

Strategic Planning: “Magic-Bullet” or Sleight of Hand

Michael R. Mabe

Abstract

Many organizations outsource their strategic planning process to a consultant because they believe that a fresh set of eyes will identify an overlooked ‘magic-bullet’ solution to their perennial problems. Unfortunately, this type of uninformed approach leads to organizational confusion and disappointment once the consultant is paid and the final document delivered. No doubt, a consultant can provide fresh solutions to perennial problems. Strategic planning success in any organization is dependent on leadership’s knowledge of management practices, including strategic planning and not just on the one time contributions of an unattached professional strategic plan that can sometimes feel like a sleight-of-hand trick. Mature knowledge of how management is practiced coupled with a responsible understanding of the entire strategic planning process will prepare an organization and its leader to effectively incorporate strategic planning recommendations from an internal approach or successfully collaborate with an external consultant in an outsourced approach.

Introduction

When Peter Drucker suggested in postwar American that the job of the professional manager was to actively manage things in and out of their control, the science of corporate strategic planning was born. Drucker’s innovating thinking shifted the professional manager’s job from a traditional “*passive/adaptive monitor -what-goes-on*” approach to an “*active take-charge-and-change-the-environment*” approach. This change would require the professional manager to obtain training in a variety of management specialties, including strategic planning.

While Drucker was arguing the need for professional managers to develop specific management skills that would produce results, Westinghouse executive Bruce Henderson started a think-tank whose sole mission was to define corporate strategy. Henderson's think tank became the Boston Consulting Group whose early contributions to the field included defining the basic steps of the strategic planning process and the resulting work products that comprise the components of the modern corporate strategic plan in use today.¹

At the same time these key developments evolved, the business community embraced the rise of the university MBA as a strategic specialist. Early graduates from university MBA programs shifted directly from the classroom to investment banking or strategic consulting. The rise of the MBA as a strategic specialist reinforced Drucker's recommended shift to the 'take-charge' manager.² Over time professional managers began to view strategic planning as a management specialty independent of an organization's management practice; effectively deemphasizing strategic planning as a key skill in the executive manager's knowledge base.

Any organization looking to improve must adopt well-reasoned strategic recommendations. This adaptation requires the organization to analyze data, define strengths and weaknesses, and identify solutions; tedious tasks many managers are all-too eager to outsource to others. Unfortunately, outsourcing these tasks, that are also critical to the day to day management of the organization, frequently results in leaders missing opportunities to internally define corporate goals or establish a unique organizational vision worthy of staff commitment.³

To be clear, a well-defined strategic plan, created with or without the aid of a consultant, can be the "magic-bullet" solution that helps prepare an organization for the future.

Consequently, managers and leaders who incorporate an externally designed strategic plan with the expectation that it will positively transform their organization independent of well-defined internal management practices tend to eventually discard the external plan as sleight of hand tricks. Strategic success comes from the combination of sound internal management practices and well-defined strategic recommendations. Neither one can independently steer an organization through the unpredictability of the environment. Both are required to prepare the organization to embrace new opportunities, help navigate around unplanned obstacles and survive each unexpected disaster.

The emphasis of this paper is the effective use of strategic planning. To help the reader see the connections between strategic planning and internal management practices, this paper will first briefly review the basic elements of the modern organizational management practice including: describing the basic principles of modern management, defining the management approach used to effectively implement the basic principles in organizational operations, and identifying the various leadership styles managers use to ensure management success. The paper will then discuss the core elements of the popularly accepted strategic planning processes used today within the management practice which include: the phases of strategic planning, the components of the strategic plan, and the various styles associated with strategic planning. Examples of how both disciplines are implemented are woven throughout the paper culminating in the case study of Chesterfield County Public Library.

Professional Management 101: A Brief Overview

In the introduction to his 1911 classic, *The Principles of Scientific Management*, Frederick Taylor, commonly referred to as the father of scientific management tries to: "...prove

that *the best management is a true science, resting upon clearly defined laws, rules, and principles as a foundation* ...that the fundamental principles of scientific management are applicable to all kinds of human activities, and ... that whenever these principles are correctly applied, results must follow which are astounding.”⁴ The foundation ‘laws, rules and principles’ that govern modern professional management referred to by Taylor have been effectively defined over the years in three broad categories: basic principles, the management approach and leadership style.

