

# Strategic Planning in Government — The Key to Reinventing Ourselves

## Let's Get Out of the Firefighting Mode and Into the Fire Prevention Game

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**T**he most frequent criticism of reinvention, reengineering, and quality improvement processes in government is the alarmingly low success rates they seem to have. Lack of top- or middle-management support is responsible for some failures, but another factor is often present as well: the lack of comprehensive strategic planning, both for the reinvention effort and for the organization as a whole.

Strategic planning is the identification of a desired long-range outcome and the development of a sequence of actions to achieve it, based on analysis of the organization's resources and its environment. Although military strategy dates back for centuries, business has used strategic planning for only about the last 30 years. Its application to civilian government activities is even more recent. Many of us have not come across the concept until the Government Performance and Results Act (GPRA) of 1993 mandated strategic planning and performance measurement in all federal agencies beginning September 30, 1997.

Strategic planning is easiest to do in a stable environment, where one can make assumptions about the future with great certainty, but planning is most necessary in periods of great stress and upheaval. In calm seas with gentle breezes, a sailor can safely set a



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and  
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course, lash the wheel, and take a nap. In rough seas, the sailor must make constant reassessment of position and readjustment of headings to maintain progress toward the desired destination. A clear understanding of one's destination and the strategies needed to reach it are as important in government as in sailing.

In traditional government organizations, strategic planning is solely the responsibility of top management. Since the managers make all the decisions, no one else has a need or a right to know the plan. Modern organizations, particularly those staffed with "knowledge workers," tend to involve a cross-section of the staff in preparing the strategic plan, to bring together wisdom from all levels and areas of the organization. By involving many people, management also obtains broader support for the plan and wider understanding of agency and unit purposes and goals.

### Steps in the Planning Process

There are at least as many strategic planning models as there are consultants in the field. This particular model, although simpler than some, still involves a number of sequential steps that must be executed in order. The "Ready, Fire, Aim" technique just does not work in strategic planning, particularly when done in a team setting. The steps in this model are:

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- **Mission.** What basic agency activity do we exist to provide? Whom do we serve? What do we do for them?
- **Vision.** What sort of world will we live in 10 years from now? What position should we occupy in that world? Do we want to be the Rolls Royce or the Volkswagen of our industry?
- **Critical Success Factors.** What are the *few major* keys to achieving our vision? The things that, if we have them, it doesn't matter what else we lack; but if we don't have them, it doesn't matter what else we have.
- **Assessment of the Present.** In each of the Critical Success Factors, how well do we measure up today? How does (and will) the external environment affect our ability to succeed?
- **Strategic Objectives.** Knowing what we must have to succeed, and what we have today, what goals must we reach to close the critical gaps?
- **Tactics.** What is the best way to reach those critical goals, given our current resources and environment? Did we remember to consider people's feelings in our plans for change?
- **Action Plans.** Who will carry out the planned tactics? When? What resources must be provided? Don't forget to manage the feelings of people caught in upheaval! How should we measure our progress toward these goals? Will we know when we have reached our destination?

## Mission

A mission statement constantly reminds us of our basic purpose. If it isn't accurate, we will be firing at the wrong target. It needs to address how we serve a need for our customer, not what we want from the customer. An American automaker once decided that its business was making money, not making automobiles. Some say that's when its troubles began.

A mission statement should not focus too narrowly. If, for example, your product is "carburetor," you will fail to see "fuel injection" when it comes along, and someone will take your market away. The true product here is "fuel-air mixtures." Think about the customer and the outcome, not about the technology now used to achieve the outcome.

## Vision

A vision represents the highest aspirations of the organization. It must challenge and inspire its members. Some examples of well-written visions are:

Making the world safe for  
Democracy.  
Putting a man on the moon by the end  
of the decade.  
A land flowing with milk and honey.  
We build great ships.

The best vision statements are brief and memorable. Explanations may accompany it, but the vision itself needs to be short.

The first step in creating a vision of the future is to make specific, explicitly stated assumptions about the future environment. This requires the fine art of "futuring," which is admittedly a risky proposition. For example, do you remember all the talk about the "leisure society?" How much leisure have you had lately? Since the plan will rest on one's assumptions, the plan must change if the assumptions prove invalid. An annual (or more frequent) check of the validity of the assumptions is the best way to decide when to reassess the plan.

