

## Stop managing for results – accelerate your journey to Mars

### The fundamental corporate architecture of strategic intent

Christian Seelos\* and Florian Geisdörfer\*\*

*The CEO was sitting in his office late one evening, looking tired and drained. [...] “I’m so frustrated,” he said. “I got the group together a year ago, people from all the divisions. We had two off-site meetings, did benchmarking, got the metrics. McKinsey helped us. Everybody agreed with the plan. It was a good one, and the market was good. This was the brightest team in the industry, no question about it. I assigned stretch goals. I empowered them – gave them the freedom to do what they needed to do. Everybody knew what had to be done. Our incentive system is clear, so they knew what the rewards and penalties would be. We worked together with high energy. How could we fail? Yet, the year has come to an end, and we missed the goals. They let me down; they didn’t deliver the results. [...] I don’t know what to do.”<sup>1</sup>*

In 2000, data from a Gallup survey offered a sobering wake-up call for senior managers: Most of their employees were disconnected from their companies. Almost 20% of US company workers reported they were actively disengaged, another 55% were passively disengaged and only about a quarter of workers felt engaged and connected, willing to work hard and give their best to achieve a company’s vision. It seemed that corporate leaders were fighting the wrong battle: Their struggles were not a result of losing the war for talent but of losing the war for inspiration. Without inspiration and meaningful direction your smartest people will not be willing to give their best and eventually leave your company.

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<sup>1</sup> Bossidy & Charan (2002) Execution. The Discipline of Getting Things Done. Crown Business: New York, p.13.

Unfortunately, the tale of the frustrated CEO in the quote above, illustrates a classic leadership trap. Too many managers are stuck in the old dogma: Hire the best, develop superior strategic plans, and drive your employees hard to implement the plan.

In this note, we outline an alternative strategic architecture that is grounded in identifying triggers of inspiration that motivate people to think and act bigger and bolder than they otherwise would. The architecture also raises ambitions for reaching true mastery in how people go about doing their work. The architecture sustains a productive search for positioning your company on the side of solutions to great societal, technological, and environmental challenges rather than being a part of the problem; for ways of providing a meaningful, inspiring, and challenging work environment in order to attract and nurture the best employees; and for influencing and shaping an attractive future for your company rather than just reacting to external change. The MANAC strategic architecture enables a journey of accelerated organizational development that is grounded in the most-enduring findings of strategy research<sup>2</sup>.

## Introduction

Employee engagement is not a soft topic. A disengaged workforce breaks the best strategies, the most noble ambitions, and fails to capture the most obvious market opportunities. Just think about it. If your employees are disengaged, how do you expect to improve productivity, quality, or customer relations, which all require extra effort and high levels of creativity to generate novel and useful ideas? How do you intend to rejuvenate and grow your strategic objectives, innovate, and make bold bets on important challenges? Who will provide the emotional fuel that drives persistence and alertness required for shaping rather than watching a future unfold?

Since 2000, Gallup has tracked employee engagement annually and on a global basis. The results are grim: “Worldwide, the percentage of adults who work full time for an employer and are engaged at work — they are highly involved in and enthusiastic about their work and workplace — is just

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<sup>2</sup> Seelos & Geistdörfer (2018) Absorptive Kapazität – Kernroutinen für Geschwindigkeit, Produktivität, und Innovation. MANAC Whitepaper; Seelos & Mair (2017) Innovation and Scaling for Impact. Stanford University Press: Stanford.

15%.”<sup>3</sup> The Gallup data imply that in Western Europe 90% of employees are unattached to their work, slow companies down, and even undermine strategic objectives. No wonder most organizations are struggling with performance, to keep their talent on board, and to innovate productively.

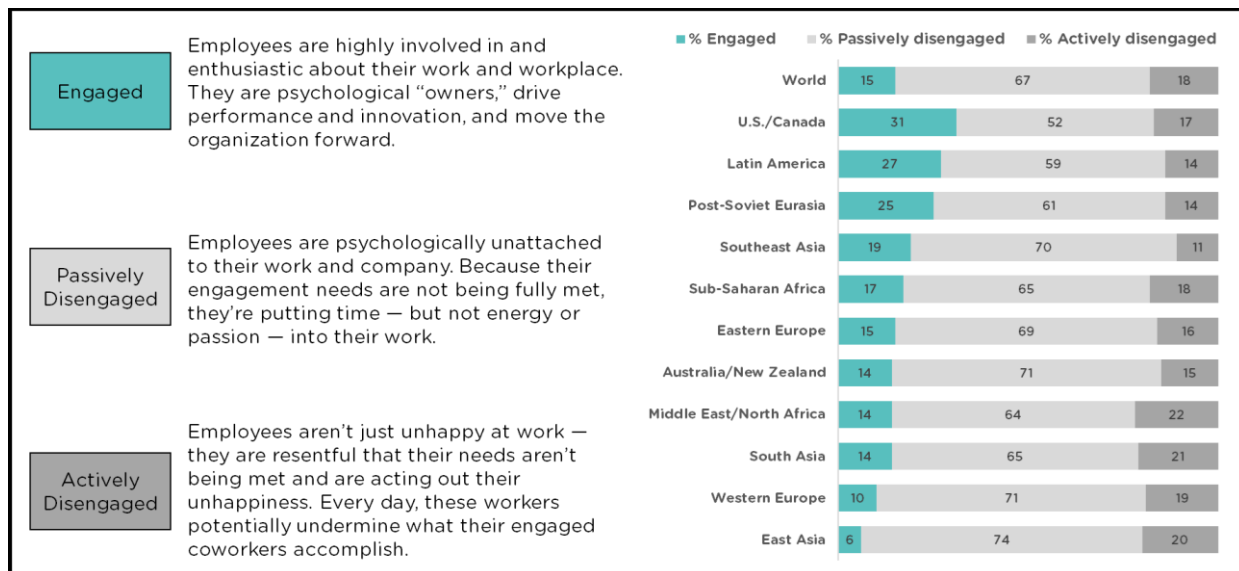


Figure 1. The state of engagement of the global workforce<sup>4</sup>.

