



Why Strategic Planning Is More Important Than Ever

If you don't like change, leave it here.

—Sign on the tip jar in a coffee shop

Leaders and managers of governments, public agencies of all sorts, nonprofit organizations, and communities face numerous and difficult challenges. Consider, for example, the dizzying number of trends and events affecting the United States and the rest of the world in the past two decades. What follows is my list (you will have your own):

- Technology has always been a game changer, but the speed and scale of the changes seem to be accelerating. In recent decades, technology has wrought dramatic changes in the workplace, social interactions, information and opinion sharing, politics, financial systems, health care, security systems, global interconnectedness, and so on. There has been a dramatic growth in the use of information technology, social media, e-commerce, and e-government. The nature of work is changing, and careers are being redefined.
- Population flows, including migration, immigration, and refugees, have altered numerous societies and landscapes and affected demographics, workforces, and politics. Large parts of the Middle East have been destabilized, and in its wake, there has been enormous human suffering, redistributions of people, and challenges for the rest of the world. China is in the midst of the largest migration in human history as a result of massive moves from rural areas to cities. The 2016 U.S. presidential election, the United Kingdom's 2016 decision to exit the European Union, and the politics of other EU and other countries have all been affected by responses to large movements of people within and across borders.

- Aging and diversifying populations are affecting workplaces, politics, and public finances. In advanced economies, business and government leaders wonder where needed workers will come from as populations age, huge numbers of workers retire, and the need for skilled workers increases. They also wonder how to pay for benefits to retirees. National and local politics and cultures are having to adapt to changing demographics, the changing nature of families, and spatial sorting by social and political preferences.
- Climate change is real, whether you believe humans have much to do with it or not. And regardless of the causes, there is a huge need to develop effective ways to mitigate its effects and recover from its downsides. For example, the oceans are already rising and the effects of a collapse of the Antarctic and Greenland ice sheets and subsequent rises would be devastating.
- Inequality in the United States has increased substantially since the 1970s and is about where it was in the Gilded Age of the late 1800s. A number of scholars and social commentators argue that such inequality is seriously destabilizing both economically and politically. Others would agree and add that economic benefits should be shared more equally on moral grounds. Meanwhile, the level of absolute poverty globally has diminished dramatically in the past 30 years as a consequence of more open and effective markets and effective government action. Clearly, this should rank as one of the great human achievements. Yet inequality within many countries can still be a cause of major instability, and the moral argument for greater equality also carries weight with many people.
- Violence in general is down globally and in the United States, yet public safety is always an issue. Worryingly, there has been a recent rise in the murder rate in the 30 largest U.S. cities even though crime nationwide remains near all-time lows. The United States experiences 30,000 gun deaths a year. When compared with gun deaths in other countries, outside of war and terrorist engagements, this number is astronomically high. Some argue that strong gun controls are needed, whereas others argue that fewer controls will lead to greater safety. So far, the latter argument is winning—we have close to as many guns as people in the country, and the deaths continue.
- When it comes to game changers, nuclear war is always a threat. North Korea may soon have missiles with serviceable nuclear warheads capable of reaching its neighbors and even the United States. We can only hope nuclear weapons are never

used by anyone. Meanwhile, terrorist organizations are constantly trying to acquire nuclear capabilities.

- Terrorism is a growing challenge, whether inspired by Islamic jihadism, nationalism of various sorts, or racism. Let's hope that countries around the world, including the United States, find ways to reduce terrorism through a panoply of political, social, economic, educational, diplomatic, military, and policing means.
- Economic management is becoming more difficult. Since 2000, we have seen huge bubbles in the housing and stock markets followed by long bear markets, recessions, and slow recoveries worldwide. Global interconnectedness, a belief in government austerity policies no matter the context, weakened or threatened central banking institutions, and an unwillingness by many governments to pursue fiscal policies to prevent recessions only make the challenges of effective economic management more difficult going forward. Although as I write we are now in the midst of one of the longest bull markets in U.S. history, what can and will be done in response to the next big downturn is an open question.
- It seems like there are no icons left to knock down. According to a 2016 Gallup Poll, the only U.S. institutions in which more than 50 percent of the public had "a great deal" or "quite a lot" of confidence were the military (73 percent), small business (68 percent), and the police (56 percent). Of the 15 institutions listed, Congress was at the bottom with 9 percent. In other words, in the United States, trust in almost every institution is very low, their perceived legitimacy is also in question, and whom and what to believe is up for grabs. Meanwhile, partisanship is at pre-Civil War levels—and we know how that turned out. One can rightly worry about the future of our republic and democracy itself. Even worse, this crisis in confidence in the institutions countries need to govern themselves and to prosper is apparently worldwide.
- Perhaps most ominous, in the United States, we have experienced a dramatic decline in social capital in recent decades, especially among the less educated and less well off. Defined as good will, fellowship, sympathy, and social intercourse, social capital is a crucial factor in building and maintaining personal and family physical and mental health as well as strong communities. The younger generation in general is not very interested in politics, not very trustful of politicians or others, cynical about public affairs, and less inclined to participate in enduring social organizations, such as unions, political parties, or churches (Putnam, Feldstein, & Cohen, 2004).

