Wild Card Scenarios Improve Strategic Planning

Rima Shaffer

Most organizations use a strategic planning process that includes scenarios of what might happen in the future that would affect how the organization operates. However, one weakness of these scenarios is that they often fail to recognize how truly chaotic the world can be. Therefore, when the world changes in an unexpected way (and it will), the strategic plan is useless because it doesn’t provide any guidance on how to act.

One way to improve the strategic planning process is to consider what I call wild cards, which are events that have a low probability of taking place, but should they occur, will have a profound effect on your business. Adding wild card scenarios to your strategic planning process gives you the opportunity to examine numerous possible futures and to think about how these futures might affect the course your organization sets for itself. It also helps the organization clarify and make explicit the assumptions it is making about the future. Clarifying these assumptions decreases the likelihood that the organization will be blind to the strengths, weaknesses, opportunities, and threats (SWOT) facing it.

While the wild card futures you predict may seem far-fetched, they may, in fact, come to be. Think of the many changes that have happened in the last 15 or so years, such as the breakup of the Soviet Union, the mapping of the human genome, cloning, fiber optics, 9/11, and consider how these events have influenced your organization.

Wild Cards
The best way to construct plausible
(Continued on pg. 2)

What’s the Story? Why Stories Are Critical to Strategic Planning

Rob Creekmore

When I worked for GTE in the early 90’s, every year the division chief executive would stand before the assembled employees to give his annual talk on how business was going. We would sit and listen dutifully as he reeled off the numbers.

I’ll never forget when a colleague leaned over and said, “Doesn’t he realize that just talking numbers like that is killing us with boredom? Why doesn’t he inspire us for a change? What’s the story?”

What this executive was lacking—as my colleague intuitively knew—was

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Wild cards (continued from pg. 1)

wild cards scenarios is to examine trends such as demographics, technology, politics, legislation, and the environment, and think about where those trends might lead in 10 or 15 years. Start by asking yourself the following:

- What assumptions am I making about the future in the next 10 or 15 years?
- What futures are most plausible?
- What future do I prefer?
- What wild cards could affect my preferred future?

Based upon the assumptions you make and the trends you think of, create multiple scenarios such as:

1. A business-as-usual scenario.
2. An impact of technological breakthroughs scenario.
3. A change in demographics scenario.
5. A geopolitical reform scenario.
6. A change to the natural environment scenario.

For each of these scenarios, consider:

1. What is happening in the larger world? Describe it.
2. What is happening in your business unit? How are you responding to this scenario? Ask yourself:
   - Who are our customers?
   - Who are our stakeholders?
   - What risks will our organization and our business unit face in this scenario?
3. What advantages and opportunities does this scenario present to your organization and your business unit?
4. What strategies must you adapt to forward your organization’s mission and vision in this scenario?
5. What other wild card events could affect this scenario?
6. Looking at the entire system, what new kinds of marketing partnerships and arrangements can you create in this scenario?
7. How can you adopt and change processes to create new markets?
8. Where are the hidden opportunities?
9. How do you choose to position the organization in this new world?

By examining wild card scenarios during the strategic planning process, the organization will be ready when windows of opportunity to create change occur. Over time, as employees become more skilled at reading early warning signals, and, having discussed the many possible effects of these signals, the organization will have a clearer understanding of the decisions that need to be made that will put the organization in a position to take advantage of opportunities as they occur.

Thinking about the future in this fashion pays huge dividends.

For more information on scenario wild cards, click here or go to http://www1.astd.org/pdf/od/Rima_web_rev.pdf

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Stories (continued from pg. 1)

an awareness of what inspires, and thereby unites an organization. Stories, especially strategic stories, can do this.

A strategic story creates a vivid picture of the organization’s future that embodies its most deeply held values and shows how those values will come to life in the future. It’s a story that employees, as well as investors and even customers, can relate to because they can see themselves in the story.

What does story telling have to do with strategic planning? The key in this process is vision. Is the vision something that people can actually see and experience in their imagination? A strategic vision that is conveyed through the rich evocative sequence of images that make up a story can bring the strength, weakness, opportunity, and threat (SWOT) data to life in a way that ensures everyone in the organization will not only survive, but thrive.

