



The Far-Sighted Enterprise

Business scenarios for
assessment and development.



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Dr Valerie Stewart Brief Biography

Valerie Stewart is a consultant industrial psychologist with a lifetime's experience helping to identify and develop people's potential and helping large organisations manage change. She began her career by reintroducing and developing the Assessment Centre method, making significant advances in exercise design and in competency analysis. With the increasing demands on business and management from the early 1980s, she then became closely involved in the management of major change. She has woven these two threads into a working life that has seen her make significant contributions in South Africa, Northern Ireland, New Zealand, Australia, Hong Kong, and Singapore as well as in her native United Kingdom.

Valerie's experience covers manufacturing, transport, mining, telecommunications, finance, retail, food, and health as well as involvement in government and public services. Her expertise includes psychological testing and the Repertory Grid methodology; she combines a practical approach to problem-solving with wide-ranging interests in the varieties of human experience. She has published a number of well-received books and is a popular speaker at conferences and seminars.

The Far-Sighted Business scenarios were originally designed for development purposes. Many are also sufficiently robust to be used for assessment in selection i.e. there is a right or best answer. They are most frequently used in development centres.

Collectively, the scenarios are designed to assess the Far-Sighted Leader, which is explained in the following pages. The scenarios are also strong at developing and assessing business acumen.

Most scenarios are based on real events, with only the industry type or country being changed to protect identities. Participants therefore find them realistic. Observers and assessors also appreciate that in most scenarios there is a best practice answer.

Observers References

Each scenario comes with a full Observers Reference pack. Included in the pack is a Commentary on the exercise which overviews the scenario, suggests how and where the scenario can be used, who it is suitable for and what behaviours can be identified. Where appropriate there is a Guide to Analysing the data and/or information. There are Mind Dumps which are a tool to quickly capture how each participant responded and there is a Review Guide for observers to use when reviewing the exercise with the participants.

Price Structure

Prices range from \$NZ100 per to \$NZ450 per person with most being \$NZ350. Packets of 20 copies of an exercise sell for \$NZ1200 to \$NZ7000, with most being \$NZ5500 per set.

Muritai21 Ltd is the Far-Sighted Enterprise's agent for New Zealand and Australia. More information can be found by contacting Muritai:

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“The Far-Sighted Enterprises assignments are well-written, rigorously thorough and robust in assessing what they claim to assess. They present fairly complex scenarios in simple, clear formats, with just enough data to resemble ‘real life’, i.e. enough to signpost issues and create a case for their resolution, but not quite enough for candidates to feel overly comfortable that they have sniffed out the “right” recommendations and courses of action. The scenarios work across sectors because they are cleverly constructed. Valerie Stewart extracts principles and learning from real business situations, then transfers them into plausible fictional settings which engross participants, often generating heated debate and revealing business acumen in a controlled, calibrated setting.”

Gil Sewell

Manager OD and Learning Programmes

Fonterra Co-operative Group

“I have used The Far-Sighted Enterprises exercises, on and off, for a few years now, and find them an excellent way of getting to the core of leadership.”

John Baillie

General Manager Corporate Services and HR

Quotable Value NZ Ltd

White Paper

Far-Sighted Leadership

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The following white paper is a distillation of a lifetime's work helping people to recognise and meet the demands of working in businesses, public services, and government bodies. Most of my career has been spent trying to define — and find ways of developing — the skills, experience, and mental furniture necessary for successful leadership and management. Easily, the most challenging assignments have been in situations where the rules of the game were changing, or where they needed to be changed and it had fallen to my colleagues and me to devise new solutions to unfamiliar problems.

Among the by-products of these activities are what human resource professionals recognise as descriptions of management competencies. Focussing on navigating through uncharted waters means that I have always tried to direct people's attention towards the tools they will need to meet tomorrow's challenges. Working with people worried about the survival of life as they value it means I have, however, become less and less tolerant of the Anglo-Saxon preference for measuring things over understanding them.

Maybe every generation speculates that theirs represents the end of the golden weather. But the world — and especially the Western world — does seem to be facing an unusually comprehensive basket of complex challenges: economic, social, cultural, environmental, generational, and political. It's not always clear whose hands have to move which levers in what directions for these challenges to be overcome. A number of respected commentators have recently reminded us how quickly (fifty years, give or take a decade) the most sophisticated economies have collapsed. On some of the crucial issues — global warming, youth unemployment, and bad businesses too big to fail — our resources are already depleted and our options foreshortened.

