Strategic Thinking Skills for Port Leaders

AAPA Executive Management Seminar

May 2007

Tampa, FL

AAPA American Association of Port Authorities

Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

Leadership Nightmares…

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Shoppers Short-Circuit Retailer Over Firings

By Amy Joyce
Washington Post Staff Writer
Saturday, May 5, 2007; D01

When Carole Fisher read the news in March that Circuit City fired 3,400 employees so it could replace them with lower-paid work
shop there again.

"They weren't going after the big guys, they were going after the little guys again," said Fisher, 71, of Ellicott City. "It seems to me th
when a company is having trouble."

Although she needs to replace her kitchen television, she'll shop elsewhere. It will be her little way of trying to fix what she thinks is

From the company's point of view, that's what it was trying to do: fix a problem. Circuit City had been in a holiday price war with W
televisions. Its bottom line was suffering.

Bill Cimino, Circuit City spokesman, said the company was simply trying to be candid. Such firings are not uncommon in retail, he s
about what we did. And we were that way with our employees and felt it was appropriate to be that way with everyone else."

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Agenda

- Introductions
- Leadership & management
- Strategic thinking defined
- What about strategic planning?
- Case study: Gentrification
- Strategic thinking model
- Defining the Challenge
- Scanning the Periphery
- Wrap-up and Summary

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First, The Bottom Line

- Industry challenges = leadership challenges
- Leaders differ from managers
- Strategic thinking distinguishes leaders & managers
- Strategic thinking differs from strategic planning
- Personal thinking styles are a blessing and a curse
- How we frame an issue or problem is crucial
- Scanning the periphery is a useful tool for anticipating threats and opportunities

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Video Introduction 1: Allen Domaas

- Leadership and Management
  - Skill orientation
  - Power orientation
  - Time frame orientation
  - Results vs. relationships

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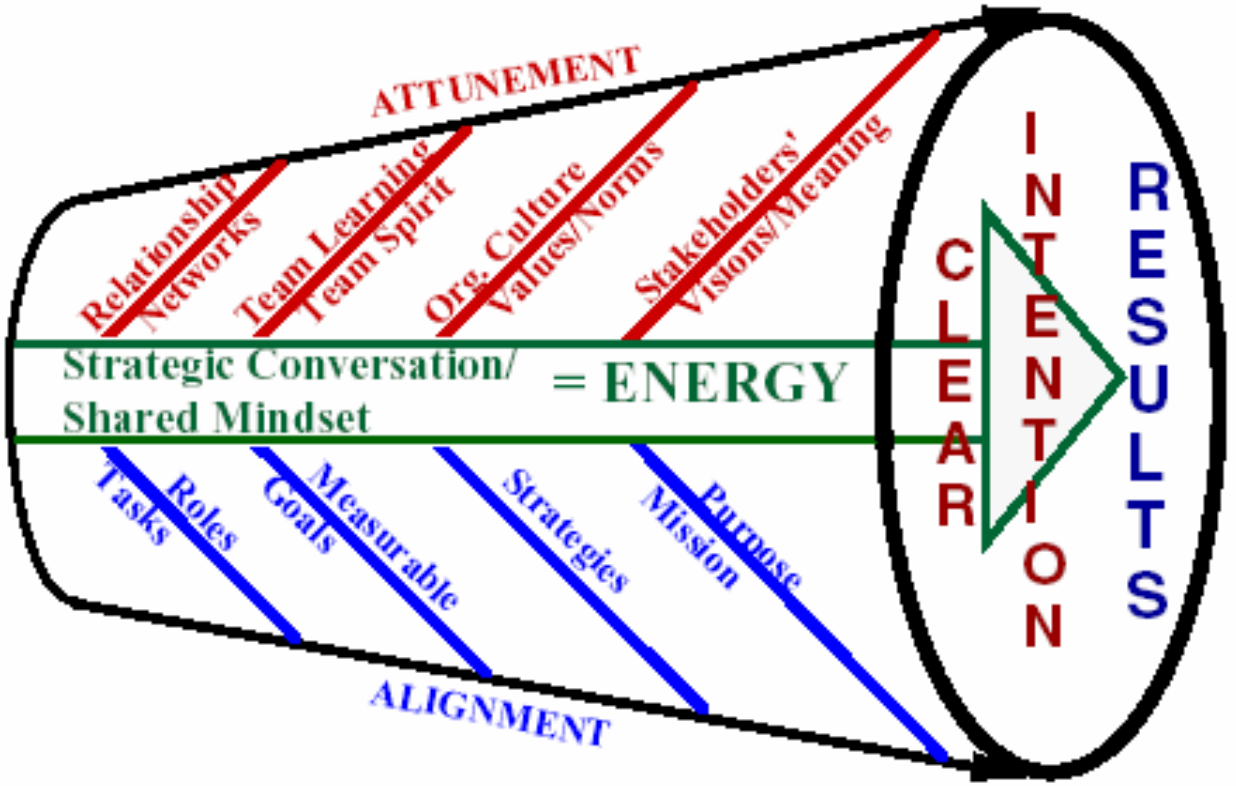
Leadership & Management (Pages 3-4)



