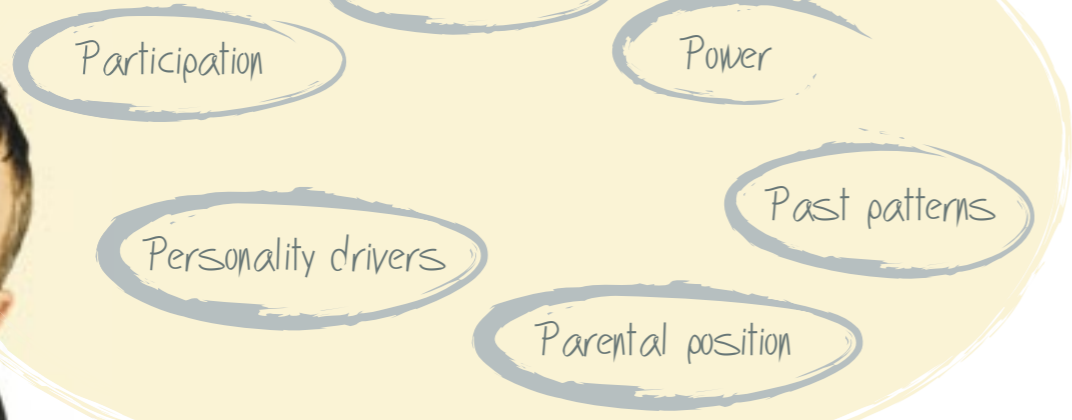




Paying attention to psychological approaches



# FACILITATING GOOD STRATEGIC CONVERSATIONS

## A 6P Facilitation Framework by Chris Nichols

Once we thought that strategy was a planned and deliberate thing: you analysed, set a destination and monitored. Now things do not seem so sure. Ideas of complexity thinking, which have influenced the natural sciences for decades, are now being explored in the management sphere. The consequence is that a less mechanistic, less certain, view of organisational life is gaining ground. Increasingly writers are describing organisations as the product of the conversations and gestures that happen in them. Analysis has a part to play but it is through conversation that choices are communicated and implemented. So the idea emerges that good strategy may actually stem from good strategic conversation. Conversely, flawed strategic conversations may lead to flawed strategies. This proposition places a demand on strategic leaders and other facilitators of strategic thinking to know what good strategic conversation looks like and how you help it to happen. In this article I draw on my strategic facilitation experience to offer a few – hopefully practical – pointers.

### What is a good strategic conversation?

Good strategic conversation opens up options and possibilities, explores new learning and listens to dissident voices in reaching decisions. A healthy strategic conversation avoids the mechanistic use of strategy tools. Instead, it dances between analysis, new learning and creative responses. **Analysis.** Good quality analysis is an excellent facilitator of good strategic conversation. The intelligent use of appropriate strategic tools helps to unearth new insight and structure and focus discussion. The crucial thing is to obtain good information and allow it into the analysis. Looking where you always look amounts to analysis reinforcing prejudice and blinkered outlooks. **New learning.** Good analysis “opens the windows” and accesses “dissident” perspectives. In this way, the conversation is able to challenge established mindsets and “paradigms” – views of the organisational and competitive world that might be constraining or toxic. The famous *Encyclopaedia Britannica / Encarta* case, where an established giant failed to spot or adequately respond to an emerging new technology, is a stark warning of being fixed in a paradigm. Involving a wider group in testing mindsets may

have advantages, bringing less hierarchically privileged voices into the discussion: as Gary Hamel says: “When do revolutions ever start with the monarchy?” The aim is to become aware of where the established patterns of seeing may be becoming dangerous ways of not seeing. Challenging mindsets is a core element of good strategic conversation. **Creative responses.** Having gained a fresher view of the world, the conversation is about how to respond. Again it is easy for the conversation to “stay safe”, by remaining on familiar ground. A good strategic conversation will allow for creative reframing, and may employ a variety of creative techniques to achieve this. My earlier article ‘The Six Shadows’, *Innovations* 2004, shows one possible method by which this aspect of strategic conversation might be facilitated. A good strategic conversation also recognises that strategic learning should arise from the interaction between the intended action and reality! Strategic intention is rarely realised as planned. We fail, we successfully adapt and improvise, we respond to emerging opportunities and challenges. Successful strategic conversation embraces the potential of learning from all of these rich sources of insight.

So far, so obvious: but why then are not all strategic conversations successful? How does this apparently natural process of learning and conversation get interrupted and diverted, so that strategies sometimes become denuded and corrupted?

