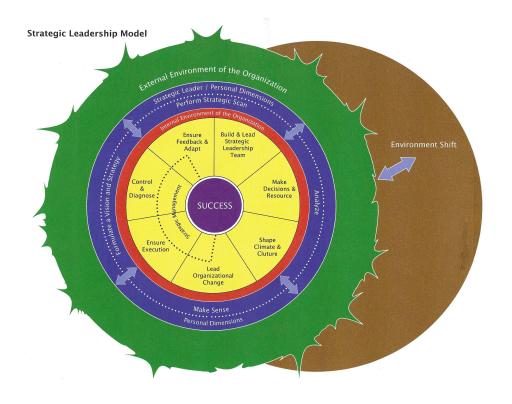
The Browning Model of Strategic Leadership

aka

"The Buzz-Saw Strategic Leadership Model"



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(Nicknamed: "The Buzz-Saw Strategic Leadership Model")

Introduction

Drawing on my extensive experience serving as a senior leader, advising and teaching aspiring leaders, conducting in-depth leadership and management research and practice, and on the experiences of more than sixty senior leaders who reached and worked successfully in the corner office (senior leaders in business, government, military, and nonprofit organizations), I concluded a new model was needed to describe the environment and the unique leadership roles and responsibilities required to be successful senior strategic leaders in today's turbulent world. A world that today and for the foreseeable future is increasingly globalized, interdependent, and unstable—filled with volatility, uncertainty, complexity, and ambiguity—VUCA.

Consequently, I conceived a new model to reflect senior level strategic leadership and strategic management—the Buzz-Saw Strategic Leadership Model. This model contextualizes and synthesizes the collective elements of the strategic environment and the unique roles and responsibilities of senior leaders operating in such environments.

As a senior leader, supported by members of your senior leadership team, your primary focus is the strategic direction of the organization both near-term and long-term—requiring a balanced view of the external and internal environments. You achieve sustained relevancy and competitive advantage by establishing and applying three basic frameworks: 1) providing valued high-quality goods or services; 2) alignment with external environment—achieving long-term relevance and viability; and 3) stability under pressure—remaining stable and viable facing

¹ Research included review of more than 400 books, 1000 articles from referred journals and popular press, and more than 30 executive and senior-leader presentations given at the National Defense University, Stanford, MIT, Yale, and Harvard. Also utilized are data and insights from a 2006-2007 benchmarking effort of top executive leadership programs throughout the United States and Montreal, Canada—including the top universities and colleges offering Executive MBA and Public Affairs programs, as well as executive training organizations and corporate university programs.

ⁱⁱ VUCA is the environmental profile faced by senior leaders. *Volatility:* The increasing pace of change in conditions, situations, information, networking, technology, and so on. *Uncertainty:* Doubt about the present situation, courses of action, and future decision outcomes. *Complexity:* The multiplicity of factors associated with a decision. *Ambiguity:* The lack of clarity and meaning in an event.

"inevitable surprises" and crises.

An inherent strategic leadership responsibility is leading and managing the continuing organizational transformational process to mesh current and future realities. Mid-level leaders are responsible for the day-to-day operations of the organization to meet its mission and near-term objectives and their primary focus is internal to the organization. The lower-level leaders and supervisors focus on achieving daily and weekly tasks and customer-desired outcomes.

If you aspire to be a senior leader, or support a senior leader, or serve as a senior leader, it is important that you have a keen appreciation that what senior leaders do and how they do it is fundamentally different from leadership at lower organizational levels.

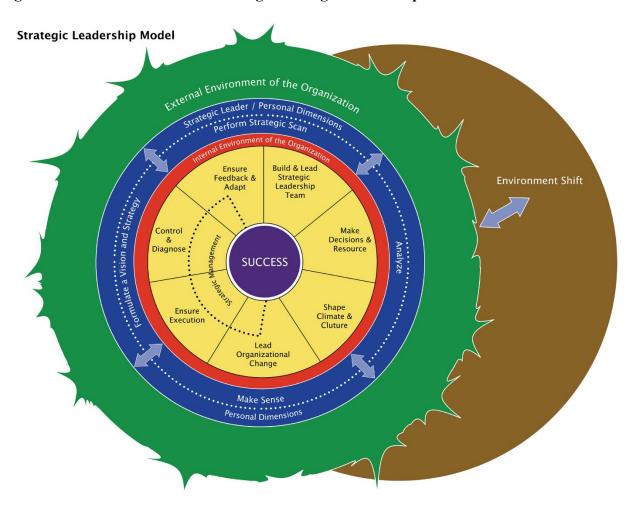


Figure 1: The "Buzz-Saw"—Browning's Strategic Leadership Model

Model Overview

The "Buzz-Saw" model of strategic leadership (Figure 1) reflects the essential components of strategic leadership and illustrates the interface between senior leaders, the turbulent VUCA environment, and the organization.

