



Tackling 21st Century Challenges through Strategic Leadership

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Some Opening Thoughts...

There is nothing more wasteful than becoming highly efficient at doing the wrong thing

-- Peter Drucker

The world we have made, as a result of the level of thinking we have done thus far, creates problems we cannot solve at the same level of thinking at which we created them

-- Albert Einstein



First, The Bottom Line...

In order to respond to 21st century challenges, Port leaders should:

- Be aware of the limitations of their own thinking
- Focus on developing high functioning leadership teams
- Develop organizational cultures that support a strategic mindset and developmental focus
- Integrate strategic thinking throughout all levels of management
- Recognize the limitations of periodic strategic planning



Why This Topic?

- Globalization
- Technology
- Chaos: “Permanent White Water”
- Complexity
- Rate of change
- Specific industry challenges



Outline

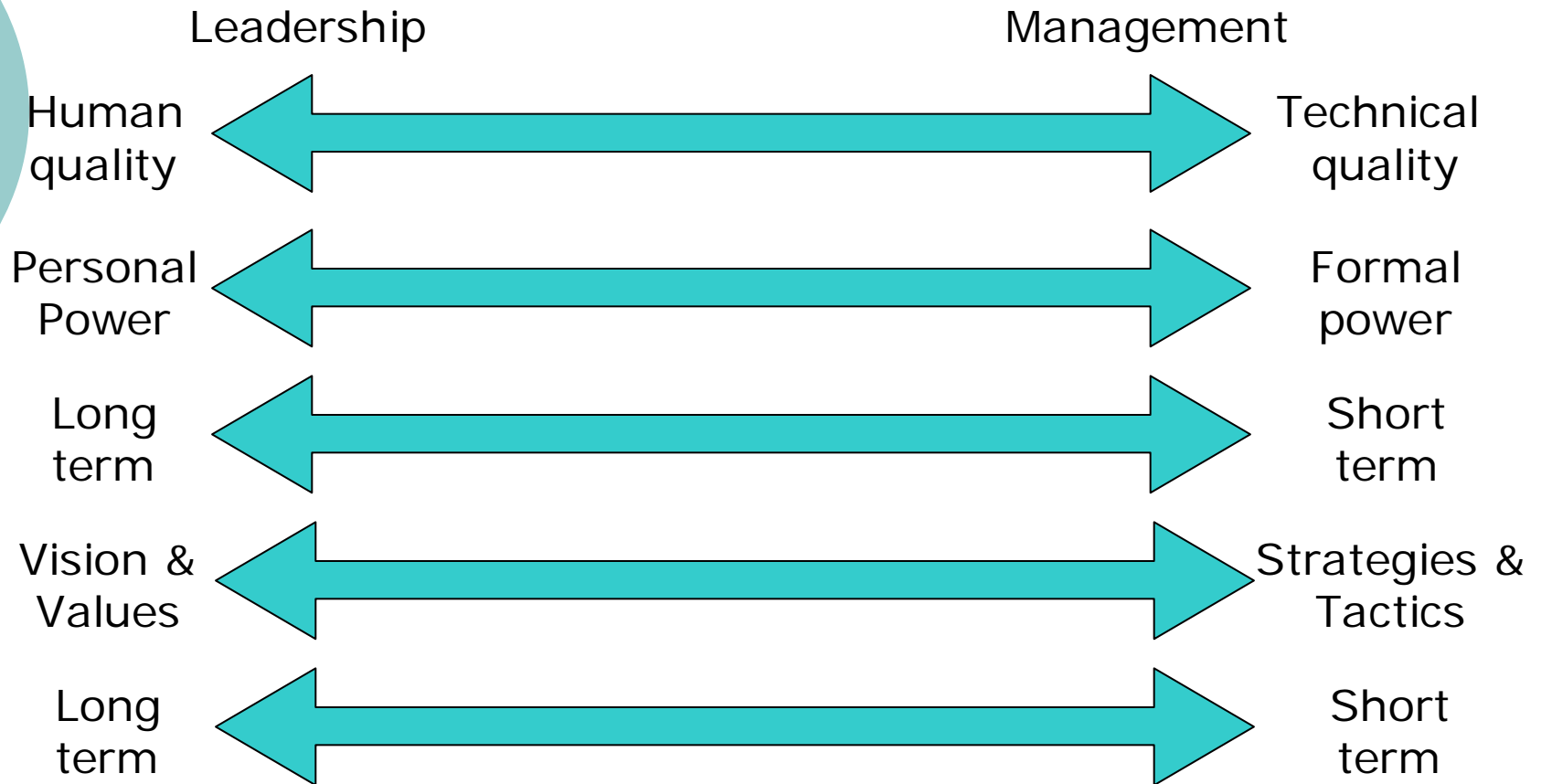
- Leadership and management
- Strategic thinking defined
- Strategic Thinking vs. Strategic Planning
- Strategic Thinking Mindsets
- Framework
- Panel presentations
- Q&A
- Summary



