the Chinese. Sun Tzu – a military general, strategist and philosopher – taught that planning was the difference between winning and losing.

Sun Tzu's *The Art of War*, written in 400 B.C., is still considered the seminal work on military strategy.

**[Slide: (type) to image above, add Sun Tzu quote (without attribution) below]**

*"The general who wins the battle," Tzu said, "makes many calculations in his temple before the battle is fought. The general who loses makes but few calculations beforehand."*

**[Slide: title]**

The English word that derived from strategos is *strategy*.

Credit for it being commandeered from the military and embraced by the business world goes to a Russian American named Igor Ansoff. Ansoff is known as the father of strategic management.

So if you're already tired of hearing about strategy and your need to be strategic – or if you reach that point in the next few minutes – Igor Ansoff is the fella you want to blame, not me.

*Strategy, strategic thinking and strategic planning* sure get a lot of air time in business these days.

Amazon can fill your book shelves with works by learned academicians and management consultants on the subject. Consultants can lecture you all day on the subject.

But despite the preponderance of literature and discourse, there's a tremendous amount of misunderstanding ... even trepidation ... associated with strategic thinking and strategic planning.

So, first, a definition and then a distinction:

**[Slide: (type) – strategic planning]**

Most of the thinking, writing and discussion around strategy focuses on strategic planning, not strategic thinking. There's a difference.

Strategic planning is the process of defining long-term goals and identifying the resources needed to achieve those goals.

At Global Golf Advisors we conduct strategic planning exercises for clubs of all shapes and sizes, and we've been doing that for years.

We believe the strategic planning process and the plan that results from that rigorous exercise are critical to the short- and long-term success of any club. ... In fact, we don't think there's any document more important.

Regarding the importance of a strategic plan, my colleague Steve Johnston likes to say, “*Not having a strategic plan is not as dangerous as not having fire insurance, but it’s certainly playing with fire.*”

**[Slide: (type\_ – strategic planning v. strategic thinking)]**

But we’re not talking about strategic planning today. The subject is strategic *thinking*. Which, when you think about it, is a prerequisite to strategic planning.

Think about it this way ... Strategic planning is a process that happens on a schedule. Usually once or twice a year as part of a company- or organization-wide exercise designed to plot long-term vision.

Strategic thinking, on the other hand, is something leaders consistently do – or should do – every day. It’s simply how they operate.

The best also ingrain that type of thinking into their overall operation, making it the foundation of important decisions. They also infuse and inspiring others with a similar approach to problem solving.

The best are bold, audacious thinkers. I’ll tell you a quick story to make my point.

**[Slide: (image) “last spike”]**

Here we are in one of the world’s great cities. It was from here that a tremendous example of strategic thinking took shape.

Long before he was president, an obscure congressman from Illinois understood the strategic significance of connecting the eastern and western United States by rail.

His vision of an intercontinental railway was shared by four remarkable entrepreneurs from in and around San Francisco – Charles Crocker, Collis Huntington, Mark Hopkins and Leland Stanford ... none of whom had any railroad experience.

But after seven years of backbreaking work, east met west at Promontory Summit, north of the Great Salt Lake. The Union Pacific Railroad, as it is known today, is still rolling. And that Illinois Congressman was Abraham Lincoln.

[Pause]

Speaking of generating and using big ideas, think of James Collins who, with some his Stanford students just down the road, developed the seminal guide, *Good to Great...Why Some Companies Make the Leap and Others Don't*, in which we learn the tremendous power of big hairy audacious goals..."BHAGs" Collins calls them.

[Slide: type – thinking about thinking]

In its simplest terms, strategic thinking has been called *thinking about thinking*.

It's being conscious of your thinking processes, such as how you've gathered and organized information and experiences – what we could call old information – and then how you re-organize it into new information to fit a *new* situation.

Author Scott MacFarlane says an organization is engaged in strategic thinking when ... it is trying to decide how to better position itself among its competition for future success.

