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978-1-107-03619-2 - Strategic Conversations: Creating and Directing the Entrepreneurial Workforce

J.-C. Spender and Bruce A. Strong

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Strategic Conversations

Most organizations fail to take full advantage of their employees' knowledge, initiative, and imagination. In this accessible and practical book, J.-C. Spender and Bruce A. Strong provide a guide for building entrepreneurial workforces through carefully designed conversations between management and employees. These "strategic conversations" make employees partners in the strategy development process, engaging them to help shape the organization's future. The result is transformational: instead of strategy being a dry, periodic planning exercise for the few, it becomes a dynamic and continuous act of co-creation enriched by the many. Case studies illustrate how leading organizations have used strategic conversations to build sustained competitive advantage, create innovative business models, make better decisions under uncertainty, reduce the need for change management, and enhance employee engagement. The book will appeal to managers, entrepreneurs of all stripes, and teachers and students in schools of business and public administration.

J.-C. SPENDER is Research Professor at Kozminski University, Warsaw and Visiting Professor at Cranfield University and ESADE (Ramon Lull University). Before entering academic life he worked for Rolls-Royce, IBM as a large account manager and special products planner, in merchant banking, and was involved in several Silicon Valley start-ups. He was on the faculty at various universities, including UCLA and Rutgers. In 2003 he retired as Dean of the School of Technology & Business at SUNY/FIT, and between 2007 and 2008 he served as the Fulbright-Queen's Research Chair. His current research involves theorizing on firms and markets under conditions of Knightian uncertainty, with additional interests in, and publications about, the history of management and management education, strategy, and knowledge management.

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BRUCE A. STRONG is a founding partner of Cambridge Partners and Associates Inc., a multidiscipline consulting company serving the US and international business communities. He is an entrepreneur, founding systems integration firm Context Integration (that did more than \$250 million in sales), he is also a consultant to the senior management of global organizations such as PwC, the World Bank, and State Street Financial, and is a featured speaker and lecturer on knowledge and strategy. He has been written up in Fortune and Fast Company magazines for his knowledge management work, and has written both academic and business articles, including two for the Wall Street Journal, one on knowledge management and the other (with J.-C. Spender) on innovation.

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“Strategic Conversations redirects our focus to the pent-up, under-utilized asset right in our own back yards: our people and the powerful ideas they are capable of generating. For leaders, the book provides a practical blueprint for what it will take to effectively design, motivate, and harvest this kind of employee engagement. It shows that successful strategies aren’t the product of a regimented, top down process, but of passionate conversations constructed by leaders who know how to listen.”

Sindri Anderson

Managing Partner, Enact Global Consulting

*“In health care, innovation that makes a difference is rarely the product of a single individual – it takes a team. *Strategic Conversations* shows how to engage a range of stakeholders, from employees to external partners, to create business-model-enhancing change.”*

Naomi Fried

Chief Innovation Officer, Boston Children’s Hospital

*“The financial markets are increasingly complex and challenging. There is no room for slack in the system. We have to tap into our greatest asset – the intelligence of our employees – in a meaningful and engaging manner to shape our future optimally and responsibly. *Strategic Conversations* provides managers with a guide for engaging employees directly to become active contributors.”*

James Hardy

COO Global Markets, State Street

“The authors’ notion that the purpose of strategy is to address knowledge absences is insightful. Their prescription for dealing with fundamentally irresolvable uncertainty is a unique contribution to the strategy literature.”

Mary Lee Kennedy

Former Chief Knowledge Officer, Microsoft; Senior Associate Provost, Harvard University; Currently Chief Library Officer, New York Public Libraries

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“It takes a few entrepreneurs to start a business. Sustained success needs many entrepreneurs. *Strategic Conversations* shows how great companies create and sustain a culture of employee entrepreneurship.”

Tony Lent

Senior Managing Director, Wolfensohn

“The ‘secret sauce’ of an innovative company is ability to sustain a culture that is agile, fearless and in sync. *Strategic Conversations* demonstrates how to create engagement across your entire organization.”

Michael Maddock

CEO, Maddock Douglas

“It’s rare to read a strategy book that says something new, insightful, and useful. *Strategic Conversations* by J.-C. Spender and Bruce A. Strong does. They argue strategy calls for judgment as well as analysis, so senior management does well to call on the practical judgment of their colleagues inside and outside the business. Their book is a practical handbook for doing this and will help you think differently and creatively about both developing and executing strategy.”

Professor Andy Neely

Founding Director, Cambridge Service Alliance

“In work and in life there is a higher return on invention. The authors understand this new value equation and extract many wonderful examples of how companies are accelerating their businesses by creatively engaging employees in re-imagining the future.”

Lori Senecal

CEO, KBS+

“To innovate its business model, the World Bank is increasingly engaging its partners and clients in strategic conversations. This act of co-creation is imperative for keeping the Bank focused on achieving its goals and fulfilling its mission.”

Klaus Tilmes

VP Financial and Private Sector Development, World Bank

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Preface

This book is the fruit of a mutually exploring and informing conversation that has lasted several years, kept going by our shared passion for the topic. Some people argue over baseball, others over astrophysics; this book's authors are hooked on managing – a strange hobby perhaps. Admittedly, we are an odd couple. Spender is a retired business school professor who had earlier careers as a nuclear engineer and consultant, Strong is a full-time management consultant with a new family. For more than forty years Spender has been working on ideas in the relatively recent field of knowledge management. In an earlier era Strong founded and helped manage an information technology services firm that did over \$250 million worth of business before it was sold. Strong has been looking to underpin his intuitions about management practice with robust theory. Spender has lately been questioning the theories current in business schools, finding them increasingly rigorous but of declining relevance to real-world managers.

Our book is intended to offer actionable advice to managers on how to develop and execute superior strategies, and to do so more effectively and efficiently. We believe we offer managers techniques that will allow them to make better decisions under uncertainty, engage employees more fully, and deliver better results more quickly. Our conceit is that when leaders are able to harness the imagination of employees to the purposes of the firm, the result is valuable business model innovation. Our book shows managers how to make this rewarding connection.

Writing a book along these lines, offering practical advice rather than sketching a theory or design, demands a certain humility. Writing is one thing, managing is quite another. It helps that both of

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us have been managers at various times. We are abundantly aware that it is easy to suggest a new management aesthetic as we sit writing, it is quite another to carry it through in the press of the managerial life. So we hope our book captures and communicates our admiration for those engaged executives – especially those prominent in the cases we offer – whose work helps create new value in ways that neither our consulting advice nor our theorizing can claim to.

September 2013

*J.-C. Spender
Bruce A. Strong*