

Collaborative Strategic Planning Builds Organizational Cohesiveness

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■ THE CHALLENGE OF STRATEGIC PLANNING

1. *What is strategic planning and how is it used?*

The basic definition of strategic planning sounds deceptively simple:

Strategic planning is the process by which the guiding members of an organization envision its future and establish the procedures and operations necessary to achieve that future.

The development of a strategic plan is *not* an attempt to predict the future. Rather, it is a way of creating *direction and meaning*—determining in what direction an organization can go, where it "wants" to go, where it should go and how it can get there—and of deploying that direction and meaning throughout the organization. It is also a way of providing the confidence and energy to begin that movement. Strategic planning involves a belief that important aspects of the future can be influenced and changed by what the organization does *now*.

In effect, a strategic plan can be compared to a rudder on a sailboat. Without a rudder, the sailboat will drift aimlessly or be carried along by the wind. With a rudder, a little wind, and skilled persons to set and hold the course, the boat will go more or less in the direction in which its course is set.

2. *What is the paradox of strategic planning?*

This paradox lies in the contrast between the general *attitude* that planning is critically important and the general *practice* that planning is poorly done or not done at all. While planning is almost universally acknowledged as a serious management task—often the most serious and most important task—it is almost always poorly executed and frequently nonexistent. Let us examine the two sides of this paradox in more detail.

3. *Why is strategic planning considered important?*

Planning is commonly accepted as being important, primarily because the organizations which both talk about *and* practice it are with rare exceptions:

- more efficient in utilizing their capital and other resources
- more successful in consistently meeting their goals and objectives
- less vulnerable to downturns and resource cutbacks
- better able to cope with expected and unexpected events
- better able to capitalize on opportunities and overcome challenges

Despite these well-documented outcomes, most organizations do not have a sound plan. Many are not even actively interested in trying find out what strategic planning is all about and how it might help them. "Why bother with the paperwork?" they ask. "What's it going to do for us?"

4. Why is strategic planning so frequently resisted?

Do many organizations really think that planning is no more than a time-consuming paperwork exercise? Our experience in working with numerous clients—both large and small, in the public, private and nonprofit sectors—has revealed seven major obstacles to the adoption of effective planning. These obstacles are described below.

The belief that the very act of planning would contradict the organization's mission or undermine its legitimacy. Examples are organizations almost entirely driven by external constituencies, such as public agencies, professional societies and voluntary associations. Often the senior managers of such organizations believe that external constituencies would be seriously threatened by a potential diminution of their rightful influence over the organization's policies, products, services or programs if the organization's managers were to undertake their own ongoing process of proactive planning.

Related examples are strongly constituency-driven organizations whose external stakeholders pursue professional disciplines or personal "callings" that involve a high degree of abstraction and fluidity, such as exploratory inquiry into the unknown or unexpected (e.g., science) or intuitive appreciation of the subjective or idiosyncratic (e.g., art).

Often the senior managers of such organizations believe their external constituents would view the initiation of self-directed planning as the organization's attempt to exercise an inappropriate governing influence over the intrinsically unpredictable development of its constituents' disciplines or callings.

In such cases, it is important from the very beginning and throughout all phases of the planning process to involve actively in the process not only internal management staff but also key members of the organization's external constituencies, so that they can learn and become comfortable with the concepts, techniques and philosophy that underlie and guide responsible and effective collaborative planning.

Involvement in the planning process is the best way to build employee and stakeholder appreciation of the value of strategic planning in preparing for the unexpected, and the power of a collaborative deliberation process in surfacing, preserving and advancing their respective interests.

The belief that planning is dependent upon accurate forecasts. When the ability to forecast the future—which is beyond all human capabilities—is mistakenly equated with planning, management is bound to conclude that planning is impossible and thus does not warrant the effort required. "How can we plan when we don't even know what is going to happen tomorrow?" is a not-at-all uncommon statement. However, effective planning is *not* dependent upon accurate forecasting; it is precisely when forecasting is most difficult that a carefully thought-out plan becomes most valuable. In a very unstable situation, contingency planning—which is really preparing for the possible but improbable—may even be a requirement for *survival*.

The belief that planning is unnecessary. "We've always got along without doing any strategic planning so why bother now?" is a commonly expressed attitude. It is certainly true that many organizations have operated for long periods of time without formal planning; in fact, *most* organizations have. And some of them have been very successful. But, the fact that most organizations have not established a *formal* planning process does not necessarily mean that they do not plan.

In many instances an organization's plan is not down on paper but is in the head of a single individual, a strong leader who directs the organization according to a reasonably good plan. He or she may have developed it alone, without seeking inputs from other people in the organization and, perhaps, without fully communicating the entire plan or its desired outcomes to anyone. The plan is there, but it is *invisible*. Needless to say, this is by no means the best way to plan. But, it does remind us that plans may exist in a number of places where they are not apparent.

