

# New Commons' Dynamic Strategic Planning Practices<sup>1</sup>

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## I. Introduction

New Commons uses the practices presented in this “practice paper” to do strategic planning with communities and organizations.

For any organization or community the production of the plan, as a document, matters. But planning is more than the document. We believe a plan is a set of heart-felt agreements among those accountable to design and execute the actions outlined therein. If there are no agreements, there is no plan. And of equal importance to defining the agreements and creating the plan is the fresh thinking that occurs throughout the planning process. And the experience people have in the planning process used to engage them about the issues and topics that matter to them. When people feel heard and experience their influence making a difference, they are more likely to align with the emerging strategic direction and jump in and help make stuff happen.

Our golden planning rule: less is more. We believe it is more effective to create a short plan that is high on action and low on lots of data and over analysis. For example, a short list of strategic initiatives, each with owners, has greater impact on getting real results than a long list of to-dos. (Long lists can create unreasonable expectations as to what will get accomplished.)

The practices presented in this short paper can help an organization or community take their plan beyond the production of the physical document into specific and realistic continuous action.

## II. The Six Tests of a Real Strategic Plan

Organizations and communities have to instill in everyone a strategic thinking framework to guide the future. All planning occurs within this framework. When you think strategically, you are constantly recognizing conditions are changing and the organization or community has to change to respond to the changed conditions.

Effective strategy requires innovation; if there is no innovation there is no strategy. In the face of change, innovation is what you put in place to outperform current practice. Innovation often

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<sup>1</sup> I learned two of these planning practices from a veteran community organizer, now community builder, Jim Capraro of Chicago: plan is a set of agreements and only items with owners are listed in the actual document.

combines new and existing capabilities. Innovation is used to either define new objectives or new ways to achieve current objectives. Innovation can drive either incremental improvement or a breakthrough to a new way of delivering service.

If every thing in the plan is the “same old,” then it is an operational plan based on past efforts.

Good strategy must meet six tests:

- Test One: Does the strategy alter the rules of the organization or the industry in which it does business? Altering the rules = innovation.
- Test Two: Does it force major choices to be made that some things are more important to do than others?
- Test Three: Does it demand alignment of resources (money as well as knowledge) so priority outcomes are the focus?
- Test Four: Does it yield a distinct identity for the organization or community and what it offers in the marketplace among competitors?
- Test Five: Does it demonstrate disciplined consistency of thinking and action when action is taken?
- Test Six: Does it lead to continuous inquiry and learning about the dynamics of the marketplace so you can better execute strategy?

### III. The Contents of the Plan

One useful way to organize an outline for a plan would be to include:

- Purpose
- Core Principles
- Goals
- Metrics
- Conditions
- Strategy matrix of priority initiatives
- Integration and implementation

We like to use a straight narrative format rather than a formal outline such as 1a, 1b and so on.

**Purpose:** A statement of the overall intent, reason for being; the why behind the existence of the entity. Purpose is the timeless result the entity pursues.

**Core Principles:** Define what the organization stands for; what it deeply believes in. Principles serve to animate the purpose – give it more substance than one sentence – and provide guidance when making strategic choices.

**A goal statement:** Declares what you aspire to have in place in 5 to 7 years (what will be noticeably different in the future than what is present today). Here, less is more: 3 to 5 goals provide more strategic focus than 10 to 12 (and there are plans with 10 to 12 goals).

**ROI Metrics:** Present the tangible outcomes to measure progress against. An outcome can be an input such as X number of people served...an output – of those served Y successfully completed something. Or an impact, that is, behavior was changed.

**External conditions scan and analysis:** A condition is a fact, trend or judgment that describes the external circumstances in which the plan will unfold. A condition is what is. A condition “is the state of something in terms of appearance, fitness or working order.”

We prefer doing conditions analysis instead of a SWOT—strengths, weaknesses, threats and opportunities – because conditions reveal a whole system in action. You can see more fully the connections and mutual dependencies among variables because conditions are less linear and static, which is so often the cases with a SWOT list.