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Video Introduction 2: Allen Domaas

- Strategic Thinking
  - Case for strategic thinking
  - Role of leaders in empowering staff
  - Strategic thinking vs. strategic planning
  - Leadership practices
  - Examples of strategic leadership and strategic thinking

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Key Definitions (Page 6-7)

- Strategy
  - "An integrated set of actions designed to create a sustainable advantage over competitors"
  - "Strategy is a pattern of activities that seek to achieve the objective of an organization, and adapt its scope, resources and operations to environmental changes in the long term"
  - "A strategy is adaptable where a plan is not….a strategy is designed to account for environmental variables that would otherwise render a plan invalid.

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Key Definitions (Page 6-7)

- Strategic Thinking is…
  - Entrepreneurial
  - Starts with the end in mind
  - Customer-focused
  - Rational and creative
  - Not tactically focused

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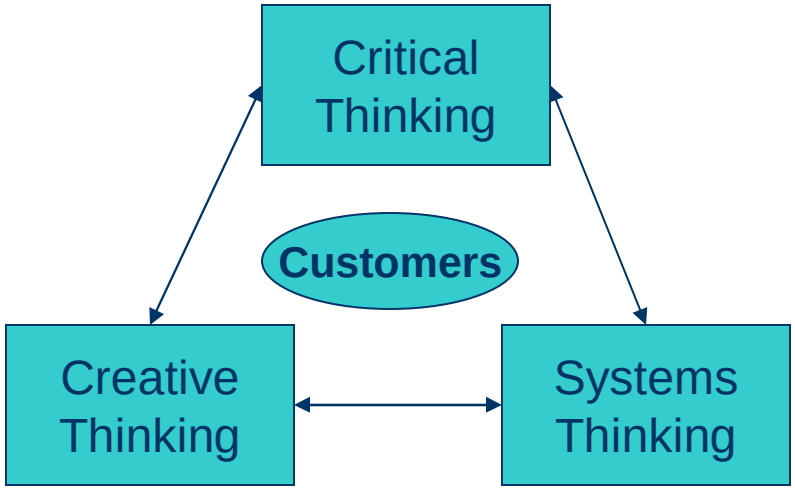
Key Definitions (Pg 6-7)



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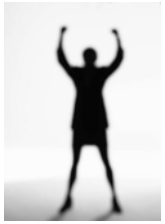
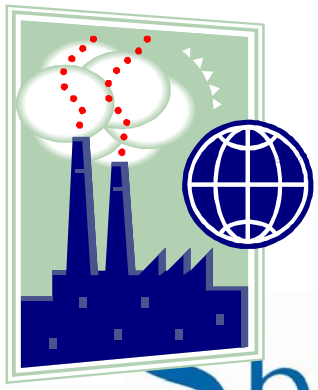
Strategic Thinking Context (Page 8)



