Strategic Planning for Success

Aligning People, Performance, and Payoffs

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PREFACE

This book has several potential flaws, so beware.

The first is that it flies in the face of much conventional wisdom about how to go about performance improvement. Thus, some readers will feel uncomfortable about concepts and practical tools that are different from those that gave us the "greatness" of Enron, Global Crossing, Andersen, WorldCom, ImClone, airport security prior to September 11, 2001, government agencies that did not talk with each other and thus never gave anyone the chance to "connect the dots," and single-minded executives and managers who focused narrowly on their patch and forgot the whole. There have been many organizations worldwide that did what was widely expected of them: forget about external clients and society and go for the quick (but not sustainable) profits. Performance improvement that stops at the quarterly profit-and-loss sheet or the next year's budget is still popular but dangerous. This book shows why this is true, and how not to be one of the bodies heaped on others that followed the crowd and conventional advice and did what was acceptable and wrong.

The next potential flaw is that it is written by people who have both researched the bases for what is presented as well as practiced it. It is usual for researchers to be dismissed by the operational types, and for the operational types to be discounted by the academics doing research. All four of us

authors have played both sides of the street. And learned from it. We attempt to bring you the integration of research and practice here, perhaps satisfying no one.

A third potential flaw is that we provide lots of hands-on exercises and practical tools. And we have worked hard (and had many reviews) to try to make what we have written clear. Some people like scholarly looking texts with lots of philosophy, and others just want checklists and step-by-step guides. Rather (and perhaps to the satisfaction of no one), we take the time to provide the underlying concepts and the rationale for what we suggest, and only then we go to the trouble of giving you guides to define and deliver high impact results.

Finally, one more potential flaw of which to make you possibly be wary. We define words—common-sounding words such as "need," "requirement," "Outcome," "Outputs," "Product," "evaluation," "assessment"—in very precise and very limited ways. Rather than being like Alice in Wonderland, where words meant anything the user wanted them to mean, we take the time (perhaps too much time every once in a while) to define what we mean and why we make the distinctions. Tools that are not used properly, not used in the right context, and not used consistently will not build useful things. Rather than deal in "semantic quibbling," we spend a lot of time to help you become rigorous—and successful—by not only doing things right (the conventional passion for process) but by doing the right things, by defining and delivering high impact results. Learning and applying what is here will not be easy or popular, but it will be useful.

In writing this book, we did not act alone, although the inevitable criticisms will find us to be intellectual orphans. We are ready to take the blame for everything here, while giving credit (and indemnity) to many people who have encouraged us, read and reviewed our work, given us feedback (often that we did not want to hear, but that we had to hear and consider), and who have directly and indirectly guided and cajoled us. Among those are:

- Ingrid Guerra of the University of Michigan–Dearborn, who provided thought, feedback, and research as she moved from graduate student to research project manager to assistant professor;

- Mariano Bernardez who, as a management consultant and e-learning guru, had the courage to apply these concepts and tools—and provide us with valuable performance data—to many organizations in Latin America, Europe, and the United States;

- Don Triner, Commander, U.S. Coast Guard, who studied and applied this in the operational world, where decisions have to be both immediate and right;

- Ben Wiant, performance consultant, who labored to make sure this would communicate to people who would buy and use this work;

- Bill Swart, Provost and Academic Vice Chancellor at East Carolina University, who worked with the authors of this book to make sure that it was practical and useful for engineers, businesses, and even universities;

- Several Australian public sector executives who used the basics of this, and provided performance data for its continuous improvement, including Peter Sharp, Peter Kennedy, Maj. General Roger Powell, Don Watts, Doug Hinchliffe, and a host of professionals who applied and learned with us;

- Clifton Chadwick, who has used this evolving model and tools almost worldwide, for his reviews and guidance;

- Ronald Forbes, tectonic plate physicist-turned-management consultant, who has thought through these concepts and tools, applied them, and helped us evolve what is here;

- Jane McCann and Carolyn Lane, who brought to us (along with co-author Hugh Oakley-Browne) the New Zealand reality based on their consulting; and

- Peter Drucker, who has been a guide and inspiration to those who would seek measurably useful results.

In addition, there are other contributors: Larry Lipsitz, publisher of *Educational Technology,* has encouraged (and critiqued) many of the concepts and tools here; the editors and publishers of other books leading up to this work (appropriately referenced) who have encouraged this development; Roger Addison, Roger Chevalier, Dale Brethower, and many International Society for Performance Improvement (ISPI) senior contributors who have encouraged this work and what is in this volume; Matt Davis, who first encouraged this book when he was still with ISPI; and the long line of long-suffering graduate students who not only learned this material but who have gone out to apply it.

This list is both incomplete and inadequate. There are many others who early and later connected with the power, pragmatism, and humanism of Mega Planning and these concepts for defining and delivering high impact results, including those in business, industry, government, and the military. We both apologize to those whom we admire and thank them; we are not allowed the luxury of the space to personally name each deserving one of them.

Finally, our thanks to you who are reading and who will apply what is in this book. We know it will work if it is used correctly and consistently. We thank you for your confidence and your professional determination to do both what is right as well as what is responsible.

