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About the Author

Based in London and working globally, Fred Pelard is a **strategy trainer, consultant, facilitator and coach**. He specializes in helping teams and organizations solve strategic problems. A French rocket-scientist by training, he's been lecturing on strategic thinking and complex problem solving to the CEOs and management teams of major corporations and consulting firms around the world for the best part of 20 years. **He makes smart people smarter.**

Fred started his career in management consulting with Deloitte, completed his MBA at INSEAD, and has worked as a strategist ever since. First with Kalchas (a medium-sized Bain and McKinsey spin-off, eventually sold to CSC) and then with Instigate Group, where he works with some of the leading organizations in media, retail, consumer goods, financial services, industry and consulting. He currently divides his time between three areas of equal interest and excitement:

- designing and delivering **strategic thinking sessions** (training, talks, etc.)
- facilitating **strategic away-days** for boards and management teams
- conducting **high-impact strategy projects** and ideas generation challenges.

Typical interventions include 90-minute talks for up to 500 people, two-day senior-level workshops with up to 50 executives, and five-day intensive sprint-venturing innovation sessions with participants from across the company. Footprint is truly global, from San Francisco to Shanghai, Stockholm to South Africa, and all points of the compass in between (live, and via Zoom, Webex, etc.)

Selected repeat clients include Allianz, Barclays, BBC, Betfair, Booz Allen, Channel 4, Deloitte, Expedia, HSBC, IKEA, John Lewis, Johnson & Johnson, London Business School, OC&C Strategy, Sainsbury's, Thomson Reuters.

Check out Fred's website and YouTube channel to get a sense of what he teaches.

www.fredpelard.com

www.youtube.com/fredpelard

How to Be Strategic

‘A must-read for everyone who ever deals with complex, important challenges. There are many take-away gems here that will help you push through the knotty centre of hard-to-resolve problems. Highly recommended!’ Richard Rumelt, Harry and Elsa Kunin Emeritus Professor of Business & Society at Anderson School of Management, UCLA and author of *Good Strategy, Bad Strategy*

‘Being strategic is best accomplished when you develop the right thinking skills, mindset and toolset to help you work smarter. Fred has distilled an entire career’s worth of expertize and experience into a comprehensive, concise and practical guide that will enable anyone, in any situation, to develop their strategic thinking’ Tiffani Bova, Chief Growth Evangelist, Salesforce and *Wall Street Journal* bestselling author of *Growth IQ*

‘Bold new thinking and innovation is hard. This book gives a wonderful and inspirational look into wide-ranging frameworks and theories to spark new thinking and strategy’ Tom Goodwin, author of *Digital Darwinism* and Head of Futures and Insight at Publicis Groupe

‘Practical and comprehensive, *How to Be Strategic* reveals how to build your strategic mindset and gives you the most powerful tools’ Roeland Assenberg, Director, Strategy and Banking, Monitor Deloitte Netherlands

To the quest

Introduction

Hard work, talent, contacts, luck. These are important for success in life. Whatever your chosen pursuit. In business, one also needs to add one more ingredient: the ability to be strategic. Smart work, if you will.

Being strategic is a skill, and it can be learned. I've been teaching it for the last 20 years, to over 10,000 executives across 60+ organizations. Superior strategic thinking skills boil down to two things: a specific mindset (to tackle the uncertainty of the future, where all strategic issues reside) and a wide toolset (to craft credible solutions out of very little actual data). This book contains five parts. The first and last parts focus on the mindset, and the middle three on the toolset.

› How to **Solve Complex Problems** ('Think')
› How to **Generate Great Ideas Quickly** ('Up')
› How to **Eliminate Options in No Time** ('Down')
› How to **Get the Best Solution Approved** ('Push')
› How to **Keep Improving as a Strategic Thinker** ('Again')

'Think' introduces the markedly different ways in which different people deal with Complexity. This part explains the expert, analytical, creative and strategic approaches to complex problem solving, and how each approach relies on a different mix of data, structure and brilliance. 'Think' concludes with the Rollercoaster of Strategic Thinking as the ultimate mental model for working smarter, not harder, and Up-Down-Push as the practical way to achieve that.