Individual Perspective

Team Perspective

Strategic Thinking



Organizational Perspective

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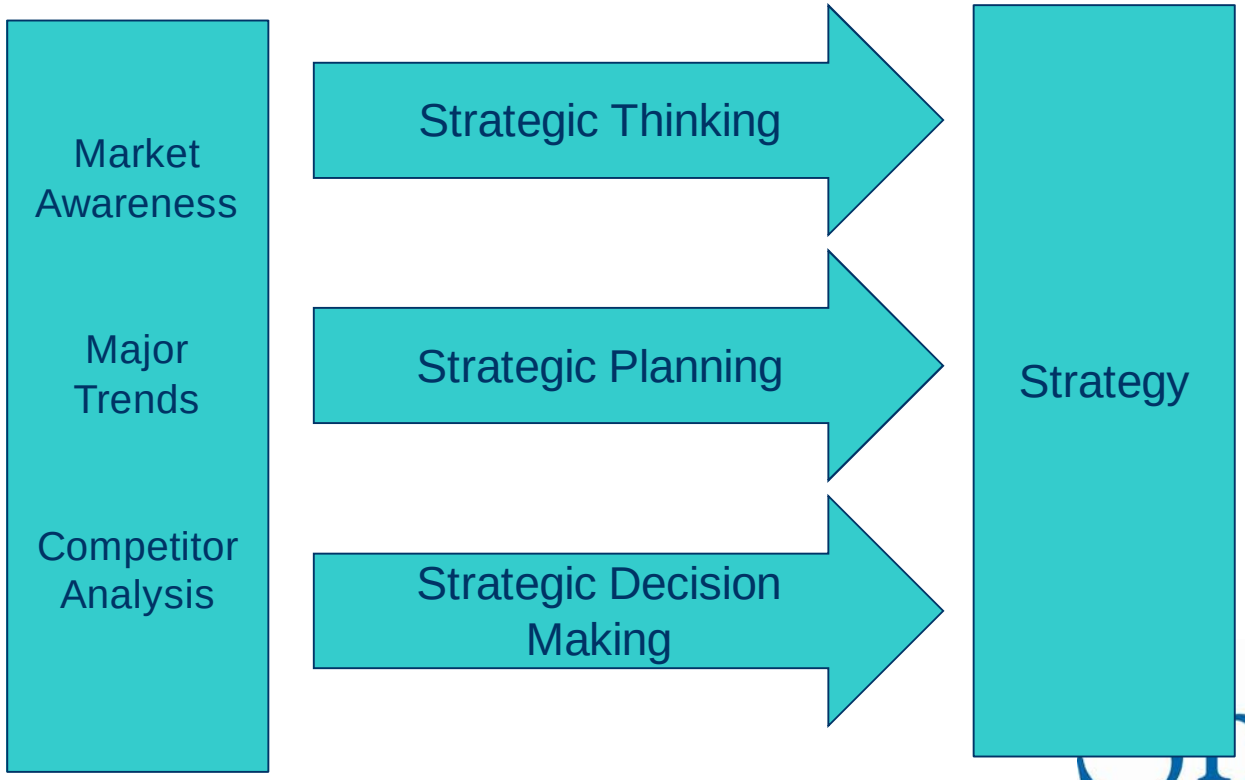
Strategic Thinking vs. Strategic Planning (Pg 10-11)



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Strategic Thinking Situations (Pg 13)

- Recurrent problems
- Make or break decisions
- New opportunities
- Difficult and complex issues

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Strategic Thinking Situations

"In our case, it was the bankruptcy proceedings of a major terminal operator, one that generated over 20%of the port's gross revenue"

-- Frasier River Port Authority

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Case Study: Gentrification

- Introduction to case
- Review case facts
- What is the issue?
- How would you frame the problem?
- Relevance to your port?