When we collect SWOT data, we often leave out the rich stories that provide a more complete picture of what that financial data means. We forget that organizations are made up of people and of complex formal and informal social structures that can either enhance performance or weaken it. When you are in the data-gathering phase of your strategic planning process, it is important to remember to collect and present the stories that your employees and customers are telling you. These stories convey the larger context of what the financials mean.

One way to do this is through “appreciative inquiry.” By asking your employees to share specific experiences about when they have felt most appreciated and effective in their work, you can begin to understand and apply the underlying values that are the deeper strengths and weaknesses of the organization.

On the other end of the strategic planning process—evaluating external opportunities and threats—the need to construct plausible alternative scenarios of the future is increasingly recognized as an important feature of strategic planning.

In summary, using stories in your strategic planning process is critical because:

- When collecting data and evaluating strengths and weaknesses, it is the stories that your employees and customers tell that really convey the underlying value of your products, processes, or organizational structure.
- It is only the stories of your whole stakeholder community that provide the depth and context that bring abstract performance data to life.
- It is crucial to include stories or scenarios of the future to clearly see and evaluate an organization’s opportunities and threats.
- Only a story can create a clear vision that allows stakeholders to see themselves living in a common, inspiring future.

For more information on storytelling in strategic planning, click here or go to http://www1.astd.org/pdf/od/Creekmore_rev.pdf.

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Upcoming Events

ASTD brings ROI to Amsterdam

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Event: ROI in Government One-day Conference

Date & Location: September 12, 2003 Fort Belvoir, VA

For more information: roi.astd.org
At its heart, strategic planning is a rational management tool for setting organizational goals and deciding how to reach them. Trouble is, once a strategic plan leaves the drawing board, its implementation is often anything but rational. Why is that?

Often, it’s because a strategic plan is only as good as the interactions of the people who are supposed to carry it out. One curious characteristic of being human is that we don’t always act rationally. Why? Usually because we have unconscious competing commitments that result in things being kept the way they are. According to Harvard psychologists Robert Kegan and Linda Lahey, this “immunity” to change can slow and even sabotage organizational change efforts.

To overcome this immunity, organizations impose rules and policies meant to control behavior and elicit cooperation. Ultimately, rules and policies produce exactly what they don’t intend—unfairness, inattentiveness, and ineffectiveness. Kegan and Lahey call this “organizational disintegrity,” and it shows up in recurring disagreements, personality clashes, gossip, rumors, complaints, blame, turf wars, behind-the-back maneuvering, and other interpersonal snafus that hinder performance.

Kegan and Lahey believe the only way to restore organizational integrity is to creatively deal with people’s immunity to change. One suggestion is to shift from rules and policies to public agreements. Public agreements are agreements that groups make for how they will work together, and how they will handle interpersonal issues.

Some examples of common public agreements include:

**Come to me first.** Complaints are handled directly with the person or persons involved rather than through gossip or complaints to others.

**Check it out.** Publicly inquire about assumptions and perceptions as they arise rather than jumping to conclusions and acting on them as truth.

**Say what’s so.** Honest thoughts and feelings are shared rather than saying what you think the other person wants to hear.

Public agreements are more effective than rules and policies for two reasons.

- shared ownership and responsibility that supports greater organizational integrity
- continued personal and organizational learning.

Here are a few suggestions for how to use public agreements to more effectively implement a strategic plan:

**Start small.** Convene the plan implementors and have them look for existing public agreements and decide how violations are handled.

**Identify a problem.** Have the group identify one ongoing problem that has hobbled past change programs or strategic plans. After defining the problem, have everyone create an agreement that they believe will positively address the problem.
Translating Strategy to Action: Lessons Learned

Becky Roberts

Today, organizations can't afford strategic misalignment. Yet, many organizations have devoted vast amounts of time and energy to strategic planning, but have little to show for it.

Through strategic performance management, you can ensure that your strategic planning efforts will have high impact and will translate into measurable results.

Managing Strategic Performance

Strategic performance management is a way of conducting strategic planning that provides a conceptual framework for aligning everyone in the organization. It also ensures that all contribute to achieving the desired results. Use these simple three strategic performance management steps:

1. Define the strategic goals, the results desired, and how the organization will know if the results are achieved.
2. Measure accomplishments and day-to-day operations, outputs, and outcomes.
3. Use the measurement information to reward, celebrate, and reinforce positive results and to redirect efforts that did not yield the desired outcomes.