'Up' focuses on three structured techniques for generating great ideas quickly. Like a camel in the desert, each technique takes you quite far on very little water (aka data). Asking, respectively: 'What would need to be true to achieve the success we seek?', 'How well are we currently meeting customers' needs and expectations?' and, 'What more successful versions of our business lie on the edge of our consciousness?' 'Up' takes you quickly to a place of Clarity on any strategic issue.

'Down' brings to bear three analytical techniques for eliminating many options in no time. Checking, respectively, that: an idea is better than all the other ideas you can think of in the future; it can be proven to work as a prototype in the present; and available past data broadly agrees with the conclusions of present and future testing. 'Down' takes you methodically to a place of Certainty over time on any strategic issue.

'Push' combines three packaging techniques for getting your preferred solution approved. These techniques include guidelines for, respectively: verbalizing your answer in memorable, plain English; putting dollar estimates around it; and crafting a compelling story. 'Push' takes your stakeholders (boss, clients, colleagues, etc.) to a point of Conviction, where they agree to your strategic recommendation.

'Again' offers lifetime tips to help you keep improving as a strategic thinker. Slogans such as 'Vote First, Then Debate', 'Small Teams Go Faster', 'The Third Solution Is Often the Best' are explained further, instilling a highly practical roadmap to navigate the next 10 years of your career. 'Again' takes you to a place of deep personal Confidence in your ability to welcome any future strategic challenge with a smile, and to solve it.

Each page in this book will help you become more strategic by the day. With clear structure, memorable visuals, concrete examples and simple principles. Up–Down–Push. Up–Down–Push. Whatever the strategic issues you're facing. *How to Be Strategic* is a combination of the best techniques I've ever come across, distilled into a simple programme to support your learning and development. Keep on reading – and work smarter. Don't worry, be strategic.

Part One

HOW TO SOLVE COMPLEX PROBLEMS ('THINK')

1.

Four Routes to Completion

How can I be more strategic? **The hallmark of a successful executive, entrepreneur or freelancer is the ability to be more strategic than one's peers or competitors.** Not just the ability to manage well the day-to-day operational issues, but having a better feel for the future. Finding a way through the uncertainty towards the best long-term solution for you, your team, your clients or your whole company.

Being strategic is a skill. Like sudoku, taking selfies or flossing your teeth. Some people are born great at it. Others, like me and you, can learn the techniques and become good at it quite quickly, and better over time. At its core, being strategic is a mindset. It's a way to solve problems. It's not about how many years of experience you've got, or how well you can crunch numbers on Excel. It's not even about how high your IQ is, or how many business theories you know. It's just about the way you think about problems. So, let's talk about the way you think.

On most problem-solving activities, particularly in business, a stakeholder (client, boss, etc.) gives you an amount of time to reach completion on a particular problem. We can therefore plot most problem-solving activities on a map, where the horizontal axis captures the time it takes to solve a problem, and the vertical axis measures the percentage to completion. Every problem on this map starts life in the bottom left corner and ends up in the top right corner, fully completed over the time allowed. The bottom left corner of our map is the Complexity corner. Before you start your project, the stakeholder who asked you to help (your boss, your client, etc.) is not sure of the answer. They find the issue complex, and they need a bit of help. They've asked you to spend time coming up with one answer that they are happy with at the end. The top right corner of the map is the Conviction corner. At that point, at the end of the time frame you've been given, your stakeholder expects 100 per cent completion, in the shape of one answer that they are convinced by.

A good way to think about problem solving is this: an activity that takes a group of people, over time, on a journey from Complexity to Conviction. You'll realize shortly that there are four very different ways to travel from the Complexity corner to the Conviction corner:

› the Staircase of Expert Execution
› the Submarine of Analytical Research
› the Helicopter of Creative Discovery, and
› the Rollercoaster of Strategic Thinking.