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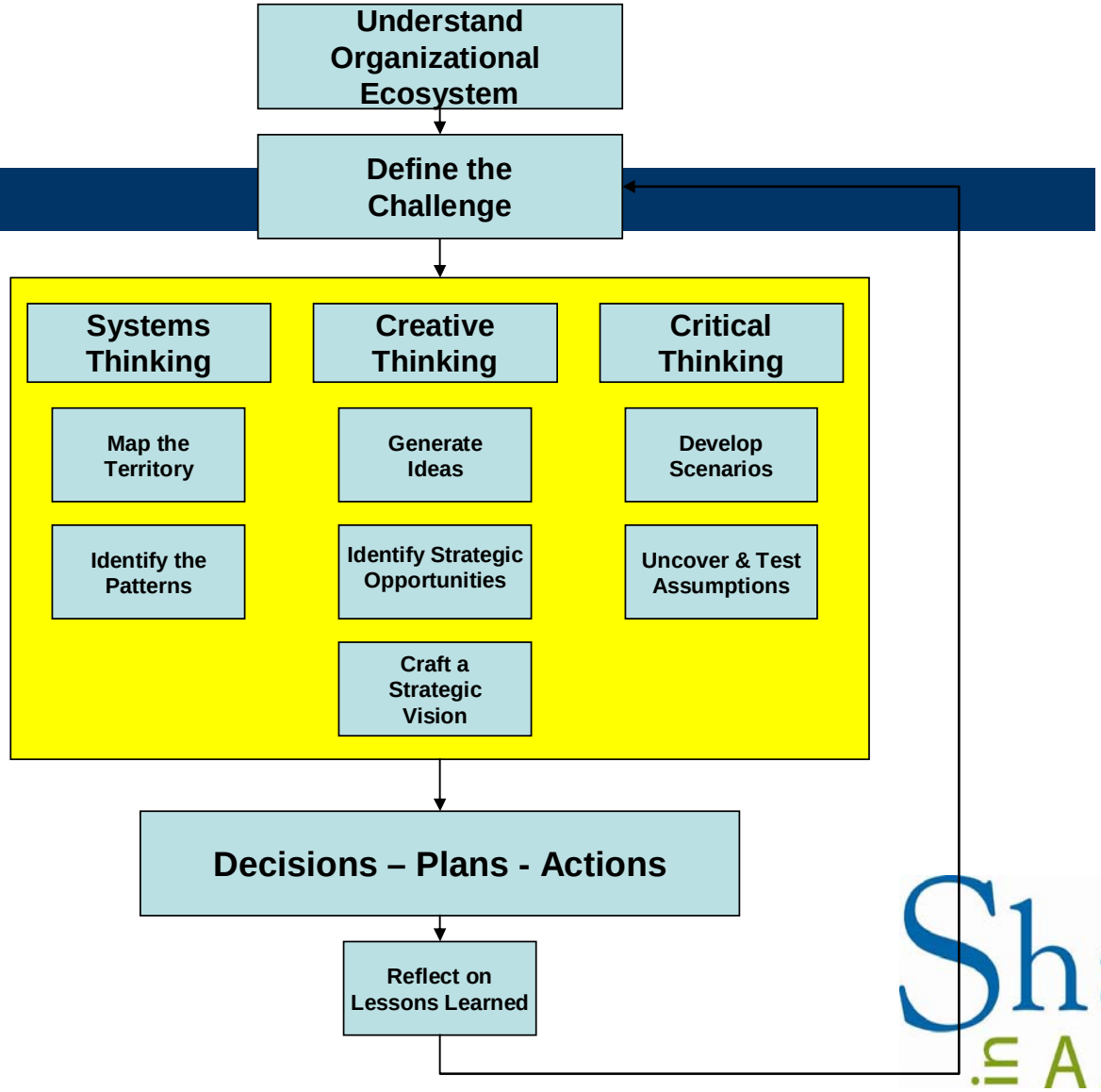

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Strategic Thinking Model (Pg 16-20)

- Understand organizational ecosystem
- Define the challenge
- Systems thinking tools
- Creative thinking tools
- Critical thinking tools
- Decisions/Plans/Actions
- Reflection/Lessons Learned

