

Strategic Thinking and Planning

By David Sauder and Merle Herr

Entrepreneurs and business founders tend to be doers more than thinkers. We focus on action and accomplishing the next goal—until some problem, usually a result of our poorly-laid plans, comes along and stops us in our tracks. We've probably all discovered through experience that taking time to think and plan ahead saves time and heartache.

Proverbs says that as a man "thinketh in his heart, so is he."¹ This indicates that thinking creates direction. Strategic thinking points a person or business in a certain direction and enables them to go in that direction over the long term.

Facing the Challenge

Strategic planning requires us to take our thinking to a higher, broader, more difficult level. The fact that so few business owners ever get around to writing down their business plan shows what a challenge this can be.² A study in the American Family Business Survey revealed that nearly 70% of businesses do not have a written business plan.³ The same

survey stated that 40% do not have a buy-sell agreement.

Strategic thinking can be compared to a game of chess. An average chess player might be able to envision and strategize only the next several moves, while an expert chess player envisions moves far in advance.

At the National Youth Chess Championship in 1986, Josh Waitzkin was several pieces down against his opponent. After a long pause, Josh saw that in twelve strategic moves



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he could potentially capture his opponent's king. After politely offering his opponent the opportunity to accept a draw and share the championship (which his opponent flatly refused), he began the twelve strategic moves to win the chess championship.

Winning in chess requires planning. Similarly, winning in the business "game of chess" involves strategically looking

¹ Proverbs 23:7 "For as he thinketh in his heart, so is he."

² Resources are available from Anabaptist Financial to assist you in creating a business plan for your company.

³ Arthur Anderson/MassMutual, American Family Business Survey (Springfield, MA: MassMutual, 1997).

one, two, three, or even twelve moves into the future and envisioning what does not yet exist. As Christians, we look with faith toward the future to catch a glimpse of God's will in our next business decision. Real faith does not blindly walk forward. Real faith is open-eyed, searching, seeing, and planning, while acknowledging the limits of human foresight and trusting God for an unknown future.⁴

Reaping the Benefits

Careful thinking and planning bring tremendous results. They bring to the surface crucial questions related to vision, purpose, methods, priorities, and relationships. A mentality of "if it ain't broke, don't fix it" ignores the need for an up-to-date vision for the business.

Strategic thinking and planning not only revitalizes the old, but also awakens the new. New possibilities are always emerging: new customers, new market share, new vendors, new products, new employees, new technology. Taking time to thoughtfully examine these possibilities gives us eyes to see what was previously invisible.

Strategic planning has two specific benefits. First, setting aside a time to brainstorm allows the company to harvest insights from key people. The best ideas are often hidden inside the person next to you. Strategic planning asks hard questions and invites associates to speak their mind without fear of retribution.

Second, discussing and planning together raises the level of trust among team members. The business that can talk about tough issues is the business that can build enduring trust. When we become vulnerable with each other and put our best ideas on the table, trust grows. On the other hand, silence, personal agendas, and unilateral decisions kill trust. Trust is one of the most powerful forms of emotional business capital we can build.

⁴ Deuteronomy 8:18 "But thou shalt remember the Lord thy God: for it is he that giveth thee power to get wealth."

Overcoming the Obstacles

The challenge of developing a written business plan is not that we lack time. We find time for the things that are most important to us. Because they are hard work and we are not sure how to go about it, strategic thinking and planning don't happen. We can overcome this obstacle by hiring a facilitator with strategic planning experience.

Sometimes we procrastinate because planning requires an honest look at disappointing results that should have already been tended to. Good planning requires frank discussion about how things have been done in the past. It opens up the discussion for others to speak about disappointing experiences. Interactive planning will, in many cases, expose sensitive viewpoints and bring to light differences between management personnel. This process may feel threatening, but through discussion, a wise plan can emerge that makes the sweat and even tears worth it.⁵



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Anchoring the Vision

Strategic planning means peering into the future like Moses scanning the horizon in search of where God would direct them to move next. This kind of vision refuses to accept current achievement as a plateau. True vision does not spring out of a desire to advance one's self but out of a heart to improve the lives of all who are touched by the realization of the vision.

Decision-making depends heavily on accurately envisioning the future while learning from the past. Vision rarely breaks forth spontaneously into reality; rather, it brews and churns slowly, emerging out of the themes and patterns of well-established history. The Biblical admonition to "remember" must be the root out of which vision grows. Moses taught this principle to the Israelites before they entered the Promised Land. When they feared the enemies they would encounter, they were to think back to how God had delivered them from the Egyptians and take

⁵ Proverbs 27:17 "Iron sharpeneth iron; so a man sharpeneth the countenance of his friend [coworker]."

courage.⁶ If a vision of the future is not informed by where you've come from, it is probably not headed for success.