... when it looks at the past and present, takes the best from both, and decides which course to take for the future.

This modern idea of seeing ahead and behind from one lens is rooted in primitive cultures.

In the African country of Ghana, for example, the native word *sankofa* means that people must heed lessons from the past in order to advance purposely into the future. They must reach back into their own culture and traditions to keep those lessons alive.

[Slide: title]

Why is strategic thinking important?

That's a good question, and it's really why I'm here. To convince you that it is important ... and to suggest that strategic thinking is the bedrock of a strategic-thinking culture.

I'll start with the research. ... In study after study, strategic thinkers have been found to be the most highly effective leaders in any business or organization.

Robert Kabacoff of Management Research Group cites a study by his company in which 97 percent of a group of 10,000 senior executives said they think strategic thinking is the most critical leadership skill for an organization's success.

Another MRS study found that a strategic approach to leadership was, on average, 10 times more important to the perception of effectiveness than any other behavior. ... Twice as important as communication and almost 50 times more important than tactical behaviors.

**[slide: type – strategy v. tactics]**

Tactics. Now there's another word we hear a lot when discussing strategy. Tactics – which also derives from the Greeks – is the first cousin to strategy.

Here's an example that illustrates the distinction:

If a strategy at your club is to focus on women as a way to recruit new members, a tactic to accomplish that objective might be to host programs geared to women's interests ... or to invite someone from the Executive Women's Golf Association to speak at your club.

Tactics are easier to understand than strategy, and that's probably why they get slighted.

*Anyone can do tactics, but strategy ... that's serious stuff. That's better left to the smart guys and gals.* ... Well, that's the prevailing attitude among many in business.

Now I don't want to dismiss tactics and *execution* as fluff or the work of lesser minds. Strategy is a word we often hear used interchangeably with *tactics*. Without them, we would never get anything accomplished.

Ram Charan and Larry Bossidy wrote a wonderful book on the subject titled *Execution: the Discipline of Getting Things Done*. I highly recommend it.

Let's come back to the question: *What are we trying to get done? And don't we need a strategy guiding our actions?*

Without strategy and strategic thinking, we could employ all kinds of tactics. We could execute from dawn to dusk.

But to what end? And, in the absence of strategy, how would we know if we accomplished the most important things?

But strategy is hard, I'll grant you that. That's why so many people resist it. We often hear club leaders dismissing strategy with an eye toward membership recruitment or rebuilding bunkers. It is easier to deal with tangible accomplishments than it is to do the heavy lifting that strategy requires.

Every leader's temptation is to deal with what's directly in front of them. Often, it doesn't seem as if there's any choice.

I mean, if there's a fire in the kitchen, you're probably going to grab the nearest fire extinguisher and worry later about how strategic that move was.

But there's a trap in routinely prioritizing the crisis of the day ... or the moment.

In our world, there's always something urgent. There's always a fire somewhere.

And with tighter budgets and smaller staffs these days, it often falls on you to ignore your title and reach for the proverbial fire extinguisher.

Writing in *Inc.* magazine not long ago, Paul J. H. Schoemaker, a professor at the Wharton School of the University of Pennsylvania, warned business leaders about falling in love with tactics.

Doing so, he says, puts your organization at risk. Because while you're concentrating on steering around potholes, you'll miss big, game-changing opportunities, not to mention signals that the road you're on is leading off a cliff.

**[Slide: type - strategy is tough]**

I agree. Strategy is a tough job.

When you started in this business, your job was undoubtedly simpler than it is today. It was well defined. You knew what tasks you had to check off your list every day.

So you went down your list ...

You made out the schedules ... you tracked time-cards and hours-worked.

You took inventory more times than you ever would have imagined.

Now, with a bigger title and more responsibility – *notice I didn't say more money* – you have others to do all that. So it's time for you to "be strategic."

But what does that really mean? And how the heck do you move your leadership style more in that direction in order to build a strategic-thinking culture?

It's hard to be a strategic leader if you don't know what strategic leaders are supposed to do.

