VIGNETTE A

BASF PerForm

Post-acquisition positioning of a divisional training and development team

Context and goal

In September 2009, the head of PerForm Academy, the training and qualification unit of BASF Performance Chemicals division, invited her team of three to explore the relevance and consequences of the recent major acquisition project by BASF for PerForm's strategic positioning in the division. A lot of the acquired operations were to be integrated into BASF Performance Chemicals division. Consequently, all parts – including HR and training functions – of the former and old organization were concerned with the organizational implications of the acquisition. The explicit goal of the intervention was to specify and shape PerForm Academy's strategic profile in terms of key clients and main offerings in this post-acquistion context.

Embodied metaphors

Participants portrayed their team as an office space on a blue platform with a variety of connections. For example, a ladder oriented to a boatful of person figures – representing future internal clients – on a green platform was meant to invite them to increase their skills

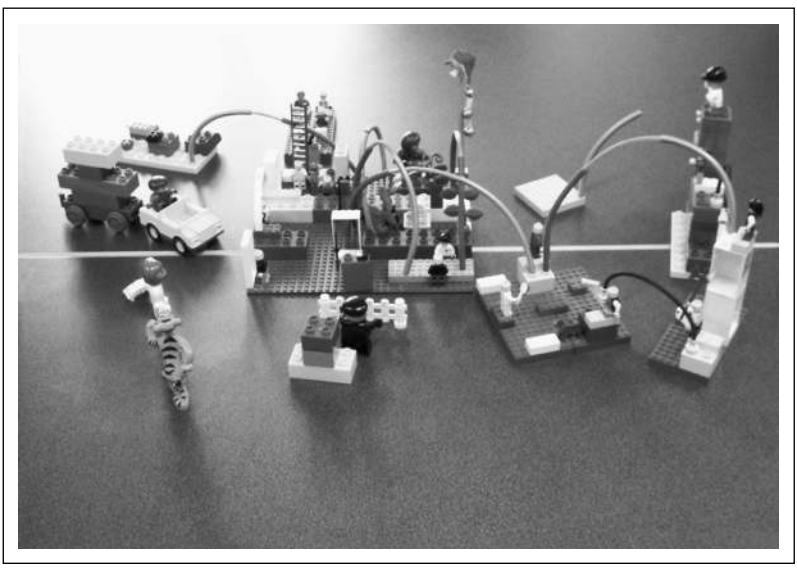

FIGURE A.1 *Embodied metaphor of BASF.*

and competences, the obvious and ultimate goal of a training function. The highest element on the platform is a wooden clown face, representing the enjoyment, commitment and dedication that team members experience in working in this team. A yellow car delivering a set of bricks to the entrance represents the head of the team, always on the road to find new ideas and concepts for training. A black-hatted man behind a fence symbolizes some of the skepticism and ignorance of other parts of the organization vis-à-vis PerForm. The green and red platform represent the interface with other parts of the organization and the division's HR team, represented by two rather remotely positioned towers overseeing but not fully understanding PerForm's activities. After completion of the model, the team realized that no physical representation of the newly acquired firm was included in the model. The absence thereof triggered a most lively debate that revealed that at this stage and despite best intentions from all parties, the new organizational structure and culture did not yet provide sufficient common ground to engage in

detailed service offerings until legal, financial and organizational issues were settled.

Mode of interaction and role of leaders

The process of crafting these embodied metaphors was carried out in a very active and positive spirit. The team leader and team members exchanged their models and narratives in an egalitarian mode – without neglecting hierarchical and functional differences. The workshop itself was evidence of the team's self-image as having fun when working together. Yet, the seriousness of the intervention was apparent in the critical reflection on several core insights outlined below.

Insights gained: how was this session strategically consequential for the organization/the team?

The intervention confirmed the team's commitment and fun of working in the current environment. Yet, it also raised some important questions regarding the strategic profile of this function. First, the team realized that its own direction hinged crucially on the overall direction of the division. Therefore, a high level of flexibility is needed to cope with short-term adjustments in planning and designing training and events within the organization. Secondly, participants realized and acknowledged that their role and offerings in the organization and division were far from clear and were perceived by others as being rather opaque. Lastly, and in exploring the absence of a physical representation of the acquired firm, participants realized that despite the post-acquisition activities, the ground had not yet been prepared for them to meaningfully offer their services to the newly acquired firm.

CHAPTER ONE

Strategizing out of the box

Strategy is regarded as serious business. The very origin of the term "strategy," as the task of ancient Greek army generals, or *strategoi* (leaders of the army), underlies a view of strategy as rational, analytical, objective and top-down, involving extensive analysis and planning. Further, it privileges a top-down view of strategy as positioning in the battlefield, rather than organizing internally to deliver the competencies needed to effectively deliver a strategy. This emphasis on left-brain type activities and ways of thinking, as well as external positioning rather than internal organization, has hindered the development and widespread adoption of right-brain, creative, emergent ways of strategizing. These ways are more relevant to a processual, practice-oriented view of organizations, and an emphasis on actors, rather than a more static, industrial organization-inspired view of organizations concerned with external positioning. This book, based on our research and engagement with strategizing processes over the last decade, is an effort to redress the balance.