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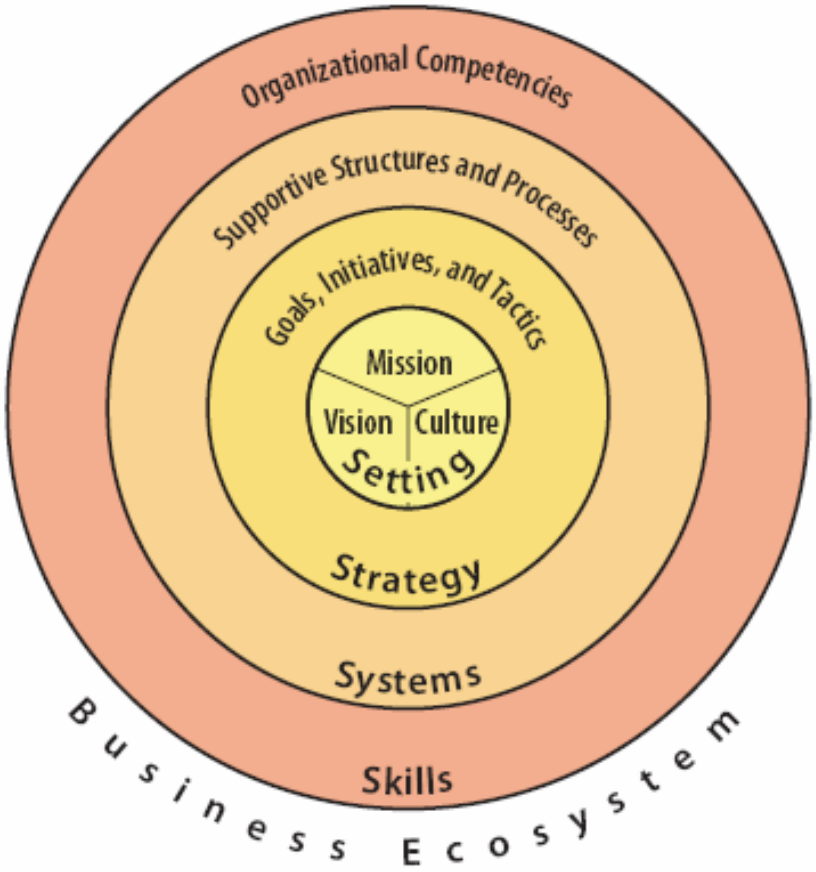
Organizational Ecosystem (Pg 21)



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Leadership Practices (Pg 14-15)

- Review the list on page 14
- Reflect on a strategic issue you faced in your port
- Circle the practices used
- Check the practices could have used
- Partner and discuss; find commonalities
- If you were identify one practice you would personally like to improve, which would it be?

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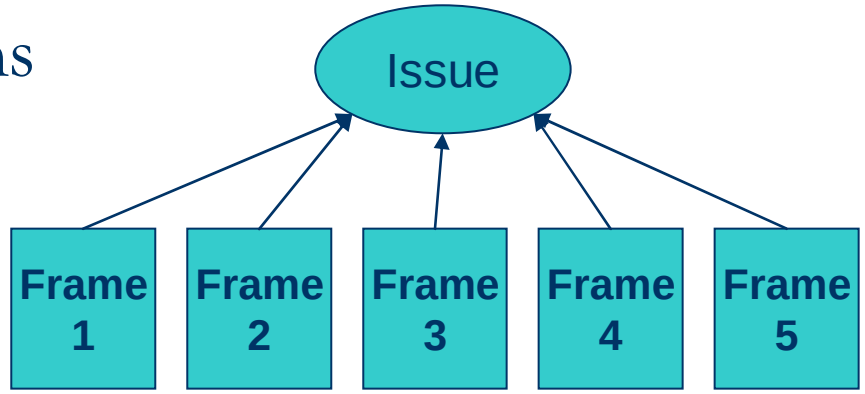
Defining the Challenge (Pg 22-23)

- Problem or issue
- Frame
- Impact on solutions
- "How can we…?"



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Define the Challenge (Pg 22-23)

- Review case facts
- Identify the issue or challenge
- Brainstorm 5 problem frames based on the case
- Capture on a flipchart
- Be prepared to share with the larger group

