

# Reinventing Strategic Planning™

## A Researched Based 21st Century Success Framework

By Stephen Haines, Founder and CEO of the Haines Centre for Strategic Management®

### REINVENTING VS. REENGINEERING

There has been much talk in the past 10 years about the term “reengineering this” or “reengineering that.” However, the Centre for Strategic Management® believes that what we have done over the past 13 years is “reinvented” the Strategic Planning Process. We differentiate our work from “reengineering” because our reinventing process started with a zero-based blank sheet of paper. We then completely reinvented a new Strategic Planning Process based on Systems Thinking for the first time. We turned it into a **21st Century Yearly Strategic Management System and Cycle** that high performance organizations use—resulting in many fundamental differences from the past.

This is contrasted with “refining” a Strategic Planning Process—which is fine tuning or tinkering with a few areas. This fine tuning comes under the heading of “Continuous Improvement,” part of the Total Quality Management (TQM) concept. “Reengineering” is a more radical redesign, still within the existing structure of what already exists, yet a radical (and important) improvement in efficiency. We at the Centre, however, started only with the proverbial blank sheet of paper and the Systems Thinking framework.

We asked ourselves the number one question from Systems Thinking, which is, “**What is the purpose, or goal, or outcome that we’re after?**” All past and most current Strategic Planning efforts do not start here—we do.

From that question, we answered with our now standard three goals for every organization:

- **Goal #1:** Develop strategic and annual plans and documents;
- **Goal #2:** Ensure successful roll out, implementation and change;
- **Goal #3:** Build and sustain high performance over the long term.

### The ABCs of Strategic Management™

*Creating a Strategic Management System and Yearly Cycle is one of the three Corporate-wide Core Competencies required for sustained business excellence world wide.*

—Stephen Haines

Within this set of three goals, we then asked ourselves, “What framework should we use?” We quickly decided on the Systems Thinking Approach® (based on the science General Systems Theory). It is a more normal and natural way for society and all of us as members of this planet to think and live than traditional linear and piecemeal/analytic thinking. All living systems naturally live within the General Systems Theory framework (and our copyrighted A-B-C-D-E “new orientation to life”). See the chart below for the five key points of General Systems Theory from this A-B-C-D-E framework. We put locators on this framework and called them Phase A, Phase B, Phase C, and so on. This gives us some “locator” places upon which to discuss and build our Strategic Planning and Change Processes and system. It is defined to meet the three goals we set out for ourselves and our clients through what we and others call a Yearly Strategic Management Cycle. Strategic Thinking Defined

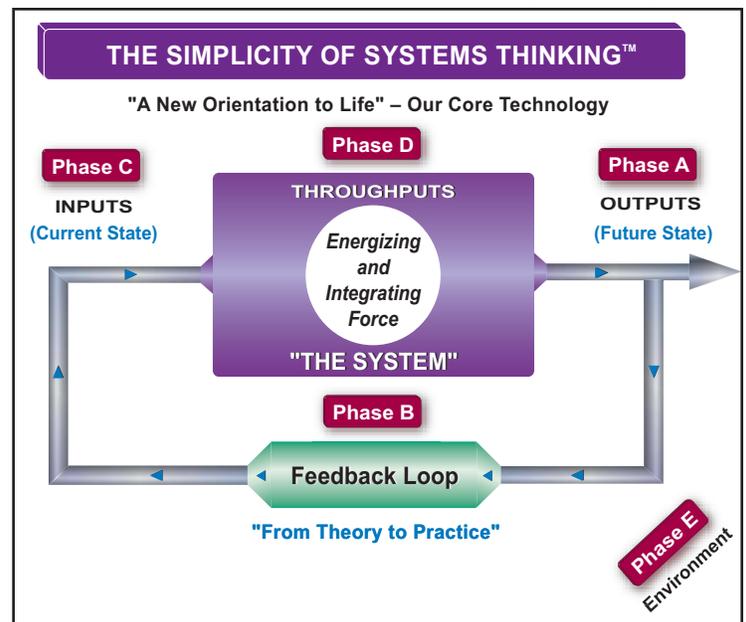
### THE REINVENTING PROCESS

Once we set up the Systems Thinking Framework, we then started to figure out how to use it as an integrated organizing framework to reinvent the Strategic Planning and Change process into a Yearly Strategic Management Cycle. We conducted a 1991 literature search and an analysis and comparison of 27 different Strategic Planning and Change models for comparisons of

the Strategic Planning and Change research with these other popular models, theories, and literature sources. We also further researched General Systems Theory as the most general, logical way to describe any living system. We continue this literature search today.