Our own research and work with organizations suggests that senior managers still bet on hiring talent and developing smart strategies that fit external reality. Yet, these managers fail to transform companies into environments that inspire and motivate their employees, develop their skills, and grow their ambitions to enact an attractive and successful reality rather than trying to adjust to a reality that others have created. In our observation, the causal chain that results in mediocre performance looks something like this:

<sup>3</sup> State of the Global Workplace (2017) Gallup, Inc.

<sup>4</sup> Adopted from: State of the Global Workplace (2017) Gallup, Inc. [the term “not engaged” was replaced by “passively disengaged”]

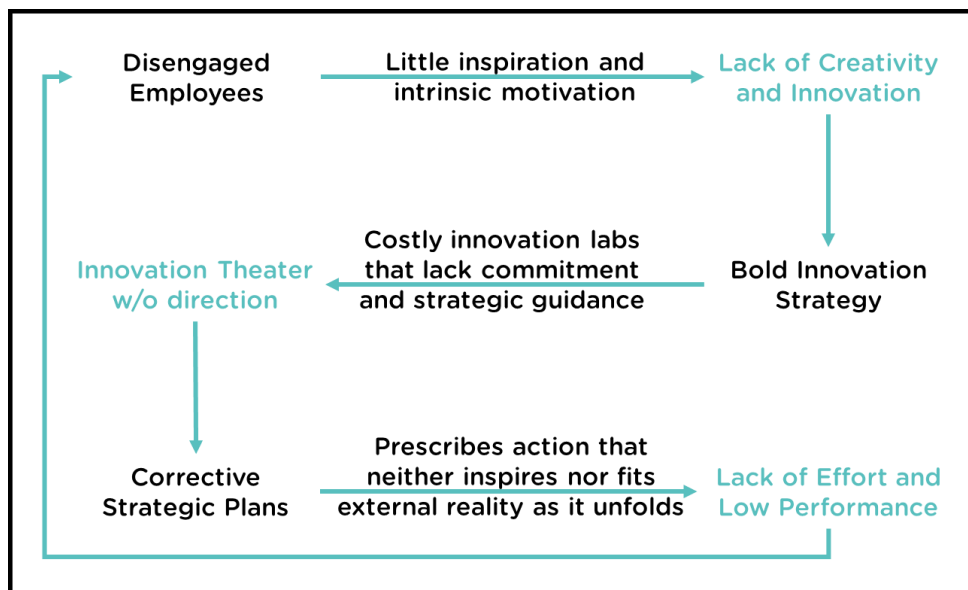


Figure 2. The logic of corporate downward spirals

Figure 2 illustrates how disengagement is a cumulative result of past decisions. Three pathologies drive this unfortunate causal cycle.

First, strategic objectives and measures that rely on incremental and mostly short term financial or market metrics fail to motivate and inspire: Why should I get out of bed in the morning and give my best?

Second, the mediocre performance that results from strategic plans that neither inspire nor fit reality as it unfolds generates a feeling of incompetence. This lack of trust in the strength of the organization then lowers levels of ambition and self-respect.

Third, the combined lack of motivation and ambition drives a slow downward spiral of corporate performance. Eventually, your best people are starting to leave.

At this stage, firefighting usually speeds up the inevitable decline because strategy is now reduced to merely reactive moves, the things companies must do now to survive. Bold agility and innovation initiatives are launched. However, as Paul Bulcke, Chairman of the Board of Directors at Nestlé, recently remarked: “Agility without purpose is just hyperventilation.”<sup>5</sup>

<sup>5</sup> Paul Bulcke at the 2019 World Economic Forum in Davos: “Agility at All Costs”, 24 Jan 2019.

## Strategy is Choice

When companies are stuck in a downward spiral, strategy work becomes reactive and defensive. Improvements are aimed to catch up with competition, not shaping an exciting future. When we talk to employees, they rarely can articulate what their organizations strive to achieve beyond tactical goals. The proactive question of what we *want* as an organization and as a community of employees is replaced by a reactive question: What *must* we do to stay alive as an organization? At this stage, strategic degrees of freedom are reduced to catching up with competition, technology and consumer trends, and an urgent need to take advantage of narrow windows of opportunity that are short-lived and for which we are ill prepared.

This chain of events robs an organization of the most important power inherent in productive strategy work: strategy is choice, the choice of an attractive future and the focused and intentional organization of resources to shape and make progress towards this future. Figure 3 illustrates the central strategic questions that differentiate organizations operating in survival mode and those who succeed to provide vision and inspiration and a strategic architecture that propels an organization towards an attractive future.

