

Risk and Resilience: Strategic Thinking in your World

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Strategic planning is a tool to help you confront challenges, plan for and transition through change and identify new opportunities. On the other hand, strategic thinking is about taking risks in forecasting the future based on what you know internally and what you understand about external trends and events.

As a facility manager your facility strategic plan needs to align with the organization's strategic plan. How do you do this? How do you create and enhance an environment of strategic and critical thinking? How do you convert the ideas into a plan and then how can you evaluate whether the facility plan has a strategic fit with the corporate plan?

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Introduction

The “nature versus nurture” debate can be applied to strategic thinking – are you born with the ability or can it be learned? I believe it is both; for those who are most comfortable with strategic thinking, it is an inherent skill, and those who are not as comfortable with strategic thinking can learn tools and techniques to improve their skill level. Strategic thinking is important as it is considered an advantage to gaining a competitive edge and being prepared for what is changing in our individual worlds. Strategic thinking includes an element of predicting the future. This is when the risk and resilience become an issue – the risk in making the wrong prediction and the resilience to continue strategic thinking for your organization.

For many facility managers, as funding and resources continue to be reduced, their time is taken up with day-to-day operations and crisis management. Taking the time to do strategic planning or even strategic thinking can seem an impossible effort.

A Facility Manager’s ideal day typically includes these elements:

- Good access to strategic direction of their organization
- Clients and occupants who understand and allow for the various pressures on a facility manager
- Sufficient funding to respond to opportunities and add value
- A facility management plan that defines standards and performance expectations
- A voice or champion within corporate management.

When I ask a group of facility managers how many of them have all five elements, usually only one or two believe they have all five. It’s no wonder many don’t have the opportunity to focus on strategic thinking.

Steps to Strategic Thinking

Strategic thinking encompasses a thorough picture of the enterprise, aligning the facility strategic plan with the organization’s strategic plan, documenting an understanding of the risk with a risk management plan, and taking into account external factors.

For facility managers (FMers) the first step – a thorough picture of the enterprise – is often the most likely element to exist. Most have current drawings, stack plans, who is sitting where, who needs what, how do they operate, who do they need to be close to, what they need the facility to provide to make their unit function most effectively. In any enterprise the FMers are in the best position to have this overall picture.

Aligning the facility strategic plan to the organization’s strategic plan, then creating the roadmap to get from here to there, is not very difficult – getting the funding however, may be more of a challenge. As many organizations require all departments to submit their strategic plan at the same time, there will be a challenge to tightly align without a clear documented picture of the future strategic direction – much communication, digging, and ‘what if’ analysis will be required.

Documenting risk and establishing an approach to risk management help define alternatives, what to focus and watch and help the senior management team understand the impact of their decisions. There are risks both with proceeding and not proceeding with a proposed strategy.

An eye on external factors can be more challenging as FMers are often seen as ‘responders’ and not necessarily ‘influencers.’ An eye to what is going on in the world – trends, research, change – and considering how an organization will be affected or could respond is an important part of strategic thinking.

The information will be presented in an order starting with strategic planning, then risk management and then strategic thinking in an effort to build upon the competencies you are likely more skilled at – strategic planning and risk management – towards strategic thinking. The order is not meant to imply the process is linear.

Strategic Planning

Any strategic plan is usually comprised of the following:

- A vision statement
- A mission statement that aligns with the vision statement
- Values that motivate
- The critical issues going forward, that must be addressed
- Goals that close the gap between the current environment and the future vision
- Strategies to achieve each goal
- Objectives that develop each strategy
- Targets and measurements that are indicators of success.

Strategic facilities planning can be seen as looking through a crystal ball. More than that, though, a facility strategic plan is about being prepared to respond to unanticipated events and changes in direction within the framework of goals, strategies and objectives - all while change and uncertainty are accelerating.

So, why don't we do the planning we know is necessary – or relegate it to a last minute exercise or even hire someone else to do it? Some of the barriers are:

- Lack of focus on the future – we are so involved in day-to-day activities and fire fighting that it is hard to take a breath and do the plan
- Lack of motivation – if we perceive that there is no vision of the future, it makes it more difficult to plan in isolation
- Lack of knowledge – do you know who is responsible for it, what the plan should include, how to align it to the corporate plan?
- Does the competency even exist with the facility organization to do it – if it does exist, is there only one person on special assignment?