This chapter draws from Jacobs and Heracleous (2007) and from Heracleous and Jacobs (2008).

We begin this chapter by suggesting that to develop and sustain competitive advantage, strategists need to engage in practices that help them see things anew; to move beyond rationalist, analytical and convergent thinking and to engage in creative, synthetic and divergent thinking, through processes such as the playful crafting of embodied metaphors. Such a strategizing process differs markedly from conventional, analytical strategizing processes, and we employ the key stages of design thinking to highlight these differences. We finally outline the process of crafting embodied metaphors as a playful practice.

Sustaining competitive advantage requires synthetic and divergent strategic thinking

Strategic *planning* has been associated with a rational, objective, structured, analytical, convergent mindset and associated practices that most organizational members consider abstract and distant from their daily work. Strategic *thinking* on the other hand, involves a creative, divergent and synthetic mindset and associated practices (Heracleous, 1998) often seen as a useful way to achieve direct involvement in strategizing processes as well as highlighting sensitive organizational and strategic issues that conventional planning may not readily be able to. While the technologies and frameworks of strategic planning have been highly developed and refined over time (e.g. Ansoff, Declerck and Hayes, 1976), despite its shortcomings (Mintzberg, 1993), the creative processes of strategic thinking remain a fragmented, underspecified group of approaches with no clear connections to strategizing processes.

Sustainability of competitive advantage seems to be an unattainable ideal for most organizations, where any uniqueness achieved is likely to be transitory because of aggressive imitation (Frery, 2006). Strategic innovation, as a strategy of breaking the rules of an industry by redefining basic dimensions of strategy (Markides, 1997) becomes necessary for sustained advantage. Several ways have been proposed to

foster strategic innovation: the monitoring their strategic (as opposed to simply financial) health; creation of "positive crises" to overcome inertia and motivate employees to embrace a new strategic direction (Markides, 1998); Abell's (1999) suggestions for the development of "dual strategies" that address both the present as well as the future of the business (how the business should be proactively redefined, and new competencies built, for future success); and March's (1991) calls for balancing exploration and exploitation.

Simply put, while focusing on better execution (exploitation) is important for efficiency reasons, without seeing things in new ways, gaining new insights and experimenting (exploration), an organization would gradually atrophy; it would be perfectly executing the wrong things. Several scholars have noted that a key enabling factor for fundamental strategic innovation is to be able to view the industry and the company in a new light, to challenge existing mental models and form new understandings (Jacobs and Heracleous, 2005). Baden Fuller and Stopford (1994: 53) for example suggested that strategic innovation as the "creation of actions hitherto deemed impossible" requires "a change in the mental models held by managers," and Markides (1998) noted that companies should attempt to institutionalize a climate of questioning and challenging current operating norms and viewing issues in new ways. Indeed, even though more than three-quarters of executives surveyed by McKinsey said their company had a formal strategic planning process, less than one quarter said that this process was instrumental in making important strategic decisions, which were led instead by the CEO and the senior team (McKinsey & Co, 2006).

Strategizing through embodied metaphors as a practice of exploration

Since strategic decisions are driven not by strategic planning but by actors, how these actors see things (their mental maps and assumptions regarding the industry, the company and its strategic challenges) shape the decisions they make. If fundamental strategic innovation

as well as the development of creative strategies can be fostered by shifts in managers' mental models, how can such shifts be facilitated so that the conditions for innovation are put in place? We propose that strategizing through embodied metaphors enables reflective dialogue which can engender shifts in mental models and potentially be a catalyst for strategic innovation.

Of course such a strategizing process focusing on strategic thinking does not replace traditional strategizing focusing on strategic planning (Heracleous, 1998), but can effectively complement it, adding much needed diversity and out-of-the-box thinking in the process. In the next section we employ design thinking to highlight how strategizing through embodied metaphors differs from conventional strategizing.

Design thinking and strategic practice

In this section we employ the categories of design thinking, to highlight how strategizing through embodied metaphors differs from conventional strategizing. Viewing strategizing as a process of design is in essence an analogical process, the use of metaphor where knowledge from the source domain (in this case, design thinking), is mapped onto the target domain (in this case the strategy process), with the aim of gaining insights that would have been difficult to gain otherwise. Viewing creative strategizing as design can shed light on how strategic thinking practices such as crafting embodied metaphors can add value to the strategy process.