Each route follows a very different path on our map. All routes start in the bottom left (Complexity corner) and all end up in the top right (Conviction corner), but after taking widely different turns. Most people are not aware of these four routes, and as a consequence often fall back on the same approach to problem solving, for all the problems they face. When you know more Routes to Completion you can crack more problems satisfactorily, and especially the toughest ones. The first step towards becoming more strategic is to think about the way you think, and to recognize your current problem-solving habits and preferences.

The Staircase of Expert Execution

The Staircase of Expert Execution is the approach most of us use **when we don't actually realize that we are solving a problem**. We just execute a solution we already know – or we ask another expert to do so for us.

There are many problems in life for which we already have a pretty good idea of what the end-point answer looks like, even before we start. Lacing up one's shoes, moving house, implementing new HR or supply chain processes, etc.

In a personal context, imagine that you put on a pair of shoes in the morning, and you've got to lace these up. For most of us after the age of five, lacing one's shoes is no longer a problem that requires a lot of complex thinking. We know the final answer right from the start. The time to completion is maybe five seconds, the completion itself is always a pair of perfectly laced shoes, we know exactly how we're going to go about it, and there's a clear progression towards completion over time. We're experts at tying up our shoelaces.

In a business context, imagine that your company is looking to drastically improve a key process – for example, achieve best practice in warehousing, or optimize some HR processes towards perfection. Words like 'optimize', 'best practice', 'perfect' are a clue that there is an expectation that an optimal answer exists out there already. We just need to find the people who've got it, and ask them to help us achieve it.

When this expertise doesn't exist inside the company, we turn to external providers. A good supplier should have a pretty good idea, even at the beginning of the project, of what the optimal answer will look like at the end.

What most firms do is put together a request for proposal, and invite a few potential contractors to bid for the project. You'll typically find three components in each of the bids. First is a list of credentials, with names of satisfied prior clients, and nice words from them. Second is a workplan, or methodology, detailing the steps to be undertaken to arrive at the desired outcome. Third are a few résumés of the key people who will be delivering the project, their expert skills, and where they learned them.

The client is then able to assess each provider on the basis of these credentials, methodologies and résumés. The chosen winner is typically the one that succeeds in convincing the client, even before the project starts, that they know the optimal answer, and can be counted upon to reliably deliver on it. The best expert.

Right at the start of the project, at the Complexity corner, the chosen winner is already able to offer a workplan listing all the tasks to be undertaken to arrive at the desired outcome, including time frame and workload. Which is why the shape of the problem-solving activity on our map looks like a staircase, from the bottom left to the top right.

It's a staircase, and not a straight line, as tasks sometimes happen faster than expected, and sometimes they are slower. If you're the stakeholder, the way you manage your supplier is to check at regular time intervals that the supplier has completed the various tasks they promised they would carry out.

The Staircase of Expert Execution is the path that problem-solving activities follow when done by experts. Any expert. It's the methodical execution of already known tasks, towards completion of an already identified outcome.

Experts solve problems asked of them by comparing the problem at hand to problems they've already tackled. They can identify the component tasks necessary to completion, and weave these together in a workplan from the start. The Staircase route is a brilliant way to solve problems, and it works for lots of problems. You can use the Staircase to plan a house move, or a wedding, upgrade your IT systems, or select a management consulting firm to implement new HR processes, etc.

Arguably, most of us spend most of our days solving most of our problems using the Staircase of Expert Execution. Our CVs and LinkedIn profiles are a public track record of our expertise. They capture the long list of the things we've already done in our professional life, and the problems we now know how to solve using the Staircase. Not every problem you will face in life, however, will be amenable to resolution by an expert, or by the Staircase route. What happens when nobody can credibly contend, at the beginning of the project, that they already know for sure what the optimal answer is?