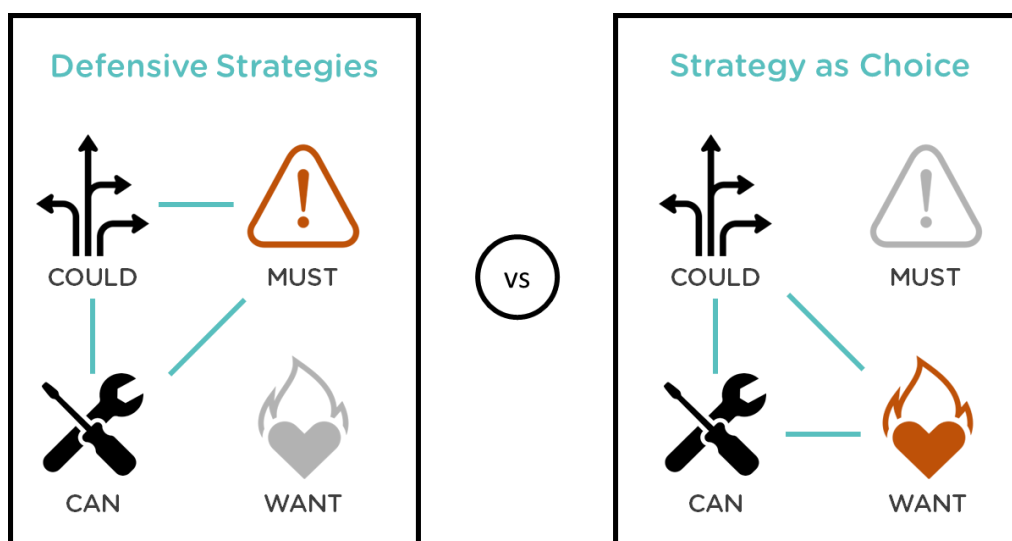


Figure 3. The different focus of defensive strategies (driven by what you MUST do) versus strategy as choice (driven by what you WANT to do)

Defensive strategies that are driven by the question what *must* we do limit our perception about market opportunities – what *could* we do – and available resources and competencies and how to configure them effectively – what *can* we do. Inspiration and a broader forward-looking perception result from the formulation of an exciting strategic intent that starts with the question: What do we *want* to do because it deeply inspires and motivates us and arouses our sense of ambition and competitiveness?

## The Architecture of Strategic Intent

A shared commitment and excitement about an attractive future for an organization and the people it serves, is a central driver of intrinsic motivation and ambition. Empirical studies have demonstrated a powerful link between intrinsic motivation and the extent of creativity and productive innovation in organizations.<sup>6</sup> A well-articulated sense of mission to which employees can relate their day to day work provides an identity space from which cultures are nurtured and people derive inspiration and meaning.

Strategy work thus ideally revolves around three central questions:

- i) Our mission, our identity and values: what do we *want* to do, what motivates our best efforts and inspires us to grow our ambitions?
- ii) Markets and future challenges: what *could* we do, what are important opportunities in global markets or societal challenges that fit our sense of identity and allow us to make a real difference?
- iii) Mastery, our competencies: what *can* we do, what resources and competencies do we have and need to develop to achieve our ambitions and to create real impact?

Figure 4 summarizes the three central questions that drive a proactive and future-oriented strategy process. This process avoids the pathologies of reactive strategic plans that are driven by incremental ambitions and escape tactics from the mediocre decisions and performance of the past.

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<sup>6</sup> Seelos & Mair (2017) Innovation and Scaling for Impact. Stanford University Press: Stanford; Amabile & Pratt (2016) The dynamic componential model of creativity and innovation in organizations: Making progress, making meaning. Research in Organizational Behavior 36, p.157–183.

