A World Class Process for Strategic Planning

Preparing for the Future

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What is Strategic Planning?

• A process that can:
  – Identify key issues impacting an organization
  – Create awareness of world events and technology
  – Bring key members of the organization together for strategic discussions
  – Create action items to enhance the viability of the organization and better prepare for the future
  – Motivate individuals to work common goals
  – Stimulate innovation and entrepreneurship
  – Prioritize activities when limited resources are available
What Else Can Strategic Planning Be?

- It can also be a process that:
  - Becomes steeped in non value-added activities
  - Becomes a stand-alone “project”, sapping resources from the organization with little impact
  - Creates barriers between management and the rest of the organization

There is nothing magic about strategic planning - it is the application of a set of tools that, when properly used, can focus the attention and expertise of leaders on critical decision making to ensure success and viability. When communicated to the organization and supported by leaders, it can also be a powerful motivator to achieve high levels of efficiency and employee satisfaction.
A Detailed View of Strategic Planning

Environmental Scan
- Interviews
- Review assessments
- Collect and review data
- Develop stakeholder set
- Examine market and competitors

Planning Meetings
- Identify driving forces
- Identify strengths, weaknesses, opportunities and threats
- Identify issues

Issues Development
- Issues analyses
- Strategic discussions
- Future visioning/Scenario Planning
- Validate Vision and Mission

Monitor and Feedback
- Gather performance data
- Report status in public meetings
- Improve process

Strategy Deployment
- Publish Strategic Plan
- Publish summary pamphlet
- Brief and involve all stakeholders

Strategy Development
- Identify strategies, tactics, actions and teams
- Prioritize
- Develop time lines, metrics and milestones
- Assign responsibilities

But remember... the greatest value is the stimulation of strategic discussions!
Creating the Environment for Strategic Planning

- Commitment from senior management
- Commitment to open discussions
- Quality time away from the workplace
- Focus by senior management on external events and willingness to change/adapt strategies as they unfold
- Open communications with entire organization
- Recognition of accomplishments and development of lessons learned from failures
Tools of Strategic Planning

• Environmental Scan, SWOT, Driving Forces, Critical Uncertainties, Issues Management, Quality Tools
  – Gathering available information on the organization, the external environment, and the competition; discussing information in the context of the strategic position of the organization; and using tools to analyze and summarize

• Quality Criteria Guides – Baldrige
  – A world-class process to allow an organization to better prepare itself in today’s highly competitive environment

• Process management/feedback – ISO 9001 and ISO 14001
  – Ensures that critical organizational processes are documented and that progress is tracked and improvement strategies implemented

• Scenario Planning - Future Visioning
  – A tool used to take a long view of the future - what strategies will position the organization for success no matter what happens
Environmental Scan

- Various techniques used to gather information concerning the organization to build a common knowledge base among the management team:
  - SWOT – Strengths and Weaknesses (usually internal), and Opportunities and Threats (usually external) for the organization
  - Issues management – Identification of key issues impacting the organization, may involve formal analysis
  - Driving Forces – external events and situations that impact the organization, can be broken down into Social, Technological, Economic, Environmental, and Political (STEEP)
  - Assessments, audits and other pertinent information
  - Competitor analysis – who are they, what do we know about them?
  - Critical Uncertainties – possible future events that would have a critical impact on the organization, but are uncertain in how or when they will occur or turn out
Baldrige Criteria: A World Class Process for Assessment

http://baldrige.nist.gov/Criteria.htm
Baldrige Criteria: The Organizational Profile

Preface: Organizational Profile

The Organizational Profile is a snapshot of your organization, the key influencers on how you operate, and the key challenges you face.

P.1 Organizational Description: What are your key organizational characteristics?

Describe your organization’s operating environment and your key relationships with customers, suppliers, partners, and stakeholders.

Within your response, include answers to the following questions:

a. Organizational Environment
   (1) Product Offerings What are your organization’s main product offerings (see note 1 below)? What is the relative importance of each to your organizational success? What mechanisms do you use to deliver your products?
   (2) Vision and Mission What are the distinctive characteristics of your organizational culture? What are your stated purpose, vision, values, and mission? What are your organization’s core competencies and their relationship to your mission?
   (3) Workforce Profile What is your workforce profile? What are your workforce or employee groups and segments? What are their education levels? What are the key elements that engage them in accomplishing your mission and vision? What are your organization’s workforce and job diversity organized targeting skills, key workforce benefits, and special health and safety requirement?
   (4) Assets What are your major facilities, technologies, and equipment?
   (5) Regulatory Requirements What is the regulatory environment under which your organization operates? What are the applicable occupational health and safety regulations; accreditation, certification, or registration requirements; industry standards and environmental, financial, and product regulations?