The Submarine of Analytical Research

Imagine a situation, at the beginning of your project, **where you can't really see what the answer might look like**. You have a big range of possible solutions, and you don't know which one to choose. Or the exact opposite, and you don't even have a clue what the answer might look like. In one scenario you're faced with an overabundance of possible solutions, a dense cloud of possibilities, in the other a complete desert.

You clearly can't build a Staircase to a cloud or a desert, so what do you do instead? Many people go horizontal. They realize that they face lots of unknowns, and choose to spend a fair amount of time turning these unknowns into facts. Undertaking the research, doing the analysis, looking at market trends, benchmarking the competition, talking to customers, etc. Building a comprehensive knowledge base, via one-off research, to compensate for the lack of readily available expertise.

The implicit expectation here is that if you invest time turning those unknowns into facts, researching and gathering more and more data, analysing it smartly, then, at some point, you are going to get a critical mass of facts and information. At that point, somewhat late in the process, like a torpedo shooting out from a hidden submarine, the answer will burst from below the waves and impress upon all the brilliance of your answer and your achievement.

The Submarine of Analytical Research is sometimes referred to as the deductive logic approach to problem solving, and it's a beautiful one.

Many of you will recognize this as the approach you've been taught at school or university. Academia loves a Submarine. You invest a huge amount of time, whether it be hours, days, weeks, months or years, slowly coming up with a heavily researched paper that you share just before your deadline.

There are lots of other professions where everyone's fortunes are extremely tied to their ability to employ the Submarine of Analytical Research for problem solving. Can you think of a few such professions? Let me mention lawyers, engineers and accountants. I could add investigative journalists, academics and all sorts of researchers. These professions share a belief system whereby the proper way to solve any problem is to invest the time to find the facts, become familiar with these facts, process them smartly, and then the answer emerges.

The Submarine of Analytical Research is the path that problem-solving activities follow when undertaken by people who believe that you need the facts first, before you can envisage any answer. No data, no solution.

The big benefit of the Submarine route as a problem-solving approach is that you turn lots of unknowns into data, which gives you certainty regarding your eventual answer. The corner of the map we shoot for with this approach, the bottom right corner on our map of problem-solving activities, is the Certainty corner. It's the time and place in your project where you can ground your recommendation in the certainty that comes with having lots of data.

The Submarine of Analytical Research is very powerful and very effective. When it works. It does, however, rely on three significant conditions to work.

The first one is that you need really smart people. There is so much information gathered in the horizontal part of the Submarine route that you need a really good memory to carry all that information around. You also need a fairly agile brain to manipulate all that data to extract the answer in the vertical part of the Submarine route. This is why the Submarine of Analytical Research is commonly used at interview level to discriminate between applicants at university, in corporate jobs, or in consulting. A typical interview in all these pursuits might involve asking the candidate to ingest a large quantity of data quickly (read an article in three minutes, read a business case study in 10 minutes), summarize the salient points cogently at speed, and present a brilliant answer while stressed out and afraid of running out of time.

The second condition for the Submarine route to work is for the data to show up. What if you invest a huge amount of time looking for data, hoping to gather lots of it, and you don't find any? You might say in the twenty-first century it's not the availability of data that is the issue, it's the quality of data. Fair enough. Not always, though, and I'll explain why shortly. First, take a look at the vertical axis on our map, the Completion axis. If you put a dotted line through it halfway up, you'll realize that anything below that dotted line will count as an input. You're quite far away from completion. Anything above that dotted line, however, is more of an output, as you're getting closer to completion.

One thing that is noticeable with the Submarine route is that you invest a lot of time in the issue space, the input space, below the dotted line. You only come up towards the solution space, the output space, above the dotted line, much later than you do with the Staircase route; much more towards the back end of the project.

The Submarine route acknowledges that we don't really know what the answer looks like from the beginning, and so we're going to do a big trade-off. We're going to invest more time doing the research first, and we'll spend longer underwater in the input and issue space, but at the end we'll have a more informed and convincing solution. If the data shows up.