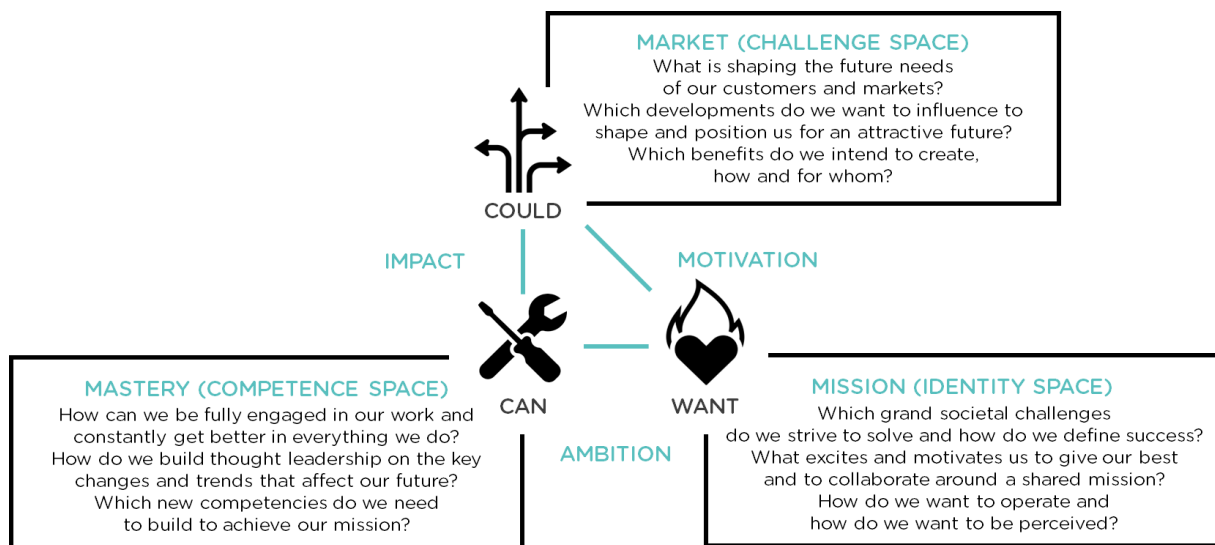


Figure 4. Three central questions define the architecture of strategic intent

The three questions articulate an organization's strategic intent. A strategic intent translates important opportunities or societal challenges in the market into a powerful and vivid mission that shapes the identity of an organization. This aggressive and future-oriented mission then drives a restless effort towards improving today's competitiveness and the development of new competencies. An ambition by every employee to become a true master in everything she or he does results from a clear understanding of where the organization is headed and the freedom to – at least partly – explore the most effective and efficient means by which progress can be achieved. Mastery also refers to the set of competencies by which an organization monitors, evaluates and acts on relevant signals of change and important trends that are key to achieving a desirable future. As such, the inspiration for mastery comes from an organization's mission. But mastering efforts to see the future more clearly and earlier than competition in return sharpens and develops a mission that is both inspiring and somewhat realistic. Mastery thus can be understood as a set of organizational routines that generates ideas about attractive future market positions, incremental improvements and radical innovation. A shared sense of alignment between mission, market challenges and an ambition for mastery drives a powerful culture of speed and innovation.

An example illustrates this architecture. In the 1990s despite operating at the peak of Japan's bubble economy, Eiji Toyoda, then chairman of Toyota, felt a need to articulate a crisis that would drive a powerful search for ideas: "Should we continue building cars as we have been doing?"



Can we really survive in the 21st century with the type of R&D as we are doing now?”<sup>7</sup> This concern resonated with many at Toyota and established an aggressive mission: We will develop the car and the technologies appropriate for the 21<sup>st</sup> century. Reflections on major trends that would shape the automotive industry of the future such as environmental degradation and resource scarcity guided the development of a car that would be kind to the environment and to people and thus generate an impact beyond mere financial ambitions. A frantic R&D effort was triggered that resulted in the Prius sedan, a car that would establish a unique position for Toyota in the automotive market as well as rejuvenate Toyota’s brand as a leader in innovation and frontier technologies.

Several cultural elements in Toyota played an important role in formulating and enacting this strategic intent. Amongst them was Toyota’s commitment to mastery known as “Genchi Genbutsu”, Japanese for “go and see for yourself”. This slogan reflected an attitude to operate as close as possible to where the actual work is being done, e.g. the factory floor for engineers and their senior managers. Only by paying attention to details can one understand how value or waste are being created, where opportunities and weaknesses lie, and what needs to be done to improve. Merely reading reports does not generate mastery. Senior Toyota managers take their cars on extended road trips and thus slip into the persona of a customer who experiences the practical utilities and all the weaknesses of Toyota cars. Research has shown that employees with a strong mastery attitude, an ambition to developing competence, gaining skill, and doing one’s best, are more effective in terms of in-role job performance, innovative job performance, and job satisfaction.<sup>8</sup> What seems to matter most for supporting this mastery attitude is the quality of relations between employees and their supervisors. High-quality relationships are often the result of the joint motivation to achieve a strong and shared mission that bonds employees, their supervisors, and the rest of the organization together. It seems obvious how the traditional annual strategy dance in companies and all the political maneuvering and financial engineering of short-term targets undermines productive relationships within and across corporate units.

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<sup>7</sup> Reinhardt, Yao & Egawa (2006) Toyota Motor Corporation: Launching Prius. Harvard Business School case study.

<sup>8</sup> Dweck (1999) Self-theories: Their role in motivation, personality, and development. Psychology Press, Taylor & Francis Group: Ann Arbor; Janssen & Van Yperen (2004) Employees’ goal orientations, the quality of leader-member exchange, and the outcomes of job performance and job satisfaction. *Academy of Management Journal*, 47, 368-384.



Most businesses – far from being able to achieve ambitious aspirations - are in fact less than the sum of their parts. This is the real disaster shown by the Gallup results: The way we manage our companies reduces people to disengaged parts that would be much more productive somewhere else.

## How Strategic Intent Drives Performance

What are the concrete causal mechanisms that link purpose and mission to performance?

### MANAC FORMULA FOR ACCELERATED ORGANIZATIONAL DEVELOPMENT

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AGGRESSIVENESS OF STRATEGIC INTENT x QUALITY OF EXECUTION x INTENSITY OF MONITORING/LEARNING/ADJUSTING

Three main drivers fuel long-term superior performance:

1. Aggressiveness of the strategic intent as a driver of creativity and innovation: the ability and willingness to generate a constant flow of new and useful ideas that strengthen and develop a company's business today and the motivation and bravery to boldly move into uncertain market spaces to explore and exploit the opportunities of the future
2. Quality of execution where quality is defined in terms of the ability of an organizational infrastructure to i) inspire and motivate, ii) provide direction that enables individuals to understand their contributions to a larger goal, and iii) allocate resources and personal freedom to figure out how to make this contribution, how to improve, and how to innovate productively.
3. Intensity and perseverance of efforts towards monitoring and reflecting on the evolution of external reality, learning from one's decisions and actions and those of competitors and other stakeholders that influence our relevant future, and adjusting the course and raising our ambitions for mastery; these adjustments are guided by keeping a steady hand at the helm towards mission achievement and keeping an organization's mission relevant; perseverance is motivated by envisioning a future that is considered personally meaningful, important, and challenging.