Writing in the *Harvard Business Review*, Management Research Group's Kabacoff makes some general observations about strategic leaders.

He says they take a broad, long-range approach to problem solving and decision-making. Their approach involves objective analysis, thinking ahead and planning.

They also think in multiple time frames. Which means they consider what needs to happen over the course of time ... in the next three months, the next six months, the next year, and the next three years.

Think about Steve Jobs. Do you think he walked into his office at Apple one day and discovered an iPhone on his desk?

Of course not. Months and years were first invested in research and strategic thinking.

At most clubs I visit there's a great deal of pressure placed on leaders to develop the forward-looking plans for capital resources. Most strategic thinkers tackle such challenges in a similar manner.



First, they determine the desired outcome. ... Second, they quantify the resources they'll need ... Next, they decide whether the concept will work for them.

Then they identify multiple strategic options. From that point, careful strategic planners evaluate the pros and cons of each potential solution.

Remember when John Kennedy foresaw the race to space when he told Americans, "We will send a man to the moon and return him safely to earth in this decade."? JFK did not simply write the speech and speak it well. His advisors worked tirelessly to determine that such a grand vision could be made real. It is the deliberate process that makes great strategy seem simple.

In your case, that means you weigh the consequences of a decision made by the director of golf on turf maintenance, on food and beverage, on membership and, of course, on accounting.

Professor Schoemaker adds seven more behaviors that come naturally to strategic thinkers.

- He says strategic thinkers use their peripheral vision to anticipate. They look for game-changing information at the edges of their business and industry.
- They eschew conventional wisdom and think critically. They question everything. They challenge current beliefs and mindsets, including their own.
- They make decisions; they avoid paralysis by analysis.
- They develop processes and enforce them, so that they arrive at a "good enough" position. They leave perfection to higher powers. They take a stand even with incomplete information and amid diverse views.
- Knowing total consensus is rare, they seek alignment. They build trust and engage key stakeholders, especially when views diverge.
- They learn by welcoming honest feedback. They recognize that both success and failure--especially failure--are valuable sources of learning.
- They shift course quickly when they realize they're off track.

Those characteristics and behaviors describe any number of leaders within our midst this morning.

**[Slide: (image) – Jim James]**

I think about Jim James at Augusta National, for example, and how he uses his strategic-thinking abilities to lead his club.

Jim and his team build on a strategy of categorical excellence. I love what Jim said in a story developed by Global Golf Advisors for club managers:

And I quote ... *“We look at every single day as an opportunity to improve. When we find we are not the best, we are relentless and incredibly focused to make sure that we improve.”*  
Unquote.

Augusta National pursues a standard of excellence in every endeavor... right down to the toilet paper used in restroom facilities during the Masters. After a recent Masters, Jim and his team conducted their usual after-action analysis of their performance and determined that among some of the steps that could be taken to make their patrons even happier.

Toilet paper. Augusta National – the celebration of excellence that inspires us every spring – is always finding ways to foster a culture of strategic – and analytical – thinking.

Let’s consider some strategic thinkers who have created strategic cultures:

**[Slide: (image) – Google logo]**

Since we’re in their backyard this morning ... let’s consider Larry Page, the CEO of Google, and cofounder Sergey Brin.

Page and Brin have made it a point to maintain the open culture often associated with startups, even as Google nears its 20<sup>th</sup> anniversary.

By the way, do you know what googol means? It is the number one followed by 100 zeroes. Naming your company something that represents endless possibilities is entirely about creating a culture for strategic thinking.

Google! It even sounds bigger than one can imagine! Most of us generate names like “The Lounge” or “The Pro Shop”!

In weekly all-hands meetings – not to mention over email or in the café – Googlers ask questions directly to Larry, Sergey and other execs about any number of company issues. Even products still in development.

Offices and cafes are designed to encourage interactions between Googlers within and across teams, and to spark conversation about work as well as play.

