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## **TAKE CHARGE ... AND STAY LOOSE**

***Tony Manning***

**In these uncertain times, it is more important than ever that you exercise as much control over your business as possible. At the same time, though, you need to allow for sudden shifts, for learning and for innovation. The way you make strategy is at least as important as the strategy you make.**

Where does strategy come from? For about thirty years from 1960 to 1990 managers believed that meticulous planning was crucial. So three, five and even ten-year plans were popular. Executives who took an even longer view – 25 years, say – were regarded as true visionaries. Some Japanese firms were reputed to look up to 250 years ahead.

In those days, strategic planning was a job, and many firms employed legions of planners. They did a lot of analysis, but also wrapped many of their colleagues into layers of paperwork. Planning cycles started way ahead of budgeting cycles, so everyone was busy for much of the year.

Then Henry Mintzberg, a professor at McGill University in Canada, and a leading thinker about strategy, noticed an interesting thing. An awful lot of thick plans never translated into actual work. In fact, they were overtaken by events almost before they were printed, and the good intentions that they made sound so rational were blown away.

Mintzberg coined the term “emergent strategy”, to describe what happens in the real world. Very simply: a company chooses a course, stuff happens, the course is adjusted, more stuff happens and again there’s a change in direction. Just as a potter feels the emerging shape of a vessel on his wheel, so do managers feel their way into the future.

But wait a minute. Allowing your strategy to emerge might sound like the smart thing to do, but wouldn’t it be better to have some kind of plan? In fact, shouldn’t you have as clear and detailed a plan as possible, to control the big issues, shape the future and not take too many risks with what might “emerge?”

This debate has raged for the past decade, and is still going strong. But you don’t have to be a genius to know that this is not a clear-cut, either-or matter.

Because every business has to commit resources to the future, you need to have some sense of what that future might look like, and what you have to do to get there. Investors want to know these things, and you have to explain what you’re about.

At the same time, you need to allow for surprises, be able to take advantage of them – and do so fast when the time comes.

Strategic planning was never as effective as its pundits suggested, not because planning was in itself a bad idea, but rather because the *process* most organizations used was flawed. There was too much emphasis on developing perfect plans, and too little on

providing broad-brush direction, building the strategic IQ to sense and adapt to change, and fostering an ongoing strategic conversation that would make pre-emptive thinking and swift action a way of life.

Ironically, planning is today more necessary than ever. But it demands the ability to meld hard facts with vague signals, critical thinking with creativity, certainty with flexibility.

The firms that fare best in the future will be those that frame the future as clearly as possible, but also give their people space to experiment. They will know exactly which “hill” they’re aiming for, but quickly embrace any new ideas for getting there.

In my experience, most companies’ strategies can be captured on one page. How you craft that page is obviously important. But how you use it to keep your team focused and inspired is what really makes the difference.

Effective leaders know the value in having a point of view. They also understand that being over-prescriptive is foolish and possibly even dangerous. So they frame their strategies in simple terms, explain the logic behind them ... and then spend most of their time coaxing, cajoling, nudging and urging their people to achieve extraordinary results.

They take charge ... and they stay loose.

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