Basic Assumptions

- Industry challenges = leadership challenges
- Leaders are born and made
- $B = f(p, e)$
- Leadership is not the same as management
- Strategic thinking is but one aspect of leadership functioning

Leadership & Management





Strategic Thinking Defined

- The process of finding alternative ways of competing and providing customer value (Abraham)
- A way of solving strategic problems that combines a rational and convergent approach with creative and divergent thought processes (Bonn)
- It is the art of asking intelligent questions, exploring possible answers, experimenting with possible solutions, and starting the thinking process all over again by questioning the answers arrived at a year or two before (Cusumano & Markides)



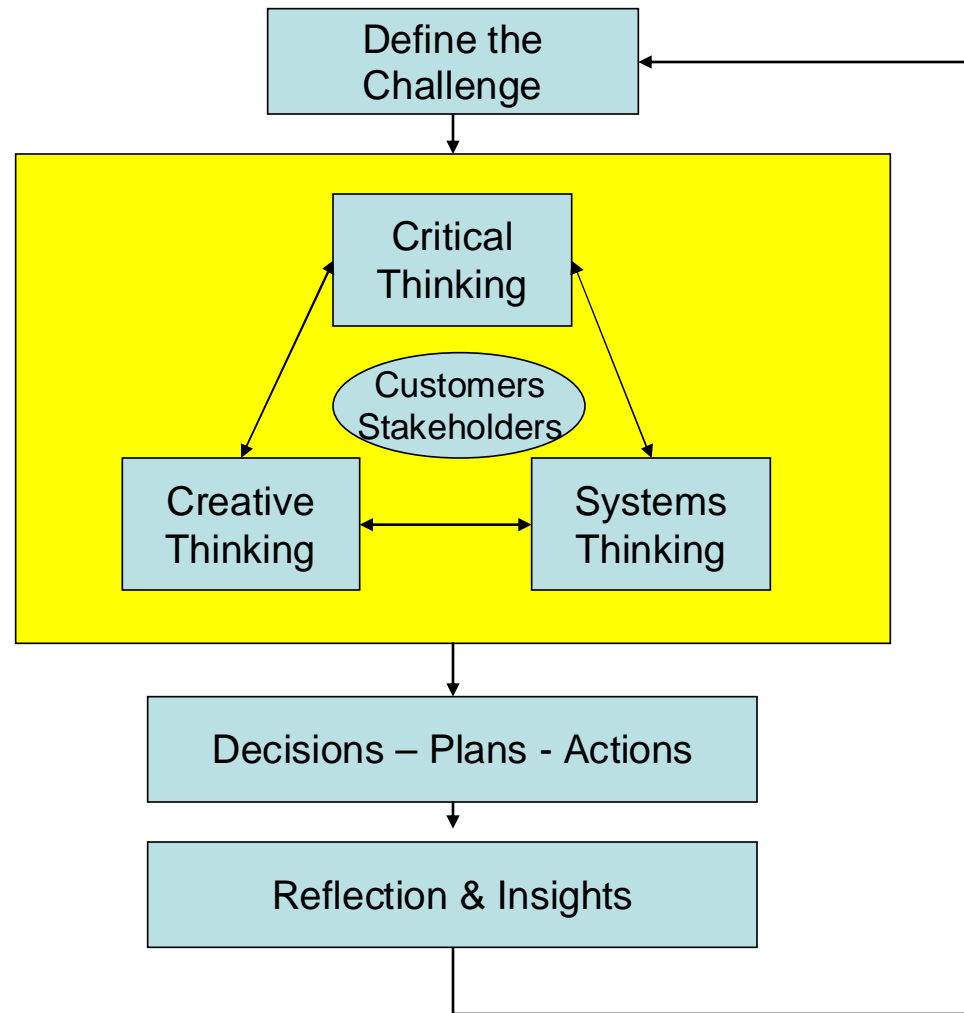
Strategic Planning & Strategic Thinking

- Predictable & established process for:
 - Rigorously assessing environments
 - Debating mission/values/goals
 - Developing operational strategies
- Major shift in the mid 80's
- Top down approach
- Impact of "permanent whitewater"

Strategic Planning & Strategic Thinking



Strategic Thinking Framework





Strategic Thinking Research

- 2002 study: HP, LA County, California State University
- Findings:
 - Non-stop conversations
 - Move beyond functional focus
 - More time with customers
 - Knowledge sharing about environments
 - Scenario thinking and development
 - Environmental scanning incorporated in daily roles
 - Group processes to speed up data collection & analysis



Strategic Thinking Mindsets

- Critical Thinking (Convergent thinking)
 - Scenario planning
 - Identifying assumptions
 - Decision analysis
- Creative Thinking (Divergent thinking)
 - Brainstorming
 - Challenging assumptions
- Systems Thinking (Big Picture thinking)
