

สัมมนาเชิงปฏิบัติการการทำภาพอนาคตทางยุทธศาสตร์

ศูนย์ศึกษายุทธศาสตร์ สถาบันวิชาการป้องกันประเทศ

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Creating Future Proof Strategies

Transformative Strategic Planning Model

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Dr. Santhi Kanoktanaporn

ดร. สันติ กนกธนาพร

23rd February 2021

Dr. Santhi Kanoktanaporn

Former Secretary-General
Asian Productivity Organization

- Dr Santhi joined APO in 2016 after spending 35 years as a General Manager/ Director/ Managing Director/ Country Manager/ President/ Executive Director for two multinational firms (SGS, Switzerland, and U.S. Chamber of Commerce, USA), the Thailand Productivity Institute, and the Management System Certification Institute of the Ministry of Industry (Thailand)
- Dr. Santhi received
 - B.Sc. in Chemistry from **Mahidol University**,
 - Ph.D. in Chemistry from **Sunderland Polytechnic (now Sunderland University)**,
 - Post Doctorate in Chemistry, **Boston University**,
 - Post Doctorate in Chemistry, **Sunderland Polytechnic (now Sunderland University)**
 - Master of Management (EMBA) from **Sasin, Chulalongkorn University**.
- Dr Santhi was elected
 - APO Honorable Fellow, Japan
 - The Chairman of APO Accreditation Body Council, Japan
 - China Productivity Center Steering Committee, ROC
 - The Chairman of the Certification Body Association, Thailand
 - The President of the Certification Body Forum, Thailand
 - Member of Oxford Future Forum (**OFF**), UK

Biography (cont.)

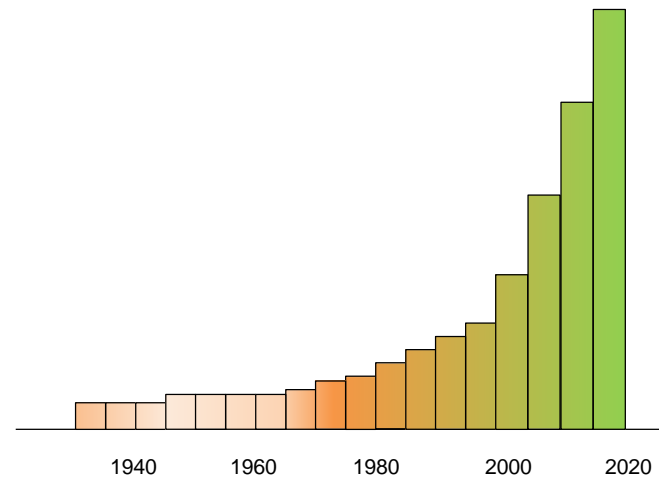
- Dr. Santhi has also received several Executive Education Certificates from
 - **Harvard** Business School,
 - **MIT** Sloan Business School,
 - **Cornell's** Johnson Business School of Management,
 - London Business School (**LBS**) of **University of London**,
 - Said Business School of **University of Oxford**
 - College of Education, **Penn State University** and
 - Certificate of the Top Management Program (**Board Level**) from **IMD**
- Dr. Santhi attend the following certification workshops:
 - Certificate of Balanced Scorecard Certification Master Class from the **Palladium Group (Kaplan and Norton)**,
 - Diploma in Development and Understanding Scenario from **Global Business Network (Peter Swartz)**,
 - Attended “Power and Love” and “Transformative Scenario Planning” workshops, **REOS Partners (Adam Kahane)**,
 - Certificate in Management Consulting Essentials (CMCE) from **Chartered Management Institute (CMI, UK)**.
- **Email : skaposg1619@gmail.com**

The Elements of Strategy



VUCA World - Accelerating Changes

- World Population
- Energy Consumption
- Mobile Phone
- Internet
- Genes Sequenced
- No. of Transistors
- Bandwidth
- CO2 Emission
- Knowledge



- Can we catch up with the rapid changes?
- Are we change as fast as the world change around us?

Agility ?



A Foot or More of Snow Slams Midwest States



A windy snowstorm battered the nation's middle section on Thursday, with sights like this one in Overland Park, Kan., common. Dave Kaup/Reuters

Australian Open 2014: play halted as heatwave see temperature reach 43 degrees and rising



Frank Dancevic of Canada is protected from the sun after collapsing.
Image: Ajaz Rahi/AP/Press Association Images