Some organizations have survived *despite* their lack of planning. The reasons for survival can vary. The organization may be producing or selling a unique or ingenious product or enabling outcomes that are critical to society; conditions in its major sphere of activity may be particularly favorable; the organization may hold a monopoly or quasi-monopoly status (whether government supported or otherwise); it may be a public sector organization that has no real or perceived competition; it may be enjoying a temporarily satisfactory but marginal level of productivity or efficiency; or its success may be explained by a number of other circumstances.

Until an organization feels economic or political pressures nipping at its heels, or the full brunt of a financial crisis or legislative mandate, it may not experience the need to develop and use an explicit plan. The real issue, however, is whether those organizations which are or have been successful without an explicit plan could, if they *had* a plan, be even more successful, less vulnerable to unexpected downturns, and better able to capitalize on opportunities.

Lack of understanding of planning techniques and approaches. Without an understanding of what a plan can and cannot do, the planning task can—and too often does—evolve into an expensive, theoretical, and ultimately dispensable exercise. Unfortunately, many organizations that have tried planning once—without having a good or complete understanding of its processes, techniques and limits—have failed and then have abandoned the entire process because of their adverse experience.

The absence of management commitment to planning. Unless the senior managers of an organization are convinced that planning is a critical task and are prepared to participate personally in the preparation of a plan, they will not commit themselves or the organization's resources to the planning process. In addition, unless this commitment and active participation are also secured from all levels of management and representatives of major employee groupings, it is impossible to ensure that the planning effort will be practical, include all relevant and available facts, and enlist the wholehearted support of those who must ultimately implement the plan.

The failure to update a plan or to recognize it as a day-to-day working document. If management fails to understand that the purpose of a strategic plan is to provide a practical working blueprint, the end product of the planning effort is not likely to be prepared in a form which is useful for day-to-day decision-making. Consequently, a plan may be a lengthy formal document—a kind of "white paper" or super budget—which is deemed obsolete shortly after its preparation, seldom referred to, never updated, and ultimately shelved.

The belief that the planning process is complex, difficult, stressful and arduous.

Often senior management may not want to engage in full-scale strategic planning because they see it as a complex process involving many hours of crunching numbers, doing arduous research and burning the midnight oil. In addition, they may believe that this process produces a great deal of anxiety, especially if it means looking for "right answers". They may think that the process has to be guided by expensive external "planning gurus" who will come into the organization and present these answers.

Quite the contrary, if planning is done correctly, with the appropriate involvement of the key constituencies of the organization, the process can be relatively simple and straightforward, completed without much if any input from outside technical experts, and relatively stress free.

5. How does strategic planning add value?

A systematic and collaborative planning process forces all levels of leadership to come to grips with what an organization is, determine where it "wants" to go and where it can and should go, and identify the tasks and sacrifices required to get there. An explicit plan, properly used, can serve as the framework for all of an organization's activities. It can mobilize people to a common purpose—uniting hundreds of employees, dozens of work units, and any number of strong-willed managers and equally strong-willed external constituencies.

The result is that they all strive in the same direction at the same time and thereby reach agreed-upon goals despite whatever problems and obstacles crop up along the way. A collaboratively derived plan can become the glue that holds an organization and its constituencies together.

A coherent and comprehensive plan, by providing meaning and direction, can increase morale, because employees and external constituencies no longer have to ask, or wonder, "Where is the organization going?" Most crises can be anticipated and prevented, or their impact can be reduced, because the organization's strategic priorities and policy are clear. It guides the action to be taken in a broad range of foreseeable situations, thereby reducing the incidence of "knee-jerk" reactions and "panic" decisions.

Finally, a plan may be an absolute requirement for *survival* in those cases where the strategy for replenishing or rejuvenating certain physical, financial or human assets or sources of intellectual or esthetic capital must be decided many years before they actually affect organizational performance.

■ **HOW TO MANAGE THE STRATEGIC PLANNING PROCESS**

1. Why a collaborative approach?

As indicated above, it is highly unlikely that any single member of an organization will have the breadth of vision, knowledge and experience needed to craft a comprehensive and effective strategic plan alone. Therefore the most practical way to develop a sound strategic plan is to follow a carefully laid out set of *collaborative decision-making steps*.

Attachment 1 at the end of this paper outlines the key decision making steps involved in a systematic and collaborative strategic planning process. Completion of each of these steps requires asking and answering a great many critical questions in what amounts to an iterative process of *inquiring, reflecting, discussing and deciding*.

2. Who should be involved?

Organizations that are successful with their planning and its implementation involve *all* of their managers as well as representatives of all of their key employee groupings and external constituencies at some point in the process.

Too often, planning fails when it is conducted by a small group of senior managers in a back room and the resulting plan is delivered as a *fait accompli* to the middle managers who will be responsible for its actual implementation. When all managers, employees and external stakeholders participate or are represented meaningfully in the process there is a better chance that the resulting plan will be carried out, because everyone involved in its success will have contributed to its formulation.

