

White Paper

Oxford Libero Consulting

Development of a Strategic Direction for a Reformed Organization



Introduction

Plans are nothing; planning is everything – Dwight D. Eisenhower

We see very few organizations that are serious about being managed strategically. There is a lot of dialogue about strategy in organizations, often referring to tactics. Processes for strategic planning play into this sub-standard result. Much like we see in many of the management programs,

strategic planning consultants try to develop a simple formula that is nearing 'paint by numbers'. They seek to complete a series of documents that can be part of a presentation showing that our leaders are strategic. It can be so much more.

Oxford Libero Consulting's Strategic Perspective

There is a natural skepticism when organizations undertake a strategic plan. It is a requirement for most large organizations but has traditionally seen limited use beyond the development of a document to 'check the box'. It is not an issue with the plan itself but its use within the organization. Too often participants look at these plans as fixed, three year documents that are seen as separate from daily activities. This is where the process fails miserably. This does not have to be the case. What Oxford Libero develops is intended to not only 'tick the boxes' of strategic planning but is to set a foundation for adaptation that will allow the organization to continue to adapt strategically.



Why the Skepticism?

Many people intending on developing strategic plans start with the objectives in mind and a plan of action already 'unofficially' developed. The process then becomes an activity in word-smithing looking to build a platform for the pre-established plan of action. The document is packaged with proper colors, dividers and formatting to look great for the inevitable presentation to the board and organization. With this out of the way, the organization can get back to carrying on business. This leaves the plan to sit on the shelf until the annual review. This is truly an example of you get the result you deserve, based on the effort you put in. This leaves the organization to be run by 'fire fighters' who bump from day-to-day solving problems with little regard of the strategic intent of the organization.

Why Does this Happen?

Human nature is to solve problems. In most organizations, the problem solvers are rewarded for their capabilities. Many of the people promoted have been rewarded for saving a significant project, addressing a major concern or making a client happy. As people progress in their career the expectation should be to move out of problem-solving mode and more to a strategic, forward-thinking perspective. If we have a team entering the planning process with a problem solving perspective you are likely in for a painful process. Unfortunately, a high percentage of planning processes start with the end in mind and codify a series of predetermined objectives based on the perceived issues they see in today's environment. The planning process is hi-jacked toward a document that supports the intended actions of the organization. Too often facilitations dive to this level of the plan too early, validating the approach and result.



Organizations that are continually successful have a core ideology, core values and a clear articulated vision that remains consistent, while strategy adapts to the continual changes in the environment the organization operates in. Unfortunately, in traditional approaches, vision, mission/mandate, core values and environmental analyses end up as a word-smithing exercise. This is abjectly wrong and the reason that strategy has become a punch line in so many organizations. In those organizations, the environment changes, the plan is shelved and the management sets to problem solving without the context of a clearly articulated vision/core ideology. The only legitimate content developed for the strategic plan, the strategies/objectives, change but do so without the beacon the strategic plan is supposed to provide. This can lead to random unrelated decisions across the organization or even worse, decisions at cross purposes as there is no strategic alignment.

Can Your People See Themselves in the Plan?

This is another common complaint seen in many organizations. Employees cannot see themselves in the high order strategic documents that result from the week long planning sessions for senior management. This is often legitimate. Many of these documents were prepared for vetting with the board of directors or to provide guidance to the senior management team. They aren't designed to talk to the individual on the line. Unfortunately, rather than looking for another way, many senior management teams attempt to slide in wording that they can point to when people question where they fit or they put together a road show and try to convince employees that they are in fact a major part of the plan.

The question has to be asked, at what level do you need your staff to be strategically engaged? If you have a hierarchical structure where employees are guided by policies and effectively told what to do,



the level of strategic engagement does not need to be as deep as it would in an organization that needs to adapt locally to issues in the environment to stay relevant. Each requires different strategic approaches. Unfortunately, most management literature and practice seems to think there is only one approach to the development of strategic plans. They may change the timing or put more focus on frequency but the inherent practice remains the same. There is an alternative.

The Oxford Libero Way

Refocusing the Strategy Session

Our approach seeks to develop a plan that is continually referenced for guidance even as the business environment changes. It plays to the fact that managers are ready at any point to make a decision and seeks to provide a framework for decision-making that keeps the organization strategically aligned. Our approach takes the focus off of generating strategies to be included in the budget cycle and instead refocuses on the critical components of strategic leadership.