### What are the facilitators of strategic conversation?

If I were to summarise what I believe to be the most important facilitators of strategic conversation, it would be in the 6P approach illustrated in the diagram opposite. The 6Ps are:

- **Participation:** ask who is involved and why – and who is excluded and why?
- **Preferences:** notice the psychological preferences in the room – using any type or trait model of choice
- **Power:** notice the power dynamics in conversation: who and what is privileged and who is disappeared?
- **Past patterns:** what are the past relationships being played out in this strategic discussion? What impact is there on the conversation and the thinking?
- **Parental position:** is this an adult conversation? Does anyone harbour saviour or victim positions? Who is the “us” and who is the “other” and what do we fantasise about them?
- **Personality drivers:** what is the unspoken script behind the dialogue?

### Participation:

The ideal strategic conversation would involve exactly the right people for the conversation in question, and exactly the right voices would be heard. This is not what usually happens. I always find it useful to ask: “Who has been included in this strategic discussion, and why?” and just as importantly, “Who has been excluded, and why?” Simply asking these questions may identify obvious “gaps”, where people or perspectives of value have been excluded by oversight. It’s not just a question of getting the right people in the room. People can be physically present but be excluded in the conversation, or can censor, silence or exclude themselves. The skilled facilitator, internal or external, will be alive to this possibility and will be asking – which voices are heard, and which are unheard in this strategy process, and to what effect?

*I recently participated in a strategic conversation in relation to a major acquisition, from early thoughts through to final bidding. I noticed that from the outset a “core team” had formed around the CEO that included the head of the relevant business unit making the bid proposal, and the CFO. Over time this group began to*

*“disappear” the CFO, who was cautious about the deal. He was physically present, but his voice was increasingly unheard: he became essentially a technical supporter – sorting out the financing – without any power over the “bid, no-bid” decision.*

### Preferences:

On a very practical level, simple differences in personality preference can interfere with good strategic conversation.

*The CEO and divisional head were both highly intuitive individuals, working on “gut feel” about the market and likely competitor response. The CFO was seen by them as a “details merchant”, lacking in “big picture” ability. This was not overtly unfriendly. Indeed the CFO was valued as a technical asset, but his doubts about the data behind the strategy being considered could not be heard because they were framed in fact-seeking rather than intuitive terms, and were thus dismissed as “detail”. Furthermore, the CEO had a highly gregarious form of extrovert personality – a characteristic he had in common with the divisional head. The CFO was stereotypically introverted. He spoke seldom in brainstorming sessions, and when he did so he offered well thought through observations, often critical of the lack of data. What obstructed the conversation in this case was not the difference in personality per se, but the assumption that “we” (the CEO and division head) are “right” and the CFO is seen as different and wrong.*

Almost all of the conflicts and misunderstandings I have seen in boardroom discussions have some element of personality type misunderstanding about them. Provided we appreciate that differences exist we can all learn to respect others’ ways of being and work with them. Learning to recognise the contributions to strategic conversation and good strategic thinking from different personality types is a crucial skill in strategy facilitation and will lead to conversations that enable formation of more robust strategy. Attending to the impact of type on strategic discussions is essential to a good conversation.

### Power:

We all have different control needs: we differ in our need to shape the agenda and have things done exactly our way. These may influence how we seek power and how we choose to use power. This also impacts strategic conversation, often by the operation of inclusion or exclusion, or by the control of the concepts and vocabulary that are acceptable in the strategic discussion. How often, when preparing a business case

or other strategic presentation, have you been warned off making a point on the grounds that some senior manager “doesn’t want to hear that”?

*Working in the energy sector, I observed that a change programme would not deliver the projected cost synergies within the assumed timescale. “It would be career – limiting to tell her that,” I was told – and true enough, because I stuck to my observation, I was replaced by someone “who could make it happen”. It didn’t happen, of course, but the person who said that it could was included in the conversation from then on, and I was excluded. I might have served the client better by more subtle use of my political power: keeping mute in order to stay in the dialogue for longer! On the other hand, maybe the power was such that the cautious analysis could never have been heard.*

The aware strategic facilitator observes that the use of personal and political sources of power can often be more critical than rationally allocated positional power. Power affects what is “said” and what is “unspeakable”: being able to bring the unspeakable into conscious attention and discuss the effect of its exclusion, is important in surfacing and testing the mindsets operating in any strategic conversation.

### Past patterns:

We may be having our strategic conversation today, but the interaction is not only the one that is happening right now. We are all also influenced by all the similar interactions we have ever had, from our earliest experiences in childhood, through to similar conversations in our career. Particular individuals will often trigger reactions in us: people we respect and can do business with; people we can scarcely credit as being worthy of the time of day. We are all aware of these reactions, but don’t often stop to think how they affect strategic discussions.

