

Rethinking Strategic Planning

Part II:

New Roles for Planners

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TWO IMPORTANT MESSAGES HAVE BEEN conveyed through all the difficulties encountered by so-called 'strategic planning' in recent years. But only one of them has been widely accepted in the planning community—that line managers must take full and effective charge of the strategy making process. The lesson not learned is that they will never be able to do so through a formalized process. In other words, there is no technique for creating strategy—as concluded in Part I on 'Pitfalls and Fallacies' strategies are developed through synthesis, and that does not come from analysis. Strategic planning should really have been labelled strategic programming, since it is a means to programme the consequences of strategies already created in other ways, notably through the vision of a leader or the learning of people who take actions.

If this is true—if the role of planning is programming—then what are the additional roles of plans and planners in organizations? This article describes a set of roles for plans and planners as well as planning, reconceived around a strategy making process that is necessarily informally managerial.

Working Around Strategy Making

Planners and managers each have roles to play with regard to strategy making, but they are quite different, based on their comparative advantages. Planners have time and they have certain techniques; most importantly, they have the inclination to do analysis. What they lack is the manager's authority to make commitments, and more importantly, the managers'

Given the conclusions of Part I, what should be the roles of planning, plans, and planners with respect to strategy making? Around that process (which remains the responsibility of line management) rather than inside of it is the conclusion offered here. So called 'strategic planning' really amounts to strategic *programming*, designed to operationalize the strategy an organization already has, rather than to give it a strategy in the first place. Then plans likewise line up after strategy making, as media for communicating and devices for control. And planners, besides concerning themselves with such planning and plans, when they are necessary, have other important roles to play: as finders of emerging strategies, as analysts who feed important information often overlooked by line managers into the strategy process, and as catalysts who encourage strategic *thinking* and strategic *acting*, not strategic planning.

access to soft information critical to strategy making. But because of the time pressures of their work, managers tend to favour action over reflection and the oral over the written. This can cause them to overlook analytical inputs, which play an important role in strategy making as well.

Thus planners logically take a position, not *inside* the strategy making process, which is depicted in Figure 1 as a 'black box' closed to formalization, so much as *around* it. As indicated, they can feed into it, especially the results of formal analysis; they can pursue its consequences, particularly by programming the strategies it produces; and they can support it by aiding and encouraging strategic thinking and strategic acting.



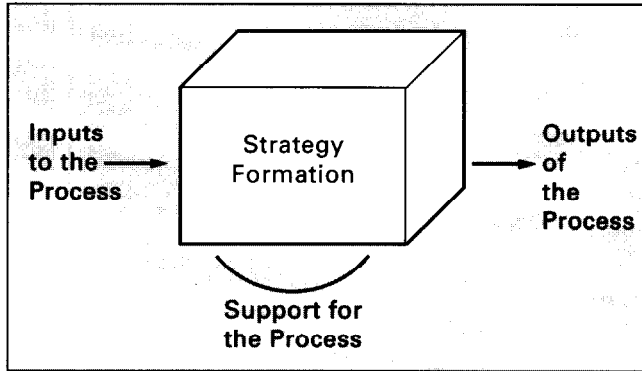


FIGURE 1. Planners operate around the 'black box' of strategy formation.

In effect, just as analysis must be coupled with intuition to ensure the best of human thinking, so too must staff planners work with line managers to ensure effective strategy making. But this can happen only if each appreciates the competencies and possibilities of the other. For planners, this means an appreciation of informal visionary and learning processes, and a willingness to adapt their own approaches to make them compatible with these processes. I like to call this 'soft analysis'.

Soft analysis suggests an approach in which it is more important to pose the right question than to find the precise answer, to incorporate an appreciation for soft data alongside the necessary analysis of hard data. Judgement takes its place alongside formal procedure, as analysis becomes 'a continuing dialogue rather than a one-shot service',¹ carried out by people comfortable with numbers but not obsessed by them. These are capable analytic types who also have intuitive skills and are not shy to use them, people from a range of backgrounds who can open up issues instead of closing them down prematurely.