One of the most important personal traits for someone preparing a strategic plan is the ability to ask the right question, of the right person, at the right time. Some of the questions that need to be answered during the strategic planning process are:

- Do you understand the differing agendas of senior management, both personal and professional?
- Can you show how your plan supports the strategic vision?
- Have you built in options to remain fluid to surprises? Do you know the ‘next-best’ ideas?
- What has happened in the past that affected the present, and what factors could influence the future?
- Do you need to set different objectives than in the past? Will new objectives require new competencies, processes, methods, approaches, and talent?
- Have you challenged assumptions?

- Will the change cause pain or bring out strong resistance?
- Can you answer: what risks and possibilities do we face? And what are we going to do about them?
- Is the cost of staying/doing the same unacceptable?

Most strategic plans include a SWOT analysis – strengths, weakness, opportunities, threats. What many miss are the questions related to SWOT:

- How do we build on our strengths?
- How do we resolve our weaknesses?
- How do we best take advantage of opportunities?
- What approaches are best to avoid threats?

The consequences of not doing strategic planning are that we can become victims of the future and invite failure into our environment, we end up competing for budgets rather than collaborating for them, work priorities become confused and, ultimately, we will lose great talent. The people in our organization are what set us apart.

Risk and Risk Management

This step of understanding, documenting, monitoring and responding to risk is critical to the success of implementing any strategic plan. In any future approach there are five categories of risk¹: business risk, project risk, product/support risk, benefit realization risk and personal risk. The table below discusses the issues related to each category of risk and ultimately who is accountable for monitoring and responding to any given risk coming to fruition.

Type of Risk	Definition and what to watch for	Accountability
Business Risk	Is the exposure the organization faces, whether it be financial, legal, the image and reputation to the public, loss of market share or that the strategic plan itself is compromised. The most talked about risk management issue today, in the US, is the Sarbanes-Oxley legislation.	Sponsor/ executive
Project Risk	These are the factors that cause a project to fail – something FMers will easily relate to: scope creep, speed of response required, regulations and legislation, realignment/removal of funding, managing client expectations and stability of their requirements, the technical complexity of the needed environment	Project Manager
Product/ Support Risk	The risk faced in continued support of the process, product or system delivered – impact of: distributed locations, missing client deadlines, or a legacy approach (we have always done it this way). The coming issue for facility managers will be organizations that, in an effort to attract talented resources, will be allowing them to work wherever they like – this makes it hard to plan lease locations, terms and timing.	Support/ Operations
Benefit Realization Risk	The factors that could lead to a lack of benefit realization – in other words, how difficult and likely will it be to achieve a specific benefit. For example, the number of stakeholders to satisfy, what cultural change is required to achieve the benefit, is it a total business change or a more gradual transition, how big a benefit is trying to be achieved?	Stakeholders

¹ The 'Categories of Risk' model is based on the IT risk management work of The Thomsett Company, based in Australia.

Type of Risk	Definition and what to watch for	Accountability
Personal Risk	These are the factors that affect you personally – the degree of skill or competency stretch required, the impact on your personal reputation (could this be a career limiting situation), would there be an impact on your health (hours, stress), is there a potential for ethical or professional compromise, and ultimately, might there be an impact on your family?	You

Planning vs. Thinking

I have heard from a number of senior FMers that they have succeeded in getting their organizations to recognize the value of the work environment in contributing to the organization's success, but many are saying that the organization simply does not recognize the value of the FMer's hard and soft skills, abilities, education, and competencies. I believe that it has to do with the following:

Strategic planning focuses on the value of the asset
Strategic thinking focuses on the value of the FMer.

Let's start with the definition of Strategic Thinking – the process of deciding on the optimal alignment between unlimited need and limited resources. So how do we do this? The elements of strategic thinking² can be defined as: Systems Perspective, Intent Focus, Intelligent Opportunism, Thinking in Time and Hypothesis Driven.