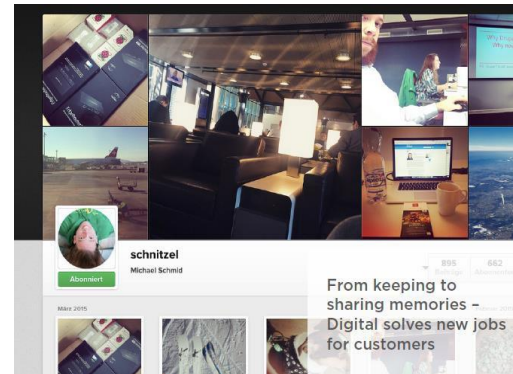
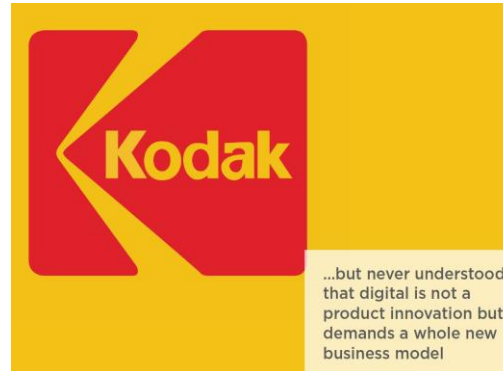
2013-14 United Kingdom winter floods



Emergency pumps were brought in to drain the Somerset levels.

Excellent in
Productivity

Innovation ?



Excellent in Productivity

Agility ?
Innovation ?



A consumer is photographed with the locally rated top 10 instant noodle brands at an industry expo in Shanghai. [Photo by Yin Liqin/China News Service]



A deliveryman for Meituan-Dianping, China's largest on-demand service platform, delivers food in Beijing. [Photo provided to chinadaily.com.cn]

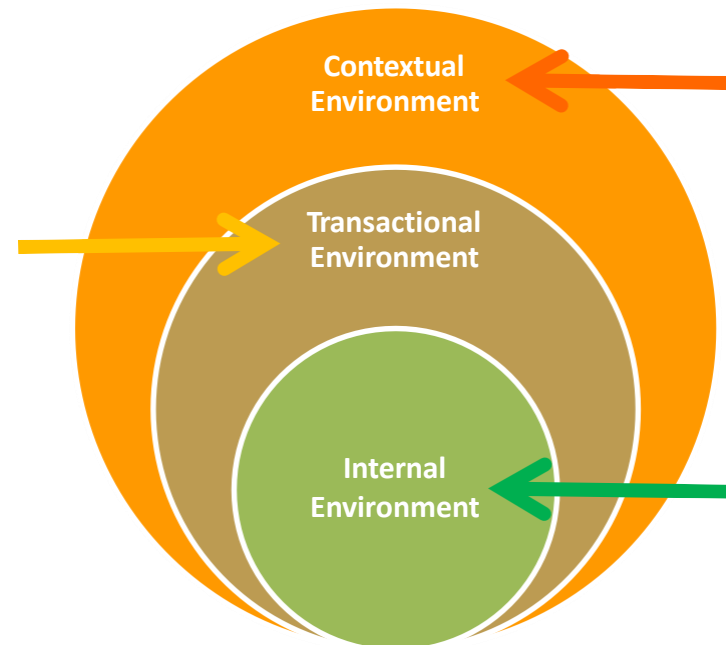
Future Uncertainty Management

Outside-In Approach

To move you into the area of **thinking the unthinkable**

Known_Unknowns

Customers
Competitors
Suppliers Owners
Partners
Stakeholders



Unknown_Unknowns

Social Technological
Economic
Environmental Political

Known_Knowns

Procedure and Processes
System & Technology Staff
Capabilities
Staff Numbers
Communication
Leadership
Culture Capacity

Insight or Foresight?

- **Known_Knowns** → **Insight:**
SOP
Internal Audit
- **Known_Unknowns** → **Insight:**
Strategy Management
Risk Management
- **Unknown_Unknowns** → **Foresight:**
Uncertainty Management
(Future Management)

A nineteenth-century organization is simply not built to handle **twenty-first century challenges**

Do we continue to operate with a system designed for an era gone by ?

It is not the *strongest* of the species that survive,
nor the most *intelligent*, but the one most
responsive to change

Charles Darwin

Two Stances Toward the Future

- Adaptive Stance
We cannot influence our world so we need to **adapt**
- Activist Stance
We want to influence and improve our world so we need to **shape** our future

Creating strategy in the VUCA world

Leaders will need to answer these three critical questions.