The MANAC formula for accelerated organizational development integrates the three central mechanisms that enable companies to influence the future rather than sitting at the sidelines as the future unfolds. We have recently published our research about how to transfer these mechanisms into organizational routines that generate high levels of performance and a sense of organizational fitness and drive an accelerated organizational development<sup>9</sup>. In the context of MANAC's strategic intent framework we call these routines Mastery routines as illustrated in Figure 5. Figure 5 allows us to zoom into the Mastery dimension of our strategic intent framework. For each routine, we have a number of potential interventions that organizations can adopt to get started with developing their strategic intent. The Mastery routines are both internally and externally focused. As such, they enable incremental improvements of current business as well as innovations for future business based on ideas and knowledge that are developed both inside and outside an organization. The Mastery routines also enable foresight and the systematic identification, monitoring and evaluation of important drivers of change.

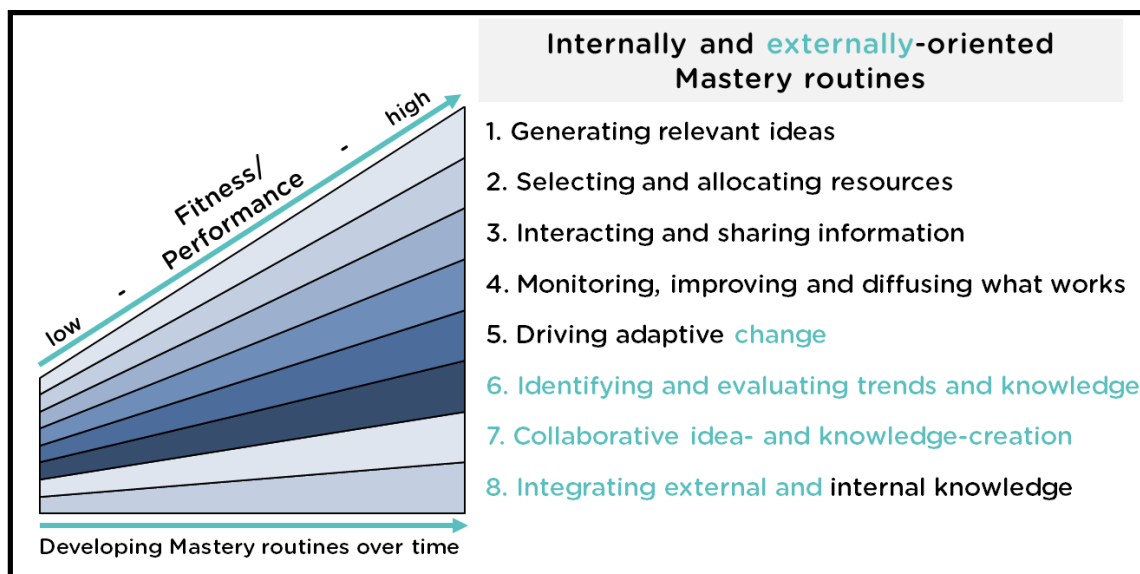


Figure 5. The eight core routines of defining, enacting and updating strategic intent

<sup>9</sup> Seelos & Geistdörfer (2018) Absorptive Kapazität – Kernroutinen für Geschwindigkeit, Produktivität, und Innovation. MANAC Whitepaper.

## Developing Strategic Intent

*"The future was predictable, but hardly anyone predicted it."*  
Allan Kay (Xerox PACS)<sup>10</sup>

A strategic intent is not a lofty goal, dream, hope or the CEO's fantasy. Strategic intent is grounded in a corporate interpretation of change, a well-informed bet about a future reality that is part foresight (derived from a deep understanding of trends and possibilities) and part ambition to shape the realization of a desired future instead of only reacting to whatever future emerges. A useful interpretation of change is the result of well-established Mastery routines that enable a systematic scanning and reflection of change. Organizations need to nurture an ongoing discussion about the implications of change for a possible attractive future market position. The ambition to transform important societal and technical challenges into opportunities for significant impact and profits are the basis of an organization's sense of mission, an articulation of an inspiring future worth fighting for.

A useful interpretation of change has the following characteristics:

1. The foreseen future is considered possible even though the required competencies, technologies, and markets will need to be developed: An aggressive strategic intent creates a productive stretch.
2. The foreseen future is considered exciting by all members of the organization and the people supporting it: An aggressive strategic intent arouses minds and hearts and a sense of adventure; it fuels emotions about competition, winning, and going the extra mile and facilitates full engagement of the whole workforce.
3. The foreseen future is considered meaningful: An effective strategic intent is grounded in a sense of purpose and contribution beyond financial or market-share metrics; it strives to tackle an important customer or societal challenge and provides a convincing answer to the question: How is the world better off if we succeed?