The second part of visioning is creating a picture of the ideal organization to deal with this assumed future. I like to use the technique of "structured visioning" (which I learned here at the Defense Systems Management College) to develop this picture. I find that even the most hard-headed geologists, who deal in "just the facts, ma'am," can describe their ideal work environment. It usually includes a very altruistic view of service to the nation. The trouble

comes when different members of a management team have radically different visions, and they discover that they have been working at cross purposes for years. Before creating a plan, resolution of these conflicts is extremely important.

## Critical Success Factors

The first step toward achieving the vision is to identify the key factors necessary for success. For example, a portion of my personal vision is to take advantage of the free ski passes given to those over 70 years old. If I plan to be around and in shape to do that, I need to start working on it now. Physical conditioning becomes a Critical Success Factor, not just something nice to have. Also, I'd be a little foolish to accept a job in Alabama. My location, one hour from Breckinridge, Keystone, and Winter Park, is a strategic advantage.

One of my colleagues says that Chief Executive Officers (CEO) of outstanding companies can readily identify a small number of critical corporate factors that promote success in their business, but CEOs of failing companies can usually name 35-50 "key factors." The art of focusing one's efforts on a few critical factors is essential to the development of a worthwhile plan. No consultant can tell you what these factors are in your company; you must identify each one. We can, however, help you focus your efforts – a task that may appear deceptively simple, but is actually harder than it seems.

## Assessment Of the Present

The planning team should assign a team of knowledgeable stakeholders to assess each critical factor. These teams gather data and reach decisions about the strengths and weaknesses of the organization in their assigned factor, and evaluate opportunities and threats from outside. This is the classical SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. It requires data and analysis. Too many teams want to whip this task off the

top of their heads in half a day. However, its importance merits more than superficial treatment.

### Strategic Objectives

The SWOT assessment helps the team develop strategies to close the critical gaps between what exists today, and what must be “futures” to meet the critical success factor. Even with unlimited resources, most teams could produce endless lists of strategies! This is a mistake. The art of selecting strategies is to distinguish the “critical few” strategies from the “trivial many” — the “Pareto Principle.”

The team then states each of the critical few strategies in a specific, measurable form called a Strategic Objective. The word “objective” implies a specific, measurable point in time and space. Rather than a general statement such as, “We gotta improve customer satisfaction,” it specifies and quantifies that, “We will decrease new model development time from 60 months to 24 months within the next 5 years.”

Strategic objectives should be long-range, roughly comparable to the planning horizon itself. They do not change within that horizon, unless the underlying assumptions do not prove to be true. Again, the Pareto Principle is crucial. Postulating a thousand strategic objectives will only dilute efforts to achieve the critical few.

### Tactics

Tactical planning answers the “how-to-do” questions raised by the “what-to-do’s” in the strategic objectives. They are shorter in duration, more specific, and subject to change if they don’t work as planned, or if they meet unanticipated resistance. Each strategic objective will require a few well-coordinated tactical actions.

Planning teams often delegate each tactic to one or two organizational sub-units that have specific responsibilities in the area in question. The Japanese have a technique they call *Hoshin kanri*, translated roughly as “catch-ball.” The term describes the act of tossing

## SWOT Team



**Strengths, Weaknesses, Opportunities, and Threats — a SWOT team of knowledgeable stakeholders should assess critical factors and plan strategies.**

the plan back and forth between the steering team and the sub-units, to negotiate the contribution of each sub-unit to the achievement of the strategic objective. Coordination of effort, while still allowing each sub-unit to use its creativity and professional knowledge, is the object of this process.

Once a year or so, the planning team should assess progress on each tactic, and alter the plan if things have not progressed as anticipated.

### Action Plans

The final stage of planning involves the details of executing the tactics and the plan for measuring progress. The for-

mer is familiar to all of us: the who, what, when, where, and how of the plan. The latter is not typical in most government operations and needs some explanation.