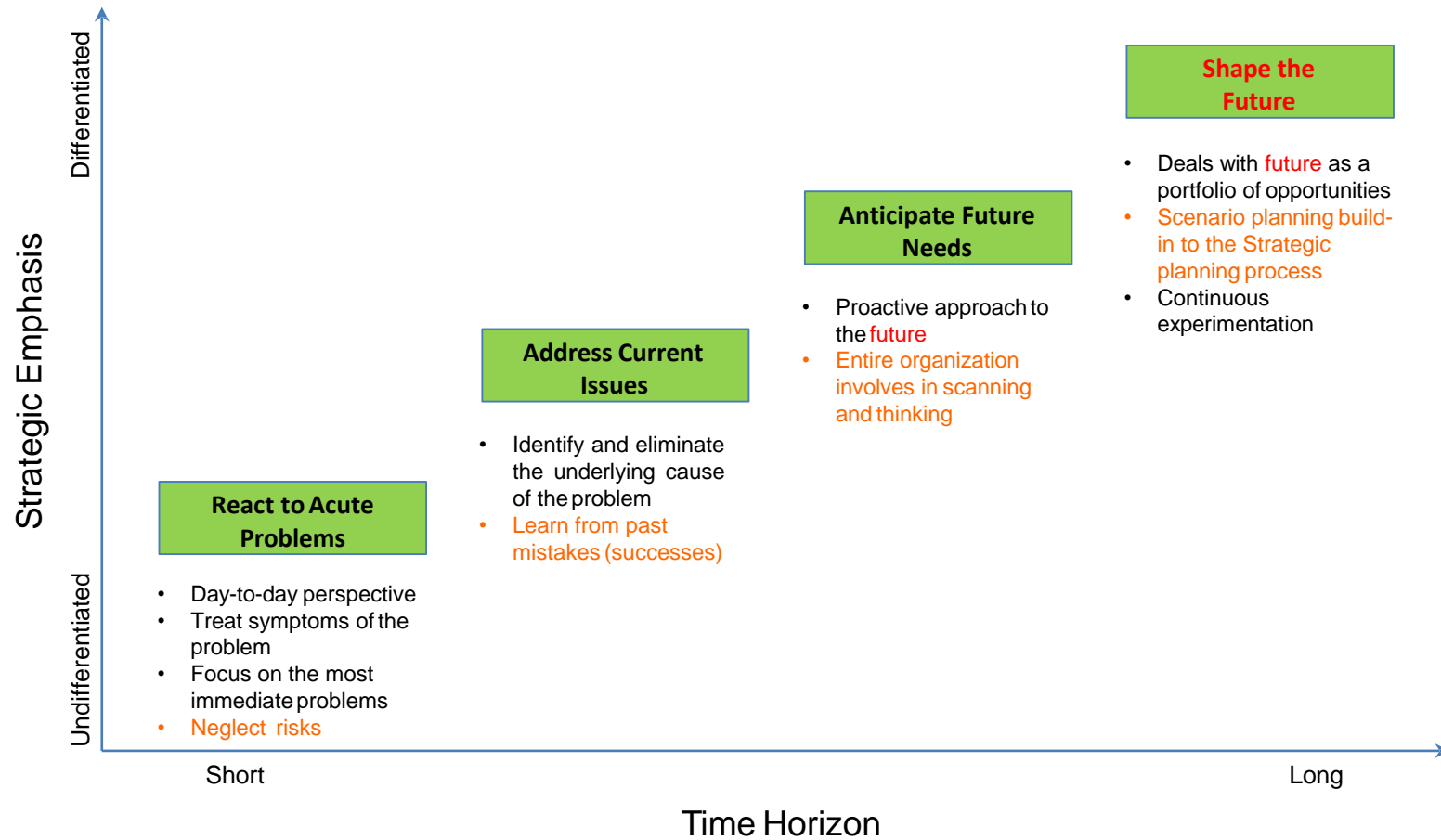
- Is your strategy meaningful and effective?
- Is your strategy Flexible?
- Is your organization **missing a critical step** in the strategy building process?