According to architect Bryan Lawson (2006), there is little consensus in the design field about what the term "design" means. Both a noun and a verb, design can refer to an end product as well as to the processes involved. A variety of professions employ the term "design", each with a different interpretation of what it is. While on the one hand a structural engineer might refer to design as a systematic, quasi-scientific sequence of steps whereby the requirements and desired specifications of the end product are known, a fashion designer engaged in next season's collection can also refer to a fluid,

open-ended, inspirational practice as design. Whereas these two professions exemplify extremes of a continuum of design, we will draw for our purposes on the three-dimensional design field of architecture that integrates systematic with imaginative thinking, as well as with relevant technical skills. This design domain is also most relevant to crafting embodied metaphors, themselves three-dimensional designs most often representing various types of buildings and infrastructure.

The source domain of architectural design is in itself fragmented, as witnessed by the lack of a universal design model. In spite of this, Lawson (2006) attempts to provide an integrated model of the design process that consists of six broad stages that we outline briefly below. We then discuss how these six steps relate to both conventional, analytical strategic planning, as well as creative strategic thinking processes.

Formulating: Designers must be capable of effectively identifying, stating, understanding, exploring, and providing structure to ill-structured design problems. They should also be capable of framing and examining these problems from different points of view and perspectives. In particular, the ability to generate stories to reframe issues is key.

Representing: Designers employ various techniques and materials to externalize their ideas and thoughts. This might take the form of models, sketches or prototypes. Importantly though, these are created through a variety of media, including drawings, computer models or tangible three-dimensional entities. These physical representations are not simply outcomes of an abstract thought process but are seen as essential inputs to a conversation about the representations and ideas they embody.

Moving: Designers create solution ideas, or moves, relevant to a design problem. They distinguish between lateral design moves (the extension of an existing idea or its application to a new setting), and vertical design moves (the development of a novel idea). Interestingly, and in anticipation of later stages of the process, designers also develop initial experimental ideas about solutions early on and sometimes even before they have fully understood the problem.

Bringing problems and solutions together: Designers often do not explicitly draw a hard line between problem and solution, since they consider these to be intertwined. Furthermore, in design practice, problem and solution rarely follow a clear, linear sequence. In contrast to a universal route map of design process, briefing (seen as making sense of the issues and challenges at hand) is a continuous, recurring element, rather than just the first sequential step of design. Finally, great designers are capable of developing parallel lines of thought about the problem–solution situation. This skill in particular involves maintaining a sense of ambiguity and fluidity, and not getting too concerned about the single right answer or silver bullet during the process. The narrative, storytelling capability of designers to integrate problem and solution into a relatively coherent story is important here.

Evaluating: Designers often have to judge between alternatives along dimensions where no common, universally accepted, "objective" metric is available. Thus, designers must be capable of integrating objective/technical as well as subjective/aesthetic judgments in making choices among competing designs. One of the key skills in this context is the ability to temporarily suspend judgment so as to maintain the creative flow. In effective design, ideas often reach a level of maturity before they are subjected to robust criticism.

Reflecting: Ideally, designers are capable of reflecting *in* action – a skill that is of course required for the above dimensions as well. But also, great designers are able to reflect *on* action – on how they go about the design process itself, on the design philosophy and guiding principles they follow; a process analogous to what Argyris (1977) referred to as double-loop learning. Skilled designers draw dramatically on episodic evidence, for example by keeping sketchbooks or collecting artifacts reflecting what they consider to be good design, and can integrate these precedents and references into their design process.

Table 1.1 provides a synopsis of these elements, and juxtaposes them with both analytical, conventional strategizing as well as creative

TABLE 1.1: *Two modes of strategizing juxtaposed in terms of key stages of design thinking*

Key stages	Design thinking	Conventional strategizing	Strategizing through embodied metaphors
Formulating	- Identifying design problem. - Naming and structuring ill-structured problems. - Framing problems from different points of view, often through storytelling.	- Preference for rationalist perspective; search for data and structured views to converge on best solutions. - Storytelling eschewed as irrelevant, subjective and non-rational.	- Fostering alternative, creative perspectives of strategic issues that diverge towards alternative futures. - Strategizing designs as metaphorical stories.
Representing	- Employing various techniques and materials to externalize ideas and thoughts. - Developing models, sketches or prototypes using a variety of media. - Discussing ideas through their physical representations.	- Employing specified range of analytical techniques such as conventional strategy frameworks. - Dominant representations are conventional 2-D media such as reports, power-points and spreadsheets. - Use of structured frameworks such as 2X2 matrices.	- Employing technologies such as projective techniques to enable subconscious understandings to manifest. - Various types of materials used, such as toy construction materials, drawings, and clay.
Moving	- Creating solution ideas, or moves. - Developing preliminary ideas about solutions very early on. - Distinguishing between lateral and vertical moves.	- Strategic frameworks used imply corresponding evaluations and solutions. - Scenario development a possibility. - Higher likelihood of lateral moves (incremental ideas) and me-too strategies emerging.	- Potential solutions emerge throughout design process. - Social processes associated with effective realization of solutions occur through design process. - Higher likelihood of vertical moves (novel ideas) emerging.