Some additional tests of understanding and using conditions:

- External conditions are dynamic...swirling, interacting, ever-changing
- A condition is either a fact, trend or conclusion
- A condition can be affirming or adverse
- A condition is a true statement of what is, the good, the bad and the ugly; don't sugar-coat a condition
- An immediate condition is fully present/impact felt now
- An emergent condition is on the horizon most likely heading this way and the impact is anticipated
- Conditions can be local, regional, national or global
- Conditions are stated with their impact on the plan. Conditions stated by themselves (without the impact) don't provide insights about forming strategy
- The conditions and their impacts can be organized using the entity's goals or organized in broader themes like: ecological, cultural, economic and so on.

**Strategic initiative matrix:** Goals are useful. Objectives can be helpful. But goals and objectives alone tend to be static as there is nothing underneath them to drive action...initiatives drive action. The matrix presents the initiatives required to pursue the goals in the context of the external conditions. Initiatives are organized by goals. Initiatives imply major action. The Oxford English Dictionary tells us initiative “is acting independently with a fresh approach; acting before others do.”

Initiatives can come in several forms:

- A time-specific project
- Design of a new line of services or products
- Redesign of a line of services or products

Initiatives will be prioritized in 4 time-based buckets (or some other number of buckets).

An initiative:

- Is a solution
- Must be strategic – change the rules to create competitive advantage
- Has sufficient scale for impact
- Is finite in duration and conceived of in manageable portions
- Advances progress to achieve the goal
- Tangible and measurable impact – delivers ROI against intended metrics
- Can be a means to achieving an end, but prefer an actual end
- Has an owner (to be included in the plan)

An initiative can take the form of...

- Taking a pilot to scale
- Expanding/making bigger something that works

- Pursuing an opportunity
- Combining separate efforts as collaboration
- Redesigning/redirecting something that exists
- Eliminating something in the way
- Wildcard – something we haven't considered

#### *Use Four Buckets of Time to Organize Initiatives*

Every initiative can't get done at once. Most often there are more strategic initiatives to pursue than is reasonable at one time. An organization or community could adopt 4 buckets to organize the completion of strategic initiatives based on time frames:

- Bucket 1: Doable now/complete within a year
- Bucket 2: Year 1 to 2
- Bucket 3: Year 3 to 4
- Bucket 4: Year 5 plus

To accommodate the organization's rhythm, the time duration of a bucket can be changed (less or more time) or the number of buckets can be reduced to 3 or a fifth one can be added.

Determining what initiatives go into what strategic bucket is best based on analyzing variables that positively or negatively impact implementation:

- Length of time to get something done
- Policy required (tweak, change or create policy)
- Sequence of things: something has to be completed before something else can start
- Level of current cash or new capital required
- Capabilities required to execute (got it now, partner for it, buy it, develop it)
- Level of control that you can exercise
- Level of resistance...resistance is requisite for change, so you want some present...at the same time, trying to launch an initiative against huge resistance early out of the gate, can be the "kiss of death"
- Risk profile – some times it is best to start small or with a low risk thing...often it is better to get some small stretch risk taking experience as the foundation for pursuing bigger risks

Using these variables, the initiatives are organized into one of the 4 time-oriented buckets (or some other number of buckets). Something with not too many variables at play puts it into the now bucket. When an organization or community has to address all the variables with an initiative it would be placed in the fourth bucket for time completion. As you have to address more and more variables to work on an initiative, the order of magnitude increases and it ends up farther out in time. Applying the variables to the 4 time buckets looks like this:

1. Do now initiatives are those that don't require resources, a policy change or new capability – the path to implementation is relatively clear
2. Year 1 to 2 initiatives probably require some resources, some new capability or a policy tweak
3. Year 3 to 4 initiatives probably require significant resources or major capability to develop or buy
4. Year 5-plus initiatives require all or most of the variables to be addressed

With the important fourth bucket of initiatives some stage-setting activity can begin in year one, knowing it will take a lot of time and money to complete it. The time frames are completion times; to complete a project in 5 years efforts will have to start now. Initiatives can be moved

from bucket to bucket based on changing conditions. Initiatives can be dropped or added based on changing conditions.