Advance Strategy Building Process

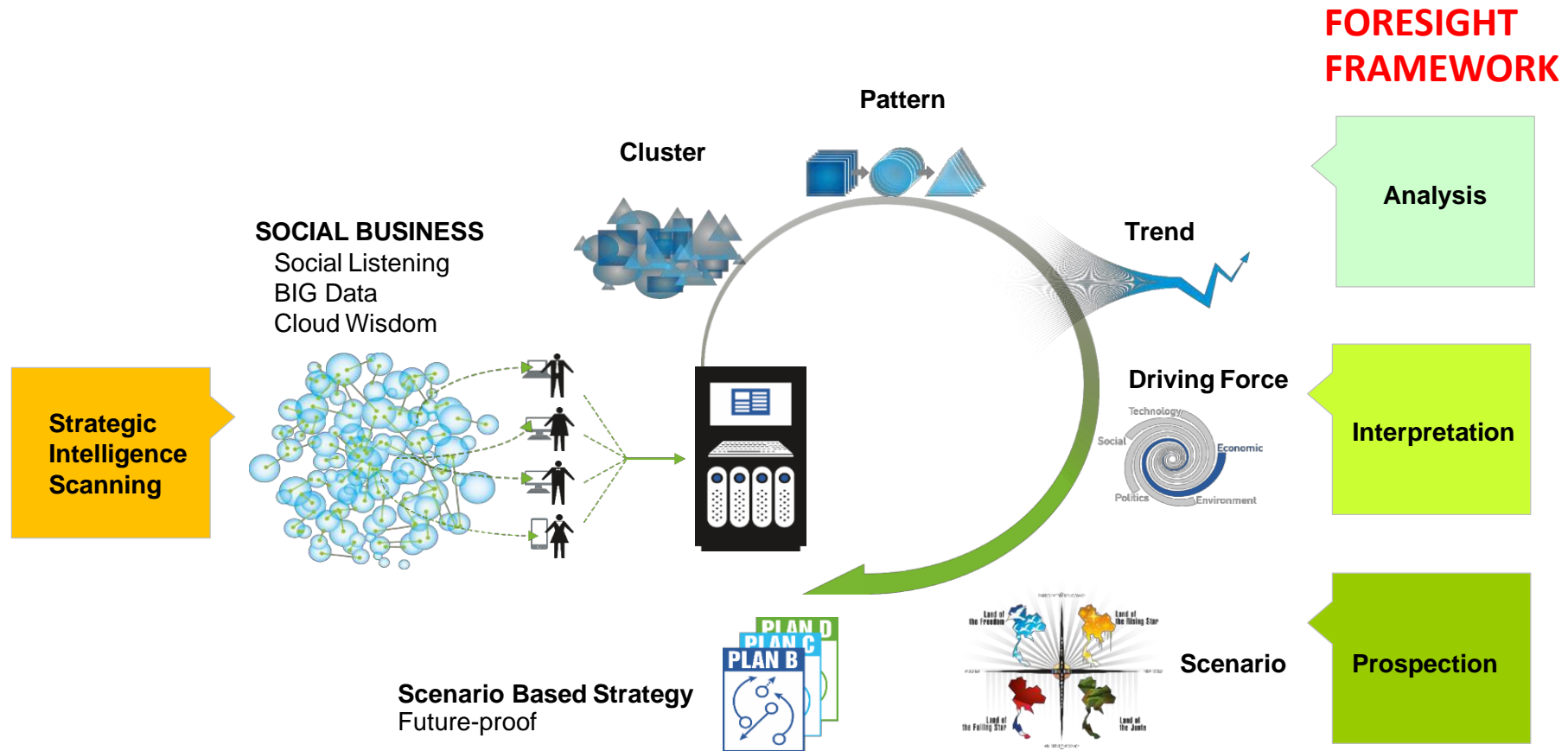


Application of Scenarios to Strategic planning Process