Thinking beyond the confines of Google is also encouraged. Page, for example, has his eyes set on driverless cars.

He points out that 20 million people or more are injured every year due to automobile incidents. And that it's the leading cause of death for people under 34 in the U.S.

Google also wants more people to ride bikes. But in order for this to be safe, Google is exploring ways to cost-effectively separate bikes from traffic. In researching solutions, Page says, he came across this aerial bikeway.

**[Slide: (image) – bicycles above trees]**

Page admits it looks totally crazy. He also says Google is absolutely not working on ways to for bikers to ride above the tops of trees.

But, he says – and this is the important part – that kind of thinking gets your imagination going.

Oh, and by the way, if you look closely while you in the neighborhood around Google’s Mountain View (CA) headquarters you will see some driverless vehicles – lights blinking – being tested. That’s strategic thinking in action!

**[Slide: title]**

So do you have what it takes to be a strategic thinker like Larry Page and to build a culture of strategic thinking within your organization?

You wouldn’t be here if you didn’t.

I look out into this audience and I see women and men I've known for years. And I see people I've known for only a short time. I'm tremendously impressed with your abilities as strategic thinkers.

Of course, the natural tendency is to think that the only strategic thinkers in an organization are the ones with the big offices and the impressive titles.

While strategic thinking is one of the attributes that most senior managers and executives possess, it's not a birthright.

Some of the people in your operation who can deliver you tremendous strategic insights are at the bottom of the organization chart, I bet.

Mike Brown, who is the chief catalyst for the Brainzooming Group – *don't you love these titles and company names? Chief catalyst ... Brainzooming* – says strategic thinkers share five characteristics:

**[Slide: (type) – (build) Characteristics of strategic thinkers]**

They're **open to perspectives from multiple sources**. They appreciate and can relate to front-line organizational experience, functional knowledge of key business processes and creativity.

Second, they are **adept at incorporating both logic and emotion** into their thinking. Strong strategic thinkers have both sides of their brains – left and right – working at all times. Head and heart ... logic and emotion contributing on equal terms.

Strategic thinkers are also **comfortable thinking beyond today's reality**. Brown says they have the ability to free themselves from the today's pressing issues to consider tomorrow's possibilities.

Beyond that, they're **comfortable with being a little uncomfortable** about the standard ways of thinking about a problem or opportunity.

Another characteristic strategic thinkers share is the desire to **question yesterday, today, tomorrow** and everything in the future. The more they explore options, the more questions they uncover.

[Pause]

**[slide: (type) – ‘Culture eats strategy for lunch’]**

You’ve heard the phrase, “*Culture eats strategy for lunch.*”

This is a saying often linked to examples of how strategy failed when it went up against a resistant, years-in-the-making culture.

The phrase is most often most often attributed to Peter Drucker, the highly respected management consultant and author.

I’m a huge Peter Drucker fan, but I’m afraid I have to take exception with this fatalistic view of strategy.

Culture is the environment in which your strategy and your brand thrives or dies a slow death. But it does neither because of culture alone. Culture can certainly enable and empower strategy. And bad culture can devour great strategy.

If you want a culture that enables strategic thinking, dream and dream big! Encourage the people around you to foster an environment that encourages your team to imagine new possibilities ... build bigger aspirations and opportunities ... try, fail, learn from the mistakes ... and try again.

**[Slide: (type) – ‘Strategy belongs to leaders, culture belongs to people.’]**

Some say: “*Strategy belongs to leaders, culture belongs to people.*” There’s a belief among many leaders that they set strategy ... but culture is not really their job.

Baloney. One doesn’t exist without the other. They are equally important.

Both strategy and culture are a leader’s job today. Top strategic thinkers are alert to shepherd both strategy and culture.

And when it comes to a culture that embraces and nourishes strategic thinking, I’ll add this: That’s a job that only leaders can handle.

How do you develop strategic thinkers throughout your organization?

Accomplishing that ... making strategic thinking part of your cultural DNA is not easy. That's because not everyone is wired as a strategic thinker.