### **Integration and Implementation**

In this final section, the plan presents:

- Factors and drivers that will most integrate the plan to achieve success
- Requisite changes for evolving a new mindset
- Overall know how/capabilities required
- The organization for making change/successful implementation/taking action differently

This section also presents a plan of action for pursuing an initiative. It might include:

- Outcomes
- Deliverables against a timeline
- The owner of the initiative
- Initiative team members
- Know how required to execute (have in hand, must develop, buy or partner to get)

Section IV of this practice paper provides some further guidance on implementation and organizing for action.

## **IV. Implementation is Continuous**

### **Take Action When it's Ready to Go**

We strongly urge organizations and communities to begin implementation with those people that are ready. When you make a move to implement real stuff, "late adapters" will be drawn into action.

We believe that you can plan and do at the same time. No need to wait for the plan to be polished and bound. Communities and organizations can take early actions if the conditions are ready for execution. For example, you can start now, when there are low barriers to getting resources, no adverse policies are in the way, and the knowledge is present to execute. We like to give every critical player in an organization or a community something important to do.

### **Name Visible, Accountable Owners**

We only include initiatives with owners in the plan. An owner is defined as the person who collaboratively leads the team to execute a specified action item and who will manage the team to produce results. Owners are passionate about what has to get done; they have a collaborative spirit and work for the good of the whole.

### **We Create a *Holding Tank* for Initiatives without Owners**

These items remain in the holding tank until an owner (s) step forward to move something into implementation. A core group of stewards is charged with regularly checking on holding tank items and recruiting owners when needed.

### **Implementation Team Roles**

The owner agrees to carry the weight of being accountable to get the declared result. A team is mobilized to work with the owner. A team could have people performing these kinds of roles:

- Collaborator/broker to connect relationships and serve as a translator among players
- Message carrier
- Integrator – holds a big picture and nudges everything toward wholeness

- Resource or source of know-how
- Policy person that influences and advocates – takes a side on a position
- Convener of facilitator
- Doer that will get it done

An owner can also play one or more of the roles.

### **Use a Flexible Network Structure for Implementation**

We realize that people participate in planning when they feel they have time to be helpful, their contribution will be welcomed and they feel they can make a difference. So we begin working with those that are ready to step-up. Both the implementation group and an initiative team are organized using multiple tiers of involvement. We suggest establishing an implementation network composed of each team to guide the launch of an initiative as well as a coordination group:

- The coordination group is composed of the owners of initiatives plus additional team members like the stewards of yet-to-be-owned initiatives, that coordinates all of the implementation efforts
- For each initiative, form an initiative team composed of those with the know how essential to implement

And then add, as required for both the implementation group and an initiative team:

- A secondary group from which people are invited or choose to come in and out of the process as necessary
- A tertiary group that will make one-time contributions to either but don't need or want to participate fully

We develop an operational structure that includes the right mix of diverse players with the right know-how or connections to implement the plan's priorities. Avoid the usual practice of forming intergalactic-size, politically motivated groups (round up the usual suspects because...). Further be ready to change the core group (overall implementation as well as an initiative group) when the planning process moves from conceptualization to implementation. People skilled at thinking are not always equally skilled at doing and vice-a-versa.

We know homeruns are few and far between. Effective strategic planning is mostly about nurturing, protecting, and integrating ideas and when ready relentless pursuit. An effective operating structure keeps the results coming.

### **Continuously Monitor Changing Conditions**

We recognize external conditions constantly change so the importance/relative weight of strategic initiatives may fluctuate over time. Thus, we suggest constantly monitoring existing external conditions. There are two types of conditions to monitor: immediate conditions are those here now, seen and felt; emergent conditions are those on the horizon, heading your way. In our experience, when people understand constraints and opportunities that conditions constantly reveal, they are more prepared as participants to take action on implementing an initiative and better understand the level of impact the new conditions will have on their efforts.

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