Our approach is summed well by T.S. Eliot, *“We shall not cease from exploration and the end of all our exploring will be to arrive where we started and know the place for the first time.”*

Before we start talking strategies, it is important to lay the groundwork for the strategic direction of the organization. We focus heavily on the core ideology of the organization, the core values, the mission/mandate of the organization and structure an effective environmental analysis and monitoring approach. We then use this as a foundation for developing the vision of the organization in a tangible and inspiring way, creating the strategic story that is important to clear alignment. The intent of the approach is not to provide fish but to teach the organization to fish. With this information, the strategies/objectives become obvious as we



have a clear picture of what we are trying to accomplish, the parameters we operate in, the environment that we must make our choices in and a vision to provide guidance in our choices. By providing an environmental analysis and an appropriate monitoring approach, we not only create a strategic plan for today but an ability to adapt as the environment inevitably changes. This is the platform for strategic leadership.

How Does Change Impact Your Organization?

Project Management used to think that it was a 'one size fits all' science until it pressed beyond the borders of engineering into the domain of organizations. It is still heavily influenced by its roots with some refusing to give up on the concept of 'critical path' and monitoring every task. Critical path was created as a concept because as projects grew in scope, it was beyond the realm of a project manager to monitor and manage every single task. The logic was that you focus on the tasks that form the longest timeframe through the project and you will complete the project on time.

It is now obvious how fundamentally flawed this approach was to managing large projects. There was little focus on quality built into the approach. If all tasks weren't monitored many would be poorly managed, eventually bumping onto the critical path. The PM ended up chasing ghosts forever throughout the project, always one step behind. The sheer lunacy of the adaptation is obvious now but to the project managers of history it made perfect sense. Why? They were looking at an incremental improvement in a fundamentally flawed process. The point? Strategic planning is in a similar state today with many looking to 'shave the ice cube' by changing minor aspects of the planning process when fundamental shifts are necessary.

Rather than trying to stay the course of incremental change, we see strategy differently. Strategy means different things to different organizations and needs to be form-fitted rather than 'one size fits all'. We have categorized strategy into four different approaches. Our approaches allow you to be strategically focused even in the most



aggressive changing industries. The four categories are: strategically planned, strategically led, strategically adaptable and strategically nimble.

Strategically Planned

Many of those strategic plans that are famous for gathering dust are created in strategically planned organizations.

These documents are often beautifully designed, color coded, organized and bound for distribution to the board of directors and executive management.

These are the organizations that complete their strategic plans because they are obligated by legislation or the interests of the board. They develop the document to 'tick the box' on the board agenda for a strategic plan and then go about their business.

Unfortunately, this is all too frequently the case in corporate strategy. These organizations tend to be very reactionary with a primary focus on fire fighting. These organizations are not serious about strategy.

Strategically Led

We refer to these as 'the farmers'.

Farmers are required to think strategically to be successful. They need to assess their crop year, determine potential for disease, look at soil conditions, assess moisture conditions, research seed options, plan for fertilization, all to assess which seed to buy for the next growing season. Once committed, there is little influence they can have over the end results. They may be able to use fertilizer or pesticides to increase their yields but once the seed is committed to the ground they just have to take a wait and see attitude. Most strategic planning processes seem to be rooted in an agrarian approach to decision-making. They are undertaken annually, the environment is superficially assessed at the same interval and the plan is fixed for the year. This is likely the most common approach to strategy we see. Unfortunately, the world is a lot less unforgiving than this approach would portray. Competitors, customers, employees and business conditions are not fixed annually which effectively makes your plan obsolete when the first change occurs.



Strategically Adaptable

We refer to this as the ‘football team’. Football teams are masters of strategy and strategic planning. Each week the coaching staff receives video tapes of their game and that of the opposition. They spend hours in the video room breaking down the video to look for tendencies in the opposition and tendencies in their own players. This is the preliminary environmental analysis and they are good at it. They then prepare their team through practice and video work to be able to identify and address the tendencies of the other team. Finally, the coaches develop the first 15 plays of the game the team will execute. This will take them less than 20% through a normal game. It seems insane not to plan the whole game but it is instead brilliant.

The football team doesn’t need to plan out the complete game as they believe heavily in the power of environmental analysis. They place spotters in the press box who evaluate the results of all 15 plays. These plays are intended to confirm the strategy of the other team and to identify strategic wrinkles that the opposition has developed for this game.

The team then begins the process of adapting to its environment by adjusting its strategy and correspondingly its plays. They are still being guided by their core ideology and principles but are actively adapting on a regular basis. This is true strategy at work.

Strategically Nimble

We refer to this as the ‘hockey team’. Hockey teams function in a similar manner as football teams except at a higher pace. Football teams get the opportunity to reset after every play, to read the opposition and adapt in a controlled environment. That is not the case in hockey. In hockey, six players on each team need to be able to read a situation and react to it in concert to be successful. There is no stoppage after each scenario. They must flow from one situation to another without the intervention of coaches. This requires a deeper understanding of the strategy of the organization and a personal vision that aligns with the intent of his/her linemates and team. The training involved in bringing this level of understanding is significantly more intensive and the trust level is much deeper.



How to Progress

Not all organizations want or need to be strategically nimble. As the pace of change increases, more and more organizations will want to consider moving to this level. The move from strategically planned to strategically led is simple - you just need to take strategy seriously. This will require re-educating the leadership of the organization or in the worst case, replacing them.

The move from strategically led to strategically adaptable is simple to describe but more difficult to implement. The simple change is to take environmental analysis and monitoring seriously as this will give insights into when your strategy needs to adapt to remain relevant. A critical element of this move is a focus of your information management/business intelligence program on decision-making and the corresponding build to provide the baseline information for environmental analysis. This is when your Business Intelligence (BI) program will achieve the strategic significance it should enjoy.

The move from strategically adaptable to strategically nimble is based on alignment of vision. It is critical that the organization has the ability for proper environmental analysis, as noted above, but it also requires strategic engagement to the lowest levels. We have developed an approach that allows each employee in the organization to engage strategically by developing a personal vision that aligns with the strategic intent of the organization. We work all employees through a mini-strategy session with the same elements as your corporate approach. It provides insights sufficient to free your frontline staff to act in the interest of the organization while assuring that there is appropriate control. This is more involved but not significantly so. It significantly improves employee engagement and strategic alignment.



Power of the Strategic Story...

To be effective, a strategic plan should provide guidance that impacts the direction of the organization on a daily basis and at all levels. Too often strategic documents are lifeless lists of statements and objectives that are designed to tell people what to do rather than provide context that acts as a beacon for on-going linked change. The current forms of strategic 'reporting' fall well short of the potential this direction should hold.

Prior to the written word, cultures used story-telling to keep their history alive and to provide context for the direction of their society. The content and delivery provided a compelling reason for individuals in their society to engage and learn from their leaders. Whole cultures survived on the power of the story-telling of their leaders. It provided the reason for groups of individuals to work together for a common purpose.

In organizations the role of 'elder' is played by the executive team and other organizational leaders. Their role, in part, is to tell the strategic story of the organization. At Oxford Libero we eschew the mundane strategy 'reports' in favour of a more inspiring approach to delivery of your strategy. We expect leaders in the organization to develop a strategic story that reflects the organizational intent and inspires people to follow. This puts the leadership team in a position to lead rather than direct those in your organization.

Our approach uses the strategic story and related strategy components as a foundation of strategic organizational change.



Duration of Your Plan

Strategic plans are generally expected to be for a period of one, three or five years. Again, these random durations have somehow become the norm. Thankfully this mostly occurs in business. Imagine a football team with a set one year plan, or environmental scientists limiting their planning to five years.

The quality and frequency of information is a determining factor in the duration of your plan. Football teams rely heavily on a large volume of information immediately available to allow them to adapt prior to and during games. An environmental scientist has a huge volume of historic information as well as complex models using millions of years of information to train their accuracy as the foundation for planning for the health of our planet. In each case they are using information to allow for a variable duration to their plans. Both of these are examples of strategic planning.

Organizations need to assess the appropriate duration of their planning. A one year plan may be too long if your decision-support information is limited. A five year plan may not be sufficient duration to address the strategic intent/opportunities of the organization. In some cases, a five year plan may be heavy handed. Trying to solve food security and hunger, or global warming in a five year plan, while desirable, is impractical. Why must we constrain ourselves to five years?

Your organization needs to assess the nature of your strategic program and determine the appropriate duration for your planning. These can vary from a few hours or days to hundreds or thousands of years. In most organizations it may not exceed one hundred years but should frequently exceed the normal five year program. You will need to build an appropriate program to support the nature of your planning.



Building a Strategic Monitoring Program

Your strategic environmental analysis should indicate the elements of your environment that are critical to monitor over the planning period. Those elements were the assumptions used to generate your current strategies. In the interest of keeping your plan current and your results in line with your needs, a program to monitor these elements should be developed. Many may be a part of a comprehensive management reporting system to allow your management team to monitor these proactively. Others may be more manual but are nonetheless as important. These all form the basis for a well-designed and relevant management reporting approach.

To keep your plan vibrant, a continual focus on your environment is required. The more aggressive your strategy the better the information currency needs to be. Strategic decision-making is dramatically improved with current and comprehensive information to support those decisions. Your strategic monitoring program will go a long way to making those improvements.



Using Human Nature to Your Advantage

As humans we are wired to solve problems. Our brains take in information constantly, helping us to process what is going on in our environment. We make multiple decisions every minute. This tendency often hi-jacks strategy sessions. This doesn't have to be the case.

By focusing your strategic sessions on vision and environmental analysis you create an environment for strategic success. What this effectively does is provide an improved environment for strategic decision-making. Having the beacon of vision that is used throughout the organization, begins the process of

alignment. Having an effective approach to environmental analysis sets a foundation for a true management decision-making and business intelligence program. The combination of the two creates an environment where strategy meets decision-making. Armed with the right information your continual environmental analysis and a vision of the desired future, strategy becomes a form of decision-making. This approach makes strategy a natural problem-solving process for an organization, taking advantage of human nature to want to solve problems.



Other Recommendations...

Building a Deeper Strategy

Building strategy at the corporate or division level is not enough. This leads to what we call “Management by Magic Wand”, where strategy is held close at the executive level and presented to the rest of the organization. This does not allow your people to internalize the strategy, often leading to passive resistance and confusion. This severely interferes with the implementation of your strategy. Our recommendation is to cascade your plan to an appropriate level in your organization.

If you are looking to make significant changes in your organization, leaving your multi-year plan at the corporate level is missing an opportunity to develop specific plans to make your strategy real for your staff. Your management and staff should become the enablers of those changes. This requires a well-designed specific set of plans to focus their teams.

A move to becoming strategically adaptable requires engagement of your complete management team in the development of increasingly more detailed strategy, which is relevant to their operational teams. A move to strategically nimble requires aligning your complete team based on personal vision and engaging them in the strategic process. Engaging your people in an effective process will go a long way to improve your employee engagement and embedding the strategic management philosophy in your management team.

Developing a Stronger Management Team-Becoming Strategically Adaptable

Your managers should be acting as Chief Operating Officers and Strategic Human Resource Consultants. Their role is to actively understand and monitor the organization, hold their team accountable for delivery and create the work environment that allows each



individual to flourish. To move to an organization that is strategically adaptable requires the engagement of the management team in the development, monitoring and execution of your strategic intent. This will require their active engagement in the development of strategic plans for their own work units, including specific environmental assessments and visions for their team. It will also require the directors to step back and allow their management teams to make strategic decisions and adapt to their environment.

Improving Employee Engagement - Becoming Strategically Nimble

There are very few examples of strategically nimble organizations. For organizations seeking to be more nimble than their competitors and/or more customer focused, it is imperative that the strategic vision be personalized throughout the complete delivery team. It is standard for most organizations to have an established accountability framework that includes individual job descriptions. This is the base mandate of each employee in the organization.

To improve engagement and your ability to adapt requires truly empowering your employees to work in the best interest of the organization without the need for the intervention of your management team.

The requirements are part management philosophy and part active engagement by your team members throughout the organization. The role of the director needs to change to allow your managers to grow, much like the roles of the managers and supervisors need to change to allow their employees to improve their personal engagement.

There is too much talk about empowerment in organizations without tangible changes taking place. True empowerment is a product of allowing employees to set their own agenda within the parameters of the organization. This is often uncomfortable for managers resulting in incomplete implementation and employee skepticism.

We have been successful in creating strategically nimble organizations by



making minor but significant changes to the focus of alignment within organizations. The fundamental control mechanism of most organizations have been a comprehensive list of objectives that are reviewed semi-annually and evaluated at the end of the year. Unfortunately, this leaves very little ability to adapt to their environment as it changes. We are giving up this adaptability to a sense of control. The question is: which is more dangerous, a possible bad decision by your employees, or your organization only checking to see if it is relevant once per year? This can only be answered by each organization individually. Most of our restructures have been as a result of organizations becoming staid using the annual process. They quickly lose track of why the organization exists and what its core intent is in favour of a list of objectives/tasks out of touch with the environment they are in. There is an alternative. It may be a major departure from the norm in your organization but is possible and beneficial if implemented well.

Building a Rolling Plan?

A one year plan is generally developed to support the annual planning cycle and budget development. While practical, this is often the reason that strategy loses its relevance. It gives the impression that strategy is an annual review that is quickly forgotten in favour of the day to day issues that need managing. We have recommended that each team within the organization develop its own long term plan (often with a 20+ year horizon and supporting shorter term plans, 3-5 years). An annual plan is complementary to this approach. What it will provide is focus on those strategies that should be undertaken in the short term.

With the importance of the short term (normally one year) plan, allowing it to stagnate is counterintuitive. An option is to consider implementing a short term rolling plan. This would start to embed a strategic culture in your organization. Most organizations with a rolling plan conduct strategic reviews monthly or quarterly, reassessing their environment and adapting their plan.



Depending on your industry and environment this could be even more frequent (daily, weekly or even more frequently). This keeps a continual focus on your management team's role as architects and operating officers rather than doers. This can be as important as the redevelopment of the plan and keeps the team looking ahead.

It is critically important that whatever the duration of the plan, your strategic program remain top of mind and supports your organization's adaptability in your strategic environment. Long term can mean anything from 20 years to 20 days depending on the competitive environment.



Driving Strategic Engagement Deeper in the Organization

Our approach for moving from a strategically led to strategically adaptable or even strategically nimble organization will require taking your full management team, or even your employees, through focused strategic sessions to align them with the new direction of the organization. This deeper dive into the strategy of the organization allows employees to engage in the planning process and take responsibility for their role in achieving your strategic direction. These are normally 1-1 ½ day sessions that truly drive home the strategic intent of the organization at a deeper level.

As we briefly discussed, Oxford Libero Consulting has a comprehensive leadership program that is designed to completely redevelop an organization while building leadership capacity. In organizations that have become staid or are looking for significant directional change and the associated need to

revisit all aspects of the organization, we encourage you to take the time to rethink your structures and management approach. Our structured program provides for a complete rethinking of the architecture of your organization through a 20 week program that educates your senior management team in their role as a senior leader while giving them the platform to completely rethink their service offering and approach to delivery. This is invaluable in delivering on the strategic intent created by your strategy exercise.

We also encourage you to review Oxford Libero's white paper on our organizational redevelopment approach. It is available on our website at www.oxlib.ca. It outlines how we can redevelop an organization from top to bottom in a minimum of 42 weeks while providing an on-going management system/approach that allows your organization to continually adapt from



that point forward. Critical to the approach is our series of leadership programs that form the foundation of comprehensive organizational redevelopment.

The **Leadership in the Middle** program is a 20 week program that provides ½ day sessions every other week, with a requirement of developing an aspect of your organization as a takeaway assignment. All work is completed under the guidance of an organizational mentor, which assists in increasing organizational alignment and provides a valuable learning opportunity. It also acts as a method of identifying high potential candidates for succession planning. At the end of the 20 week program, your organization will have a much more deeply held understanding of your re-architected organization and improved senior management capacity.

To further your organizational reform, the next stage in the process is to take your front line management through the 20 week **Leadership on the Line** program. This program allows your critical front line managers to develop

a clear understanding of the value proposition of their group and provides the skills to manage the front line workers in meeting those expectations. This program has a similar architecture with support from the senior management team as mentors and bi-weekly assignments that add depth to your redevelopment efforts.

To complete the program, we can also offer our **Stepping Up to Leadership** program for your senior technical staff with a high potential for management, or who act as analysts or project managers. This series is a 10 week program that introduces this staff to the role of a manager and prepares them to understand the management perspective when working with them. It is a critical program for developing effective analysts capable of improving the organization as value added facilitators of their client groups. It also begins to identify potential future managers for succession planning.



Conclusion...

As with many management tools, strategic planning has taken its lumps. This has been due to the use of inappropriate tools, a flawed thought process or appropriate tools in the hands of the wrong people. We hope that our white paper may be the beginning of a discussion on the evolution of strategy. As with many management tools, it needn't be replaced but needs to be relevant to the situations it seeks to be used in and well understood so that it is not used inappropriately. Strategy is not a paint by numbers process, it has a continuum and requires a certain amount of art and skill to be used effectively.

In its most simple terms, strategy can be improved simply by an improved focus on vision and environmental analysis. Understanding where you are going and understanding what is going on in your environment can make your strategic process significantly more adaptable and relevant in your daily operation. Ultimately, strategy is only as valuable as its impact on your operation. It can and should be the foundation of every decision made in your organization.



More Information...

For more information on our program and each of the sub-programs we offer, please consult our website at www.oxlib.ca or contact us for our more detailed documents describing each of our programs. We are happy to provide additional details on our programs and about our consulting group.

We also encourage you to visit our website. We are happy to provide briefings in each of our areas of expertise. We often have unique perspectives that you may find interesting or even provocative. We also provide information regarding public courses being offered by Oxford Libero Consulting throughout the year.

Contact Us:

You can contact us via **e-mail at:**
info@oxlib.ca

Phone:

Michael Dumelie B.Admin. CMA
MBA(Oxon.), Partner
(306) 502-1036

Barbara Osborne B.Admin. CMA,
Partner
(306) 541-5061

Address:

3036 Albert Street, Regina SK S4S 3N7