The dreamer is shortsighted because he peers into the future without keen reflection on the past and present. He sees all sorts of possibilities but does not see the associated dangers and difficulties. The historian's eyesight falters because he assumes the patterns and cycles of the past will always be sufficient to keep going forward. Vision is never fully achieved by a single set of eyes. Small businesses, and especially sole proprietors, are vulnerable to blindness if they assume that they can see the big picture from the single vantage point of one individual. If you are more of a dreamer, find a historian to help you gain 20/20 vision and vice versa.

Sharing the Vision

Joe is the co-owner of a small cabinet shop. One day, as he drove through a city suburb fifty miles from their shop, he noticed several large apartment buildings and a retirement community in the early stages of construction. He pulled over and started to envision all the cabinets that would soon be needed in these living spaces. He got a few phone numbers and within a month was bidding on work that would require doubling the output of their small shop.

Joe had a vision for growing the business. His vision had little shape and definition and even less planning, but when a potential opportunity presented itself, he wanted to seize it. Convinced he had found an opportunity to push their business to the next level, he believed the details would fall into place.

But his partner was dubious. Their little venture was doing well. They filled a nice niche, building high-quality cabinets at a reasonable price. They had a small team of skilled workers who were comfortable in their roles. He wasn't sure they should expand into the pressures and competitiveness of a larger market, regardless of the opportunities. He was also concerned that their quality would slip under the pressure of increased production.

Joe and his partner needed to develop a shared vision.

⁶ Deuteronomy 7:16-18 "And thou shalt consume all the people which the Lord thy God shall deliver thee; thine eye shall have no pity upon them: neither shalt thou serve their gods; for that will be a snare unto thee. If thou shalt say in thine heart, These nations are more than I; how can I dispossess them? Thou shalt not be afraid of them: but shalt well remember what the Lord thy God did unto Pharaoh, and unto all Egypt:"

Unless they found a way of blending their unique outlooks and strengths, they should not risk expanding their business. Both men had valid visions, but they needed the other's perspective to bring balance and strength.

Every business and organization should consider improvement and growth when passionate vision is shared by the whole team. The grandest vision will never go far unless we inspire and enroll others. The vision must excite people's hearts, or their participation will be weak. Passion in a vision makes planning exciting and implementation a joyful challenge rather than a dreaded obligation.

Creating a Shared Vision

Some employees expect employers to single-handedly create a vision for the company and only inform them of their role in carrying out the tasks. The days of such top-down leadership are changing, and rightly so. Companies that share vision and power with employees outrun the competition. Companies that share power and vision get more out of their people.

While increased profits may be reason enough to share vision and power, following how God works with His people is reason as well. God has provided in the Scriptures His vision and plans, as well expectations for how we are to implement His will. Because of this, Paul could write in 1 Corinthians 3:9 that "we are laborers together with God." It is the same in our businesses. Employers share the vision and plan with their employees so they can work together to implement them. In fact, a shared vision is created by listening to stakeholders outside the walls of our business. The local church should have a voice in our business vision. Business has tremendous impact on the church community and shaping a shared vision together is an expression of "being laborers together with God."

Joe and his partner spent hours hammering out a plan that incorporated the perspectives and values of both. Joe was excited about the possibilities for growth and didn't want to be bogged down in the details. His partner enjoyed the details of planning, but needed Joe's enthusiasm and vision to spur him to action. Together, they discussed how to maintain high-quality cabinets while increasing production. During this process of envisioning and planning, they realized they had left out a vital component—the way their workers would be affected by

the proposed changes. Would they be on board with the new direction the company was headed?

Leaders need to be clear about their personal vision for the company before they can expect others to follow them. Yet, in order to achieve a shared, supported vision, it must appeal to all who have a stake in the vision. Workers need to see their personal interests reflected and considered in a shared vision. Their hearts—not merely their wills—need to say “yes.” A vision must be shaped by and shared with the workers, ensuring it is free from illegitimate power and self-serving features granted to those at the top.