The basic principles of management are; planning, organizing, controlling, and directing. The authors, Lallan Prasad and SS Gulshan, succinctly describe these principles. They indicate that managers use processes to solve problems. These processes consist of practices rooted in the basic principles of that management that include: setting objectives, planning for the future, dividing activities, assigning responsibilities, employing people, providing guidelines, supervising and evaluating the performance of departments and people. ⁵ Strategic planning is essentially a unique combination of these basic principles.

To ensure all organizational processes operate collaboratively, leaders select and incorporate a management approach that fits within their organization’s stated purpose and operational structure. The management approaches developed over the years tend to describe the prevailing management philosophy of the time such as: scientific management, quantitative management, participatory management, quality management, etc. More recently, Stephen R. Covey described the various approaches to management in four paradigms; scientific, behavioral, human relations, and human resource.⁶ The management approach in each paradigm denotes how an organization views its knowledge, people, and values, to help the organization’s staff and leaders know what they stand for and how they will build a product or

deliver service⁷. Knowing what you stand for and how you complete your mission is the basis of a management approach.

The manager's leadership style is critical to ensuring an organization practices management effectively. Style is generally described one of two ways; either by a distinct personality type or dominant behavior commonly defined by a diagnostic tool such as Meyers-Briggs or in one of six distinct styles verified through observations of actual leaders in real situations.⁸ Since most people are predisposed to resist some forms of leadership and accept others,⁹ effective leaders must be aware of all the various styles and when to apply an appropriate style depending on operational circumstances. For example, the leadership style required during the development phase of the strategic planning process is collaborative while the leadership style required during the implementation phases may need to be more directive.

In summary, leaders responsible for an organization's strategic plan, developed internally or with the aid of a consultant, should be aware of the basic laws, rules, and principles of management. Understanding, embracing, and applying the basic principles of management within an organizational management approach and executed with the proper leadership style will more effectively ensure the organization's strategic plan is a 'magic-bullet' success.

Phases of Strategic Planning

Along with the basic principles of management, strategic planning is essential to the success of an organization. Strategic or corporate planning has been around since the early 1950s. Stephanie K. Marrius describes strategic planning as the realm of business school graduates, consultants and super bright people versed in the latest techniques to collect and analyze data. They use intimidating terms like PIMs, process, bubble charts, experience curves, top-down, bottom up, adaptive and integrative – a lexicon that intimidates the outsider. Strategic planning is easily understood when broken into the four planning phases used by

consultants today. The phases adapt to any organization and are described below in the order they are used during the planning process.¹⁰

The first phase of the strategic planning process is performing a *Situational Analysis*. During this phase the organization identifies and defines the internal and external factors that describe where the organization is today and the factors that may influence where the organization wants to be in the future. For example, a situational analysis demonstrates that a library in a community benefitting from economic growth experiences stagnant or dwindling rates of library use. While this piece of situational data describes an obvious problem with a logical solution (i.e. increase the library's funding), the additional strategic planning phases assist the organizational leaders in thoroughly analyzing all aspects of the data collected during the *Situational Analysis* to draw in-depth conclusions and relevant short and long-term steps to accomplish that obvious or logical solution.

With strategic data in hand, the organization next identifies *Organizational Objectives* in the form of broad statements of purpose to ensure a common understanding of the organization's end goal among all participants. *Situational Analysis* data suggests that the library is not a relevant institution to some customers and community leaders. This factor should encourage the library to establish an *Organizational Objective* to improve the library's image and purpose in the community. This broad *Organizational Objective* is made more specific by establishing a corresponding goal with a measurable result such as increase the number of card holders by 10% or increase the number of customers visiting the library by 5%. The *Organizational Objectives* and their corresponding goals should address critical institutional issues identified by the data and keep all participants who are involved in executing the plan focused on a well-defined purpose.