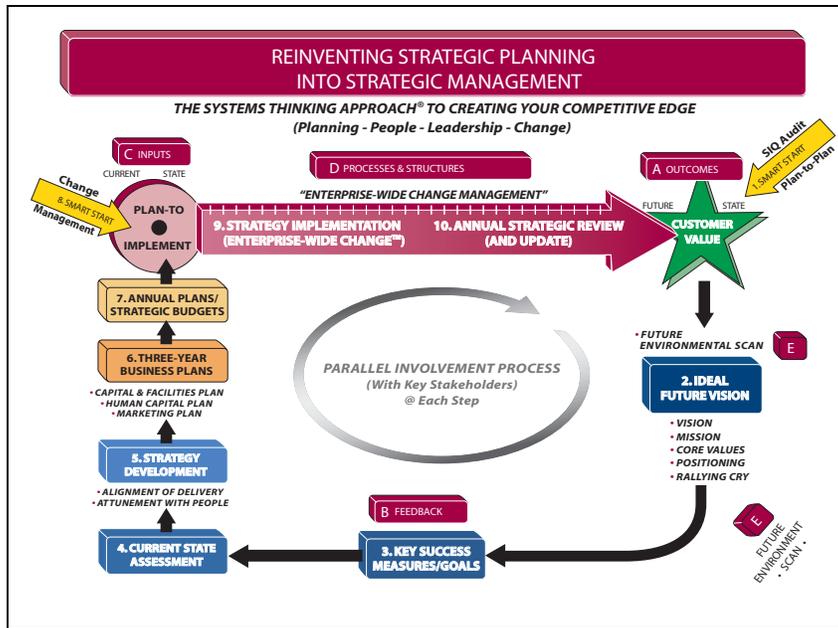
In particular, we looked at George Steiner’s 1979 landmark book in the field of Strategic Planning. We also drew heavily on my experiences as CEO of Haines Centre and as the chief planning executive for two major corporations. In addition, my experience as a senior executive and as an internal corporate consultant for over 30 years in the areas of change management, planning, and HR management were invaluable.

As the past-President of University Associates (UA) Consulting and Training Services, I was in charge of a prestigious international firm in the Strategic Planning and Change



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Management Consulting and Training field. UA had a then 1984 state-of-the-art Strategic and Systems Thinking Strategic Planning model entitled “Applied Strategic Planning.” However, by the 1990s it was in major need of improvement. We also drew on the experiences of all the Centre partners and of lead external practitioners in Strategic Planning across North America including Michael Kami of IBM and Xerox fame; Russell Ackoff, a Renaissance Professor at the University of Pennsylvania; Bill Pfeiffer, Len Goodstein, and Tim Nolan, the authors of the Applied Strategic Planning model from UA; and Dr. Henry Migiore, the Dean of Oral Roberts University Business School for over 17 years.

Once we concluded this research, we built our first Strategic Planning and Change models using the A-B-C-D-E locators. Preceding our first finished model, we did a critique and analysis of numerous drafts by many leading practitioners and experts in the field. We used the Delphi Technique over and over again, then tested the model in real time with clients and in training programs.

Only then did we finalize it enough to memorialize it as an “integrated organizing framework” in both our four-color Strategic Planning and Change models. That was completed in 1992. However, **we fine tune and revise these models each year including a 2007 enhancement** through continuous client feedback. They show us how to make the models work in daily practice.

Once we felt we knew enough and had perfected the frameworks successfully with clients for a period of years, we wrote two books on the topic. One is called *Reinventing Strategic Planning - the Systems Thinking Approach®* and the other is called *Strategic Planning Simplified*. This writing forced us to continue to clarify all points of our practice in order to put them into writing in an **elegantly simple way** for the reader.

Finally, in 2007 we completed a comprehensive environmental scan and reexamined/ fine-tuned our Strategic Management System to ensure it is now a 21st Century success framework (see page 4).

