



## Thinking and Acting Strategically

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Organisations often want people at all levels to be able think strategically. Beyond stating this requirement or to note the outcomes that derive from thinking strategically, few organisations provide people with the tools to do so. This Noetic Insight provides a useful explanation of what strategic thinking means and a number of tools that can be used to make this a reality. It focuses on the importance of not just being able to think strategically but to act strategically.

## Introduction

A lot of our clients tell us they need their people to think and act strategically. Changes to their operating environments mean that simple, tactical level decision making by managers at all levels can result in poor long-term outcomes and unintended consequences. As Casey and Goldman suggest 'the ability to think strategically is critical for managers at multiple organisational levels'.<sup>1</sup>

The importance of thinking and acting strategically is stated by a number of organisations. For instance, the Australian Public Service Commission's *Senior Executive Leadership Capability Framework* sets five criteria to guide senior leaders in the Public Service. One criterion is 'Shapes Strategic Thinking'. This involves inspiring a sense of purpose and direction, focussing strategically, harnessing information and opportunities and showing judgment, intelligence and commonsense.<sup>2</sup> This framework provides guidance on the outcomes of strategic thinking, but not how it can be done.

In 2012 Noetic published a Noetic Note titled '*Senior Leadership in Times of Crisis*'. The Note identified areas of weakness in senior management, particularly in situations that are novel, or of a scale beyond their experience and conception. While the Note was focussed on observations from 10 years of lessons learnt projects on major crisis, the guidance is applicable more broadly.

This Noetic Insight expands upon some of the ideas presented in the 2012 Note by providing some specific tools that managers and decision makers can use to encourage strategic thinking within their

organisations. Noetic's experience is that there is no magic to thinking and acting strategically, rather it is the considered and consistent application of effective approaches by individuals and teams.



## Thinking and Acting Strategically

This is all very well but what does it mean in practice? There are many definitions and approaches to thinking strategically and an internet search brings up over 36 million results. This wealth of information is daunting to managers who are seeking to provide simple tools and a common language for their teams to enable them to act more strategically.

The goal of effectively being able to act and think strategically results in better decision making and ultimately better organisational outcomes. Consequently, Noetic believes that thinking strategically means looking and acting beyond the immediate. Quickly taken decisions that resolve the immediate issue facing managers and teams rarely exhibit a strategic underpinning. Such decisions may result in action and the removal of obstacles, but in lacking a strategic dimension they will sometimes result in unintended consequences that then require additional effort to resolve. Some of this effort requires intervention from more senior managers within the organisation.

<sup>1</sup> Casey, Andrea and Goldman, Ellen, 'Enhancing the ability to think strategically: A learning model', *Management Learning*, available: <http://mlg.sagepub.com/content/41/2/167.short>.

<sup>2</sup> Australian Public Service Commission, *Senior Executive Leadership Capability Framework*, available: <http://www.apsc.gov.au/publications-and-media/current-publications/senior-executive-leadership-capability-framework>.

“... thinking strategically means looking and acting beyond the immediate.”

Thinking and acting beyond the immediate means that the future will be well planned and prepared for. To think strategically you need to consider short and long-term implications of the decisions you make.

Implementing this in practice is not as difficult as it seems. Noetic believes there are two key tools that managers and teams at all levels can apply during the consideration and decision making process. These are:

- + applying the ‘Two Up, Two Down, Two Across’ model, and
- + asking the two key strategic questions:
  - Who needs to know?
  - What needs to be done?

These tools are explained below.



## Two Up, Two Down, Two Across

Noetic has developed the *Two Up, Two Down, Two Across* model to assist leaders in thinking and acting strategically (see Figure 1). The model was developed from our work with Australia’s emergency services which have sought to apply the

military concept of *mission command*<sup>3</sup>. While a useful construct, it did not adequately encompass the nature of the operating environment of emergency services. The importance of considering other agencies and the community required incorporation for the model to be a more useful tool. This addition makes the model applicable for all organisations.

The *Two Up, Two Down, Two Across* model provides individuals and teams with a framework of consideration to understand the context and impact of their decision making. The questions for consideration are simple:

- + **Two Up.** What does my boss’ boss want to achieve? You will generally have a good idea about your immediate superior but thinking the next level up will help provide the wider context. Some of the related questions include what your boss’ boss is thinking; what ‘keeps them awake at night’ and what they are planning for the organisation.
- + **Two Down.** What will this mean for my direct reports and their teams? Understanding the current and future circumstances and the impact of decisions is essential. Asking ‘what will this mean for these teams?’ is a key question.
- + **Two across.** Being able to look beyond your immediate organisation is a key element of the model. It means understanding the perspective of other parts of your organisation and internal and external direct stakeholders that will be affected by your decision making. Looking beyond these are other stakeholders including community and clients. Asking yourself ‘what is their stake in this decision?’ is essential. Noetic’s experience is that

