

Big-Picture Thinking (Part 2)

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By Andrew Sobel

Big picture thinking: Clients treasure it; Executives want it from their managers; and Kings, queens, and presidents have sought out generals who exemplified it. We've never been quite sure where it comes from, though. President Lincoln finally found in Ulysses S. Grant, for example, a strategist to counter the South's brilliant General Robert E. Lee. When Lincoln's staff complained that Grant was overly fond of whiskey and often got drunk, he told them, "Find out what brand he favors, and give it to my other generals." In truth, we can become good strategists without the shots of courage favored by Grant. In my last newsletter I talked about three major ingredients of synthesis, or big picture thinking:

? **Foundations**

? **Tools and Techniques**

? **Habits of Mind**

In that issue we covered the first of these, Foundations, in detail. This month, let's look at Tools and Techniques that will help hone your ability to put the pieces together for your clients.

TOOLS AND TECHNIQUES FOR SYNTHESIS

Once the foundations are in place, there are four specific techniques that you can use to undertake synthesis and develop the big picture for your clients.

1. Develop Simplifying Frames

Framing is the essence of synthesis. It organizes and explains complex phenomena by reducing them to a few, simple dimensions. A good frame (or framework) highlights the most relevant aspects of the issue or problem, shows how they interrelate, and then connects back to your overarching purpose or goal. Frames can be quite simple—indeed, some of the most ingenious ones are very elementary in their construction. Many famous business theories have been expressed as simple frameworks. Michael Porter's "industry forces" model, for example, identified five key factors which determine the degree of competition in an industry. Bruce Henderson's "Growth/Share" matrix (popularized by Boston Consulting Group in the 1970's) used two simple axes to highlight the correct strategy for different businesses (e.g., "dogs" should be divested; "cash cows" milked for cash; etc.). Stephen Covey's "important/urgent" matrix was the basis for his highly popular time management system.

Often, you can construct simple but effective frameworks for clients by giving them a few key variables to think about. "How do your customers trade-off speed of delivery, cost, and quality?" "What balance of organic growth versus acquisitions are you looking for?" "Is your compensation driven by internal equity or market forces?" And so on.

2. Use Analogies and Metaphors

Analogies are a powerful way to create new ideas and to transfer concepts from one domain to another. Charles Merrill, the founder of the modern financial behemoth Merrill Lynch, tapped into the power of analogy when he brought stocks and bonds to the masses. Early in his career as a banker, he helped finance several of the burgeoning retail store chains such as J. G. McCrory, which were focused on the mass market. Merrill quickly adopted this new concept of mass merchandising and used it to reconceptualize and restructure the stockbroking business—which had previously served only the very wealthy—in order to make investments accessible to the average man and woman. Merrill was so enamored of this analogy that even his corporate offices in New York were decorated with large murals depicting chain stores such as Safeway. For over 70 years, Merrill's original mission statement, "To Take Wall Street to Main Street," has given the company its direction.

In working with clients, can you find analogies that relate to what they are trying to accomplish strategically? For example, when I talk to clients about teaching relationship-building skills versus selling skills, I tell them that it's the difference between a course on dating versus marriage. A successful date, like a successful sale, is a definable transaction.

Furthermore, dating tactics can be reduced to a few simple principles. A good marriage, in contrast, results from the

confluence of many factors. It's a very simple analogy, but it gets the point across.

3. Develop Multiple Perspectives

In 1917, the Indian spiritual leader Gandhi went to the province of Champaran to help resolve a particularly bitter and long-standing dispute between the impoverished indigo farmers and the local planters. Gandhi was dedicated to "truth in the collection and interpretation of data," and rather than automatically taking the side of the downtrodden farmers, he systematically interviewed not only the villagers but the planters and local British officials as well, to understand all of their perspectives. This enabled him to isolate different aspects of the problem—the desperate financial condition of the farmers was to a great extent the responsibility of the planters, but many other problems, such as illiteracy and poor sanitation, were the responsibility of the villagers and had to be solved by them. The dispute was satisfactorily resolved. "We think too small," said the Chinese leader Mao Tse-Tung. "Like the frog at the bottom of the well. He thinks the sky is only as big as the top of the well. If he surfaced, he would have an entirely different view." Part of the essence of synthesis is looking at the world with the broadest possible view. If you adhere slavishly to a single perspective, it will inevitably limit and even distort your thinking.