## THE RESULTS

As a result of our reinventing, we developed the strategic model that we use as a cornerstone of our practice (see Reinventing Strategic Planning model above).

This Strategic Management System has 15 unique concepts and paradigm changes. These are very different from the popular models we studied even throughout the ‘90s and still up until today. What we ended up accomplishing is “reinventing” Strategic Planning into a systems model of a Yearly Strategic Management System that moves beyond planning alone into implementation. It includes a Plan-to-Plan phase and a Plan-to-Implement phase. The steps include team building and leadership skill building

as a part of the planning, as well as a Strategic IQ Audit similar to a yearly financial audit.

## PARALLEL PROCESS

It also includes the need for the process of planning to reinforce the concept that **“people support what they help create.”** Thus, there is a need for a Parallel Process that involves all key stakeholders. Buy-in is key to implementation.

## WHERE TO START AND WHY

Overall, it is a systems approach that starts with a Futuristic Environmental Scan, and then defines the Ideal Future Vision, Mission, Values and Marketplace Positioning you want to achieve (your outcomes/end state first). Other models begin with a Current State Assessment—we do not.

Only after scanning the future environment (Phase E) and defining your Ideal Future (Phase A) should you develop a Current State Assessment (or SWOT—Strengths, Weaknesses, Opportunities, and Threats) and strategies to **“close the gap”** and achieve this vision. Without starting with the future, there is no “gap”—just problem solving “more of the same.” The systems approach transcends Strategic Planning into implementation at the annual planning and budgeting level. Then it moves to change management and implementation via our Business Excellence Architecture model. It ultimately leads to updating and recycling the Strategic Plan on a yearly basis, another new, yet common-sense, concept.

## EXPERIENTIAL PROCESS, TOO

At a more macro level, the process itself is very experiential. We believe in helping clients find their own answers and meaning in the plan, not our answers. This is based on adult learning theory where, **“adults learn best by doing.”** We translate this to our common sense concept of **“people support what they help create.”**

## YOUR COMPETITIVE EDGE

Once clients have been through our process, we find these typical kinds of competitive edges result for them:

1. A Yearly Strategic Management System and Cycle is instituted as a new way to

run their company more effectively and more efficiently. We find it focuses the direction of the entire organization from top to bottom.

2. Executives and middle managers develop themselves strategically and conceptually as leaders and build an executive team and teamwork that cascades down through all levels of management. In fact, we find that a strong empowering and values-based culture begins to develop.
3. The typical bottom-line results clients desire show up dramatically in the second year. Great progress is made towards their "Business Excellence"—their vision and achieving their measures of success. Specifics obviously depend on whether the company is in the public, private, or not-for-profit sector. However, all of those who seriously build this Strategic Management System based on their Strategic Plan are well on their way to achieving their Ideal Future Vision. We see them

achieve a Quadruple Bottom Line. To wit, (1) not only do we see solid private sector financial results, but we also find the other kinds of bottom-line achievements such as (2) increased customer and (3) employee satisfaction as well as (4) better contributions to society.

4. Ultimately each organization begins to be much clearer on what their competitive "positioning" in the marketplace is and find themselves moving positively in that direction, to the delight of their customers. (Our Star Positioning)

The Centre has reinvented Strategic Planning starting from a zero-based blank sheet of paper. We used Systems Thinking and our A-B-C-D-E framework. We researched the 27 different planning and change authors mentioned earlier to figure out how to make sure that it was a research-based and integrated Strategic Management Process. We wanted a new way to run the business in a more strategic way. When clients tailor

this system to their needs and institutionalize it in the second year, the competitive edge they seek is on track and positive results flow.

### IN SUMMARY: A STRATEGIC MANAGEMENT SYSTEM—"THE IMPERATIVE FOR SURVIVAL"

Organizations need a Systems Thinking Approach® to a Strategic Management System with a Yearly Cycle to become high performing organizations (not just budgeting cycles).

Another in the ABCs of Strategic Management™ Series.