I believe that the time is ripe for a fresh analysis of the skills that responsible people — leaders and managers in business and government — must bring to the tasks ahead. I've called this analysis The Far-Sighted Leader. Why Far-Sighted? Because, when we face disruptions and discontinuities, as I believe we do, it is even more important to be able to do as the Duke of Wellington said and 'see what's on the other side of the hill.' We cannot meet tomorrow's demands with yesterday's competences.

I offer this analysis as one building block in what I hope will be an enduring project to ensure that we can control our future.

Far-Sighted leadership involves:

Scenario Building ability: the capacity to generate multiple possible outcomes from the current situation. These outcomes should each be reasonably coherent, and if possible, their relative probabilities should be estimated.

(The direct analogy is with chess. After seven moves, there are more than 10 million possible positions; there are forty possible positions after just two moves. Good chess players develop ways of encoding what they see on the board — typically, they can remember legitimate positions, but do no better than chance when shown a random unlawful scatter).

The skill of scenario building is buttressed by two types of scanning at the extremes, viz:

Sensitivity to Danger: as various scenarios unfold, and/or new information presents itself, this is the capacity to predict and/or detect the circumstances that are likely to cause catastrophic failure or at least to carry an unacceptable downside risk.

(This requires a detachment from one's own optimism, which can be difficult when pursuing an attractive goal. At the very least, it involves envisaging the graceful failure mode when developing scenarios, but when properly developed, one confronts the brutal facts wherever and whenever they appear).

Alive to Opportunity: with unfolding scenarios and/or new information, the capacity to predict when circumstances will offer quantitative or qualitative advances in what is possible.

(This echoes the original definition of an entrepreneur as one who moves resources from areas of low productivity to areas of high productivity).

*When **Scenario Building, Sensitivity to Danger, and Alive to Opportunity** are all well-developed, one is alert to the situations where what is needed is more of the same, or when what is needed is something different. One is also alert for **Black Swans**. Therefore, it can be said that one has a good sense of **timing** — a skill which otherwise is difficult to analyse.*

¹ The term 'Black Swan' (Nicholas Taleb) summarises his observation that we are conditioned to focus on the average/mean/normal, and that we are unreasonably surprised by the inevitability of the unexpected.

These three attributes characterise far-sighted information-gathering. It may sometimes appear to have a disturbingly dispassionate quality, as with the trader who forward-bought potatoes within minutes of hearing about Chernobyl.

The next two attributes distinguish the armchair general/ Monday morning quarterback from the person who sets out to make a difference to the world:

Judgement: the ability and willingness to decide on a course of action. It is important to be able to articulate — and therefore, to defend and/or negotiate — a coherent frame of reference underlying one's judgements; it is also important to be aware of, and to seek to transcend, the limits of bounded rationality.

(This recognises that human affairs cannot be decided purely by logic; almost every situation contains competing priorities as well as imperfect information. However, having a coherent framework is the first step in being able to negotiate frameworks; this is an essential attribute of mature far-sightedness).

Drive for Results: the intrinsic need to make a difference, coupled with the energy to deliver the chosen result.

*(The combination of **Judgement** and **Drive for Results** underlies the delivery of extraordinary results).*

Think of the first three attributes as the sail, and the latter two as the rudder. Both are necessary for the journey. But the journey is not made in a void; there is always a context. When the context is a business, an enterprise, or an institution, one needs local knowledge and wider perspectives:

Local Knowledge: the aptitudes needed to fulfil one's role in the organisation, coupled with sensitivity to the context (social, political, economic, structural, etc.) influencing perceived success.

(Aptitudes: technical/specialist skills, financial skills, communication and interpersonal skills; how these skills are exercised is modified by the choices, demands, and constraints implicit — or explicit — in the organisation's culture).

Wider perspective: regular scanning of the environment (social, political, economic, etc.) in which the organisation makes its living. This particularly includes any changes in the opportunities and priorities of the organisation's stakeholders (owners, employees, customers, etc.) together with changes in the wider ecosystem that are likely to affect the organisation's equilibrium.

(This leads, inter alia, to a healthy scepticism about traditional metrics as exemplified by the manufacturer of lock-gate furniture whose market share kept increasing until he became insolvent. It also implies the ability to detect when the means to an end become the end in itself).

The narrative so far is silent regarding the differences between vice and virtue; a dispassionate analysis that pays due regard to the price of dependence on power might remain silent. Notwithstanding the occasional difficulties implicit in describing what is true, just, and lovely, the ideal is:

Honest, Ethical, and Trustworthy: commitment to truthfulness and openness, and to fairness and justice; from these flow responsibility and accountability.