This leads us to the third big issue with the Submarine route: the time frame. Imagine that you've been working on something for a few weeks or a few months, and a new stakeholder arrives. Irrespective of the time frame you were given by the previous stakeholder, one of the first things they'll want to know is your likely draft recommendation for something you've been working on for a while now. If you've been following the Submarine approach all you can say is, 'I've got lots of data, I'm ploughing through more data, but I'm sorry I'm still quite far from an answer.' That may leave your new stakeholder somewhat unimpressed.

Likewise, imagine that one of the digital giants (Amazon, Apple, Google, etc.) has just announced they're buying your most direct competitor. How does that affect the project you're currently working on? Here, too, your stakeholder will probably ask for an answer right away. Ready or not. Data or not. So, there are quite a few drawbacks to the Submarine of Analytical Research: you need smart people to embark upon it; your solution arrives quite late in the process; you might find that there isn't enough quality data available for a solution at all; and you might look silly in front of a senior stakeholder if circumstances lead them to ask you for an answer earlier than you expected.

And yet, the Submarine route, as we've seen earlier, is still the problem-solving approach of choice in many smart professions, including the law, journalism, engineering, accounting, etc. Why is it so? The answer is simple. It boils down to the time horizon of the data that is crucial to each profession.

Between past, present and future, where do lawyers find the facts that are most critical to their work? In the past. If you look for facts in the past, availability of data is never a problem. A lawyer preparing for a day in court will look to the past for precedents on her case. If you find a precedent, that's a great data point, and even if you find no precedent that's still a useful data point.

Where do investigative journalists find their facts? In the past too, with a sprinkling of the present. When investigating the possible link between a foreign power and any politician, you go back several years to gather all the facts you seek. With maybe a few questions asked today of the key participants.

Where do engineers find their facts? In the present. Because engineering operates within the known boundaries of science, if you're conducting an engineering project and you're missing some data, all you need to do is measure. You do an experiment, and you measure things. Engineers can create in the present whatever data they need. There's a clear theme here.

Professions that rely heavily on the Submarine route for problem solving tend also to rely heavily on facts from the past and the present. And where do the key facts of strategic thinking reside? In the future.

Of course, solving strategic issues relies on facts from the past and the present too, but the most critical data you need for resolution does come from the future. And that's why, the more strategic the issue we are trying to solve, the less likely the Submarine of Analytical Research is going to work. The more strategic the problem you are dealing with, the less applicable the Submarine route becomes.

The horizontal route relies heavily for its success on the availability of data, in both quantity and quality. And when you look to the future, which is where most of strategic thinking operates, data is going to be scarce and often highly unreliable. We'll see shortly how the third route to Completion compensates for that.

Before we do, let me alert you to a little irony. The horizontal Submarine of Analytical Research is clearly a smarter approach to problem solving than the diagonal

Staircase of Expert Execution. You only get to be an expert once you've put in the years, in your specialist field, and there are only so many things any one of us can ever become an expert at. Whereas, once you're smart enough to cope with the demands of analytical research and processing, you can apply this horizontal approach to pretty much any problem.

So the horizontal, Submarine route is the preferred problem-solving method of smart, analytical people. And strategy and strategic thinking are commonly held to be some of the smartest problems around. Yet the horizontal route doesn't work very well to solve such strategic issues. How ironic. The problem-solving method most beloved of eggheads doesn't work for the most egghead of problems!

That's because it's impossible to solve the future using just hard facts, since there are no hard facts in the future, just hidden possibilities. The future can't be analysed; it can only be created.

The Helicopter of Creative Discovery

The Helicopter of Creative Discovery is the approach you take **when you can't really work out the answer right from the beginning** (no Staircase of Expert Execution available here), and you're clear that **data is going to be sparse and unreliable** (so sub-optimal use of the Submarine of Analytical Research). What do you do next, then? You go vertical.

You accept that you're faced with a bunch of unknowns, and that it's all very chaotic. So you don't waste time trying to turn these unknowns into facts. Instead, you quickly impose some structure on the chaos that surrounds your problem, and you shoot for three or four creative options.