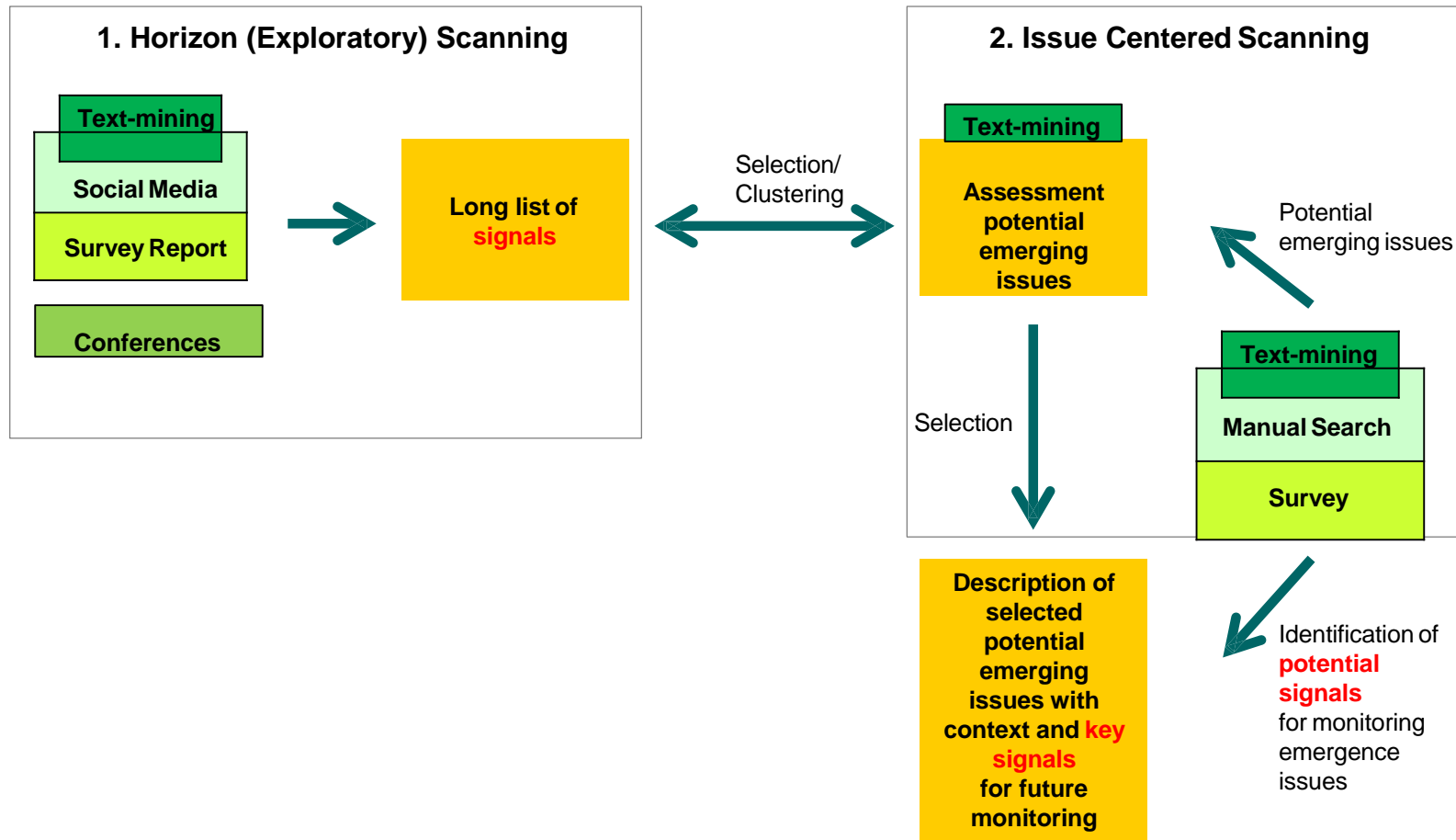
Emphasis on Future Focus



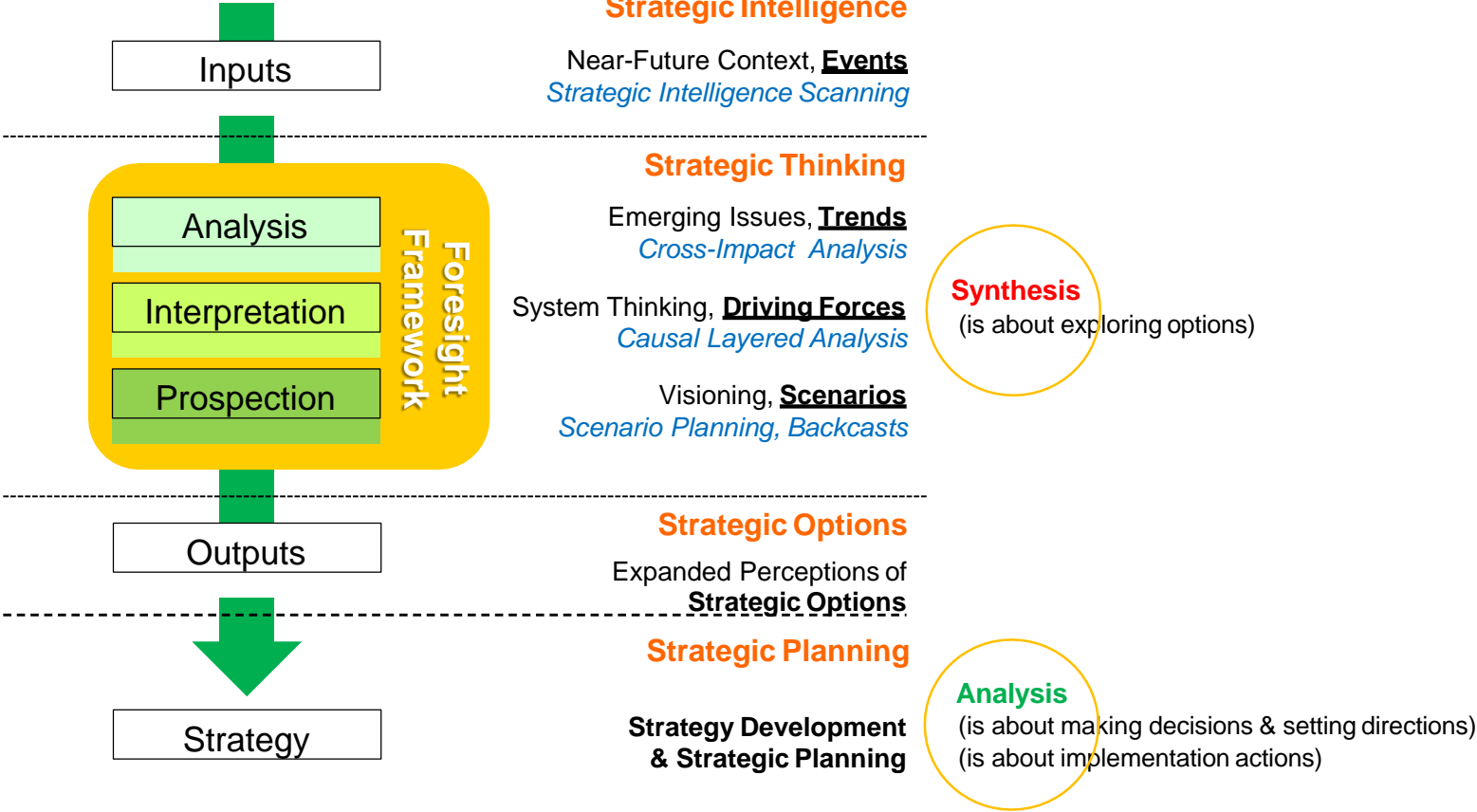
Anticipatory Organization Advance Strategic Planning Process



