Clear Thinking: The Last True Competitive Advantage

Employing Clear Thinking process, from the C-Suite to the plant floor, is the only way to empower the capability to manage fast and well all the big issues associated with constant change through an organization, says Ray Baxter, CEO of Kepner-Tregoe [1]. The global capability development and consulting company specializes in clear thinking solutions that enable organizations to run more efficiently, drive productivity, and improve bottom-line results. Kepner-Tregoe recently announced a new approach and vision to create a more sustainable competitive advantage—Building a Thinking Organization powered by KT Clear Thinking—and Baxter explains more here in an interview with IMPO [2].

Q: Why does Kepner-Tregoe believe that clear thinking is "the last true competitive advantage"?

Ray Baxter, CEO, Kepner-Tregoe

It has always been a challenge for any business organization to find and sustain competitive advantage over a long time period. That time period has gotten even shorter in the twenty first century. Information is so immediately and widely available today that innovations can quickly be recognized and copied or trumped by the next innovation, seemly overnight. The technological advantage you buy and implement today will be bought and implemented by your competitor tomorrow. To get and stay competitive today, businesses have to change faster and execute better than any of their competitors, but they need a well understood process from top to bottom to achieve lasting results. Employing Clear Thinking processes, from the C-Suite to the plant floor, is the only way to empower the capability to manage fast and well all the big issues associated with constant change throughout an organization.

Q: How can an organization be confident that it is applying its best thinking to a strategic or operational change?

Good question. We all think we have good thinking skills, and the higher the position we have in an organization the more confidence we have in our capability to make good decisions and solve difficult problems. But there is a lot of research being published now which demonstrates we are all prone to biases that we are completely unaware of. Two books on the business best seller list right now: *Thinking, Fast and Slow* by Daniel Kahneman and *Predictably Irrational* by Dan Aierly, both cite extensive research on those biases. Most decisions in organizations, even at the highest level, are made using intuition informed by our knowledge and experiences. Both Kahneman and Aierly make it very clear how that approach can lead to serious bad judgment. The fact that even seasoned executives

can make bad decisions is reinforced every day in the business press.

Q: How can an organization build itself into a "thinking organization"?

An organization can build itself into a thinking organization first by recognizing that clear thinking does not come naturally. What is natural are the biases sighted by Kahneman and Aierly. What is needed to counteract those natural biases are defined clear thinking processes for making complex decisions, solving difficult and unique problems, setting organizational priorities, and executing plans fast and well. To embed those clear thinking processes throughout an organization from top to bottom is not easy. It takes executive leadership and commitment over an extended period of time and incorporating the clear thinking processes into every existing process in the business.

Q: How can becoming a "thinking organization" help a manufacturer remain, or become more competitive, in today's economy?

Any manufacturing company that commits itself to becoming a "thinking organization" will make clearer, more focused strategic decisions; will execute strategic initiatives faster and with fewer unanticipated problems; will sort out the many competing priorities to focus on the "vital few" that have the highest impact; will have better, more thoughtful decisions made throughout the organization; and will solve costly, intractable manufacturing problems before they seriously impact profitability and customer satisfaction. The C-suite will avoid the big strategic mistakes and self-directed work teams and the plant floor will finally have the thinking tools to make empowerment meaningful and successful.

Source URL (retrieved on *09/01/2014 - 3:39pm*):
http://www.impomag.com/articles/2012/11/clear-thinking-last-true-competitive-advantage?qt-recent_content=1&qt-digital_editions=0

Links:
[1] http://www.kepner-tregoe.com/
[2] http://www.impomag.com