4. Look for Patterns and Commonalities

Big picture thinking is sometimes referred to as pattern thinking. If you can "identify the constellations of significance in the otherwise chaotic flow of information," you are well on your way to synthesis. One of the best ways to develop your pattern thinking skills is to organize and codify. The high-yield (or "junk") bond market, considered one of the greatest innovations in twentieth-century finance, was developed by Drexel banker Michael Milken, who could see patterns in the performance of obscure bonds. Observing that the default rates of high-yield bonds were lower than expected given their high interest rates, Milken concluded that they were an above average investment on a risk-return basis. He then convinced hundreds of large investors around the world of his findings, and with ready buyers for these securities, the 1980s takeover boom was born. Although there are today widely varying opinions about Milken's professional conduct and personal scruples, the enormous impact that his innovations have had on corporate finance cannot be denied.

Constantly look for patterns—in the data your client shows you, in his or her behavior, and in the way your competition acts.

Historical Perspectives: A Presidential Advisor Extraordinaire

Henry Kissinger was a master not just of pattern thinking but of virtually all the tools of synthesis that we've been discussing. Secretary of state under Presidents Richard Nixon and Gerald Ford, Kissinger has been for the last 15 years an influential consultant to multinational corporations. "At the core of his brilliance," writes biographer Walter Isaacson, "was an ability to see the relationships between different events and to conceptualize patterns. . . . He sensed . . . how an action in one corner of the world would reverberate in another, how the application of power in one place would ripple elsewhere." Although unquestionably gifted with a powerful intellect, Kissinger crafted for himself an education that provided much of the grist for his later inventiveness in the field of foreign policy. Growing up in Germany during the rise of the Nazis, he was routinely bullied and beaten by other youths because he was Jewish. After his family fled Germany in 1938, Kissinger had the advantage of the multiple perspectives afforded by a bicultural upbringing. Like Peter Drucker, Kissinger has been a constant learning machine. As a freshman at Harvard in 1947, he was renowned for his voracious study habits. His undergraduate thesis is still legendary at Harvard: with the modest title "The Meaning of History," it weighed in at 383 pages and provoked the "Kissinger Rule" that thereafter limited theses to 150 pages.

Kissinger's most memorable act of synthesis was his conceptualization of the triangular balance of power between China, the Soviet Union, and the United States, a framework which—obvious in hindsight, but almost unthinkable at the time—endured for a full 20 years after he left office. In 1968, Russia was the major threat to the United States, while China was a pariah, a political outcast. Kissinger felt that a rapprochement with China would pressure the Soviet Union into moving closer to the United States, and subsequently force all three nations into a more stable relationship with more closely aligned national interests. Both Russia and China, he believed, would seek a common bond with the United States. This strategy was neither intuitive nor obvious at the time; in fact, there was great resistance in the State Department and in other quarters to meeting with the Chinese at all.

Kissinger had a brilliance for big picture thinking that drew on a variety of factors, including a deep, broad education, exposure to a variety of perspectives (from the Nazis to American democracy), the clever use of historical analogies, and an insatiable appetite for learning.

Kissinger, of course, had his faults as an advisor, not least of which was an overly-large ego. Interestingly, he was and is a very clever wit, and in fact humor and big-picture thinking have always been linked. A good joke goes right to the heart of an issue, and often gives us an unexpected perspective. Back in the 1970s, for example, a journalist asked Kissinger what he thought about the outbreak of war between Iran and Iraq, two countries that were not (and still are not) on very friendly terms with the US. He paused, and replied, "It's too bad only one side can lose." For some, that answer rather succinctly summed up how they secretly felt!

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