Below a single role is suggested for planning, two for formal plans, and three for planners (besides contributing to the roles of planning and plans).

Role of Planning: Strategic Programming

I have already made clear in Part I, based on a good deal of evidence in the research literature as well as

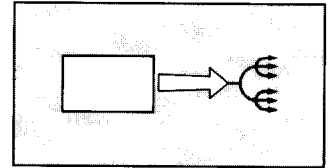
my own experiences, that what has been called strategic planning in reality is strategic programming.

It is carried out to elaborate and operationalize formally the consequences of the strategy making process. Put differently, in the absence of strategy, there is no reason to engage in formalized strategic planning. It will not generate strategies; at best, it will extrapolate strategies from the past or copy them from other organizations. But given viable, stable strategies, the role of planning—the one role of planning—becomes to programme them, that is, to implement rather than formulate them. To quote our own study of a supermarket chain:

... its planning did not give this company an intended strategy. It already had one, in the head of its entrepreneur, as his vision of its future ... Rather, planning was the articulation, justification, and elaboration of the intended strategy the company already had. Planning for it was not deciding to expand into shopping centres, but explicating to what extent and when—with how many stores and on what schedule, etc. In other words, planning was programming: it was used not to conceive an intended strategy, but to elaborate the consequences of an intended strategy already conceived.²

An appropriate image for the planner might be that person left behind in a meeting, together with the chief executive, after everyone else has departed. All of the strategic decisions that were made are symbolically strewn about the table. The CEO turns to the planner and says: 'There they all are. Clean them up, package them neatly together so that we can tell everyone about them and get going'. In more formal language, strategic programming involves three steps—codification, elaboration, and conversion of strategies.

Codification means clarifying and expressing the strategies in terms sufficiently clear to render them formally operational, so that their consequences can be worked out in detail. In the words of Hafsi and Thomas, planning makes 'all the implicit assumptions ... explicit', considers the 'major hurdles', makes sure that 'everything is taken into account' and that the inconsistencies and incoherences are uncovered and eliminated.³ Planning thus brings order to strategy, putting it into a form suitable for articulation to others in the organization.



Obviously this is no mechanical task but one that can require a good deal of interpretation. The codification of strategy can cause all kinds of problems if done poorly, or inappropriately. Perhaps the greatest danger is what can be lost in articulation—nuance, subtlety, qualification. Converting from general thoughts to specific directives is much like going from broad goals to precise objectives, or from soft data to hard: something is inevitably lost in the translation. Accordingly, planners must proceed carefully, when they must, and, more importantly, question the practice when this may not be necessary.

Elaboration means decomposing the codified strategies into substrategies, *ad hoc* programmes of various kinds, and overall action plans—specification of what has to be done to realize each strategy as intended.

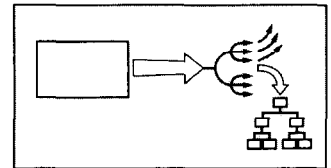
And *conversion* means considering the effects of the strategic (programmatic) changes on the operations of the organization. Here a kind of ‘great divide’ has to be crossed, from the *ad hoc* world of strategies and programmes to the routine world of budgets and objectives. Objectives have to be restated and budgets reworked, and policies and standard operating procedures reconsidered, to take into account the consequences of the specific changes in action. How this is done, at least in any formalized and articulated way, remains a mystery, probably one of the more important mysteries of how effective organizations really function. But some do get it right, even if many do not.