*The CEO (in the acquisitive company) was extremely fond of the young divisional head, and as a result, favoured his advice and perspective over all others. The CEO told me that the younger man reminded him of himself at that age – eager, bold and ambitious, and he was keen to back the man. The CFO had always irritated him. When we discussed this he spoke of a “cold fish” primary school teacher he had disliked. It was a throw away remark, but as he said it he noticed that his inability to treat the CFO with anything other than technical respect had deep roots in his past.*

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The strategic facilitator needs to be aware of the possibility of these past patterns interfering with today's strategic conversation. The signs may be overt, but may also be very subtle. When relationships appear too close or too broken to be explained rationally, maybe a past pattern is in play and is worth noticing. "What might be happening to interfere in this relationship?" is often a good question to ponder at this point.

### **Parental position:**

We fondly believe that in our strategic discussions we are rational adults talking with other rational adults. Often this is exactly right, but not always.

*A while ago I worked with a London financial services player which had undergone a change of management in the past two years. A new CEO brought in a team from outside the sector. The team drove down headcount and cost: tight financial controls and tough monthly progress reporting turned around the results. The subsidiary was no longer the "sick child" of the global portfolio. The CEO was then asked by the parent company to increase innovation and grow sales. A change initiative was launched: "Step Up and Innovate" was the new call. After six months the management team were frustrated: progress was slow. Despite regular events, communication initiatives and inclusion of "step up" targets in the monthly performance monitoring, the "next levels" in the organisation seemed reluctant to "step up". The top management now felt that they, the top team, were the only ones in the company with the ideas and energy. Thoughts turned to hiring in new blood into the lower levels....*

When things get tough, or we face extreme uncertainty, the child part of us often gets evoked. We look for someone, a leader, a government, to make it all safe for us. When leaders take clear, powerful, certain positions they tend to evoke the

child response: that is, we ask the parent to tell us what to do.

This often happens in strategic conversations, especially large ones with big power differences in the process. Great care is needed by the hierarchical leaders and the strategic facilitators to frame their interventions so as to allow the participants in the discussions to speak from their genuine adult voice. Otherwise frustration and stifled conversation can result.

Open explorative questions, with the creation of a genuine sense of shared learning are good. Creating the sense that the "leaders" know, but want our input, tends to reinforce child responses, which include the scepticism of the rebellious teenager!

### **Personality drivers:**

*Post acquisition, I asked the CEO what he had achieved by the transaction – since he was not especially interested in the subsidiary he had acquired. "It makes us a billion dollar business" he said, "and I have dreamed of running a billion dollar business almost since I played stick ball in the yard".*

How much of life around corporate power runs according to deeply written scripts – the "introjections" we swallow as life recipes? Scripts which we agreed to work to early in life, which allowed us to survive in our family and in school? Scripts which say "be first", "be strong", "please people", "try harder" or "be perfect" for example? In any strategic conversation, all of these scripts are likely to be playing out, represented by the different voices in the dialogue, spoken or not, heard or not, according to the power in the room. The skilled facilitator is aware of such behavioural "drivers" and notices.

Again the skilful strategic facilitator will be alive to the role drivers may be playing in the conversation, and how these may interact with

power dynamics, and will gently seek to maintain the health of the exploratory conversation so that the interference of the driver is not damaging. The facilitator will, of course, need to be aware of his or her own drivers as they do this!

### **Paying attention to psychological awareness**

This final aspect of the 6P Framework is the crucial element, the underlying foundation of facilitating strategic conversation, if you like. For too long our attention as strategists has been on tools and models, on logical methodology and analytical rigour.

At least equal importance should be attached, in strategy-making, to the need to pay proper attention to the psychological context. The 6P framework does not pretend to be a complete solution. It is designed to invite the coming together of two streams of work: the "hard skills" thinking of the strategy schools and the "soft skills" thinking of the behaviourists.

As a practical measure, if you are a facilitator and strategic leader looking to develop these skills you might consider coaching and action learning.

The more a strategic leader – and by this I mean anyone who seeks to facilitate strategic thinking and strategic conversation – is able to find processes that allow him constantly to become more aware of his own mindsets and patterns, the better placed such a person might be to facilitate rather than interrupt genuine strategic dialogue.

Real strategy moves through real conversations. The better the skills of the leader and facilitator in building a good strategic conversation, the better the chance we have of genuine strategic thinking. If we continue to fool ourselves that strategy is solely rational and analytical, we will continue to get less effective conversations and less effective strategic decisions.