During the third phase a *Strategy* or broad narrative plan is then developed which describes how to achieve the stated *Organizational Objectives* and corresponding measurable goals. Using the decreased usage scenario, the library may decide that its *Strategy* for improving the library's image throughout the community by increasing a specified percentage of card holders and visitors can be accomplished by contacting customers in areas of the community where the number of card holders is the lowest or who live the farthest away from the library. This phase should provide high level, easy to understand talking points for staff and leaders to use when promoting the details of the defined objectives, goals and actions with customers and funders.

Finally, *Tactical Applications* or specific details are developed and implemented that describe how the outlined goals, objectives and strategy will be accomplished. The library decides that one *Tactical Application* includes employing a direct marketing firm to solicit residents throughout the jurisdiction and invite them to obtain a new card or reuse an existing card. Another *Tactical Application* option is to allocate capital and operating resources to provide a store front branch library presence in developing areas. *Tactical Applications* should align with the stated objectives, goals and strategy as logical outcomes of the data collected and analyzed. This practice ensures that staff, who are most likely to implement the *Tactical Applications*, are completely committed to the strategic plan.

Once the *Tactical Applications* are defined and in place, *Long Term Controls* are developed that will collect output and outcome data stemming from the impact of the *Tactical Applications* to determine strategic success. Monitoring the aggregate increases in card holders or visitors overall or the increases in card holders and visitors in targeted areas during a designated period will demonstrate success or failure of the organizational strategy to improve the library's image and presence as defined by the detailed objectives, goals, and tactics.

Strategic Plan Document Components

Endless discussion leads to a loss of focus in defining a strategy for success. It is wise for an organization engaged in strategic planning not to become consumed or bogged down in time-consuming discussions of the definitions of the various parts or components of what the strategic process steps mean or what the plan contains. In simple terms strategic planning is a process represented by a document used to describe and define the steps needed from top to bottom to obtain organizational success. The process starts with a broad view at the top and eventually implemented with precise actions throughout the organization by staff at all levels given the authority to take a designated action at the bottom.

The resulting work product derived from the planning phases is generally compiled into a written document divided into various sections that becomes the organization's strategic plan.

The plan sections include:

- A vision statement that describes where the organization wants to be in the future.
- A mission statement that describes the organization's ultimate purpose today.
- Objectives, goals, and strategy that outline the details of the organization's plan for success or improvement.
- Tactical actions that define how the organization will accomplish its objectives and goals.
- A budget that defines resources and measures needed to execute and evaluate the plan.

To maintain their focus, most organizations approach the planning process by constantly asking the following questions that mirror the various phases of the process and that are defined by the various sections of the actual plan document:

- Based on the data, **where** does our organization want to be today and in the future?
(vision/mission)
- **What** options are available to get there and **why** are these selected objectives?
(objectives/strategy)
- **When** and **how** will we accomplish these objectives and **who** will implement them?
(tactical actions)
- Budgeting (spreadsheets, measures, reports, etc.)

The when and how or tactical actions section is the nuts and bolts of the strategic plan and provides a clear road map aligned with the principles of management and the organization's management structure.

Styles of Strategic Planning

Surveys indicate that most executives realize the need for additional elements to help in their strategic planning process. A modern contribution to strategic planning that enhanced the standard strategic process outlined above is the identification of four distinct styles of strategic planning.¹¹ The four styles allow an organization to match its strategic needs to the predictability and malleability of the corresponding industry environment and aid the organization in aligning its overall strategy with the economic or external conditions in which the company operates. All organizations can and should use each style depending on the specific strategic need now or change of strategic need tomorrow. See FIGURE 1 for the four strategic planning styles with brief descriptions.