External Environment: The green outer circle, "External Environment of the Organization," represents the operating environment in which the organization exists. It is in the external environment that the key stakeholders, constituencies, competitors and customers reside.

The jagged outer line represents the turbulent nature of the VUCA environment. This ring is proportionally large to illustrate the significant importance and impact of the external environment on organizational success. The brown circle in the background, "Environmental Shift," illustrates the constant potential for movement by the external environment either away from the organization (necessitating increased creativity and adaptation by the organization to "catch up" to the external environment), or towards the organization (symbolizing the embrace by external markets of the organization's invention or innovation). For example, the introduction of the iPhone by Steve Jobs resulted in Apple to influence the external environment towards Apple, whereas, Nokia and Motorola were forced to chase the new external environment created by Apple.

It is the responsibility of senior leaders to ensure their organization's viability in, and relevance to, the external environment by anticipating such shifts and by maximizing their organization's capacity for adaptation and innovation.

Interface between External and Internal Environments. The model places the senior strategic leader (blue) at the interface between the external and the internal (red) environments. The outer layer of this ring represents the personal dimensions the senior leader brings to the organization, including his or her cognitive capacity; social capacity; personal traits, values, and preferences; business acumen and technical skills; and behavioral capacity. It is through these dimensions that senior leaders identify and prioritize changes needed by or within the organization to respond to developments in either (or both) the external and internal environments. In turn, these changes enable or diminish the organization's opportunities for sustained success.

The inner layer of the blue ring illustrates the critical work required of senior leaders at

this level. The long-term viability of an organization depends upon its ability to influence or respond to the external environment while maintaining focus on its internal environment.

Strategic senior leaders perform strategic scans of the external environment to identify and assess threats and opportunities that may affect their organization and formulate a vision and strategy for organizational direction and action. They must analyze the extent to which the workforce has the agility, mindset, culture, and necessary skill sets to embrace change initiatives, and identify and control sufficient resources to implement changes without debilitating the success of current operations, products or services.

Through sense-making, the strategic senior leader connects the dots and creates the foresight needed to identify, define, and articulate a vision and strategies that will allow the organization to maintain or modify its organizational purpose; plan and execute strategies to achieve the vision, mission, and strategic objectives; and sustain competitive advantage.

Internal Environment. Enclosed within the red circle "Internal Environment of the Organization," are seven yellow sectors (including strategic management) which represent the activities required of the senior leader to ensure organizational success—mission accomplishment and appropriate adjustments to the external environment. The sectors indicate that strategic senior leaders use both actions and relationships to convert the turbulence of the external environment into the energy and motivation needed for organizational success.

It is through these seven equally weighted, ongoing, interactive (not linear or sequential) activities that strategic senior leaders set organizational direction, ensure alignment, and build commitment. The "Strategic Management" component of the model reflects the reality that both Strategic Leadership and Strategic Management are necessary within these sectors to achieve levels of sustained superior internal organizational performance.

The Seven Internal Environment Activities of Senior Leaders Are:

Build and Lead a Senior Leadership Team (SLT). Clearly, leading medium and large organizations in today's turbulent VUCA environment exceeds the capability of any single senior leader—no matter how talented—and requires effective leaders to build and lead a senior leadership team. Some of the senior leaders I talked with noted that they inherited their leadership team and indicated that given a second chance, they would more readily eject one or

more "cancerous" team members sooner. For example, Bob McDonald, then Chairman, President and CEO of Procter & Gamble (P&G) told me that when his predecessor, A.G. Lafley came in as CEO, Lafley changed 75 percent of his executive team during the first nine months. McDonald explains that it was not that the team members didn't buy in to Lafley's vision or strategic direction, rather "It was a dysfunctional group."iii

Successful senior leaders dedicate themselves to getting the right people on their team and the wrong people off; however, the ultimate decision-making responsibility remains with the senior leader.

Make Decisions and Resource. Senior leaders make decisions—based on their review of facts and informed intuition—that bring their strategies to life. Decision making at the senior level is significantly different from that at the lower levels. Whereas most lower-level decisions are routine or made according to standard procedures, decisions at the senior level are often unstructured and rarely routine.

Many elements of the strategic decision-making process are intangible and fuzzy, without a clear picture of how to approach the problem—much less how to achieve the solution. In addition, decisions at the senior level are consequential—they have second, third, and later-order effects—and involve the allocation of finite organizational resources (e.g., subject to sales/costs forecasts, agency budget allocations and fundraising projections).

While logical and analytical reasoning typically works well for routine decision-making at the mid- and low-levels, decisions made by "gut instinct" at the senior level require broader frames of reference, mental models, iv higher-order thinking skills, and a well-informed "gut."