But there are some behaviors you can encourage and some guidance you can provide.

**[Slide: (type) – Encouraging a strategic culture (build)]**

These are some tips from Management Research Group's Kabacoff:

- Encourage managers to **set aside time to think strategically**. Schedule it just as they would any other activity.
- **Provide information** on the market, the industry, customers, competitors and new technologies. This gives your people the background for informed decision-making.

Of course, strategic thinkers do this on their own. Michael Feiner, a former senior vice president and chief people officer at Pepsico, calls it ... and I quote: *"putting up your periscope."*

In the same vein, keep your people informed about what's happening inside the club. Then connect the outside information with the inside information.

I call it finding linkage. For example, what are the links between the growing influence of women in our society and the future of your club?

The emergence of wellness programs, which have expanded the notion of fitness to new levels and the growing emphasis on personalized communications tie directly to the influence women have within private clubs.

- You can also embed strategic thinking deeper into your culture by **encouraging cross-function sharing** of information and results.

You should meet with your department heads on a regular basis – probably once a quarter – to keep them informed about internal issues and external trends that tie directly to strategy.

Call these meetings something other than “Strategic Planning Meeting.” Call them “The Wizards Ball” or “Through the Looking Glass” ... anything that suggests this meeting is different ... and encourages people to put on their strategic-thinking hats and bring their imaginations.

Make sure these are interactive sessions. Ask your managers what they’re observing among the membership ... or out in the community. And what do they think those things mean for the club and its immediate ... and long-range...future.

- You can **pair a non-strategic thinker with a mentor**, someone who approaches problems strategically and let them work together on a project.

Learn – and teach others – how to become strategic. Strategy is certainly an art in many ways...it is an equal portion of hard-working science. One can *learn* to think strategically about the future.

Many of you may be acquainted with the Swedish futurist, Troed Troedsson. What does he see in the future? Change that meets unfulfilled needs. Coach your team on imagination. They will help you find the gaps between current need and the future.

- You can **communicate the club’s mission and goals** regularly and consistently to make sure all key decisions are weighed against the path club management and the board have laid out.

Do you have alignment? Is the club ready for the future?

If the mission of the club is to serve members’ needs, ask yourself what members will need next?

In a private club community in Naples, GGA clients are planning for a captive Wi-Fi capability so that members can secure internet access through the club. Nothing better than immediate and cost-friendly access.

PS: Be sure you plan for adequate bandwidth!

- Finally, you should **reward strategic thinking**. Don’t let it go unnoticed when someone or a team anticipates problems or opportunities and comes up with alternative ways of addressing them all the while considering the consequences to the club. Recognize

them and connect their actions with the kind of strategic thinking you want to see more of.

No one *owns* strategy. You use it and share it and pass it on. Your team will become more strategically effective when great ideas are recognized and nurtured.

**[Slide: title]**

We've talked a lot about strategic thinking and how strategic thinkers build strategic cultures. When you launch the process of strategic thinking at your club, here are some questions to consider:

- Who will you involve?
- What information will you make available to them?
- What will you do to begin the process? Why?
- How will you begin to focus on solutions?
- How will you and your team identify and evaluate ramifications of potential solutions?
- How will you make sure the strategy aligned with the club's mission and goals?
- How will you decide on a course of action and implement it?
- How will you measure results?

**Pause...**

I want to thank the NCA for the opportunity to share some thoughts with you today.

I think we have a few minutes for questions and answers. But before we move to Q&A, I'll leave you with just one more thought:

Strategic thinking is not the destination you seek.



Strategic thinking is what enables the culture that enriches every aspect of your club and its membership.

This morning, we've talked about ways you can enrich the strategic culture of your club.

**[Slide: (image) Nike billboard from beginning]**

I encourage you to give it a try. When you do, I think you're going to look at this billboard ... and hear the words 'just do it' in a whole new light.

Thanks, everybody. ... Are there any questions I can try to answer?

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