Strategic Intelligence Scanning

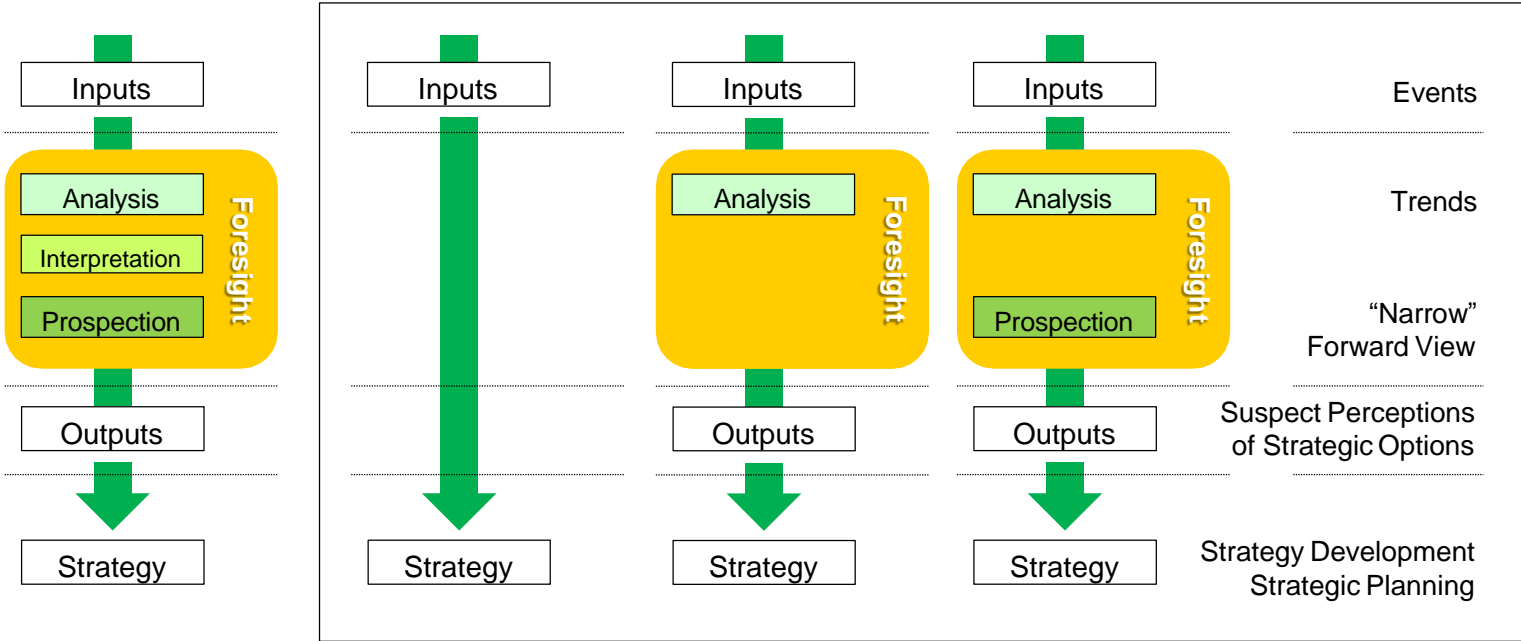


The Foresight Framework



How an Organization responds to the Strategic Environment

Why Using Foresight Process is Preferable to Not



The Generic Foresight Process Framework

- Foresight has done its real job – the generation of an expanded perception of strategic options available