One point must be emphasized here. Strategic programming is not a ‘one best way’, or even a good way, except under specific circumstances. It makes sense when viable intended strategies are available, in other words when the world is expected to hold still or change predictably while these strategies can unfold, so that formulation can logically precede implementation. Organizations do not always need clearly codified and elaborated strategies. It is only when their contexts are relatively stable, or at least under their own control, typically in industries that are mature. The organization itself usually has to be rather large and is often capital intensive (hence requiring the tight formalized co-ordination of strategic programming), with a structure sufficiently elaborated and operations sufficiently simple and tightly coupled to make that programming both possible and necessary.

Organizations that fit many or all of these conditions tend to be of a type called machine bureaucracy, common in airlines, retail banking, much mass production, and clerical type services in government, such as the post office. In other circumstances, strategic programming can do an organization harm by pre-empting the flexibility that may be needed to learn from an unpredictably changing world.

First Role of Plans: Communication Media

If planning is programming, then plans clearly serve in two capacities—as media for communication and as devices for control. Both draw on the analytical character of plans, namely their representation of strategies in decomposed and articulated form, if not quantified then often at least quantifiable.

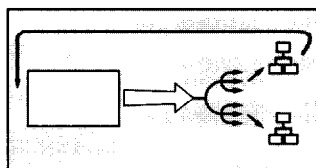


Why programme strategy? The most obvious reason is for co-ordination, to ensure that everyone in the organization pulls in the same direction, a direction that has to be specified as precisely as possible. Plans, as they emerge from strategic programming as programmes, schedules, budgets, and so on, can be prime media to communicate not just strategic intentions but also what each subunit and individual in the organization must do to realize them (in so far, of course, as common direction is more important than individual discretion).

Communication can be external as well as internal, with plans being used not only to promote the efforts of insiders but also to seek the tangibles as well as moral support of influential outsiders. I am not referring here just to planning as a public relations exercise—‘planning for show’, because it looks good rather than because it is good. Instead, I mean informing important outsiders—financiers, suppliers, government agencies, and so on—about the substance of the plans so they can help the organization to realize them.

Second Role of Plans: As Control Devices

Plans as communication media inform people of intended strategy and its consequences. But as control devices they go further, specifying what behaviours are expected of particular departments and individuals in order to realize strategy, and then serving as simulations of a sort to feed back into the strategy making process comparisons of these expectations with actual performance. It is perhaps this control role that prompted a chief planner at General Electric of the 1980s to characterize the planning department of earlier years as the 'corporate policeman'.⁴

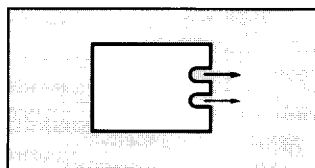


Influential outsiders can impose plans on an organization as a means of external control too. Most common are performance plans, as when a headquarters defines profit and growth targets for each of its divisions. But those plans can be strategic as well, involving the imposition of specific courses of action, such as when the headquarters also imposes a strategy of harvesting on a particular division. Likewise, a government can impose specific intentions on its agencies through action plans, as can a firm with market power over its suppliers, in order to couple their actions plans with its own.

In addition, there exists a whole set of games played around the exercise of planning itself as a device for control: investors who expect planning from companies going to public financial markets, governments that demand it of the public hospitals they fund, and so on. Here it is not the results of planning so much as the organization's very engagement in the process that becomes the form of control, or at least the illusion of control.

First Role of Planners: Finders of Strategy

'Finders of Strategy' may sound like a curious label with which to begin our discussion of the roles of planners independent of planning



and plans. But this is true only if strategy is conceived narrowly, as it traditionally has been in virtually all of the literature of planning.

A strategy can be *deliberate*—consisting of the specific intentions of senior management that have been subsequently realized, more or less. But it can also be *emergent*, meaning that a pattern formed among different actions without conscious intention, of the senior management at least.⁵ In other words, strategies can develop inadvertently, often through a process of learning. The important point here is that deliberate strategies are not necessarily good and emergent ones bad. Indeed, it could be argued that all viable strategies have both deliberate and emergent qualities. The lack of one implies an unwillingness to learn as behaviours unfold, just as the lack of the other implies an unwillingness to think before those behaviours take place.