b. Organizational Relationships
   (1) Organizational Structure What are your organizational structure and governance system? What are the reporting relationships among your governance board, senior leaders, and parent organizations, as appropriate? What are their key requirements and expectations for your products, customer support services, and operations? What are the differences in these requirements and expectations among market segments, customer groups, and stakeholders?
   (2) Customers and Stakeholders What are your key market segments, customer groups, and stakeholder groups, as appropriate? What are their key requirements and expectations for your products, customer support services, and operations? What are the differences in these requirements and expectations among market segments, customer groups, and stakeholders?
   (3) Suppliers and Partners What are your key types of suppliers, partners, and collaborators? What role do these suppliers, partners, and collaborators play in the production and delivery of your key products and customer support services? What are your key indicators for communicating with suppliers, partners, and collaborators? What role, if any, do these organizations play in implementing innovations in your organization? What are your key supply chain requirements?

P.2 Organizational Situation: What is your organization’s strategic situation?

Describe your organization’s competitive environment, your key strategic challenges and advantages, and your system for performance improvement.

Within your response, include answers to the following questions:

a. Competitive Environment
   (1) Competitive Position What is your competitive position? What are your relative size and growth in your industry or markets served? What are the numbers and types of competitors for your organization?
   (2) Competitiveness Changes What are any key changes taking place that affect your competitive situation, including opportunities for innovation and collaboration, as appropriate?
   (3) Competitive Data What are your key available sources of comparative and competitive data from within your industry? What are your key available sources of comparative data from outside your industry? What limitations, if any, affect your ability to obtain these data?

b. Strategic Context
   What are your key business, operational, societal responsibility, and human resource strategic challenges and advantages?

c. Performance Improvement System
   What are the key elements of your performance improvement system, including your evaluation, organizational learning, and innovation processes?

Used as an initial self-assessment, the Organizational Profile helps identify potential gaps in key information and provides a starting focus for identifying performance requirements.
The Strategic Planning Criteria provides a methodology and guideline for an organization to ensure that it has a robust planning system.
ISO:
An International Process Standard

- ISO 9000 and ISO 14000 are families of standards
- ISO 9001: 2008 is concerned with “quality management” – what an organization does to ensure that its products or services satisfy the customer’s quality requirements and comply with regulations.
- ISO 14001: 2004 is primarily concerned with “environmental management” – what an organization does to minimize harmful effects on the environment caused by its activities.
- Both standards require continuous performance improvement
- Both ISO 9001: 2008 and ISO 14001: 2004 concern the way an organization goes about its work, and not directly the result of this work; in other words, they both concern processes, and not products

http://www.iso.org/iso/home.htm
What is Scenario Planning?

A tool used to stretch the imagination of leaders to anticipate and prepare for probable futures and to speculate and ponder upon improbable futures...

U.S. Planners Rejected Multiple-Hijacking Theory

C. Mark Brumney, Washington

The likelihood of such an attack was considered remote at best. A four-pronged terrorist attack such as the one Sept. 11 required too many things to go right, said a senior U.S. defense official familiar

with Pentagon counterterrorism planning and strategy.

In recent years, Pentagon officials had considered the possibility that a single hijacked plane—likely a small private jet—could be used as a guided missile, the official said. Another possibility, an official said, was to use a hijacked plane to force panic travelers and collapse U.S. air traffic. But the idea that terrorists could capture four fully fueled airliners with passengers and direct the planes into prominent targets within minutes of one another was not considered because of the many uncontrollable variables, the

counter-terrorism official said. Hijacked flights, bad weather and other unforeseen conditions, combined with mistakes in intelligence and security measures at airports across the country, were expected to make such attacks too tough for terrorists to manage.

The prevailing thinking was that terrorists would stay away from such large-scale attacks because of the risk of getting caught, or simply failing. "I don’t think they have another round in the chamber," the official said. "I’m amazed they pulled off three out of four.

Terrorist experts, including some who have fought against terrorists in U.S. camps, are equally stunned. The expected assault was a cut-and-dried story of a crowded theater, or home, or those common nerve centers. "What’s worrying about this is that these guys have become a hell of a lot more sophisticated than we've ever seen before," said Don Snow, a political science professor at the University of Alabama and former Army War College instructor.

Now that the unthinkable happened, the way to combat terrorism, senior defense officials said in "figure out who did it and retaliate violently and swiftly."

But such an attack, like the one that occurred, would certainly direct special forces' attention to prevent terrorist attacks. The goal of planning or training the military, a scenario similar to the failed army mission in Somalia, made famous in the book "Black Hawk Down," the attack on the World Trade Center in 1993 and the failed attempt on the U.S. military and hundreds of hostages and civilians.

Terrorists have always been considered a threat, the official said, because the price has been too high. In this case, the public is likely to support such a mission even if it takes the lives of American troops. It planned currently

said, "I don’t think it needs to be a long drawn out launch campaign."

U.S. Lacked ‘Imagination’ To Thwart 9/11

"Too little, too late."