Personal interview with Bob McDonald, Former Secretary of Veteran's Affairs and former Chairman, President & CEO, The Procter & Gamble Company.

iv Mental models (MM) and frames of reference (FR) are very similar terms and often used interchangeably. The difference, if any, may be a FR being larger in scope and scale. Both MMs and FRs are the collection of internal assumptions, personal experience, attitude, values, emotions, knowledge, bias, worldview, mindset, blind spots, imagination, and successful and unsuccessful past usage. They're often habitual. They help us understand the world, perceive a situation or problem, connect the dots, make judgments, and take action. If accurate, they predict an appropriate process and outcome to problem solving. If limited or inaccurate, they can lead the decision-maker astray. Unfortunately, many leaders are unaware of many of their MMs and FRs—making it more difficult to test and update them. Insufficient MMs and FRs could lead to personal derailment and organizational demise.

Shape Climate and Culture. Climate and culture are critical within both external and internal environments. For example, developing a specific strategy may include establishing alliances or partnerships with outside organizations, requiring a flexible and adaptable internal culture capable of effective stakeholder integration. Likewise, an innovative, flexible and agile organization that intends to shape or effectively react to a volatile external environment must have a supportive, creative, innovative internal climate and culture with strong ethical and learning values.

Each of the senior leaders I talked with underscored the importance of having a keen understanding of their organization's climate and culture and the knowledge to shape and use them to enhance organizational performance. They said senior leaders can affect organizational climate through leadership behavior and policies; whereas, changing or influencing organizational culture takes significantly more time and effort.

For example, Ted Leonsis, sports mogul and former AOL executive, recalled AOL's culture before its merger with Time Warner. "Before the merger, AOL had total commitment to the mission. There was total commitment. Post-merger, there was a little of this and a little of that, culturally, depending on which manager won out, if you will. That was the management style, and it is not endemic just to us. Most mergers fail because of that." In the end, Leonsis cited cultural clashes as the root cause of the merger's failure, saying, "What I have learned is that complex misalignment of your goals, of your financial incentives, of your culture are almost impossible to undo and get working."

Furthermore, today's senior leaders find themselves operating in more countries and with a more diverse customer and employee base than ever before. As such, rather than following the Golden Rule—do unto others the way you want to be treated, Bob McDonald says he tries to follow the Platinum Rule—to "Treat others the way THEY want to be treated."

V Ted Leonsis and John Buckley, *The Business of Happiness: 6 Secrets to Extraordinary Success in Life and Work* (Washington, DC: Regnery, 2010), pp. 132-133; and personal interview and discussions with Ted Leonsis, Chairman and CEO of Monumental Sports & Entertainment—owns and operates the Washington Capitals (NHL), Washington Wizards (NBA), Washington Mystics (WNBA) and Verizon Center; former AOL senior executive and philanthropist.

<u>Lead Organizational Change</u>. Because of the realities of a constant and ever-increasing rate of change in the external environment and shifting organizational challenges (e.g., workforce skill sets and demographics, technologies, processing and sharing information)—all the senior leaders I talked with view leading and managing change a critical responsibility of the senior leader.

They note two major approaches to organizational change. The first is incremental change; examples include process improvements—often associated with such programs as Total Quality or Lean Six Sigma. These changes often occur at the operational level and within the existing system. The second is transformational change. This is a fundamental change to the organization—often requiring a change in vision, mission, and strategic objectives.

Effective transformational change requires direct involvement of the senior leader and his or her senior leadership team; a recalibration of the organizational culture; and internal changes to organizational structure, processes, reward systems, etc. The high failure rate of organizations to implement fundamental change exemplifies the difficulty in leading and managing transformation. Because transformational change is both the most important and most difficult undertaking faced by the senior leader and the organization, it requires the best of both strategic leadership and strategic management.

Exercise Strategic Management. Strategic management refers to organizing and aligning systems to improve and achieve a more efficient and effective organization. Strategic leadership (with an internal focus) reflects the communication of a compelling sense of purpose, values, vision and mission as supported by a climate and culture of innovation, achievement orientation and proactive engagement. It is through strategic management that the senior leader provides the necessary alignment between organizational capability and performance.

The model's "Strategic Management" range begins in the "Organizational Change" sector and concludes in the "Ensure Feedback and Adapt" sector. It spans activities such as the execution of efficient, reliable business processes; alignment of values, vision and mission to strategy; translation of strategy to action; preparation of the organization to efficiently and effectively execute the strategy; design of appropriate metrics to determine successful implementation; and provision of feedback mechanisms for process corrections. The success of these activities requires both effective strategic management and strategic leadership.