Finally, and because no man is an island entire unto itself:

Power to Inspire: the skill of energising and strengthening other people in the achievement of shared goals. This implies an internal locus of control and the ability to manage the impression one creates (especially in times of doubt or crisis). It also implies the ability to assess and develop other people's talents, capabilities, and potential.

² 'If you are doing something wrong, you'll probably do it badly. (Robert Heller).

Business Scenarios

These scenarios and exercises are designed to both assess and develop the Far-Sighted Leader. They can be completed either in a group or individually.

○ Bargaining - Group

This exercise mimics the processes and dynamics at play in every meeting where people must see the need to suppress their short-term individual interests in order to save the collective interest, and when rescuing the collective interest is the only way of ensuring that in the long-term the individuals will survive. It tests people's understanding of complex problems, trust, and honesty, and teaches that sometimes competition diminishes everyone.

○ Baron's Bank - Individual and Group

This exercise is designed to take an oblique, but still penetrating, look at participants' counselling skills. It is a good alternative to role-play in programmes where you do not have the time to set up a series of individual role-play scenarios. Can the participants choose appropriate responses to potential performance problems?

○ Cassandra's Shoes - Individual or Group

This very powerful exercise is a great test of the full gambit of business acumen. It includes being able to read the story behind the numbers, and managing and influencing people. Can people see the oncoming disaster? Will they make the tough decisions?

Cassandra's Shoes

“Cassandra's Shoes is a great blend of assessment and development. The case study clearly differentiates those who can see the source of the problem from those who can't. It has enough information and data to point to where the problem lies but you don't need to be especially numerate to understand it. Furthermore, some people see the problem and know what needs to be done – either by analysis or instinct - but lack the confidence or assertiveness to persuade the owner. Like all good exercises the power of Cassandra's Shoes lies in the debrief, where people learn life long lessons. It is a very effective means of assessing, amongst other things, Business Acumen.”

Pam Westhead
Director - Westgrave Consulting

○ Counselling - Group

This exercise asks participants to decide how a particular sum of money is to be spent. Only one participant may have the money, so they each have to bid and then decide who will make the best use of the resources. Can the group see where the business can get big bangs for small bucks?

○ Gift Horse - Individual then Group

This exercise is designed to take an oblique, but still penetrating, look at participants' counselling skills. It is a good alternative to role-play in programmes where you do not have the time to set up a series of individual role-play scenarios. Can the participants choose appropriate responses to potential performance problems?

Gift Horse

A simple, engaging and insightful introductory exercise which helps settle a group starting a development/assessment centre while providing some good initial insights into the level of a person's thinking – in particular, how they think about staff and customers and their ability to think innovatively about future opportunities. It also provides some good insights into a person's ability to influence peers, and their presence and poise under challenge.

Dr Peter Blyde
Director - Catalyst4Change

○ Jerry Kesnowicz - Group

This is an exercise about managing someone with a performance problem. The problem is not poor performance overall; it concerns a very intelligent specialist who appears to lack the skills or interest in managing people. Participants, working as a group, are asked to suggest a strategy for resolving the difficulties with Jerry.

○ Jane F - Group

This exercise has parallel forms (Jane Fellowes or Jane Ferguson, with the latter being more difficult.) These exercises have at their heart the problem of influencing without authority

○ Icelandic Daisy - Group

This is a sweet and simple negotiation exercise which really has only one point to make, but it makes it unforgettably: in successful negotiations, you should talk about needs rather than take up positions.

○ John Sambell - Individual or Group

This exercise is in two parts: a group discussion and a role-play interview. The heart of the exercise is a clash of temperaments which will be familiar to most managers: an old-style production manager who is thoroughly bounced on by the new marketing manager, much younger, successful, on the up-and-up, and with the sensitivity of a badly-designed brick.

○ Manager's Day Out - Group

This exercise makes an important contribution to programmes where staff coaching skills are a priority. The lesson from the exercise is that managers must plan to coach, have a purpose for each coaching intervention, and must not confuse coaching with doing the job themselves.

Manager's Day Out

This was a great exercise for our future leaders. It really helped us focus on the role of a leader, how do leaders add value and in particular - where should they spend their time: with the good employees or the poor performing ones? Are managers tempted to get in and solve the problem themselves, or do they coach? What is coaching anyway, and how much time do we really devote to it?

John Baillie

General Manager Corporate Services and HR
Quotable Value NZ Ltd

○ Mystery Shopper - Group

The significant lessons in the exercise are (i) before collecting quantities of information, you need to consider its significance for the goals of the business, and (ii) when considering what you will do with the results, you need to plan a feedback strategy.

○ Our Town - Group

This exercise tests participant's general business knowledge and shows the extent of their networks, interest, competitor knowledge, and general business curiosity. Almost all stages of the exercise can be guaranteed to produce conflicting points of view.