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Strategic Planning for Success

Introduction

Welcome to *Strategic Planning for Success: Aligning People, Performance, and Payoffs.*

This is a practical and pragmatic book with cases-in-point, guides, job aids, and exercises. It is not overly theoretical, and yet it is based on firm research and successful applications worldwide.

It is a practical and proven guide for defining the concepts and tools of strategic thinking and planning that in turn provides you with the tools for defining the design and delivery of results that make a difference: high payoff[1] results. It provides some new realities for defining and delivering success to better ensure that disasters such as those at Enron, Global Crossing, Adelphia, HIH, Imclone, Tyco, and even Andersen will not afflict you and your organization. We don't preach, but rather provide the concepts and tools that allow you to say to any internal or external client, "We can deliver success . . . and prove it." Adding value to external clients, and proving it, is ethical and results in useful payoffs. As well as very, very practical. It will allow you to align people, performance, and high payoff results.

Are these concepts different from the standard strategic thinking and planning? You bet. Are they proven and practical? Yes again.

What we provide here is how to align your thinking and planning with high impact payoffs—results that will measurably add value to you, your organization, your external clients, and society. Yes, society. Society is where we all live

and to whom we are ultimately responsible. And to which we have to be responsive. As a guide, the 4-Way Test of Rotary International is useful:

- Is it the truth?
- Is it fair to all concerned?
- Will it build goodwill and better friendships?
- Will it be beneficial to all concerned?

These are good guides for business, government, and life. Especially the fourth one: Will it be beneficial to all concerned?

Because this book focuses on "front end alignment," we don't get into the tools and techniques for detailed performance subsystem design, development, implementation, and evaluation but simply give the requirements for the front end—to align what we do with what will be valuable to all stakeholders. There are ample sources for the design and development, many of which are published by Jossey-Bass and Jossey-Bass/Pfeiffer. We list some of them in the book. We recommend turning to these sources after, and only after, you define and align yourself and your organization with external value added.

A hallmark of this approach—and what makes it different—is that internal results must add value to external clients and society. High payoff results are those that will add value for an "entire results (and value added) chain" that flows from individual performance accomplishment to organizational and external/societal contributions.

High payoff/high impact[2] perspectives on success must also include significantly wider definitions of clients than are usually used today: society must be included and be top priority.

Society as primary client is both sensible and practical. Every day we all depend on other organizations, public and private, to put our safety, survival, and quality of life first on their agenda. We depend on all organizations with which we deal each and every day, such as airlines, public transport, cars, supermarkets, food processors, drug manufacturers, and energy suppliers, to assure that our safety and well-being will be first and foremost on their agenda. It is on ours. We take up that challenge, and encourage you to do the same by using what is in this book.

If you want to make a difference, in and for your organization as well as the society in which we all live, this book is written for you. Increasingly, organizations are both being asked and even asking themselves, "What value do we add?" This book is a guide for determining the answer, both in terms of how you define success and of how you measure it. The concepts and tools will work in your professional life as well as in your personal life. It is about success in

both the short term and long term, and thus it is the safest approach and most practical approach there is.

This book, then, is different from what is already on your shelf or in the latest "flavor of the month" promotions. There are many names for various conventional (and outmoded) planning approaches in use today, including: "strategic planning" (conventional), "strategic management," "business planning," "corporate planning," "tactical planning," and "operational planning." We provide a framework for defining and linking what any organization uses, does, produces, and delivers to add value for all stakeholders. We help you define success and then prove it. We have used it and improved it in applications almost worldwide. It is based on what has worked in just about every kind of organization that exists.

BUT FIRST A WORD ON SEMANTICS

Let us give you a "heads-up" in advance.

We are going to make some seemingly, at least at first, "fine" distinctions among words and concepts, such as differences between a *system* and a *systems* approach, and differences between *products, outputs,* and *outcomes.* We are not trying to be difficult or annoying in an attempt to find trivial differences to distinguish ourselves from others. (See Appendix B for a glossary and classification of terms and tools.)

Rather, we are defining concepts and tools that will help you be successful because much damage and many false starts happen from popular-but-fuzzy thinking and nebulous definitions. We go past the conventional and non-functional vocabulary plaguing management and performance improvement today . . . the popular vocabulary is convenient but will not serve you well. We take the time to define each word and concept so that you are not "flying" on conventional wisdom and old paradigm understandings.

We make these distinctions to help you be successful. Confusing words, terms, and concepts can be a terminal affliction. Please be patient, and please put aside your current definitions and understandings of these terms. New, precise, rigorous, and robust definitions will definitely serve you well.

OK? Let's go.

Notes

1. Payoffs are consequences. They can be both positive and aversive.
2. We actually use "impact" and "payoffs" interchangeably.

Busting Old Paradigms and Using New Ones

Defining and Shaping Our Future

CHAPTER GOALS

By working though this chapter, you will be able to answer the following questions:

- ❏ What is a paradigm? Why and when is it useful?
- ❏ What are the limitations of a paradigm?
- ❏ What are frames?
- ❏ What are mental models?
- ❏ What are paradigm shifts?
- ❏ What are the frequent fads?
- ❏ What are the causes of fadaholism?
- ❏ What are some of the new realities (new paradigms and "ground rules") impacting organizations?
- ❏ What is a Strategic Thinking and Planning paradigm that works?
- ❏ Why can't we continue on the way we are?
- ❏ Who should care about creating a better shared future?