Ensure Implementation. This section of the model represents the requirement to manage to completion the work performed by the organization. This is necessary in order to provide products and/or services that meet or exceed the expectations of internal and external stakeholders, key constituents, and customers. Organizational challenges to implementation can include people, organizational structure, organizational processes, networks and relationships, and the leveraging of technology.

<u>Control and Diagnose</u>. Measuring and monitoring processes, progress, and results are functions within the "Control and Diagnose" sector. Asking questions such as, "Are we accomplishing the mission and achieving our vision?" and, "Are we meeting our customers' expectations?" help to identify whether or not the strategy (pathway to action) is working, appropriate, or needs adjustment.

Moreover, the senior leader must ensure alignment of the performance metrics with the organization's strategic objectives and goals. Choosing the wrong metrics can lead to unintended consequences. Misdirected metrics can lead to demoralized employees, drive poor execution, and put the organization's viability at risk.

This sector reflects the use of performance tools such as the use of big data and analytics. Some organizations will refer to the McKenzie 7-S Model for alignment, the Balanced Score Card for organizational performance, and the After Action Review (AAR) for performance analysis.

Ensure Feedback and Adapt. Based on customer and stakeholder feedback, changes in the external environment, and identified shortcomings in execution, senior and lower-level leaders must ensure that the overall organization remains flexible, agile, and adaptable while embracing and incorporating the changes needed to ensure future organizational effectiveness, success, and competitive advantage. Consequently, senior leaders should identify and establish channels and approaches that enable them to stay informed and able to monitor and assess (in close to real time) their organizations' progress during deployment and execution.

Success. The "bull's-eye" center of the model represents organizational success. How an organization envisions or determines success varies according to criteria unique to the organization's senior leadership, key stakeholders, constituencies, and customers. For example, success for a government or military organization may be mission accomplishment; success for a business may be sustained growth and profit margins; success for a nonprofit organization may be fundraising and attracting volunteers sufficient to feed the hungry.

While most scholars and practitioners agree that organizational efficiency, effectiveness, and competitive advantage are usually bottom-line performance criteria, how leaders and stakeholders judge these criteria depends on organization type, and the domain in which the organization operates.

Recognizing Strategic Leadership

The Buzz-Saw Model of Strategic Leadership illustrates that leading at the senior level is fundamentally different in terms of the roles, responsibilities, mindset, and skills required (compared to leading at lower organizational levels), and that ultimate success requires you to be adept in the art and practice of strategic leadership. So, what exactly is strategic leadership?

Strategic leadership is the ability to envision a viable future, formulate strategies, and influence others through the continual process of organizational transformation with the intention of adapting to and shaping the environment that sustains the organization's relevance, viability, and competitive advantage today and in the future.

In essence, strategic success rests on your ability to envision a required future capability for yourself or the organization, to nurture the vision into a coherent strategy and plan of action based on effective systems thinking, to communicate the plan to those involved in its deployment, and to motivate and sustain the leadership and management actions and activities that represent a feasible pathway to implementing your strategy.

As the Model indicates, significant strategic leadership skill is necessary in order to gain the engagement of everyone required to achieve the desired vision. And excellent strategic management (business acumen and skills) is needed to lead the organization—the "business of business"—including the resources (financials, skilled and engaged people, supplies, technologies), logistics, and systems thinking that must come together to align functions and incentives with progress and success metrics.

Components of Strategic Leadership

Strategic leadership encompasses two critically important components: the first is process and the second is leadership in the "classical" sense (i.e., "a person influencing others to accomplish something"). The strategic leadership process involves a dual-focused approach—both today and the future. This requires solving the paradox of strategic leadership of ensuring the organization is viable in the future (often requiring organizational change) while simultaneously maintaining stability today

In other words, you must be future oriented, with a long-term view (three to twenty years or more), and you must orchestrate the various facets of the organization and external supporting entities toward a desired future state to ensure the organization's long-term viability, vitality, and competitive advantage. If you fail in this focus and associated tasks, the organization may become obsolete.

Whereas, your current focus is to serve as a strategic senior leader to oversee and ensure that the current mission is accomplished and that organizational results meet or exceed stakeholders' and customers' expectations. If you fail in this focus and task, both you and your organization may lose your good reputation and respect, which may even lead to the potential demise of the organization. Be clear that this is not "operational" leadership; rather, it is much more strategic in nature.

Your "classical" leadership at the senior level is primarily indirect. Other than your direct reports and your senior leadership team (SLT), influencing others to gain support, buy-in, resources, motivated engagement, and so forth at the senior level is primarily indirect (e.g., through directives, policies, shaping climate and culture, and supporting metrics and incentives.) Also, at the senior level, most of your efforts to exert influence are toward peers, subordinate leaders, stakeholders, media, key constituents, and others whose influence or actions (for or against) will affect your ability to accomplish the desired future state of the organization. The majority of those you seek to influence are outside your authority, which further complicates your efforts.