Measurements in government have seemed to concentrate mostly on the size of budget and staff. These are *input* measures, and in the past have determined the importance and the pay grade of management. The second type of measure is the *output* measure, such as how many pieces of paper we process, or how many meetings we attend. These data are easy to produce and tend to demonstrate our busyness but not our success. In the long run, what really matters is whether all these resources and all these outputs cause any positive results. Now we are talking about *outcomes*, which are what GPRA demands and what any reasonable organization uses to justify its existence.

The proper measure of effectiveness of a government organization is not its consumption of resources, or the weight of paper it puts out, but the effect it has on society. Unfortunately, outcomes are hard to identify and hard to quantify. For example, a legend tells that Saint Patrick drove the snakes out of Ireland. The absence of snakes there might support this assertion, unless we find that the fossil record shows there never have been any snakes in Ireland! As in any good scientific experiment, the measurement process consists of the sequence, “Measure baseline, make a change, measure result, compute outcome.” The classic system requires that changes be made one at a time, so that an outcome can be linked directly to a single cause. Try *that* in government! A newer technique called “design of experiments” makes it possible to study several variables simultaneously and to estimate the relative effect attributable to each (as well as the collective effects of combinations of variables).

A final word on the human side of the equation. We whose backgrounds are

in the technical areas tend to feel that a good strategic plan will sell itself to the people – *not so*. Managing the feelings of people involved in the great changes brought about by most good strategic plans is an integral part of the planning process. In many cases it is the single most critical determinant factor of whether a plan succeeds or fails. So bring the Human Resources people into the process early, and give them a chance to participate.

### Techniques For Planning

The Total Quality Management teachers have developed many useful techniques for planning teams. For example, facilitators are critical for planning teams (especially in first-time planning efforts), although their role is somewhat more directive than in a quality improvement team. I therefore call this person a *coach* rather than a *facilitator*, to suggest a more active role in directing process, although not in directing outcome. The Seven Planning and Management Tools taught by Michael Brassard of Goal/QPC<sup>1</sup> are invaluable, but not easy to learn. Sequential team meetings with intervals between for data collection, consolidation, and review, which is used in

### Hoshin Kanri "Catch-Ball"



The act of tossing the plan back and forth between the steering team and sub-units...to coordinate effort.

most Total Quality Management processes, are also useful for strategic planning teams. Unlike some consultants, I consider that expecting to complete a plan in a single 3-day workshop is unrealistic and counter-productive.

### Conclusion

My closing thought is for those managers who say, "I don't have time to plan!" One of the best managers I know says, "Managing is planning. Not to plan is not to manage!" I believe that for too many years, most of us managers have been spending our days running around our shops putting out fires. We get a lot of encouragement in this activity from our superiors, who kindly allow us to help fight their fires, too. Anyone associated with a good municipal fire department knows that a tremendous emphasis is placed on fire prevention and on disaster planning. I think we need to follow that example. Let's get out of the firefighting mode (too bad – it's really exciting!) and get into the fire prevention game.

### REFERENCE

Brassard, Michael, *The Memory Jogger Plus+*, Goal/QPC, 13 Branch Street, Methuen, Mass. 01844

### ALL ABOARD...

ON OCTOBER 17, 1995, ABOUT 15 DSMC STAFFERS, SPOUSES, AND SIGNIFICANT OTHERS TOOK A DAY'S LEAVE AND TRADED STRESS, TRAFFIC, AND DAY-TO-DAY ROUTINE FOR A CHANGE OF PACE — A RIDE ON THE WESTERN MARYLAND RAILROAD'S "MOUNTAIN THUNDER" STEAM LOCOMOTIVE. DEPARTING FROM CUMBERLAND, MARYLAND, DURING THE PEAK OF "LEAF TURNING," THE TRAIN WOUND ITS WAY ACROSS MOUNTAINS AND VALLEYS TO THE PICTURESQUE TOWN OF FROSTBURG, MARYLAND. RIGHT (STANDING): TIM DECKER, BRAKEMAN; 3RD FROM RIGHT (STANDING): HOWARD HOVATTER, ENGINEER; CENTER (STANDING): RAY LARSON, FIREMAN.