Developing foresight that penetrates the fog between today and the future better than that of competitors requires a constant reflection on dynamics and issues. Generally, we recommend integrating the following elements in your foresight efforts:

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<sup>10</sup> Hamel & Prahalad (1994) *Competing for the Future*. Harvard Business School Press: Boston, p.81.

- Barriers and drivers of change of your economic, technical, socio-political, and environmental context that also include weak early signals of long-term change and possibility.
- Emerging trends that derive from more robust dynamics of these changes and provide insights into medium-term opportunities and threats
- A real-time awareness and broad reflection on key events that constitute triggers of disruptive change:
  - Critical bifurcation points where the trajectory of competing technologies is determined
  - Mergers and acquisitions that could change the power landscape in the industry
  - Big bet investments by competitors in technology races or manufacturing capacity.
  - Policy proposals that might change the rules of the game
  - Key thresholds such as adoption levels or saturation levels
- Creative scenarios that synthesize signals of change across industries, customer groups, and technologies to generate novel combinations and unique possibilities

Formulating strategic intent requires structured and continuous work that does not just happen by accident. The challenge for most companies lies in the fact that the future happens mostly outside of your organization. Unfortunately, a focus on internal urgent, tactical, and political affairs prevents you from developing an advanced interpretation of change: Your foresight capacity is weak and undeveloped, and you don't have a strategy how to influence the future. Hamel and Prahalad<sup>10</sup> pointed out why the externally oriented Mastery routines that we visualized in figure 5 remain weak. The authors suggest that organizational leaders ask themselves the following three questions:

1. *As a CEO or senior manager in a company, ask yourself: What percent of my time do I spend on external issues such as understanding the implications of a new technology rather than internal issues such as debating structural reorganizations?*

Data from Hamel and Prahalad indicate that the answer is close to 40%. This implies that a majority of senior leadership time and effort is dedicated to internal issues. This limited external focus may not be enough to develop and enact a plausible interpretation of change as a central element of

strategic intent. But this lack of attention to external realities is not just a quantitative but also a qualitative problem.

2. *Ask yourself: How much of the time spent on external issues do I dedicate to a deep understanding how the world could be different in the next 10 years versus to urgent problems such as winning a customer contract or reacting to a competitive move?*

The answer usually is close to 30%. Unfortunately, the benefits of these 30% of forward-looking time usually remain with the observer.

3. *Ask yourself: Of that external/forward looking time, what percentage do I spend on consultations with colleagues to build a shared, well tested view of the future as opposed to my personal view?*

The answer usually is close to 20%. Senior leaders thus end up with  $40\% \times 30\% \times 20\% = 2,4\%$  of their time dedicated to building a corporate interpretation of changes that affect the future as a basis for formulating a strategic intent.

This example also illustrates how the Mastery routines in figure 5 constitute the operational basis for building your strategic intent. Developing foresight into a plausible and well-informed corporate interpretation of change requires strengthening particularly the externally oriented Mastery routines. A strategic intent is thus a process not a plan. Formulating strategic intent requires systematic and ongoing investments in reflecting on external change and translating insights into a shared perspective as a basis for setting priorities and direction and for allocating resources.

Developing strategic intent thus relies on insights into future possibilities to identify and formulate a fruitful overlap between what we *could* do and what we *want* to do (see figure 4). Strategic intent articulates the basis for our success in a future market that we helped shape and generates the inspiration, motivation, and ambition for getting out of bed in the morning and for giving our best. This articulation then generates a productive stretch for the means by which we achieve this future sense of mission. The stretch is a result of a perceived gap between what we *can* do today and about what we will need to be able to do tomorrow. The size of this gap defines the aggressiveness of a strategic intent. Small gaps can easily be dealt with by business as usual. A weak strategic intent creates no motivation or ambition towards mastery and novelty.

The combination of a clear direction and mastery-oriented relations that help to translate this direction into work realities and priorities at all levels and for all functions enables productive resource allocations in two main areas. First, investing in today's business by ensuring a flow of ideas for improvements, extensions, bundling, and cross selling. We call this the green zone: Scaling today's business understood as exploiting current positions, technologies and customers more deeply. The result is a deepening of mastery, finetuning and developing of routines and competencies, and generating more cash-flow today that finances innovations to get to the future before competitors do.

Because companies cannot enact an aggressive strategic intent by business as usual, investments into uncertain innovations – the red zone – are required in parallel to investments into the green zone. Innovations, red-zone investments, allocate resources towards uncertain possibilities that constitute pathways to our chosen future. When a strategic intent defines a clear direction, innovations are less costly. Innovations with an intent are not merely random acts of more or less creative employees playing innovation theater in dedicated labs that are decoupled from the organization and from strategically relevant changes. If innovations are driven by an ambition to be “more innovative” instead of a clear strategic intent, organizations face high failure rates and large amounts of wasted resources and frustrations. Unfocused innovation limits its potential to explore a desired future. When innovation is perceived as a sexy playground instead of a strategic instrument, little systematic learning takes place. And any learning is unlikely to be integrated into explicit monitoring and adaption routines required to update the strategic intent and to identify next steps towards shaping a desired future.

Figure 6 illustrates this relationship between strategic intent and resource allocation to green and red zones. Balancing these investments and integrating them into monitoring, learning and adjustment routines is a fundamental skill of effective organizations.<sup>11</sup> Monitoring, learning and adjustment routines thus constitutes one key element of the MANAC formula for accelerated organizational development (see above).