A Purely Reactive Approach to Strategy

- No foresight work and no distinct outputs from such a foresight capacity

A “Shallow” Foresight Process

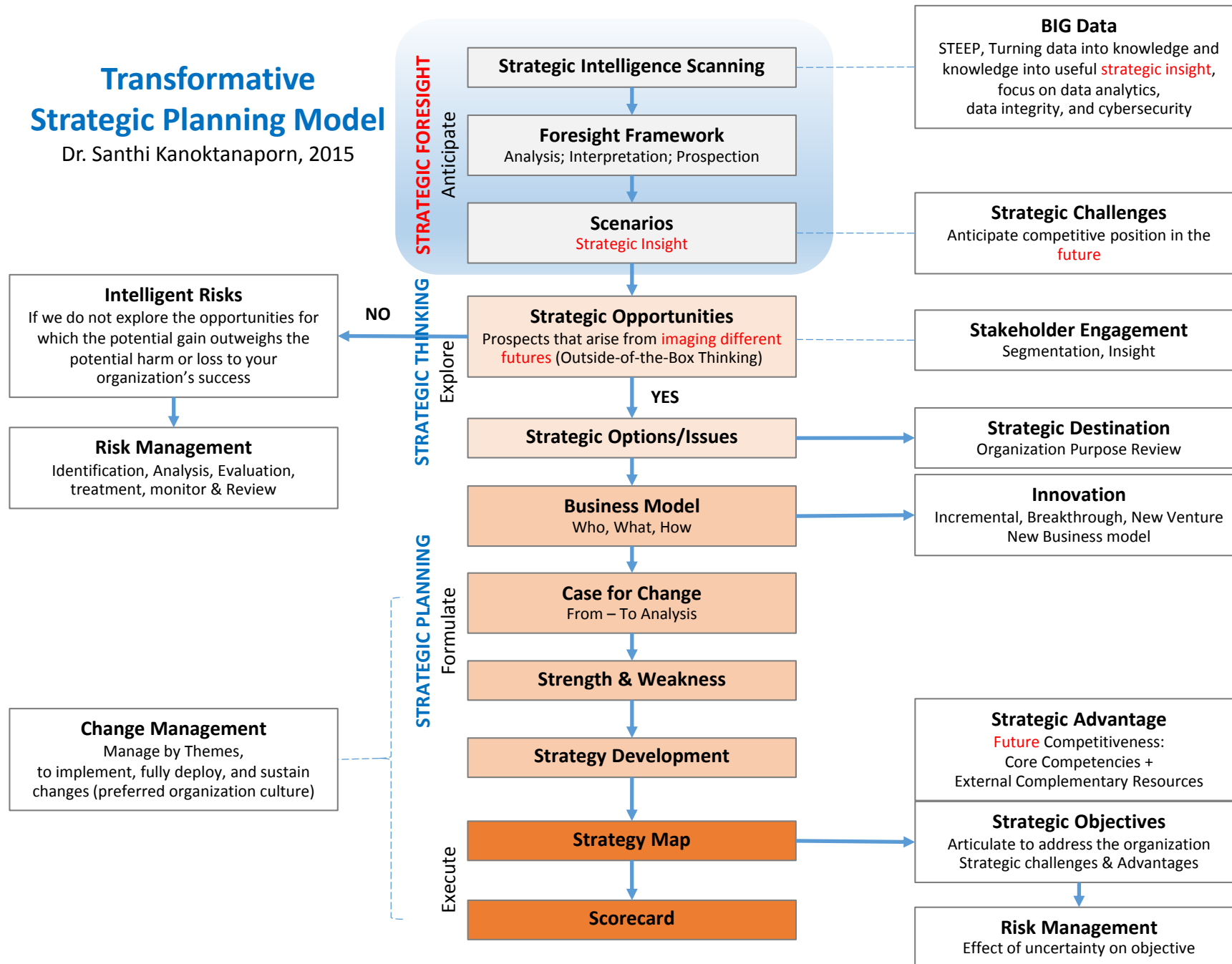
- This produce thin set of outputs based on the clear and obvious present
- They believe that understanding the future is simply about “reading” the trends

A “Shallow/Narrow” Foresight Process

- Forecasting based on trends analysis, extrapolation of the present, visioning exercise
- No attempts is made to address the question of what really happening, either inside or outside the organization