As a rule of thumb, always invest about 5 per cent of the overall time available to you to arrive quickly at that structure with those options. So spend three minutes structuring a number of options if you've been given an hour to undertake a task, spend two hours if you've got a week, etc.

Let's continue exploring the thinking habits and problem-solving preferences of certain professions. You remember we mentioned that lawyers, investigative journalists, engineers, accountants, etc. tend to automatically default to the horizontal Submarine route to solve problems. Because they were selected, trained and rewarded for using that approach.

Can you now think of professions where the vertical Helicopter route is the default approach? Professions that, when faced with a problem to be solved, immediately create three or four options in their mind. And then carefully proceed towards selecting the best answer over time. Can you think of some? Let me mention architects, designers, advertising agencies, sales people, entrepreneurs, etc. These professions share a belief system whereby the proper way to solve any problem is to quickly suggest a range of possible options, and then slowly progress towards the answer preferred by all the parties involved.

For example, imagine that you ask an architect to come up with a design for a building. The answer at the end of the project is the building's design, fully approved. At the beginning of the project, the architect quickly comes up with a number of alternative designs that they run past their client. What structure do architects use to arrive at these multiple options? Various families of theories, or schools of

architecture. Frank Gehry is all about angular shapes, Zaha Hadid is more fluid, the British School of Design brings boxy shapes, Le Corbusier concrete, etc. Architects have their own theories as to what constitutes an acceptable outcome, and they can very quickly create three or four options for any client.

Likewise, if you ask an agency to come up with an advertising campaign, and you give them a month, usually they'll only take a few days to generate many alternatives. They then reveal these to their client and gradually amend them over time to reach an answer that meets with the client's approval. Entrepreneurs are also great practitioners of the Helicopter ride. Quickly imagining a few options for a new business venture, in a flash of brilliance. Then twisting and turning over time, to iron out the glitches of the first version(s). Their final answer will often be more a matter of personal taste than of fact-based evidence.

So there are professions for whom the horizontal Submarine of Analytical Research is a bit bizarre, and the vertical Helicopter of Creative Discovery is a very natural approach to adopt. And vice versa, as we saw earlier.

A lot of people who practise strategy and strategic thinking are very comfortable with numbers. They've often also been trained in the Submarine route in academic settings, and they use it by default. Not because they can't do the Helicopter, but because they don't know that this alternative is available and/or don't know how to use it. Conversely, a lot of people with backgrounds in the humanities, design or creative industries often find the vertical approach of quickly getting to multiple options quite straightforward.

Whatever your own background, the big benefit of the Helicopter route as a problem-solving approach is clarity. You achieve clarity quickly by discovering a range of options in no time. The corner of the map we shoot for with this approach, the top left corner on our map, rightfully deserves to be labelled the Clarity corner. It's the time and place in your project where you start envisaging what possible answers might look like.

The Helicopter of Creative Discovery is the path that problem-solving activities follow when quickly generating many creative options, without much data, to rapidly reach clarity for all stakeholders.

Those of you familiar with the work of economics Nobel Prize winner Daniel Kahneman will recognize something familiar here. Kahneman's weighty tome *Thinking, Fast and Slow* can be overlaid very neatly on our map. *Thinking Fast* is the vertical Helicopter route, quickly generating several options, and *Thinking Slow* is the horizontal Submarine route, carefully considering all the evidence before reaching a conclusion.

We've discussed before the pros and cons of the Submarine route. Let's do the same here for the Helicopter route. In the Helicopter approach you invest 5 per cent of the time allocated to you to get to the Clarity corner, build some structure and identify a few creative options. As a result of which, you'll get structure, options, clarity and four amazing additional benefits.

The first benefit is that you can choose to run these options by your stakeholder (client, boss, etc.) and they, in turn, can help you by passing judgement on these early options. 'I quite like option A, option B maybe, I'm not sure about option C.' And they can also mention other options, D or E, that you might have missed.

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