FIGURE 1

<p style="text-align: center;">ADAPTIVE STYLE</p> <p style="text-align: center;">If your industry or environment is unpredictable and you can't change it.</p> <p style="text-align: center;">Example: Utilities, etc.</p>	<p style="text-align: center;">SHAPING STYLE</p> <p style="text-align: center;">If your industry or environment is unpredictable and you can change it.</p> <p style="text-align: center;">Example: Consumer Services, etc.</p>
<p style="text-align: center;">CLASSIC STYLE</p> <p style="text-align: center;">If your industry or environment is predictable and you can't change it</p> <p style="text-align: center;">Example: Suppliers, etc.</p>	<p style="text-align: center;">VISIONARY STYLE</p> <p style="text-align: center;">If your industry or environment is predictable and you can change it.</p> <p style="text-align: center;">Example: Commercial Media, etc.</p>

While most organizations know, understand, and use the Classic Style, the strategic approach an organization selects is generally based on two factors:

- How far into the future it can predict the demand, organizational performance, competition, and market expectations in its industry.
- The extent to which its competitors can and will influence those factors.

Leaders are encouraged to embrace all strategic styles at the appropriate time to shape their approach, adapt to the environment or to embrace a predictable future.

The application of these different styles is used throughout the four phases of the planning process described above to keep the organization focused; but specifically used during the third phase when the organization develops *Strategy and Organizational Objectives*. The following business and library examples demonstrate the implications of when and why a style is selected and the expected impact of the style on the strategic plan.

The Classic Style – works best for organizations that experience predictable change over an extended period of time or when the immediate environment is predictable but hard to

change. Mostly commonly used, the Classic Style also works well as a stand-alone strategic style. To illustrate, a water utility company in a growing community predicts future increases in customer demand for their service; but they cannot change that demand. They can develop a plan to meet the anticipated increases in customer demand through a strategy of long term investment in developing their infrastructure. Analogously, a library in a community with a faltering real estate tax base due to a slowing economy predicts a reduction in the budget and a corresponding increase in customer use; two factors they can't change. A plan to make strategic adjustments in the internal operations to meet the expected decrease in budget and the corresponding increase in demand from library customers for services, facilities, and materials is required. The Classic Style is best defined by its ability to plan for a predicted future change.

The Adaptive Style – works best for organizations that experience constant change or when the immediate environment is totally unpredictable and change is out of the organization's control. An office supply company that faces constant change in customer demand for products and supplies provides a good example of how to use the Adaptive Style. While they are unable to predict customer demand, they can adapt company resources to accommodate the constant unpredictability in demand by investing in alternative approaches to acquire and deliver products. Likewise, a library in a community that experiences unexpected layoffs at several major employers over a period of time faces operational uncertainty due to factors that are unpredictable and out of its control. The library should adapt to the impact of the anticipated layoffs as they occur by adjusting service and resource allocations to meet the changing needs of an unemployed or reduced customer base by altering collection selection choices, adjusting hours, and changing programming emphasis. The Adaptive Style is defined by the organization's ability to quickly adapt existing resources to unpredictable circumstances.

The Shaping Style – works best for organizations that experience regular, unpredictable change that they can shape to their strategic advantage by experimenting with various options to find the right solution. A clothing manufacturer can't predict changes in styles demanded by customers; yet, they can experiment with a variety of styles emerging in the market until they find one that meets demand. Like the clothing manufacturer, a library hit by regular losses of revenue from various sources over several budget cycles cannot predict the cycles. Changing the operational approach to offer needed services with resources available by trying various service delivery approaches such as electronic delivery or virtual services options until a solution that fits budget factors and customer needs is found. The Shaping Style is defined by the organization's ability to experiment with new options in an environment with consistent change.

The Visionary Style – works best for organizations that can predict and change their future. The media industry can predict their future based on consumer sales and implement strategies to influence that future. A library that benefits from positive political, community and financial support today can predict future support for the next few years. This support will allow the library to build its infrastructure, define a long term vision/mission and approach the future with minimal limitations to become the library they and the community want and need. This Visionary Style is defined by its ability to control the mission and purpose with minimal obstructions.

Even when aware of the four strategic planning styles, very few executives allow their organizations to practice or use visionary, adaptive or shaping styles within their organization because they lack an established management practice to think beyond existing boundaries, adapt resources to unexpected changes or shape their operations to remain relevant. Organizations that limit themselves by a lack of management practice or the recommendations of a strategic consultant may also limit strategic options. Regardless of how an organization

approaches strategic planning, with or without a consultant, organizational leaders must engage in the planning process from beginning to end and embrace the strategic planning phases and styles within their designated management practice.