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## Reinventing Strategic Planning to Strategic Management (The #2 Required Core Competency of All Organizations)

### Analytical Thinking

### Systems Thinking

Traditional Strategic Planning "A Project"	vs.	Strategic Management System "A New Way to Run the Business"
1. Project (beginning and ending).	vs.	1. Continuous/ongoing process with Yearly Strategic Management System and Cycle/review to stay on "track."
2. Staff written.	vs.	2. CEO, line leadership driven/staff supported.
3. Focus on today/extrapolation into the future.	vs.	3. Start with Future Ideal and work backwards.
4. "Motherhood/apple pie" words.	vs.	4. Outcome measures and action plans set/accountability tracked.
5. Big Strategic Planning document as end.	vs.	5. Execution/change management/customer focus is the goal; single documents of one page each (KISS). - Rule of 3
6. Senior leadership/planning department answers only (we/they).	vs.	6. Key stakeholder feedback/commitment also (Parallel Process)—"people support what they help create."
7. Weekend retreat.	vs.	7. Strategic change in our roles/behaviors day-to-day.
8. Strategic level only.	vs.	8. Integrated into business units, annual and daily decision-making levels, too, via the glue of core strategies/core values.
9. Individual change projects (TQM, service, empowerment, value chain, etc.).	vs.	9. Customer-focused positioning and value-added delivery as the focus for all projects.
10. Single event—one time only, every five years.	vs.	10. Annual Strategic Review (and Update) each year.
11. Environmental scan of today only—yearly.	vs.	11. Future environmental scan/quarterly reviews quarterly.
12. Analytical tools/analysis focus.	vs.	12. Focus on strategy, commitment, and buy-in - Systems Solutions
13. Units/departments/silo mentality goals.	vs.	13. Shared strategies as the glue and organizing forces for all departments.
14. Hierarchy/controls.	vs.	14. Customer-focused and values-driven empowerment.
15. Organization structure remains the same	vs.	15. Strategic Business Redesign ("Watertight Integrity").
16. Eclectic Planning Process.	vs.	16. Integrated, research based organizing framework for Strategic Thinking, Strategic Planning and Strategic Change.

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## What is Different About Our Reinventing Strategic Planning (For the 21st Century)

### 21st Century Environmental Scan

### New Strategic Management Concepts (Leadership, Planning, Change)

1. Dynamic environment.	1. Importance of regular future environmental scan—do first.
2. Desire for clear and broader results.	2. Measurement focused—“quadruple bottom line.”
3. Very complex world.	3. Simplicity is key—rule of three/of one page.
4. More competitive environment/drive to commodity/price only.	4. Unique positioning is essential—the right answer does count.
5. Non-linear future environment/major disruptions.	5. Ideal Future Vision is place to start, not Current State Assessment. Flexible strategies, too.
6. More demanding customers.	6. “Data-based decision making”—planning team with an external customer orientation are key, not just senior management (support jobs).
7. More skeptical and less engaged employees.	7. Parallel Process and large group annual department review meeting—maximum involvement of rest of management/key employees.
8. More diverse employee culture, background, ethnicity, age, and values.	8. Glue of core strategies and core values key to Cascade of Planning and implementation—with accountability of performance and rewards.
9. Attention span shorter/more “noise” in the world (concept of entropy—all things run down and die).	9. Need for monthly and quarterly progress review meetings and Annual Strategic Review (and Update)—“buy-in and stay-in” are both key.
10. No one has all the answers or skills—how to make sense of all the books, fads, theories.	10. Leadership development done concurrently with planning and implementation to stay abreast of new concepts and assimilate the learning for us (Corporate-wide Core Competency #1).
11. “Long term” is nothing without “shorter term” successful implementation and change linked to longer term.	11. Create a Strategic Management System and Annual Cycle as a new way to run the business (Corporate-wide Core Competency #2).
12. Complexity within all organizations/“Rubik’s Cube Effect.”	12. Need Strategic Business Redesign for “water-tight integrity”—systems view, understanding, and challenge of change (Corporate-wide Core Competency #3).
13. Faster pace of work and life.	13. Tailored Strategic Management System to your unique needs, from “micro” to “quick” to “comprehensive” Strategic Planning.
14. Faster pace and variety of changes.	14. Flexibility and agility of implementation are key—“emergent strategies” a way of life ( <i>plan is a living, breathing document</i> ).

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