An important role for planners who are willing to think beyond planning can thus be to help find the emergent strategies in their organizations (or in the activities of competitive organizations). Put differently, to quote Karl Weick, planners can be 'interpreters of action'.⁶ The popular view in strategic planning is that strategies come straight from the senior management, which offers them to the planners as sets of full blown intentions all ready for programming. The evidence of all the careful research, however, is that strategies, at last rich, successful ones, are not often forthcoming on silver platters, ready to be operationalized. There are often times when top management may provide only the vaguest of intentions, or none at all. Or else, in the truly complex, decentralized, 'learning' organization—for example, high technology companies, professional service institutions, research laboratories—strategies may have to bubble up from below, as people in obscure corners work out big problems in little ways. The difficulty is that a dense hierarchy can fail to capture this kind of strategic learning systematically. And that is where planners adept at soft analysis can come in: to find these emerging patterns so that they can be scrutinized for the benefit of the organization at large.

If it is true that 'a manager needs to be relatively tolerant of the idea that he or she will discover the meaning of yesterday's action in the experiences and interpretations of today',⁷ then planners can help by finding fledgling strategies in unexpected pockets of the organization so that consideration can be given

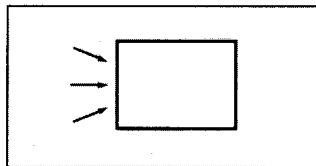
to making them more broadly organizational. Partly this can be accomplished through the study of hard data, for example by studying figures on the market segmentation of a firm's own products to discover newly emerging types of customers. But much of this work will likely have to be done in far more flexible and unconventional ways.

Once emergent strategies are found, the planners can effect a broader sense of strategic control by assessing their viability alongside the intended strategies. This is a tricky role to be sure, and a lot more nuanced than doing ordinary strategic programming. But in some organizations it can be more important. It is more like detective work in a sense, requiring planners to snoop around all kinds of places they might not normally visit, to find pattern-ing amid the noise of failed experiments, seemingly random activities, and messy learning. And then the planners must assess which of these unexpected strategies are worth formalizing, bearing in mind that being too quick to formalize can be just as dangerous as being too quick to eliminate what is not formalized. Sometimes for example, it makes sense not to notice—to give the emerging pattern time to demonstrate its worth or worthlessness.

Second Role of Planners: Analysts

Every one of the intense probes into what planners actually do suggests that the effective ones spend a good deal of time, not so much doing or even encouraging planning, as carrying out analyses of specific issues of consequence on an *ad hoc* basis. This can be referred to as *strategic analysis*.

Effective managers have their fingers on the pulse of their organization and its external context through their privileged access to soft data. But, as already noted, they lack the time and the inclination to study the hard data. Someone has to do that, and ensure that the consequences of such studies are considered in the strategy making process. And planners are obvious candidates for this job; they have the inclination to do the analysis, the time it requires, and the predisposition to consider the hard facts. They can thus analyse these data—drawing on what-



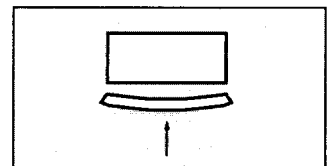
ever techniques seem appropriate—and feed the results to managers on an *ad hoc* basis, as and when the need for them arises, not as definitive recommendations so much as factors to be considered alongside others. Much of this analysis will, of course, necessarily be 'quick and dirty'—that is, in the time frames required by managers.