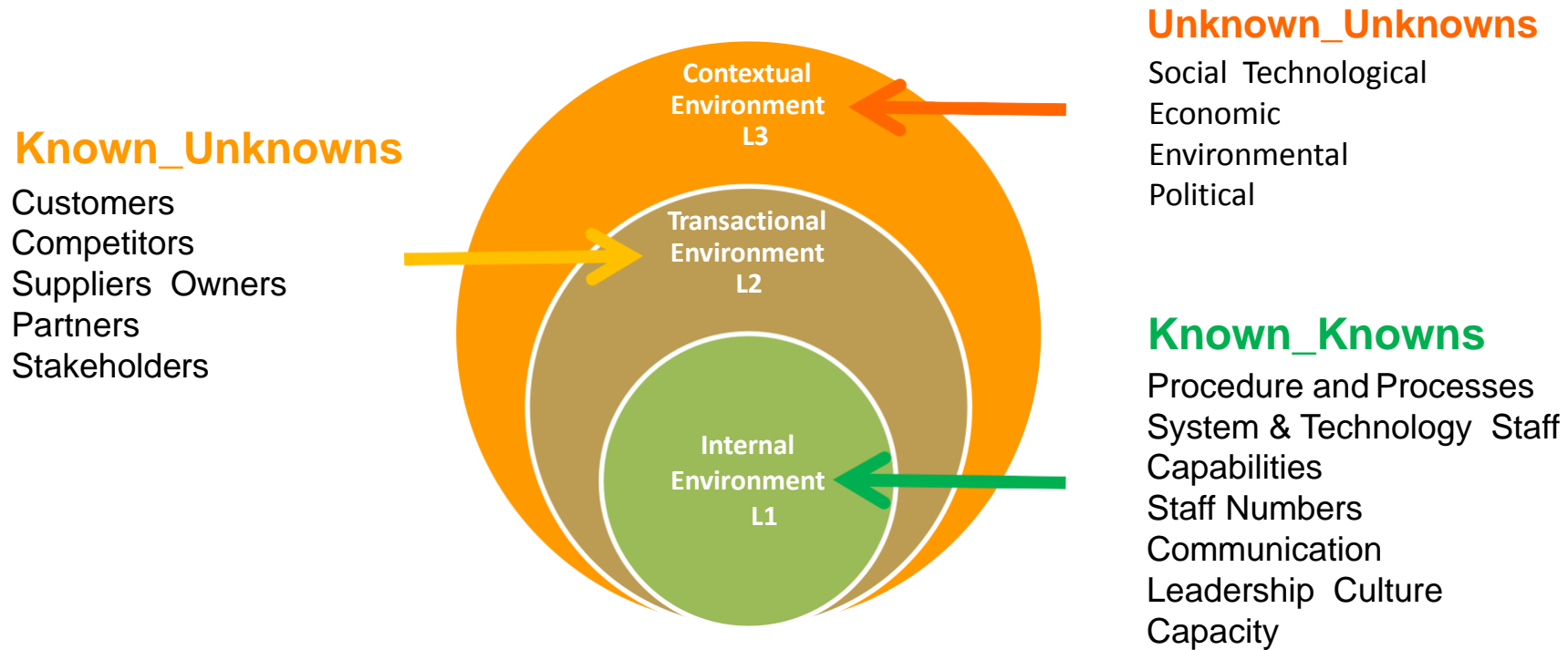
Transformative Strategic Planning Model

Dr. Santhi Kanoktanaporn, 2015



Risk Management

Risk = Effect of Uncertainties on Objective



Risk Management

- **Known_Knowns** → **Insight:**
Preventable Risk
- **Known_Unknowns** → **Insight:**
Strategic Risk
- **Unknown_Unknowns** → **Foresight:**
External Risk

Advance Risk Management Framework

	Measurability	Understanding	Risk Mitigation Objective	Control Approaches	Risk Management Approaches	Office of Risk Management: Contribution	Office of Risk Management: Relationship
Category 1: Preventable Risks (Operation)	High: Can measure probability and impact	<u>L11</u> "Known Knowns": Risks arising from within the company that generate no strategic benefit to take the risks	Drive incidence of occurrence to zero; seek to eliminate these risks	Internal control; boundary system; mission and value statements; internal audit	<u>Insight</u> Rule-based risk management: Control self-assessments; diagnostic controls; near-miss data collection; operational loss databases	Coordinate or oversee common controls with internal audit function	Independent oversees
Category 2: Strategic Risks	Medium: Can estimate probability and impact	<u>L12, L21</u> "Known Unknowns": Risks voluntarily accept to generate superior returns from its strategy	Reduce likelihood and impact in cost-efficient way though some residual risk always remain (cannot be reduced to zero)	Key risk indicator scorecards; Risk mitigation initiatives; Risk review at strategic review meeting	<u>Insight</u> Risk management system: Risk maps with nominal scales; Statistical risk estimation model; (Risk-based performance measures)	Run risk workshops and risk review meetings; Help develop portfolio of risk initiatives; act as devil's advocates and integrators (system thinking)	Independent oversees and/or embedded risk managers
Category 3: External risks (uncontrollable)	Low: Cannot measure or estimate likelihood; can only envision	<u>L33</u> "Unknown Unknowns": Non-controllable external events that can cause the strategy or the entire enterprise to fail and disrupt the operation (company cannot prevent such events from occurring)	Reduce impact should risk occur (company cannot influent the likelihood of such risk events)	Contingency planning; Insurance and hedging programs (limited)	<u>Foresight</u> Focus on identification and mitigation of their impact in advance (Risk envisionment, Anticipation and planned for): Tail-risk stress tests; Scenario planning; War gaming	Run scenario planning and war game exercises with management team; act as devil's advocates and integrators (system thinking); force people to stretch their thinking	Embedded risk managers

Q & A

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