How do you ensure that the strategic plan is a high-impact, living process rather than a document that sits on a shelf?

When I look back at the strategic planning projects I have been involved with, the successful ones shared a number of key attributes. Our High-Impact Strategic Planning™ process is based on following these critical success factors:

- Establish a vision and then develop an implementation plan that clearly identifies the steps to move you in the proper direction.
- Dare to think big. If you want to achieve great things, you must establish Big Hairy Audacious Goals—a term coined by Jim Collins.
- Be open to new ideas and ways of looking at things. Take basic assumptions and turn them upside down or inside out. Turn your greatest weakness into a competitive advantage.
- Align budget with planning, but don’t do it too early. Don’t allow budget concerns to constrain your initial thinking.
- Abandon activities that don’t support the strategic plan.
- Implement a measurement process and management practices that focus on strategic goals.

Strategic planning is one step in a cycle that makes great things happen in an organization. By doing the hard strategic thinking up front, being uncompromising in integrating that thinking into your operational plans, and then zealously keeping the focus on your strategic goals, there is nothing your organization can’t achieve.

For more information on strategic performance measurement, click here or go to http://www1.astd.org/pdf/od/Beckys_article_on_strategic_planning_web.pdf

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If your strategic planning process doesn’t address the rapid change and complexity in the world around you, you’re in serious trouble.

Business leaders who grapple with how to do effective strategic planning offer one painful insight: We can’t plan like we did 10 years ago. Planning practices that once enabled a company to grow may cripple it today. Ironically, while many managers reengineer and redesign their key processes, such as new product development, few consider changing the high-leverage process of strategic planning.

I offer two litmus tests of good strategic planning: 1) your company achieves its growth and profitability objectives in the marketplace; and 2) all of your people understand and execute the strategy daily.

Many managers are dissatisfied with the implementation of their strategy, and wonder why events don’t unfold as planned. And many commit strategic "sins" of either commission or omission. Here are 10 common ones and what to do about them.

Five Sins of Commission

1. Pack the agenda so tightly it screams. You may have many points to cover when dealing with strategic issues, but recognize the limits to what you can accomplish in a short time. A full agenda leaves participants frustrated.

Way out. Before meeting, develop an agenda that you think you can achieve, and then cut 30 percent. Address those items in a separate meeting, or delegate them. Develop criteria to prioritize the five items that need to be addressed. This forces discussion about priorities—what’s in and what’s out.

2. Focus on problem-solving versus futuring. Many planning sessions degenerate into listing problems, prioritizing them, then assigning action plans to address them. Often there are many problems, and people leave feeling enervated because of the work ahead of them.

Way out. Start by articulating the future you want, not the problems you have. To get a grounding in the present, project what the future will be like if nothing changes. Then, consider the difference between two articulated futures: the most desirable future, and the trajectory of the present if nothing is done to improve current conditions. Then, plan accordingly. To achieve quality outcomes, pull people into the future rather than push them out of the past.

3. Focus only on company and industry opportunities and threats. Focusing a strategic agenda only on your industry can cause big trouble. You may neglect big picture events, like the Internet.

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**Way out.** Expand your discussion to include the greater demographic, technological, and social trends that are not directly related to your business. If Fred Smith had thought only in terms of traditional distribution industry practices, FedEx wouldn’t exist.

**4. Round up the usual suspects to participate.** Many managers invite only three to five senior people to participate in developing plans. This creates the potential for dangerous carryover assumptions about markets, products, and other high-leverage issues. Often key pieces required for strategic planning are left out because necessary people or information aren’t available.

**Way out.** Inviting representatives from different areas to the planning retreats can be productive with up to 35 people. You might invite someone who heads up customer service, if service is viewed as a key to success. When you invite others, they can hear the issues, debate the issues, co-plan with others, and disseminate plans with a passion.

**5. Only plan for one emerging future.** In this global economy it is difficult to predict anything with certainty.

**Way out.** Develop several scenarios that could happen in your industry and the extended demographic and social environments. Then, develop action items to ensure that your strategic planning addresses several scenarios.