A certain amount of this will no doubt pertain to market and competitive activities outside the organization, popularized in those 'industry analyses'. But inside analyses are important too. Planners may, of course, use formal computer models to analyse trends and patterns in the organization. But some of the best 'models' planners can offer managers are simply alternate conceptual interpretations of their world, for example a new way to view the organization's distribution system. In other words, descriptive theories are simulations too, and planners can play the role of surveying the latest theoretical developments in various areas of interest and feeding the relevant perspectives to managers for their consideration. Thus Arie de Geus, when head of planning for the Royal Dutch/Shell Group described 'the real purpose of effective planning' as 'not to make plans but to change the ... mental models that ... decision makers carry in their heads'.⁸

Strategic analysis can also involve the scrutinization of strategies—not just their 'evaluation' which implies a somewhat formal and even quantitative process, but the assessment of their overall viability. This has to extend, however, to all kinds of strategies, no matter how they appear. In other words, planners have to consider clear conventional strategies formulated deliberately in the executive suite no less than vague unconventional ones that form emergently in remote pockets of the organization.

Third Role of Planners: Catalysts

The planning literature has, of course, long promoted the role of catalyst for the planner. But not as I shall describe it here. For it is not planning that planners should be urging on their organization so much as any form of behaviour that can lead to effective performance. To encourage



strategic planning is, as we have seen, really to encourage strategic programming and thereby possibly to discourage strategic thinking. Of course, this may sometimes be appropriate, for example when an entrepreneurial firm has grown large and suffers from its leader's unwillingness to articulate the strategies it already has. But when strategic learning is not yet completed, when an external environment remains unsettled, or when an organization has the need to maintain its strategy as a rich, flexible, and personalized vision instead of a specific plan, then planners who exhort managers to engage in formal strategic planning may be doing their organizations a major disservice.

Planners have to encourage whatever form of strategic behaviour fits a situation most naturally. In the catalyst role played in this way, the planners do not enter the black box of strategy making so much as ensure that the box is occupied with active line managers. They, in other words, encourage others to think about the future in a creative way.

Once planning as that 'one best way' is replaced by a broader conception of the strategy making process, then the catalyst role can take on a new significance. In my experience, the planners in some of the most effective planning departments have become the organizations' conceptual thinkers about strategic formation. It is they who bring in the latest ideas on how the process does and should work, which means, of course, that they are sometimes critical of formal planning!

Serving as 'corporate guru', as the catalyst role has been described in its broadest sense,⁹ requires skills quite different from those of the planners' more conventional roles. Such planners see their job as getting others to question conventional wisdom, and especially helping people out of conventional ruts (which managers with long experience in stable strategies are apt to dig themselves into). Non-conventional planners sometimes try to use provocation to do this—shock tactics if you like—raising difficult questions and challenging conventional assumptions. Other times, they 'whisper in the ears of the gods', to quote James Brian Quinn, seeking to build 'awareness about new options' and then to broaden 'support and comfort levels for action' so as to crystallize 'consensus or commitment'.¹⁰

Being a source of conceptual knowledge about the strategy making process may predispose planners to think about strategy. But being predisposed to think

about strategy does not turn anyone into a strategic thinker. Information, involvement, and imagination do that—having the brain and the basis to synthesize. And nothing we have seen in the planners' other predispositions suggests that they have any comparative advantages over managers in these regards. Nevertheless, holding the title of 'planner' does not preclude imagination either. Indeed, some planners—not caught up with planning technology—have been among the most creative people I have come across in organizations. Moreover, some planners are successful at catching the attention of informed managers, while others who were recently line managers themselves may bring the requisite knowledge with them (for a time). Any of these planners may thus be strategists too—champions of specific strategies if not also creators of strategic visions—although none of this has anything per se to do with planning, plans, or even being planners.

A Plan for Planners

Put all this together, especially each of those little diagrams under the titles, and you end up with a comprehensive framework for the planning function, shown in Figure 2. But this is only the beginning of a true plan for planners, because that has to account for the needs of the particular organization in question.