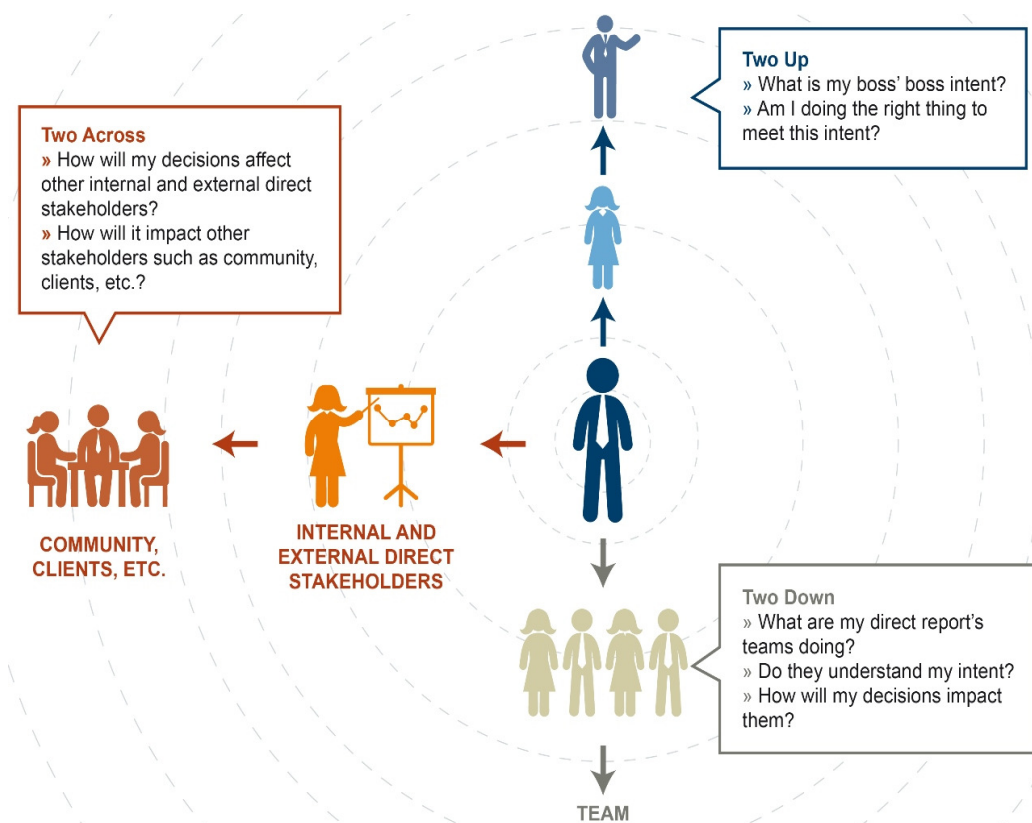
<sup>3</sup> Mission Command is a military command philosophy that promotes flexibility by rewarding initiative and devolves authority in achieving the commander’s intent. See [http://www.defence.gov.au/adfwc/Documents/DoctrineLibrary/ADDP/ADDP\\_00\\_1\\_Command\\_and\\_Control.pdf](http://www.defence.gov.au/adfwc/Documents/DoctrineLibrary/ADDP/ADDP_00_1_Command_and_Control.pdf) Chapter 2.

this is often the most challenging aspect of the model to articulate.

Applying this model can be done either formally or informally. Formally, (particularly when working in a team setting) the model is applied by stepping through the questions. Informally, this is done when working individually through issues and decision points.

- 1 Get your direct reports to work through the model and discuss the results. Do you have a common understanding of who sits in each of the parts of the model?

Figure 1: Two Up, Two Down, Two Across Model



## Strategic Questions

Noetic has noted that when required to make decisions or respond to unfolding events, people often just react – there might be urgency to the issue and there is a need to *get on with it*. This can lead to short-term, narrow thinking. The focus on decision making and subsequent action then becomes tactical and responsive, rather than strategic.

Rather than responding immediately to events, Noetic's experience shows that a more strategic response can be developed by asking two simple questions. The questions individuals and teams should ask are:

- + Who needs to know?
- + What needs to be done?

For both questions, the *Two Up, Two Down and Two Across* model provides a useful tool in framing the answer. For the first question (*Who needs to know?*) the model helps identify who to pass information to and what the substance of that information should be. While for the second (*What needs to be done?*) it assists by ensuring both the scope and consequences of actions can be appreciated and incorporated into decisions and actions.

In considering what action to take, decision makers and those that advise them have much to consider. A structured approach to consideration and decision making will make this task easier and more comprehensive. While each situation will be different, some questions that should be asked include:

- + Does it need to be done immediately or is there time before we need to act?
- + Are the necessary resources available to get the best result?
- + Do I have the required authority?

- + Is the decision best referred or delegated elsewhere?

This list of questions is far from complete, but they provide insight into the types of second order considerations needed to effectively answer the question *What needs to be done?*

- i What are the considerations for your organisation when making decisions?



## Conclusion

Insisting that managers and teams think and act strategically is meaningless without providing simple and practical tools. Noetic's experience is that these tools can be readily applied by managers at all levels in organisations. We have found that they are applicable across a range of organisations from the oil and gas industry, to large scale Information and Communications Technology elements within government, Not for Profit organisations and to the emergency services. In addition to providing a simple means of thinking and acting strategically, these tools help provide a common language for people to use when needing to think and act strategically.



## Peter Murphy

Peter is the CEO and one of the founders of Noetic Solutions. He has significant experience in developing practical solutions to intricate organisational issues. He has led much of Noetic's work into regulation, organisational reviews, lessons learnt and complex stakeholder engagement. In particular, he has worked extensively in the area of resources and energy policy and regulation. Most recently Peter has overseen the development of Noetic's social policy practice. Peter's qualifications include a Bachelor of Arts (Honours), Masters of Science, Masters of Business Administration and Graduate Certificate in Information Technology.

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