Systems Perspective is about having a mental model of the complete system of value creation of your organization. FMers are in an ideal position to establish this model as they are in constant contact with all client groups, have an understanding of what is not working, and are likely having discussions about where they would like to go to streamline and improve their work.

Intent Focus – do you know your organization's competitively unique view of the future? Can you describe it, do you relate to it, how do you contribute to it?

Intelligent Opportunism has to do with how far down the hierarchy are imagination and innovation encouraged to contribute to strategy. Do you encourage imagination, innovation and creative ideas about strategy with all of your organization or do you believe that it is only the responsibility of the senior team members? Do you enable and teach strategic thinking tools and techniques to all members of your team? Do you respect and take advantage of innovative ideas from all members?

Thinking in Time is about being able to connect the past to the present and link it to the future. Again, FMers are in a good position to build the capability to do this as they are often the history keepers, the ones with the current picture of the organization, and need to be able to help their occupants predict requirements over time.

The last element, Hypothesis Driven, I consider to be the most important element. Everything so far has been about asking questions – this element adds the concept of the creative "What if?" to the analytical "If.... then...." This is where strategic thinking is the most powerful.

² From Jeanne M Liedtka: Strategic Thinking: Can it be Taught?

We can boil all this down to two words: “So what?” Now that we know this, what does it mean – so what? These two words can create a very aggressive reaction; however, they will enable you and your team to get to the root of the issue, direction, and approach. Try it, you may be surprised! Just ask the question – So What? What do we need to do, adjust, change, recommend, decide, create.....?

In recent years, many people have asked me “how do I become a strategic thinker?” Well, as stated earlier some of us are born with it, though we may not be comfortable until we have more life experience, and some of us can learn tools and techniques. Actually, we can all benefit from sharpening our strategic thinking. Here are some techniques:

1. Start with a blank slate – most of us edit last year’s strategic plan – which means we are editing last year’s strategic thinking. If you are struggling, start with a blank document and build from there. Think of it as ‘zero-based’ thinking.
2. Put up a do not disturb sign – take 15 minutes, close your laptop, turn off your monitor, don’t answer the phone, don’t meet with anyone – just focus on the here and now – what are you hearing, seeing, feeling, smelling – let your senses work and become aware of what is going on around you. Often we only see what our brain wants us to see – we need to provide more room to see more of what is going on around us.
3. Play a variety of music – a number of research studies have shown that listening to different types of music will help you in identifying a variety of solutions to a problem. Classical music typically helps create the most innovative ideas, while punk rock music often identifies the most aggressive solutions. If you have an issue that you need to identify, play a variety of types of music and see what solutions you come up with.
4. Talk to others – put a group together and do some brainstorming, try using mind mapping techniques, and remember – this is about identifying ideas, not judging or evaluating them (just yet anyway).
5. Keep a journal – carry a notepad with you, keep one beside your bed, and as thoughts and ideas come up, write them down.
6. Retreat – go someplace that feeds your soul, calms you, breaths life into you. Do this at least once a year.
7. Garden, go for a run, take a shower – what do all three have in common? When your body is doing something that it knows how to do well, then your brain can be in Theta wave – the type of brain wave necessary for innovative ideas. Essentially, your conscious brain can only hold seven ideas at once; if the physical effort does not need to be in the conscious brain, there is room for other ideas to percolate up from your subconscious brain.

External Factors

Take some time to think about the list of possible external factors that could impact you and your organization’s future. The research gathered by NFI Research shows that organizations today consider customer service and leveraging IT as today’s strategic advantage. What does your organization consider its strategic advantage?

Which of the following future factors may affect your organization's strategic advantage? Are you ready for them? How will you respond? How will you need to prepare your facilities today to meet this vision of the future? How will your services and competencies need to change? Do you even know what they are?

- Workforce reduction
- Convergence
- Off-shoring
- Vigilante consumers
- IT as a utility
- RFID
- Desktop manufacturing
- Nanotechnology
- Disruptive patenting

Conclusion

Those organizations that encourage a strategic thinking culture and can express their vision of the future in a clear, understandable and supportable way are those organizations that will succeed.

'The degree to which you speak in abstractions is the degree to which you abdicate to someone else the power to say what you mean.'

-Mager, 1997

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