Two very different kinds of people have to populate the planning function. On one hand, the planner must be a rather analytic, convergent type of thinker, dedicated to bringing order to the organization. Above all, this planner programmes intended strategies and sees to it that they are communicated clearly and used for purposes of control. He or she also carries out studies to ensure that the managers concerned with strategy formulation take into account the necessary hard data that they may be inclined to miss. And then this planner ensures that the strategies managers formulate are carefully and systematically evaluated before they are implemented. This is the conventional planner depicted in so much of the literature, rather analytical in nature. We might label him or her the *right-handed planner*.

On the one hand, there is a different kind of planner, less conventional, but present nonetheless

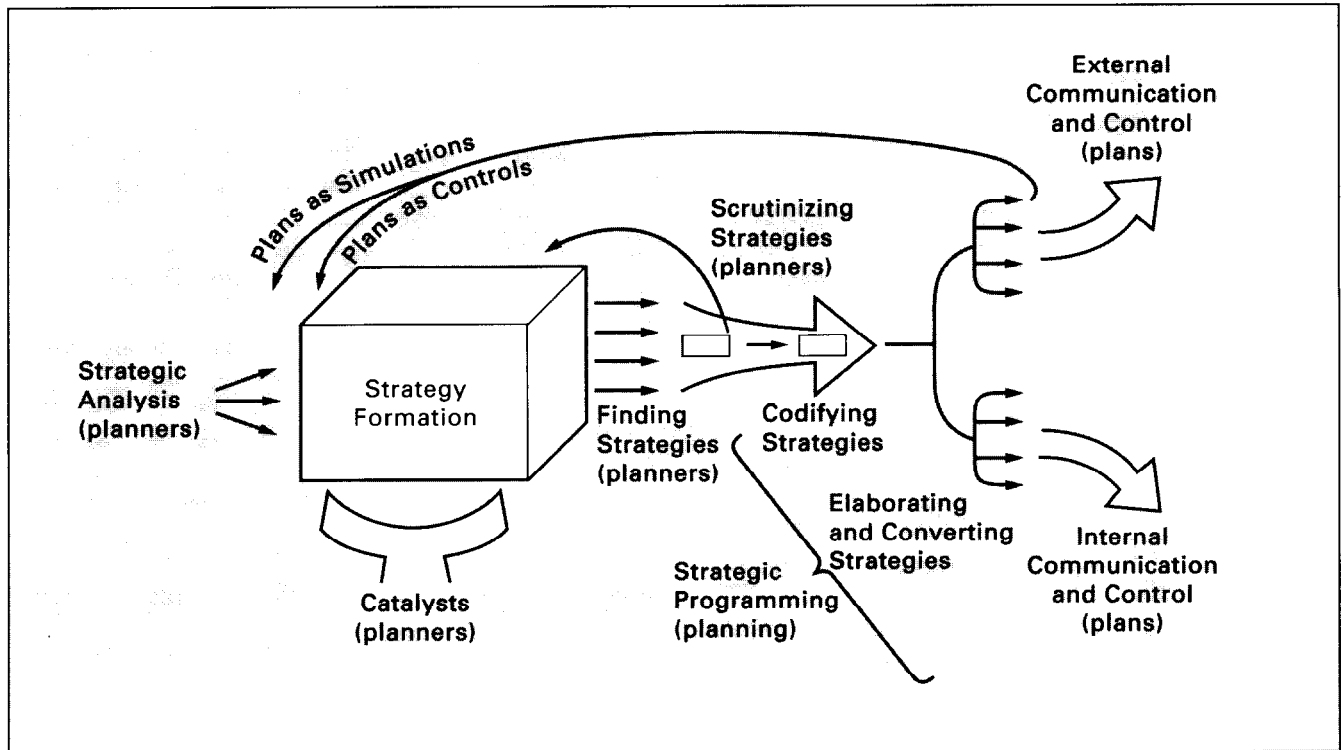


FIGURE 2. A framework for planning, plans, and planners.

in a good many organizations. These planners are rather creative thinkers, more divergent in their behaviour, who seek to open up the strategy making process. As 'soft analysts', they are prepared to conduct more 'quick and dirty' studies. They like to find strategies in strange places, and to scrutinize rather than just formally evaluate them. They encourage others to think strategically, and they sometimes get themselves involved in the messy business of strategy formation. This planner is somewhat more inclined toward the intuitive processes identified with the brain's right hemisphere. We might call him or her the *left-handed planner*.