 - Mapping the issue
 - Identifying patterns



Powerful Questions for Leaders

- How are we framing the issue?
- What are we envisioning?
- What larger part elements or stakeholders might be impacted?
- What is the far-reaching impact of this problem or solution?
- What do we assume about the problem or solution?
- What could have an impact on our ability to achieve the vision?



Strategic Thinking Tools & Practices

Framing the Problem: Port Security

- How can we?
 - ...pay for unfunded security mandates from the Federal government?
 - ...creatively use the funding we have to solve our most critical security challenges?
 - ...reduce our need for security investment?
 - ...learn from other industries that have figured out the security funding challenge?
 - ...make money from our investment in security equipment?
 - ...influence the Federal government to reduce or delay the need for security investments?



Strategic Thinking Situations

- New opportunities
- Issue that resist efforts to be solved using conventional wisdom
- Make or break decisions
- Complex issues involving multiple stakeholders with highly vested interests

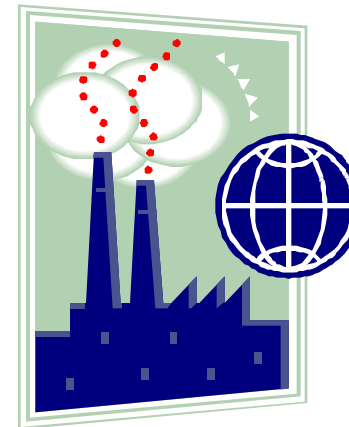
Levels of Strategic Thinking



**Individual
Perspective**



**Team
Perspective**



**Organizational
Perspective**



Panelist Presentations

- Jim Hartung
 - Toledo-Lucas County Port Authority
- Allen Domaas
 - Frasier River Port Authority
- Bernie Groseclose
 - South Carolina State Port Authority



Questions to Consider...

1. What consistencies did you hear among the three panelists?
2. What does this session mean for how ports can improve their response to strategic challenges?
3. What are the implications for how future port leaders are selected and developed?