



## Best Thinking: A Catalyst that Creates Competitive Advantage

Written By Tom Northup May 2005

Wise leaders know that they will generate organizational best thinking that is far above what one person can accomplish alone when they draw on the wealth of knowledge that employees, with their differing professional interests, experiences and perspectives, bring to their jobs.

Best thinking is a catalyst that:

- Raises the effectiveness of an organization to a level that cannot be reached by any other means.
- Gives a company a competitive advantage in its market place.
- Builds personal motivation among team members by allowing them to personally contribute both emotionally and intellectually.
- Develops focus in organizational direction and initiatives. Focus drives performance, performance drives results.
- Brings members of management teams together so that they become change agents, not change critics, working together for the good of the company.

Companies that use best thinking know that these advantages flow to the bottom line. Studies show that companies with strategic plans are 40% larger than those without such plans and have slightly fewer workers, resulting in 45% higher revenue per employee.

This gives such companies a competitive edge because the business cycle in most industries is much shorter today than in past decades. For instance, before the middle of the last century, the telephone took years to change from black to beige and from dial to push button. Now phone features and functions change frequently. The software industry now measures product life cycles in months, not years.

### **Why isn't best thinking used more often?**

Best thinking is not a natural function in most organizations. The most common organizational structure has functional areas that operate as vertical silos. Managers are responsible for their silo and management is hierarchical. It is natural for employees in each silo to think their work is most important.

### **How can effective leaders develop best thinking?**

Change starts with the CEO, the owner and the leadership of the organization. The most effective leaders have strong self-awareness and self-confidence along with a deep understanding of their emotions, strengths, limitations, values and motives. These strongly

self-aware leaders are realistic and honest with themselves and about themselves. They know where they are headed and why.

This attitude allows CEOs to share power with employees as they guide and inspire them with a compelling vision. Effective leaders develop high-level, cross-functional best thinking that crosses boundaries and helps expand employee attitudes.

CEOs must trust their management team to carry out their vision. Great leaders learn how to inspire people. When they spend the time to fully develop a team they gain confidence in the team's ability to work together and achieve results.

### **Where is best thinking most effective in an organization?**

Historically companies have used planning and best thinking on a sporadic basis, sending team members back to their silos and their compartmentalized jobs after short brainstorming sessions. These irregular events fail to build best thinking into the everyday consciousness of employees.

For instance, the management team may apply best thinking only at infrequent strategic planning sessions where the management team together plans the direction of the company.

CEOs who wish to develop an environment where shared knowledge becomes part of the culture of the company must build best thinking into the organization on an everyday basis.

Best thinking is appropriate in all planning activities and in every functional area. For instance, in new product development a team encompassing best thinking would receive input from engineering, marketing, sales and production. In manufacturing, inventory planning would receive input from finance, marketing, sales and production.

### **What are the barriers to best thinking?**

The most common barriers to best thinking are:

- Lack of commitment and focus from the CEO.
- Organizational political realities wherein people develop judgments and patterns of working that block open communication.
- A perception among employees that their work ranks first among all tasks.
- Lack of expertise among leaders at achieving open, out of the box dialog from a diverse group.

### **How can companies build best thinking practices?**

Building organizational best thinking practices takes commitment and focus from the CEO, who must encourage employees to work and interact together.

Best thinking takes time to develop. Initial thoughts are always fragile and not fully formed. In planning sessions CEOs must allow the time and open dialog necessary for these initial thoughts to fully develop into best thinking. If the company environment is not conducive to open honest dialog without fear, best thinking will not happen.

Organizational best thinking is most effective when it becomes part of the culture and is ingrained in employee's attitudes. Many CEOs start this process by building cross-functional teams that they charge with specific initiatives. These teams can operate at different levels in the organization and work on issues that are appropriate to their level of responsibility. CEOs hold these teams accountable for developing functionally integrated responses to everyday business issues.

Although companies can carry out many team functions internally, some situations, such as high-level strategic planning, where setting objectives for the next period is simply too important to operate at less than the best level, require use of an outside facilitator.

Skilled facilitators have the experience to bring out the best from all participants. As neutral parties, they overcome the political and hierarchical environment and help fragile thoughts blossom to the highest level. Their systems are proven, ensuring the company's plan is a product of the team's best input and that the team has complete buy-in.

## **Summary**

Properly implemented best thinking is the catalyst that generates high level focus. Focus drives performance and performance drives results.

Companies with high level best thinking are larger, leaner and more profitable. Best thinking becomes the catalyst for competitive advantage.

Best thinking is genius work – the highest and best use of the CEO's time.

Best thinking must drive all planning events, which are too important for anything but the best efforts of all members of the management team. CEOs must incorporate best thinking into the culture of the business so employees regularly share knowledge across functional boundaries.

As Ken Blanchard said, "None of us is as smart as all of us."

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