○ Peter Brady - Group

Peter Brady is the newly-appointed Chief Executive of the Midhurst Regional Health Trust. The group is asked to help prepare Peter to meet a mixed group of stakeholders. Peter Brady specifically addresses the problems in organisations which have had so much change that people, including external stakeholders, are weary of it.

○ Picture/Video - Group

This exercise is in two parts. The first part explores envisioning the future and visioning. The second part challenges the group to make this real. Why the emphasis on implementation skills? Because it is possible to make a good case for the proposition that 'the vision thing' has been done to death, but talking is not enough, you have to make it happen.

○ Retreat - Group

There are many points of view and theories about change. In this exercise, participants — acting in their current jobs in their present organisation — have to choose which would be most useful for senior management in their organisation to hear. This exercise is a tough test of business judgement and organisation diagnosis skills; only incidentally is it a negotiation task.

○ Rope Square and Reef Knot - Group

There is one basic lesson in these two exercises: simply, that it is not enough to know all the posh words about leadership and teamwork and communication — the members of a team have to take personal responsibility for making these things happen.

○ Secret Ingredients - Individual then Group

Secret Ingredients is a food company based in Malaysia and with a parent company in Singapore. The participants, acting as Chief Executive, are presented with a series of dilemmas which involve spending money. However, the information provided makes it clear that the company is losing money; therefore, the exercise is a strong test of decision-making under conditions of conflicting priorities.

Secret Ingredients

We run this with our key talent at mid-level leadership and find it powerful in opening participants' eyes to a more strategic role. They often concentrate on the operational details of the eight problems but when the 'MD' arrives, their sights are lifted to the bigger picture. It is excellent for drawing out learning about business investment prioritisation and enables managers to discuss and understand the drivers that lead to poor financial performance. We particularly appreciate its focus on the senior management team – this is often overlooked by participants. Secret Ingredients is ripe with learning and makes a splendid final exercise at our Development Centre."

Gil Sewell

Manager OD and Learning Programmes
Fonterra Co-operative Group

○ Training Exercise - Group

While the activity of this exercise appears to be about designing a series of training programmes, the review focuses on the need to be clear to employees about which problem it is that they are trying to solve and specifying the difference that is needed.

○ White's Regency Hotel - Individual or Group

Presented as a case in which there are no systems and processes, dwindling financial returns, and staff conflict, the key question participants need to address is which market should this hotel be in? This is a good test of business acumen, especially financial understanding and strategy.

White Regency Hotel

The hotel is facing a common business dilemma: declining financial performance and so far attempts to turn the business around haven't succeeded. It is a good test of a person's ability to think about where the business should be heading and to make recommendations about an appropriate course of action. While many of the specific issues can be solved or patched up on an ad hoc basis the situation should encourage participants to think more broadly, to search for root cause, to recognise linkages and to exhibit systemic thinking in order to develop a cohesive business strategy for the business. A good teaching case for development too.

Richard Parker

Formerly of Melbourne Business School and now independent business acumen consultant

Business scenarios and attribute map

 Strongly tests/develops this attribute
 Tests/develops this attribute
 Suggested and recommendations can be immediately applied in the business.

	Scenario Building	Sensitivity to Danger	Alive to Opportunity	Judgement	Drive for Results	Local Knowledge	Wider Perspective	Honest Ethical Trustworthy	Power to Inspire	Immediate Gains for the Business
Bargaining	○○	○○	○○	○○	○			○○	○	
Baron's Bank	○	○	○○	○○	○○		○	○	○	
Cassandra's Shoes	○○	○○	○	○○	○○		○○		○○	
Counselling		○	○	○	○	○○		○	○	
Gift Horse	○○		○○	○○	○○	○○		○	○○	◆
Icelandic Daisy	○○	○○	○○	○	○			○○	○	
Jane F		○	○		○		○		○○	
Jerry Kesnowicz	○	○	○		○		○		○○	
John Sambell	○	○		○○	○		○○		○○	
Manager's Day Out	○		○	○○	○		○			
Mystery Shopper	○		○	○	○○		○○			
Our Town	○		○	○	○	○○	○○		○	◆
Peter Brady	○○	○○	○	○	○○		○	○	○○	
Retreat	○○	○○	○○	○○	○○	○○	○			◆
Rope Square		○	○		○				○○	
Secret Ingredients	○○	○○	○○	○○	○○		○	○○		
Training Exercise	○		○	○○	○	○○			○○	◆
White's Regency Hotel	○○	○○	○○	○○	○○		○○			

