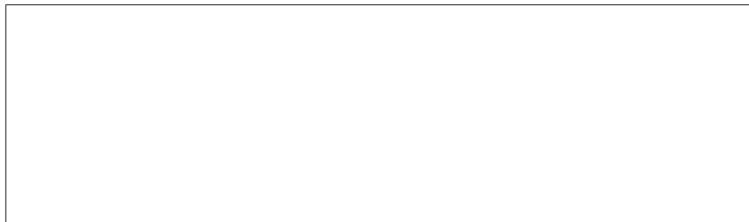




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Deputy Director for Administration

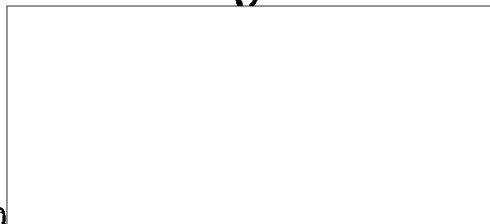
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FYI

This is a note drafted
by a friend for his own
office. I like the quote
at the summary. Yours to
retain or destroy.

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Distribution:

~~1 - ODA SUBJECT~~

1 - RMH CHRONO

WHO NEEDS STRATEGIC PLANNING?

A newly appointed Assistant Secretary walks into the Congressional hearing room and is sworn in to testify about the agency's R&D program. The Congressmen, prodded by a Congressional staff investigation, attack specific R&D projects but what irks them the most is that the Assistant Secretary has no strategic vision and therefore no strategic plans to meet the long-term needs of the agency. The Assistant Secretary is embarrassed and vows never to return to Capital Hill without a strategic vision (within the context of the Administration's priorities) and accompanying plans to guide the agency to meet it's charter.

Does this sound unrealistic? It probably happens every four years and perhaps more frequently. The point of presenting the Assistant Secretary versus the Congressmen scenario is to dramatize the need for top management to actively participate in strategic planning whether it may be for program operations, R&D, or program evaluation. However, before delving into the "nuts and bolts" of top management participation in creating a strategic vision, a few key terms need be defined. A review of the literature indicates that there is much confusion between the "strategic planning" and "long-term planning". Let's now define them so that we're clear on terminology and can distinguish between the two concepts.

STRATEGIC PLANNING

Peter Drucker in his book Management: Tasks, Responsibilities and Practices defines strategic planning as

a continuous process of making present entrepreneurial (risk-taking) decisions systematically and with the greatest knowledge of their futurity; organizing systematically the efforts needed to carry out these decisions; and measuring the results of these decisions against the expectations through organized, systematic feedback.

The key elements of Drucker's definition revolve around the concepts of entrepreneurial decision making (risking-taking) and that of providing management with systematic feedback. This is especially important in an political environment where priorities are constantly changing. John M. Bryson, on the other hand, differentiates between strategic planning and long term planning:

STRATEGIC PLANNING

* relies on identifying & resolving issues

LONG TERM PLANNING

* focuses more specifying goals & objectives &

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| * more suited to politicized circumstances | translating them into current budgets |
| * embodies qualitative shifts in direction | * assumes current trends will continue into the future, that is, linear extrapolations of present trends |
| * summons forth a idealized version of the organization, a "vision of success" | |

In sum, the key distinctions to be made in defining strategic planning are:

- * visualizing future situations in which the organization may be involved
- * placing these situations in priority order relative to the objectives of the organization
- * considering ways in which the most preferred of these future situations can be brought about and the least preferred avoided

How does all this apply to the Office of Human Development Services (HDS)? I maintain that besides a statement of goals and objectives HDS has no real strategic vision for where it wants to be in 4 years. If there is a strategic vision besides creating " a kinder and gentler America " , it has not been adequately communicated to the staff of the agency. At this juncture of assembling a management team at HDS, an opportunity exists to create a strategic vision for HDS that will operationalize the theme of creating " a kinder and gentler America".