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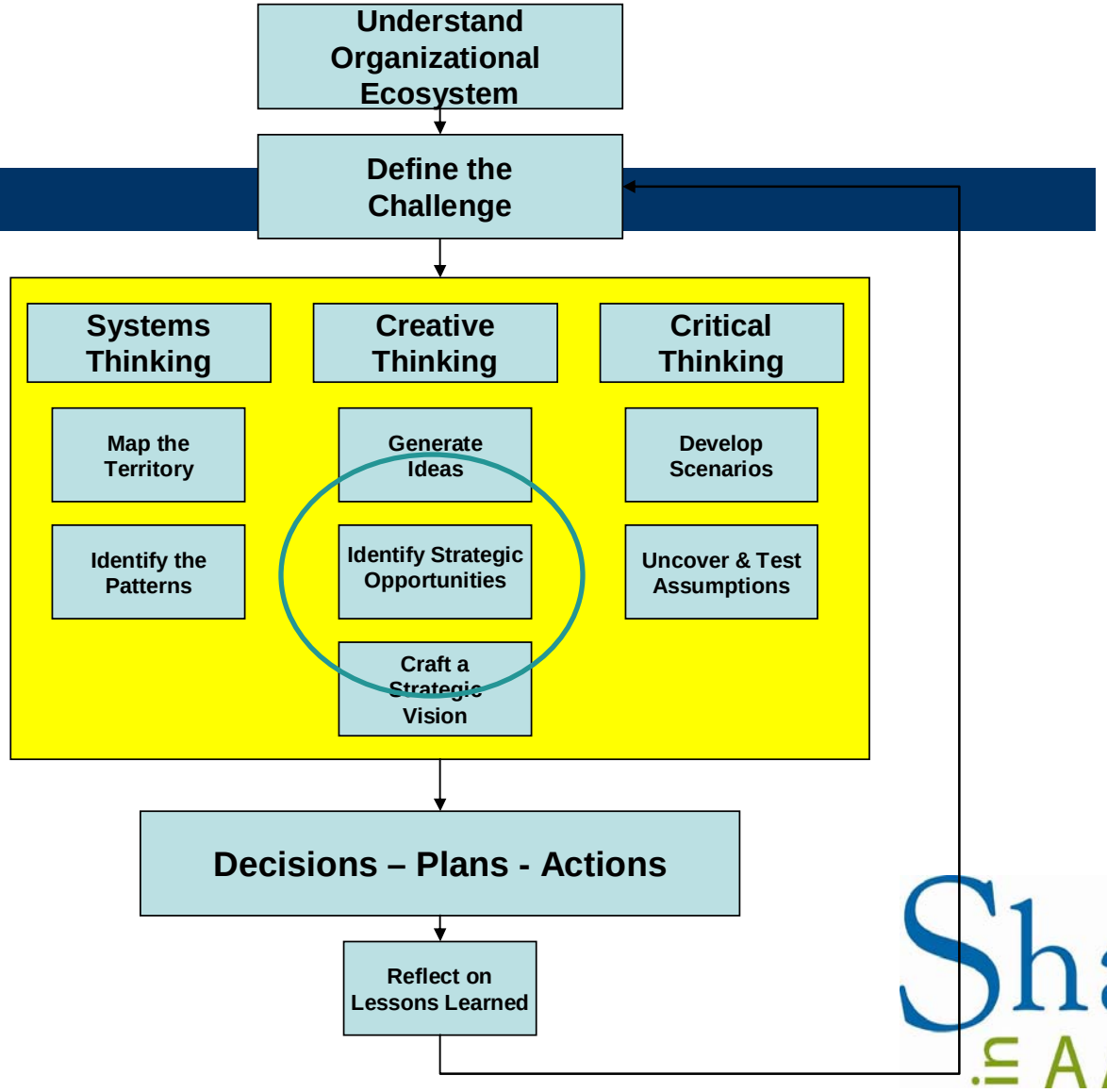

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Identifying Strategic Opportunities: Peripheral Vision (HBR Article)

- Anticipating trends, threats, and opportunities
- Integrates creative, critical and systems thinking
- *"97% of respondents said their companies lacked an early warning system"*
- Need for peripheral vision
- Capability for peripheral vision

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Identifying Strategic Opportunities: Peripheral Vision (HBR Article)

Need for peripheral vision

Vulnerable	Vigilant
Focused	Neurotic

Capability for peripheral vision

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Identifying Strategic Opportunities: Peripheral Vision (HBR Article)

- Complete the assessment on 4-7
- Compute your total score for each section
- Transfer and plot scores on page 8
- Create a flipchart and plot the ports represented at each table
- Explore the implications of this with your table
- What action could you take to raise awareness?

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Where do we go from here?

- Create a force field analysis for your port (Pg 25)
- Forces supporting a strategic thinking (individual, group, culture)
- Forces resisting a strategic thinking mindset
- Discuss commonalities
- Which resisting force could you have impact on?

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In Summary

- Industry challenges = leadership challenges
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