A positive by-product of this collaborative approach is the team spirit it engenders in the organization. A stronger and more cohesive organization results when everyone has an opportunity to provide input to the organization's overall plan. Strategic planning is often a critical first step in *organizational team building*.

3. How do you orchestrate involvement?

One method often used quite successfully is to convene groups of managers to answer the same series of very specific questions about the organization and its operating environment. Typically these questions are posed by a planning consultant or facilitator.

After the initial group's answers have been carefully crafted, a second group of managers either reviews and edits the first group's work or goes through the same process of collaborative deliberation and answers the same questions. A subgroup, consisting of members of both groups, then integrates and synthesizes a second draft, and so on, until as many managers as necessary and appropriate have gone through the same process of collaborative deliberation.

The resulting document is then reviewed by all members of the management team and by representatives of key employee groupings and external constituencies, and their comments are incorporated into a final working draft. This document becomes the baseline for each major organizational unit's annual operational plan and the point of departure for the next annual strategic planning cycle.

4. What should you look for in a planning consultant?

Certainly an organization can go through the planning process described above without a consultant/facilitator. If such is the case, any member of the organization's staff with solid facilitation skills can guide participants through the planning process. However, if the organization has no appropriately qualified individuals, or feels that an outsider might be a more neutral process guide, using an external consultant might be helpful.

Each stage of the strategic planning process poses different challenges and requires that the consultant fill different roles. The various roles that a consultant can fill—sometimes simultaneously, sometimes sequentially, and sometimes alternately—are described below.

Train the planning team. The concepts and techniques of planning must be clearly understood by the members of the team, since these concepts and techniques serve as a "template" for the planning team's activity over a period of time. Strategic planning ordinarily has far reaching implications that require the understanding, involvement and commitment of all employees of the organization, as well as key members of external stakeholder groups. A consultant filling this role should either educate those who will brief employees and others on the planning process or personally supervise or conduct such briefings (when requested), and in either event should ensure that the briefings occur.

Facilitate group dynamics. In this role, the consultant can provide planning theory inputs (as necessary) to answer, illuminate or clarify the substantive issues that are being raised, and make whatever interventions are necessary to ensure that: important issues are not avoided or overlooked; reluctant participants are appropriately involved in the process; consensus rather than compromise is the primary method of decision making; the necessary group norms of openness and confrontation develop; and the group process enhances rather than blocks the creation of an effective plan that will provide the vision and focus necessary for shaping and realizing the organization's preferred future.

Guide participants through the process. A consultant can ensure the quality of both the planning process and the resulting plan by guiding and (when necessary) managing the planning team through the planning process, at all times keeping the best practices and required steps of the process in focus and moving the team systematically through the steps. This may include guiding the team in establishing a realistic timetable for its work, pressing strongly for some tangible product to be produced and widely circulated throughout the organization early in the process (to demonstrate that something important and productive is underway), and conducting and feeding back to the planning team the results of organizational assessment interviews to initiate and inform the planning process.

Typically, each of these roles is necessary at various times in strategic planning. It is not necessary for a consultant to fill all of the roles, particularly when internal staff members are available to perform one or more of them. What is important, however, is clarity around the division of responsibility for the roles between the consultant and members of the organization's staff, and continued discussion and confirmation of their respective roles to ensure that clarity and accountability are maintained.

■ SUMMARY

We have attempted to counter the common fallacy that increasingly complicated organizational problems require increasingly complicated solutions. Planning in today's dynamic global environment is certainly one of the most complex tasks facing management in any organization. What is necessary to help organizations cope with conditions of increasing uncertainty is an approach that offers a clear conceptual framework and a collaborative deliberation process for viewing and dealing with reality.

This is not intended to deny the value of technical experts and highly sophisticated management science tools in various aspects of the planning process. It is, however, intended to try to place the use of these experts and tools in proper perspective. Even world famous "gurus" and computerized simulations depend upon accurate specification of the overriding goals and constraints within which the organization must operate. The collaborative process of deliberation called for in this paper is really the *only* reliable way to specify these goals and constraints accurately and completely.

Furthermore, the genuine commitment of all employees must be developed if even the most artfully conceived plan is to have any hope of being executed. The use of experts and computers can never substitute for genuinely collaborative decision-making. It is the underlying thinking, questioning, discussing and deciding processes—the *human elements* of strategic planning—that are essential to any successful attempt to exert conscious rational control over an organization's long-term course.

When strategic planning is fully institutionalized, it becomes almost automatic—so fundamental and routine that often it is not even recognized as a special effort. A "special" planning effort is only apparent in the first two of three years of an organization's struggle to transition from a management style of operation that is loosely structured—perhaps management by exception or by fire fighting—to one which is based on a collectively deliberated and collaboratively derived strategic plan.

Attachment 1

A CONCEPTUAL OUTLINE OF STRATEGIC PLANNING