HOW TO CREATE A STRATEGIC VISION

The following fifteen " laws " of strategic planning are abstracted from a book by Perry Smith entitled Creating Strategic Vision put out by the National Defense University Press. However, before listing and discussing the fifteen laws, it is useful to note that one fatal mistake can reduce the strategic planning to an exercise in futility, that is, top management's assumption that it can delegate the planning function to a planner. Key decision-makers need help from the planning staff but it cannot delegate the planning function. Now the fifteen laws.

FIFTEEN LAWS OF STRATEGIC PLANNING

1. Strategic planners must answer the " What's in it for me?" question.

Bosses must impress upon their staffs that strategic planning is worthwhile not only to the institution but also to themselves.

2. Strategic planners must get and maintain the support of

the top decisionmaker.

There must be enough priority given to the planning function so that meetings are not constantly postponed or rescheduled.

3. Strategic planners must have direct access to the top decisionmaker.

Most of the best run agencies and companies in the United States have strategic planners that work directly for the chief executive officer.

4. Briefings by strategic planners to the top decisionmaker must go thru the normal coordination process.

Planners must realize that some of their recommendations will be opposed or tainted during the coordination process and must attempt to preserve the innovative nature of their proposals.

5. The strategic planning process must lead to some decisions in the present.

Making decisions in the present is a wonderful way to legitimize the long-range process.

6. The process must be institutionalized.

If there is no institutionalized process to encourage the leaders at the top of the organization to consider strategic issues on a regular basis, many opportunities will be lost.

7. Within the institutionalized process, strategic plans must remain flexible.

All plans should be reviewed periodically so that they don't become too rigid or out of date.

8. In addition to the institutionalized process, periodic studies are needed.

No matter how profitable a study is, it should never be a substitute for an institutionalized planning process.

9. Strategic plans must be readable and short.

Strategic plans should be no longer than 12 pages with a 1 to 2 page executive summary so that it will be read and have real impact.

10. Planners must develop implementation strategies.

Planners should not be implementers, but should assist in the transition from the planning stage to programs to budget

to reality.

11. Planners must avoid constraining the innovation and divestiture process.

There should be no sacred cows; planners must be encouraged to recommend changes to existing programs or possibly recommend their elimination. Constraints such as budget, technology, and time should not stifle the innovation process.

12. Planners must avoid single-factor causality.

It is the job of the strategic planner to take into account the many factors that may affect a policy, program, or decision.

13. Planners must avoid determinism - economic, political, technological, and others.

Planners must assume that people in key positions can and do make a difference. Those involved in the strategic plans creation should be careful that no predetermined outcomes creep into the calculus of decisionmaking, the briefing, or the plan itself.

14. Planners must stay in close contact with R&D, evaluation, and policy communities.

Only by staying in close contact with these communities can strategic planners and top managers develop plans that are based in reality.

15. Incentives must be provided if innovation is to be maximized.

Incentives must be established and publicized to encourage people to come forward with new ideas. Creative and innovative strategic thinkers are occasionally going to make people angry. Risk-avoidance careerists will have little to contribute to the strategic planning process.

Now that we've listed some of the "laws" associated with strategic planning, what are the benefits. A number of the guru's (Steiner,1979; Barry,1986; Bryson,1986; Whitter,1987) associated with strategic planning believe that it can help an organization:

- * Think strategically and develop effective strategies
- * Clarify future direction
- * Establish priorities .
- * Develop a coherent and defensible basis for decisionmaking (the Asst. Sec. vs. Congressmen scenario).

- * Exercise maximum discretion in areas under organizational control
- * Make decisions across levels and functions
- * Help solve organizational problems
- * Improve organizational performance
- * Deal effectively with a rapidly changing environment
- * Build teamwork and expertise

SUMMARY

Strategic planning, as K.J. Radford maintains, is above all concerned with power and politics. It is a political process rather than a mechanistic process. The interaction of the parties involved will bring about an interchange of values, perceptions, hidden agendas, etc. that will probably ruffle some feathers of the parties involved but will also result in a clear direction for the organization to follow.

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Prepared by: