

ACTS WEEK 7: STRATEGIC PLANNING

Leading and Managing Strategically

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I. Christ – The Master Strategist

Ephesians 1:11-12 – “In him we were also chosen, having been predestined according to the plan of him who works out everything in conformity with the purpose of his will, in order that we, who were the first to hope in Christ, might be for the praise of his glory.” (See also Gen 3:15, Is. 37:26, Prov. 6:6-8, Is. 30:1-5, Rom. 15:22-29, Ex. 18:1-27, Rev. 4:2-11, I Cor. 14:40, Num. 11:1-35, Dt. 1:13-18)

The Jesus Model – equip and empower twelve disciples/leaders to reproduce themselves in others

II. Introduction to “Strategy” – The Basics

A. What is it?

Consciously choosing the future

B. The *Stratego*

A person, chosen to lead ancient Greek armies into battle, based on:

- The ability to envision big picture
- See multiple ways to get there
- And flexibility to change course as circumstances change

C. Elements of strategic thinking

1. First half of the mindset of a strategos: Standing in the present, we *think*, we *believe*, we *feel* that if we *efficiently* and *effectively* use the *resources* at our disposal and those we're able to attract in pursuit of our *purposes* in a manner consistent with our *beliefs*, we can see in our mind's eye some *psychologically meaningful* distance into the *future* the state of affairs I intend to bring about (the nature of the organization, community, etc.) that would not have happened in the normal flow of things absent *conscious intervention*. (Prof. Tom Ference at INM)

Requires Mind, Heart, and Strength

2. Second half: the ability to walk out into that future in your mind's eye and discern how to get there from the present. The concept of the maze: begin from the end point and work backwards.

D. What's the point?

To systematically, consciously, effectively *add value* over time. Leave a *legacy*

Let your eyes look straight ahead, fix your gaze directly before you. Make level paths for your feet and take only ways that are firm. Do not swerve to the right or the left; keep your foot from evil. (Proverbs 4:25-27)

III. The Dialectic

- A. Thinking strategically establishes a dialogue between the *present* and the *future* where the *future* drives the dialogue. Actually, more than a dialogue: a dialectic.
- B. As you start to act on the plan you begin to change the world so you need to adapt to changing realities. Return to the conversation every few months and see if it still makes sense.
- C. Absent direction to the contrary, don't ask permission; inform and notice. Often it's easier to ask forgiveness than to ask permission. Are you willing to stake your career on your vision?

IV. Strategy is a multi-layered mindset

I think, I believe, I feel

- A. I think: I've done the research and the hard-nose fact finding, and the strategy is objectively supported by reason. There is a finite probability that if everything falls in place, our purposes are achievable within the timeframe. Not risk, free, but rationally possible. Is the risk level tolerable? Head/Mind.
- B. I believe: Over and beyond reason, I believe we have the capacity to overcome barriers and fight through potential downside. Speaks to appetite for risk. Heart/Spirit.
- C. I feel: In my gut, instinctively and intuitively, it's the only thing worth doing. Gut/Soul.

VI. Management Challenges

- A. Strategy is difficult because it takes you out of the flow of daily events. Most organizations are characterized by excess, and growing, aspiration or demand being pursued with inadequate, and relatively shrinking, resources. Also, number of competitors grows faster than resources.
- B. The 80-20 rule: Most of us have at most 20% discretionary time to think about the future and be strategic. The challenge is to use that time to make tomorrow's 80% better than today's ... to uniquely add value.

- C. Goal: leave a legacy. An organization is an entity that persists over time independent of the identity of its individual members.

VII. The BHAG (Big Hairy Audacious Goal): The mission realized

- A. “Built to Last” – Some organizations achieve success on their own terms and last; they achieve what they set out to achieve. Why? They move from an actual present to a *BHAG* (big hairy audacious goal) that they hope to achieve *someday*.
- B. They have a core ideology (belief system); a core purpose (mission); and an envisioned future (an idealized vision of Greatness that can be described in vivid and emotional terms).
- C. Vision is not right/wrong, so don’t think about it in those terms. Our actions are changing the world and evaluation must consider the changed environment. Periodic evaluation allows us to assess:
- The tools. Are they meeting/exceeding expectations? Changing expectations?
 - The vision. Has the experience altered the envisioned future?

Also allows us to push our vision forward. We can see further into the future.

D. 2 Examples: (corporate and nonprofit)

1. Post WW2 Germany, two major car manufacturers: VW and Daimler Benz.

DB’s purpose was to create the finest engineered automobile no matter the cost; make only as many as there are customers; at a price that gets a fair return to investors. It doesn’t sound like the goal of a profit maximizing company, but rather an engineering company wanting to tinker.

VW’s mission was to engineer the world’s most efficient automobile at the lowest cost, to make the most, and get a fair return. VW was also driven by engineers, but efficiency seeking engineers.

Two strong BHAGs driven by different values, but have lasted. Both lost way in the 80s but transformed along with the industry when the economic model of the industry changed to leasing rather than purchasing.

2. March of Dimes. MD’s original BHAG was to cure polio. Late 1950s, within two years, polio vaccine was invented and the disease was cured. MD could have liquidated because its BHAG was achieved. Instead, leveraged its efficient machinery to childhood diseases and birth defects, and kept the focus on one or two at a time.

VIII. Strategic Thinking: How?

- A. Clock-building, not time-telling.
- B. A strategist must be a diagnostician. **Ask the right questions** in the right order to get to the heart of the matter. Symptoms are rarely the causes of problems. Don't treat symptoms; reduce complexity in order to identify the accurate cause and address it.
- C. Three levels of strategic thinking (order matters):

Conceptual (who are we & where are we going?)

- Aspirational
- Intentional
- Purposeful

Analytical (testing the feasibility of aspirations)

- Feasible
- Rational
- Empirical

Operational (how will it be implemented?)

- Implementation
- Behavioral
- Action

- D. Preserve the core/stimulate progress

IX. Conceptual – the emotional basis for a BHAG

- A. Who are we and why do we exist? – **Mission**
- B. What do we believe in/hold dear? – **Values (Core – don't necessarily agree on every value or importance all the time, but which values are generally shared?)**
- C. Where do we want to be/what do we want to look like at some *specific* time in the future? (So what? How do we know this isn't just rhetoric?) What are you willing to hold yourself accountable to? – **Vision (Are you getting where you want to go?)**
- D. What do we have to do to get there? - **Strategy**

BHAG – the Mission realized

Review periodically. Formal, written mission may rarely change, but emotional understanding of mission evolves over time.

Sources

Good to Great, Jim Collins

Built to Last, Jim Collins and Jerry Porras

Prof. Tom Ference, Columbia University, Institute of Nonprofit Management