The Mission Statement - Your Focus

As much as an organization needs a defined management practice and knowledge of the strategic planning process to be successful, perhaps the overall key to strategic success is the organizational mission statement, an outcome of the strategic planning process. Mission statements are all too often lengthy descriptions of an organization's unrealistic view of itself. An investor of innovation, the Mulago Foundation, a foundation that funds early-stage social entrepreneurs in developing countries, doesn't want its staff or clients to wade through a bunch of verbiage about "empowerment," "capacity-building," and "sustainability." They want clients to know exactly what the foundation is trying to accomplish. Mulago cuts to the chase. To do so they use an eight-word mission statement comprised of a verb, a target population, and an outcome that implies something measurable.¹² A mission statement that is a precise statement of fact will keep the entire organization focused on the goals and objectives of the organization and ensure staff and customers understand what the organization is all about. At Mulago, a mission statement is simply, the best eight words you'll ever write down to keep everything in control.

Consider the first eight words of the Harley-Davidson corporate mission statement, "*We fulfill dreams through the experiences of motorcycling.*" This statement informs experienced and non-experienced riders that Harley-Davidson has something just for them. Or consider the ten-word mission statement of TED, the nonprofit parent of TED Talks, which states that they are devoted to, "spreading ideas, usually in the form of short, powerful talks." This statement

reiterates precisely what their users know them to be. Chesterfield County Public Library's mission statement, "help customers transform information into usable knowledge," describes the purpose of the library for staff and customers. An effective mission statement can chart the path the organization needs to follow into the future.

Successful Execution

Combining established management principles with strategic planning phrases and styles allows organizations to improve, survive and even thrive. Chesterfield Public Library (CCPL) during an economic downturn is a case in point. In the fall of 2009, facing an uncertain economy, the Board of Supervisors of Chesterfield County, VA, directed county administration to reduce county operational costs by trimming or eliminating non or unessential services but with minimal impact to the customer. For Chesterfield County Public Library (CCPL) that reduction meant the loss of 17% of its operating budget or the termination of 13 full-time and 25 part-time positions, the elimination of one day per week at all branch libraries, and the reduction of \$350,000.00 annually in material funding. Some people assumed that the library could operate with less because book stores, e-books and internet access fulfilled the library's mission and purpose; a perception CCPL had not been able to alter. Instead of reacting to the circumstances with management tactics, CCPL responded with strategic planning.

Since their future was easily predictable, CCPL began by applying a Classic Style approach. Data predicted that the reduction of hours and materials would translate into 500,000 fewer customers through the door and a reduction in traditional material circulation of 700,000; two key measure areas CCPL had used for years to promote their value to the Board of Supervisors. Combining their management practice with strategic data, they quickly mobilized their resources to meet the immediate challenge of operating the system's branches with fewer hours, staff, and material. These were logical choices to make because a management practice

was already in place. Ensuring limited customer impact as requested by Board members and managing erroneous perception that other institutions would fill the void of the public library in the future required strategic action.

CCPL's first strategic step was to operationally recraft their mission statement from a traditional "access to information" approach to a "meet the customers learning needs" approach. With a new mission statement in place CCPL then reengineered the objectives of their strategic plan by shifting emphasis from a traditional "desk bound reference/reader's advisory, browsing library model" to an "engage the customer in the stacks and help them learn model." The decision to engage the customer in the stacks instead of waiting on them from behind a desk lightened the burden of daily staffing at the various branch customer service desks.

Situational analysis data pointed to the need for CCPL to demonstrate to county leaders that library customers still required material collections and physical facilities. This goal led to their second strategic step to shift their marketing emphasis from hard copy books and media to a more balanced mix of hard copy and digital materials supported by a shift in material collection funding to provide more digital resources. This tactical action allowed overall system material circulation to remain stable even while the hard copy circulation plummeted. In time, total circulation for all material formats actually increased.