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<sup>11</sup> Seelos & Mair (2017) *Innovation and Scaling for Impact*. Stanford University Press: Stanford.



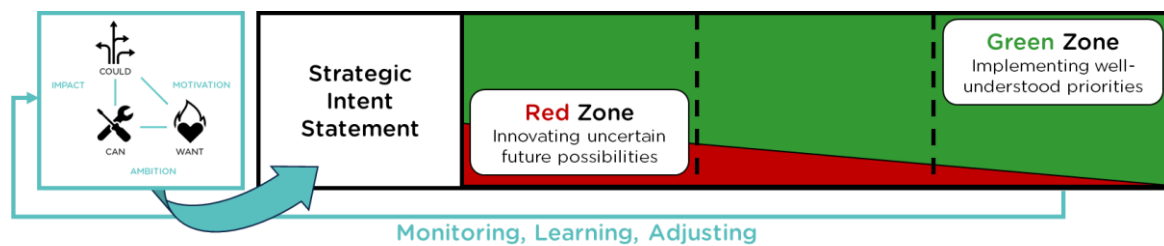


Figure 6. Strategic intent shapes resource allocations to implementing superior business today and innovating for superior opportunities tomorrow.

### A Dynamic perspective on Strategic Intent

An aggressive strategic intent is usually based on an interpretation of change that looks 10-15 years into the future. There are too many uncertainties to specify a pathway towards this future. Companies are advised to couple a series of shorter-term strategic intents over time. While keeping an eye on the general direction towards its mission, companies formulate a temporary strategic intent as a priority direction for a 2 to 3-year period. Achieving this shorter-term strategic intent builds a plausible step in the direction of the overall mission. The objective of formulating this shorter-term strategic intent is to secure a privileged industry, technology or financial position as a temporary basecamp on route to a desired future. We compare this 2 to 3-year period to climbing a local hill in a complex competitive market space that is unfolding in real-time. This market space is like a rugged landscape filled with valleys and peaks. Valleys are unprofitable market positions that result from bad decisions and insufficient or false interpretations of change. Peaks in this rugged landscape are the profitable market positions based on new or dramatically better product-need or service-need pairs<sup>12</sup>. This rugged landscape prevents you from clearly seeing the path towards a desired future – the final peak. Finding and climbing short-term peaks is the objective. These peaks are not too distant from your current market position, your current set of technologies and competencies and your current customers. But climbing this peak rewards companies with a better view of the emerging landscape and to identify more distant peaks on route to your desired future peak that constitutes your sense of mission. Climbing peaks also involves investing in

<sup>12</sup> Kauffman & Simon (1989) Towards a general theory of adaptive walks on rugged landscapes. J.Theor.Biol., 11-45.

and mastering new competencies and technologies and thus increases the fitness of organizations<sup>13</sup> in line with our perspective on developing Mastery routines in figure 5. Successfully implementing a shorter-term strategic intent and thus climbing a peak enables an organization to spot new and emerging opportunities (peaks) early. This better view paired with a higher maneuvering room due to a broader resource, competence and technology base, enables companies to move into fruitful directions fast and to carve out valuable new market positions. As you maneuver from strategic intent to strategic intent you reach more and more privileged market positions and to climb higher and steeper peaks in the competitive landscape. This dynamic process of coupling short-term strategic intents into a purposeful journey is illustrated in figure 7.

Coupling strategic intents over time is like a scaffolding that enables an organization to explore and influence the future. This scaffolding generates temporary positions that guide priorities and resource allocations to incremental improvements to scale today's business (green zone investments) and to innovate potential future opportunities (red zone investments). This scaffolding is crucially important for your journey. It creates a temporary sense of stability, a clear path forward that you can hold on to. This scaffolding also generates a sense of progress and success which is crucial for maintaining motivation and increasing ambition. At the same time, the scaffolding is constantly reconstructed by the monitoring, learning, and adjustment routines. This adjustment is guided by a deep joint sense of mission provided by a vivid and engaging picture of an exciting future for the firm and new information and possibilities that emerge during the journey.

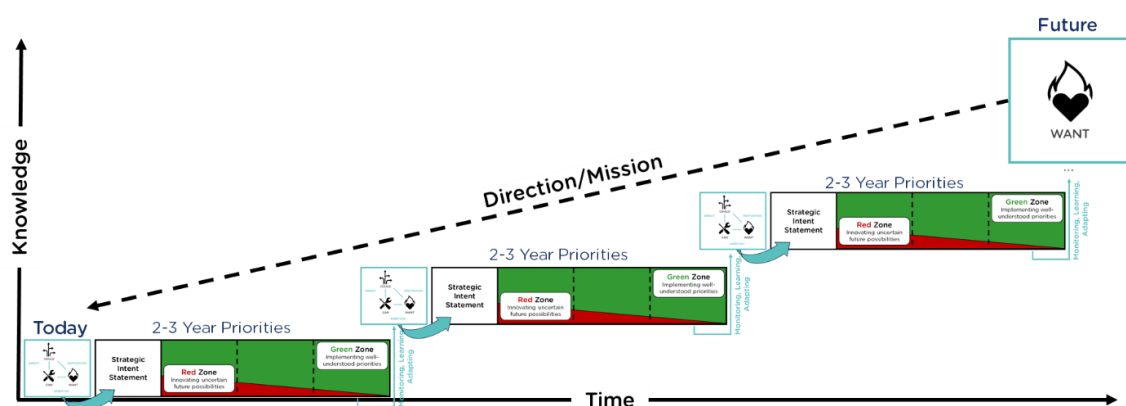


Figure 7. A dynamic scaffolding of strategic intent over time

<sup>13</sup> Levinthal (1997) Adaptation on Rugged Landscapes. Management Science, 934-950.