Listening Deeply to Others

Shared vision is not about convincing others to jump onto your bandwagon. Instead, it invites others to help shape the direction of the company by asking questions and listening deeply to their advice and feelings. Do you have monthly or quarterly meetings that focus solely on questions designed to draw out others’ opinions? Do you encourage a safe environment where free exchange of ideas and “hunches” is not merely allowed but actually rewarded? If such is the case, people will open up and talk about potential improvements.

Workers should not need to work up the courage to question and debate with management. In too many organizations, workers pay a price if they voice a negative issue and suggest needed change. This produces silent workers who may be submissive but have lost their heart. If leaders don’t know their workers’ perspectives and do not consider those insights when making decisions, they will never achieve the outstanding rewards of a shared vision.

Joe and his partner clarified the details of their vision for the company and presented it to their workers, inviting input and discussion. It turned out their workers had questions Joe and his partner were not thinking about, such as: *How will our work hours be affected? Will the business have to hire more workers? Who will handle training and managing the new people? Will we be compensated for the increased workload and stress?* One employee pointed out that two key shop machines were already near capacity. This would be a choke point if the company increased production, unless they also invested in additional equipment.

As the entire workforce talked and worked through the issues associated with expansion, a wealth of ideas

emerged from the employees and excitement built over the possibilities. The employees wanted to be an integral part of the continued success of the business, not just cogs in the machinery.

Integrating Intuition, Hard Data, and Conceptual Framework

Intuition is the eye that sees reality through emotion and feeling rather than conscious reasoning. Many strategic planning situations have an information gap between facts and feelings. It is important to develop a “gut sense” about what is going on in your business, so you can use your experience to interpret the hard data.

Consider the different insights that flow from the following questions: (1. *How much untapped motivation and creativity is present in my employees?* (2. *How efficiently are employees performing their tasks?* Both questions are valid, but the first question must be sensed with your feelings. The second question can be measured and observed by comparing the revenue of a product with the cost of labor to produce it.

Intuition is not more important than rational observation; we need both. Learning to use both intuition and observation is a critical business skill. Western business culture teaches us to value facts and hard data over what we perceive with our feelings. We tend to view these feelings as fickle and unrelated to the hard facts, but ignoring feelings and basing decisions solely on facts blinds us to the deeper insights of the heart.

Intuitive managers responsible for complex systems cannot always explain with facts why something is not working well. They sense something that is not perceived directly through the mind. Even Einstein once said, “I never discover anything solely with my rational mind.”⁷ Business leaders who “by reason of use have their senses exercised”⁸ can discern reality with the feelings of the heart and translate them into succinct explanations.

Intuition must be developed and exercised in the context of a general understanding of the ground rules and the general principles and practices that apply to a situation. The keenest insights come to us by combining intuition and hard facts within this context.

⁷ *The Fifth Discipline*, Peter Senge, p. 169.

⁸ Hebrews 5:14 “But strong meat belongeth to them that are of full age, even those who by reason of use have their senses exercised to discern both good and evil.”

Using intuition is more than just relying on subjective feelings. Intuiting is the ability to sense patterns and trends and make a judgment based on what has happened previously without recalling the specific events to mind. Over time, a decision maker learns how much to trust his intuition by evaluating the accuracy and results of his previous decisions. Rarely should intuition be treated as 100% accurate. Hunches should not be seen as infallible. Individuals who trust their intuition without experience will likely stumble.

Well into their expansion, when they had nearly doubled their production, Joe and his partner experienced an unexpected difficulty. Joe was excited and ready to keep pressing forward full bore, but his partner started to drag his feet. He could not say exactly why, but he felt uncomfortable with how large the business had grown—and yet they had planned precisely for such growth. He knew intuitively that something was lacking, but he could not immediately identify what it was.

After some weeks, Joe's partner began to realize that his hesitation was largely due to their lack of a comprehensive partnership agreement. They did not have a clear valuation process or buy-sell agreement. The larger the business grew, the more he felt the need for a clear structure and process that would guide their partnership if one of the partners wanted to sell his equity.

He brought his concerns to Joe, and together they developed a valuation agreement and a buy-sell



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agreement. Joe followed his partner's intuition to identify an issue that was not readily apparent and correct it before it became a problem.

Summary

Both the head and the heart are needed to do strategic planning well. Hard data and research along with soft perceptions and feelings will illuminate the path forward. Know which is your strength, engaging others to bring their strengths to the planning table. Dialogue with others and draw out their feelings and intuition while also seeking their advice and analysis. Find ways to engage their strengths and vision to build a powerful, cohesive, shared vision. As you develop the skills of strategic thinking and planning, you will find that opportunities abound for your team to succeed.



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