The 9/11 Commission Report

Final Report of the National Commission on Terrorist Attacks Upon the United States

Chairman Thomas Kean, left, and Vice Chairman Lee Hamilton discuss the 9/11 commission's final report after its release in Washington on Thursday. The report concludes that a "lack of imagination," government negligence, slowed 9/11 hijackers to carry out the deadliest terrorist attacks in U.S. history.

12
What Scenarios Require

- A constant feeding through rich, diverse, and thought-provoking information
- Becoming aware of your own “filter” and continuously readjusting it to let in more data about the world
- Educating yourself on the views of others
- Research, research, research
- Keeping track of new technologies, one of the most important drivers of future events
- Knowledge of the “fringes” – in the 21st Century, the Blogosphere
- An understanding of the driving forces – Society, Technology, Economics, Environment, and Politics
- Vocabulary, imagery and rhythm
- Remarkable people
- A Champion and support resources
- An understanding of the mental maps of decision makers
Creating the Scenarios

Environmental Scan
Interviews – the “mindset of management”
Strengths, Weaknesses, Opportunities and Threats (SWOT)
Driving Forces
Predetermined events

Critical Uncertainties

Future World X
Critical Uncertainty 1
Future World Y
Extreme Descriptors

Future World W
Critical Uncertainty 2
Extreme Descriptors
Future World Z
Extreme Descriptors
Identifying Robust Strategies

THE GLOBAL NUCLEAR DANGER

- Growing incidents of nuclear leakage create an inevitable path toward use by rogue states
- US abandons Nunn-Lugar and reestablishes a testing readiness posture
- US deploys ABM systems and deploys an ABM system
- Nuclear incident of 2000

Many scenario developments will identify a small number of strategies in each scenario that are similar - these are the “robust strategies” that should take top priority for the organization - allowing it to be better prepared no matter what world evolves. By rehearsing other strategies for each future world, the management team is better prepared to respond to any event.
The Evolution of a Scenario

As the world enters the third millennium, it teeters on the brink of disaster. With the proliferation of weapons of mass destruction, mankind no longer has the luxury to allow others to exercise unilateral actions in support of extreme agendas. The potential for a single incident to take the lives of millions of people, impact the economy of countries or regions in the trillion of $$, and effect social change of unprecedented scale requires the creation of a new global social conscience and rule of law.

Unfortunately, mankind has acquired the power for such destruction before it has developed a responsible social structure. In this unstable world a sequence of discontinuities, particularly those for which an inappropriate, or no response occurs, could lead mankind to those desolate worlds so often depicted by Hollywood. It is of paramount importance that world leadership understands the consequences of their actions or inaction and engage in strategic conversations that identify critical indicators that could lead to the unimaginable...
Creating the Strategic Plan

- Organizations may have different hierarchical definitions for their plan elements – here is one that can be used as a guide:
Developing Time Lines and Assigning Responsibilities

- Realistic timelines must be assigned to key goals, strategies and objectives
  - Well thought-out metrics must be tied to each
  - Individuals/teams must be assigned ownership
  - Simplified reporting mechanisms must be established
  - Management attention must be paid throughout
Process Management/Feedback

- Strategies and Actions must be tracked to ensure not only that they are being accomplished, but also to ensure unwanted behaviors and unintended consequences are not being driven by them.
- Simplified reporting is a key, but must be sufficient to create strategic discussions.
- Leadership and staff must be willing to accept changes and discard strategies and actions that are no longer pertinent.

**STRATEGY 81**
Position NM MESA for greater financial stability

<table>
<thead>
<tr>
<th>Strategic Tactic/Action</th>
<th>Status</th>
<th>Progress Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. Expand partnerships with federal agencies in New Mexico</td>
<td></td>
<td>* Fill in this area with specific progress items</td>
</tr>
</tbody>
</table>

**Team**
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**Improvement Opportunities**
- Identify “opportunities” for achieving the strategy/tactic/action

**Action Plans for Improvements**
- Describe how the improvement opportunities will be implemented

**Strategy Leader**

Publicizing the Plan

• Provides the necessary public/peer pressure through organizational and management changes
• Builds organizational focus and trust
• Acknowledges work of organization
• Provides the basis for budget requests

Examples:
• Wide publicity while plan is in process
• Publicizing some of the key issues being addressed – provide opportunities for input
• Broad dissemination of summarized final result (newspaper, flyers, email, etc.)
• Follow up on results of actions – update strategies based on current events
• Reward successes
In the Final Analysis

• Strategic Plans are only of value if they are in constant use by management – strategic planning is not a “one-off” event!
• The strategies and actions developed today might not be the right ones for tomorrow
  – The more robust and complete your planning process is, the more long-lived your strategies will be
• A constant refreshing of the strategic plan is required based on data, feedback, external driving forces and the resulting open, strategic discussions