**Sins of Ommission**

1. **Don’t think about information before it’s needed.** Often great care is taken to get the senior team off-site, only to find in mid-session that the information managers need is not available—and, it will take days to put it together. Result: the planning retreat is a bust.

**Way out.** Before the off-site session, determine information that will be key for understanding and decision making. Arrange for creative briefings using audiotapes, discussion forums, or presentation on the Intranet. You may not catch everything, but your chances of an “information disruption” are much less.

2. **Don’t devote time to disseminating strategy.** One lament of CEOs is that while the company strategy seems crystal clear to senior management, it does not match what’s happening daily.

**Way out.** Set your goals, and let these serve as inputs to the next level. This level then negotiates goals, comes to agreement, and then provides their goals as input to a third level. This process helps people see how strategy translates to day-to-day work. Develop a portfolio of diverse goals and a system of accountability.

For more information about the sins of strategic planning, click here or go to http://www1.astd.org/pdf/od/Instant_Consultant_Article.pdf

To order your copy of the Instant Consultant Performance System
Go to: store.astd.org
Stock #: 470301
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Book Review: Strategic Planning for Success: Aligning People, Performance, and Payoffs

Roger Kaufman, Hugh Oakley-Browne, Ryan Watkins, and Doug Leigh

Reviewed by Lisa Gross

As I read this book, my first reaction was, although it covered a lot of territory with regard to strategic planning, performance improvement, and change, there was nothing in the book that I had not already learned on the job or read and studied elsewhere. The book is comprehensive, incorporating a wide range of topics inherent in strategic planning initiatives. These include:

- working with paradigm shifts, frames of reference, and mental models to effect individual and organizational change
- avoiding fads and solutions in search of problems
- strategic thinking versus strategic planning and critical success factors for strategic thinking
- defining and assessing needs
- solving problems
- developing objectives
- creating change and dealing with resistance.

As I continued reading and reflecting on the content, templates, and tools included in each chapter, I saw the significant merits of the book, both as an overview text for entry-level management and organizational consultants and students, and for more experienced professionals. For the former, the book provides an excellent and concise synthesis of the authors’ planning methodology and the theory behind it. It also contains pragmatic advice and warnings from authors who have obviously “been there and done it.” A useful resource, the final chapter recaps the significant points of the book and provides suggestions for further reading. For the more experienced professional, the book contains checklists and tools (including a CD) with thoughtful questions to ensure that critical success factors in planning and performance improvement efforts are not overlooked—and that common mistakes are avoided. Who does not need help, in the midst of a complex initiative, to make sure that nothing is overlooked and that no stone or critical success factor is left unturned?

I believe that there are a number of good models and approaches to high-payoff strategic planning, thinking, and performance improvement and this book provides an excellent overview and many useful tools, reminders, and resources. It is a pragmatic guide to read, own, and use. I am glad to have it on my bookshelf.

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To order your copy of the Strategic Planning for Success: Aligning People, Performance and Payoffs Go to: www.amazon.com
ISBN: 0787965030
List Price: $60.00

“The book is comprehensive, incorporating a wide range of topics inherent in strategic planning initiatives.”
Public Agreements  *(continued from pg.4)*

**Monitor the agreement.** See when it is kept and when it is violated. Hold regular check-in meetings to celebrate growing organizational integrity, refine the agreement if necessary, and talk about any violations. (Talking about violations is crucial.)

Instituting public agreements is challenging work and takes time. However, putting people in the drivers’ seat of their own personal and collective behavior is the only avenue to successfully implement strategic plans—because you can’t impose motivation; people have to own it.

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**Strategic Planning Resources**

**Books:**

**Info-line:**

- Gilley, Jerry W. “Strategic Planning for HRD.” (ASTD Product Code: 259206).

**T+D:**

**Web Sites:**
- [www.allianceonline.org/faqs/sp_main.html](http://www.allianceonline.org/faqs/sp_main.html)
- [http://search.genie.org/genie/ans_result.lasso?cat=Strategic+Planning](http://search.genie.org/genie/ans_result.lasso?cat=Strategic+Planning)

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