

Strategic Plans That Learn

An innovative alternative to traditional strategic planning. by James C. Galvin

A couple of years ago, I boarded a flight headed from Omaha to Chicago. I was in the window seat, and a man soon came along and took the aisle seat. Attempting to start a conversation, I asked what he did for a living. He said he was a consultant. “Hey, I am too,” I said. /// “Actually,” he said, “I have only one client. I consult with the military.” He had been a colonel in the Air Force and was a veteran of the war in Bosnia and Herzegovina. He had recently retired from the military and now served as a consultant. I spotted an opportunity to learn. /// “Let me ask your opinion on something,” I said. “I teach strategic planning to nonprofit leaders, but my approach is unconventional. Would you be willing to give me some advice about what I teach?” He readily agreed. /// “Now strategic planning was invented by the

military during World War II, and adopted by the business world after that, right?"

He nodded assertively. "Right."

I decided to be vulnerable and to the point. "Well, I teach people that traditional strategic planning doesn't work anymore. The problem is that long-range strategic planning is dependent on a straight-line forecast of future conditions, and those forecasts are almost always wrong. The world is changing quickly in unpredictable ways, so we need a different way of planning that is more flexible and responsive to changing conditions."

He pointed a finger at me and said, "You are exactly right. In fact, the military no longer calls it strategic planning. They now call the process 'adaptive planning.' They still make plans for war, but when the shooting begins, the original plans go out the window." I felt relieved.

Traditional strategic planning culminates in a written document containing strategic objectives over a 3-, 5-, or 10-year period of time. It usually includes a mission statement, expression of a long-range vision, and core values. Today, traditional strategic planning is dead. The military does not plan this way. Global multinational corporations do not plan this way. Internet start-ups do not plan this way. Everybody used to do strategic planning the traditional way. What happened?

THE RISE AND FALL OF STRATEGIC PLANNING

Business leaders started adopting formal strategic planning practices after World War II. In the 1960s some large corporations built strategic planning departments with dedicated staff. In the 1980s the same corporations dismantled these departments because they were doing more harm than good. Line managers often refused to implement the plans. Business schools started questioning the value of strategic planning and the various ways of going about it.

In 1994, Henry Mintzberg wrote *The Rise and Fall of Strategic Planning*, in which he clarified the difference between strategy and planning, and pointed out that most traditional strategic plans were devoid of any real strategy.

Strategy implies change and results. Change means you stop doing some activities and start doing others. Results deal with organizational outcomes. But if you look closely at most written strategic plans, they are merely long-range operational plans. They detail where the organization will be if it keeps doing more of the same over time. They often measure *outputs* instead of *outcomes*. A rolling three-year operational plan can be a helpful management tool, but it should not be confused with strategy.

Traditional strategic planning used to be common in business, but as technology increased the speed of business and the world became less predictable, new forms



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of planning that were more flexible began to emerge. If you stop developing traditional strategic plans, what do you do instead? Every organization still needs to make plans.

FROM STRATEGIC PLANNING TO STRATEGIC MANAGEMENT

While working on a project in 2000 for the Christian Management Association (now Christian Leadership Alliance), I was asked to

research academic programs in strategic planning. I discovered that no business school or higher education institution in the nation offered a degree in strategic planning anymore. What had replaced all of these programs were master's degrees in strategic management.

Strategic management combines formulations of strategy with disciplined execution and evaluation. Strategy is reassessed at regular intervals to adapt to changing cir-

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cumstances. Rather than writing a long-range plan, strategic management emphasizes regular strategic reviews to adapt strategy and tactics for optimal performance.

The standard joke is that traditional strategic plans get packaged in a nice binder, then find their way to the bookshelf in an executive office, never to be referenced again. Perhaps that's not so bad. It would be worse for an organization to slavishly stick to a long-range plan when conditions have changed dramatically. Some managers want to adjust back to the plan instead of adjusting to the changing environment. Beware when you hear someone say, "It doesn't matter. We need to stick to the plan. We will just have to try harder."

It's difficult for some leaders to let go of traditional strategic planning. I was leading a workshop in 2009 and asked how many organizations had a formal, written, long-range strategic plan. Almost every hand went up. I then asked, "How many had the recent economic collapse in your plan?"

Of course, nobody had been able to include what they could not foresee. Even certified financial planners didn't see it coming. Traditional strategic planning is of limited value in an environment with any degree of unpredictable change. Strategic reviews are more timely and valuable.

Through regular strategic reviews, you create a document that is regularly updated and end up with a smart strategic plan that can learn and adapt rather than a dumb strategic plan that becomes stale over time. Here are the ingredients for an effective strategic review.

HOW TO CONDUCT A STRATEGIC REVIEW

A strategic review is different from a regular staff meeting. Staff meetings keep everyone on the same page. Strategic reviews alter the page. You will have to decide how often you meet, where you meet, and who should be included.

When: For many nonprofit organizations, a quarterly strategic review is ideal. Ministries operating in a relatively stable environment can get away with an annual retreat to review strategy and revise plans. Those facing

rapid or unpredictable change may require monthly strategic reviews. Quarterly meetings can be accomplished in one day. If you meet only once a year, you may choose to hold the strategic review in the context of an annual retreat.

Where: Don't meet in the room where you hold your regular staff meetings. If possible, meet off-site. Getting your team out of the office will help them think outside the box. A room with several large white boards is advantageous. If using flip charts, set up two instead of one. If cost is an issue, a congregation or business that appreciates your cause may let you borrow a sweet meeting room for free.

Who: You want to include people who are capable and willing to take a hard look at the strategy and recommend appropriate changes. Some organizations simply do the review with their existing management team. Some will invite their team plus a few others. In general, the more people you include, the more ownership will spread out. But the larger the meeting, the more difficult it will be to discuss complex issues.

What: Here are some recommended questions for guiding your strategic review:

- (1) What did we intend to accomplish?
- (2) What actually happened?
- (3) Where are we on our strategic roadmap?
- (4) What adjustments do we need to make to our roadmap?
- (5) What changes do we need to make to our activities?
- (6) What are our next steps?

The apostle Paul exemplifies the spirit of making strategic plans while being open to changing circumstances and God's leading. For

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his second missionary journey, he planned to go to the province of Asia but was prevented from doing so. Then he headed for Bithynia and was stopped again. When he had a vision of a man from Macedonia, he changed course (Acts 16:6-10). He had a strategic objective of going to Spain (Rom. 15:24). As far as we know, he never made it. Getting arrested was not anywhere on his long-range plan either. Yet he persisted, made adjustments, and kept moving forward. With God's help, so can we.

Given a choice, why not develop strategic plans that can learn? When an unexpected event occurs, you will be able to adapt. Your organization will become more focused on outcomes, not just activities. Your planning document will always remain fresh.

In other words, drafting strategic plans that are unable to learn is a dumb idea. ●

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