Who should staff planning positions? Some observers have argued against the notion of professional planners, believing that line managers should cycle into and out of planning jobs to give them periods of time in which to reflect. That way planning gets carried out by people intimately linked to the operations of the organization (and who appreciate the demands of the management process).

I am sympathetic with this view—especially for the people who must head up planning groups and so link them with the line activities of the organization. But the job also requires an orientation different from typical line management. There is the obvious need for an analytic orientation, especially in the right-handed planners, which many managers are less inclined to demonstrate. As for left-handed planners, there is the need for people who can challenge and reflect in ways that managers require but may not always do for themselves. These planners can hardly be called 'professional', but neither are they typical organization types.

Some organizations—those 'machine bureaucracies' discussed earlier: big, stable, and systematic—may need more of those right-handed planners, especially to do the strategic programming. But they had better have a few left-handed planners as well, to shake things up now and again. Other types of organizations, for example more innovatively oriented 'adhocracies' that engage in much project work, may need to favour the left-

handed kind of planner, especially to uncover strategies in strange places and to serve as stimulating catalysts. More than a little strategic programming (let alone pretending to create strategies by formal planning) can sometimes be deadly in such organizations. The same seems to be true of most professional-type organizations, such as hospitals and universities, which have often been forced to waste all kinds of time doing ill-conceived 'strategic planning'. There are certainly numerous opportunities for strategic analysis of specific proposals in such professional organizations, but not for mindless applications of procedures conceived for very different contexts. And then, of course, there are those small, lean, quick moving entrepreneurial organizations that may be happy to do without anyone with the label of planner at all!

The Formalization Edge

To conclude, there seems to be a kind of 'formalization edge' in human behaviour which we must be quite careful not to ignore. No doubt we need to formalize certain behaviours to get done many of the things that we wish to do in modern society. That, in fact, is why we have organizations in the first place. Discipline can be useful. But there is also a limit to how far we can go in this regard, and, subtle though that limit can be, it has to be carefully understood, especially for complex and creative behaviours such as strategy making.

There is something strange about formalization, something that can cause the very essence of an activity to be lost simply in its explication. Not all aspects of formalization need cause this—for example formalizing the time and the participation

of a retreat to discuss strategic issues can obviously be beneficial. But formalizing the process or its content, even merely creating an agenda to discuss goals in the morning and strengths and weaknesses in the afternoon, can stifle creativity. Strategy making does not happen just because a meeting is held with that label, indeed, quite the opposite; it is a process interwoven with all that it takes to manage an organization. To repeat, strategy making is a process of synthesis, not just analysis, and a reliance on the decomposition of analysis can never produce synthesis. Systems do not think, and they never will, but when they are used for more than the facilitation of human thinking, they can stop it from happening.

Three decades of experience with 'strategic planning' has taught us about the need to loosen up the process of strategy making, rather than trying to seal it off by arbitrary formalization. Through all the false starts and excessive rhetoric, we have certainly learned what planning is not and what it cannot do. But we have also learned what planning is and what it can do, and perhaps of greater use, what planners themselves can do beyond planning. We have also learned about how the literature of management can sometimes get so carried away, and, more importantly, about the appropriate place for analysis in organizations. We have also been shown that we have to solidify our descriptive understanding of complex phenomena—and to face up to our ignorance about them—before we leap into prescription.

The story of the rise and fall of strategic planning, in other words, has taught us not only about formal technique itself but also about how organizations function and how managers do and do not cope with that functioning, also about how we think as human beings, and sometimes stop thinking.

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