Two years later, CCPL began to adjust their goals and tactics systematically with an Adaptive Strategic Style. This shift in strategic style led to their third strategic choice to engage the customers one on one by offering several new services including: Your Personal Librarian, locally defined maker spaces, and a broader range of educational and cultural programming. These adaptive alterations slowed the falling system door count and drastically increased the number of positive anecdotal customer stories effectively shared directly and indirectly with

county administration and Board of Supervisors to alter the perception that others would fill the purpose of the library.

In the past few years, CCPL has begun to experiment with additional ideas and tactics to strategically shape their operations. Some choices from this Shaping Style phase include: emphasizing the literacy value of children's story time, incorporating specialized learning programs including financial literacy, eliminating reference desks at more locations, and expanding the definition of maker space beyond technology.

Looking back, CCPL started in the fall of 2010 with fewer hours, staff, and material dollars. With effective management and integrated strategic planning, by 2016 CCPL had regained the lost hours, increased their material funding, embraced a new approach to serve customers beyond the desk, renovated three branch libraries, and built a new 20,000 square foot model branch library that incorporated all tactical ideas developed since the budget reduction.

Conclusions

From libraries to business to foundations, strategic planning is often billed and embraced as activity independent of the overall management of an organization and that is often administered by a trained consultant. Strategic consultants are more aware of the language and techniques used to collect and analyze data inside and outside the organization and can enhance the process. Strategic planning is made more successful by combining the organization's knowledge of management practices with the defined strategic planning process to develop goals and guidelines that the organization can use to make effective operational decisions and efficient allocation of organizational resources. Ultimate success in strategic planning comes from a collaboration of both the organization's management practice and the

strategic planning process. There is no single action, ruling moment, or sleight of hand illusion in strategic success. Strategic success comes from down-to-earth, pragmatic, committed-to-excellence processes as a framework that keeps the organization, its leaders, and staff on track for the long haul. In each case, it is the triumph of sound management practice, steadfast discipline and integrated strategic planning that brings success. No magic bullet needed.

Michael R. Mabe (mabem@chesterfield.gov) is Director of Library Services, Chesterfield County Public Library, Chesterfield VA

Published: August 2017

¹ Walter Kiechel, "The Management Century," *Harvard Business Review*, (November 1, 2012) 64-74 accessed June 3, 2016, <https://hbr.org/2012/11/the-management-century>

² Henry Mintzberg, *Managers not MBAs*, (Berrett-Koehler Publishers, Inc: San Francisco, CA, 2004) 81

³ Peter M Senge, *The Fifth Discipline*, (Currency Doubleday: New York, London, Sydney, Auckland, 2006) 196

⁴ Frederick Winslow Taylor, *The Principles of Scientific Management*, (New York and London: Harper & Brothers, 1911) 7

⁵ Prasad Lallan, *Management Principles and Practices*, (Excel Books, 2011) 15

⁶ Stephen R. Covey, *Principle Centered Leadership*, (Simon & Schuster: New York, New York, 1991) 173-189

⁷ Bruce A. Pasternack, Albert J. Viscio, "The Centerless Corporation," *Strategy+Business*, (Third Quarter 1998, issue 12) 28-29

⁸ Daniel Goleman, "Leadership That Gets Results," *Harvard Business Review*, (March 01, 2000 78 no. 2) 78 – 90

⁹ David Rock and Jeffery Schwartz, "The Neuroscience of Leadership," *Strategy+Business*, (Summer 2006, issue 43) 3

¹⁰ Stephanie K. Marrus, *Building the Strategic Plan*, (Krieger Publishing Company: Malabar, Florida, 1994) 14-19

¹¹ Martin Reeves, Claire Love, and Phillip Tillmanns, “Your Strategy Needs a Strategy,” *Harvard Business Review*, (September, 2012) accessed June 15, 2016 <https://hbr.org/2012/09/your-strategy-needs-a-strategy>

¹² Kevin Starr, “The Eight Word Mission Statement,” *Stanford Social Innovation Review*, (September 18, 2012) accessed June 15, 2016, http://ssir.org/articles/entry/the_eight_word_mission_statement6/15/2016_-_12:37