In the 1970s, the Nippon Electric Company (today's NEC Corporation), an IT products and service provider, foresaw a convergence of computers and communication systems as an important possibility for a radically different IT future. The early 1970s was a time when the internet was making first baby steps. Technology was at a very early stage compared to today. For example, in 1971 a startup called Intel responded to a request for 12 custom chips for a new high-end calculator and built the world's first single-chip general-purpose microprocessor. But NEC already formulated a long-term interpretation of change as a basis for a strategic intent around the convergence of computers and communication ("C&C"). NEC intended to carve out a leading position in this foreseen future that is illustrated in figure 8.<sup>14</sup>

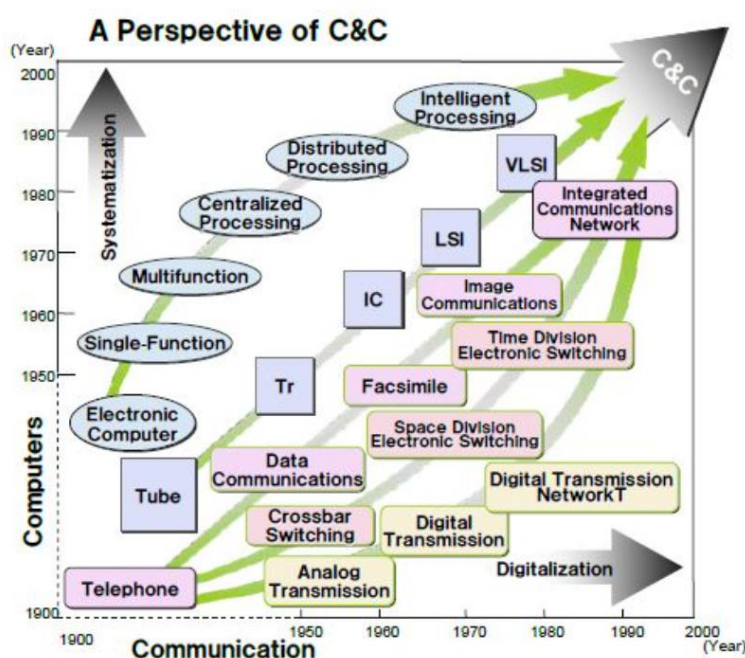


Figure 8. NEC's 1977 C&C roadmap – layers of strategic intents.<sup>15</sup>

In 1977, NEC presented this impressive roadmap as a basis for a series of temporary strategic intents that aimed around radical technology developments and carving out into new markets spaces. At that time, most of the temporary strategic intents were assumptions that needed correction later as new information and learnings from their investments emerged. But the roadmap created a sense of possibility and direction and focused the eyes of everyone on testing assumptions and going the extra mile even for intermediary steps towards the big picture.

<sup>14</sup> Kobayashi (1985) *Computers and Communication: A vision of C&C*. MIT Press: Boston.

<sup>15</sup> C&C Vision (1977) presented by NEC at INTELCOM77.

## Implications for corporate leaders

If you could look 10 years into the future what would you like to know? Answering this question is harder than it seems. The less attention leaders pay to external future-oriented issues, the more they will struggle with this question. A strategic intent perspective requires tremendous effort and emotional investment. Every strategic intent is as unique as every organization is. There is no standard template one can work from. Instead, in this note we provide a sketch of the most important themes and perspectives that leaders need to integrate into their approach to long-term strategy understood as a process of strategizing (adjusting strategic intent over time). We also provide a glimpse of what the operational work consists of, the eight core routines of absorptive capacity that enable both the formulation of strategic intent and its realization with a focus on productive speed and innovation. For each of these absorptive capacity routines (see figure 5), we have several examples and options how to structure and enable them effectively. All organizations have the capacity to do this but it requires a clear commitment and sustained effort with the ambition to make your organization fitter, better, and to carve out an attractive future.

The hardest part of this work is to engage with the emotional side of people and the identity of the organization. Defining work in terms of an explicit mission is something that most companies with whom we work, struggle with. The dramatic level of workforce disengagement in companies is a result of this struggle. Senior leaders often find it hard to shift from a position of specifying and controlling effort to a position of trusted relationships, inspiring self-determined employees, and being role-models of mastery. Getting their own hands dirty and trusting their employees to figure out how to make things work require dramatic changes of leader behavior with the intent to shift the culture. Mastery-oriented supervisor-employee relationships require a lot of communication, translating the overall intent into work priorities and realities for each employee, and creating and maintaining excitement by reminding people what our mission is and why it matters. Thus, some observers redefine the role of the CEO as Chief Excitement Officer or – as a panelist at the recent World Economic Forum in Davos in 2019 proposed: Chief Escape Officer – enabling an escape from the constraints of the past and setting the organization free to pursue a worthwhile mission.