- As a result of all these trends and events, it is not surprising that in the United States and elsewhere, we have seen sustained attention paid to questions of government and nonprofit organizational design, financing, management, performance, and accountability as part of the process of addressing these and other concerns. Indeed, in the public sector, *change*—though not necessarily dramatic or rapid change—*is the rule rather than the exception* (Kettl, 2015a, 2015b, 2015c; Light, 1997).

So do I have your attention? Organizations that want to survive, prosper, and do good and important work must respond to the challenges the world presents. Their response may be to do what they have always done, only better, but they may also need to shift their focus and strategies. Although organizations typically experience long periods of relative stability when change is incremental, they also typically encounter periods of dramatic and rapid change (Baumgartner & Jones, 2009; Mintzberg, Ahlstrand, & Lampel, 2009). These periods of organizational change may be exciting, but they also can be anxiety producing—or even terrifying. As geologist Derek V. Ager notes, “The history of any one part of the earth . . . consists of long periods of boredom punctuated by short periods of terror” (Gould, 1980, p. 185). He might as well have been talking about organizational life!

These economic, social, political, technological, environmental, and organizational changes are aggravated by the interconnectedness of the world. Changes anywhere typically result in changes elsewhere, making efficacious self-directed behavior problematic at best. As Booker Prize-winning novelist Salman Rushdie said, “Most of what matters in your life happens in your absence” (1981, p. 19). More recently, Pulitzer Prize-winning novelist Junot Díaz asserted, “It’s never the changes we want that change everything” (2008, p. 51). Only if you are lucky are the changes for the better; often “the best things in life happen when you don’t get what you think you want” (Bakewell, 2010, p. 333).

This increasing interconnectedness is perhaps most apparent in the blurring of three traditionally important distinctions—between domestic and international spheres; between policy areas; and between public, private, and nonprofit sectors (Kettl, 2008, 2015a, 2015c). The U.S. economy is now intimately integrated with the economies of the rest of the world, and events abroad have domestic repercussions. Distinctions between policy areas are also hard to maintain. For example, both educational policy and arts or cultural policy are seen as types of economic development policies to help communities and firms compete more effectively. Strengthening the economy will not eliminate

government human service and Social Security costs, but letting it falter will certainly increase them. Physical education programs, educational programs promoting healthy lifestyles, and parks and recreation budgets are viewed as ways of controlling health care costs.

Finally, the boundaries between public, private, and nonprofit sectors have eroded. National sovereignty in several areas has “leaked up” to multinational corporations, international organizations, and international alliances. Sovereignty has “leaked out” to businesses and nonprofit organizations. Taxes are not collected by government tax collectors but are withheld by private and nonprofit organizations from their employees and turned over to the government. The nation’s health, education, and welfare are rightly seen as public—and not just government—responsibilities, and we increasingly rely on private and nonprofit organizations and associations for the production and coproduction of services in these areas. Weapons systems are not produced in government arsenals but by private industry.

When such fundamental public functions as tax collection, health, education, welfare, and weapons production are handled by private and nonprofit organizations, then surely the boundaries between public, private, and nonprofit organizations are irretrievably blurred. But beyond that, sovereignty has also “leaked down” as state and local governments have been the big gainers in power in the past 25 years and the federal government the big loser. State and local governments now are typically more important as the problem solvers, even though they often lack the knowledge, resources, legitimacy, and political will to do so effectively. The result of this “leakage” of sovereignty up, out, and down—and the irretrievable blurring of boundaries between public, private, and nonprofit sectors—is the creation of what Brinton Milward and his colleagues call “the hollow state” in which government is simply an actor—and not necessarily the most important actor—in the networks we rely on to do the public’s work (Milward & Provan, 2000).

The blurring of these boundaries means that we have moved to a world in which no one organization or institution is fully in charge, yet many are involved, affected, or have a partial responsibility to act (Bryson, Crosby, & Bloomberg, 2014; Kettl, 2015a, 2015c). This increased jurisdictional ambiguity—coupled with the events and trends noted previously—requires public and nonprofit organizations (and collaborations and communities) to think, act, and learn strategically as never before. Strategic planning is designed to help them do so. The extensive experience of public, nonprofit, and private organizations with strategic planning in recent decades offers a fund of research and advice on which we will draw throughout this book.

DEFINITION, PURPOSE, AND BENEFITS OF STRATEGIC PLANNING

What is strategic planning? I define it as a deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why. Strategic planning may be thought of as a “way of knowing” intended to help leaders and managers discern what to do, how, and why (Bryson, Crosby, & Bryson, 2009). Strategic planning of this kind can help leaders and managers successfully address major issues or challenges facing an organization (or some other entity), by which I mean issues or challenges not amenable to simple technical fixes.

As experience with this kind of deliberative approach has grown, a substantial and expanding inventory of knowledge, concepts, procedures, tools, and techniques has also developed to assist leaders and managers in their deliberations. Much of that inventory is highlighted in this book.

As a deliberative approach, strategic planning must attend to the design and use of the settings within which constructive deliberation is most likely to occur (Crosby & Bryson, 2005, pp. 401–426). First and foremost, this means creating formal and informal *forums* in which important issues can be identified and addressed, useful learning can occur, and results can be carried forward toward wise decisions in relevant areas (Moynihan & Landuyt, 2009). In addition, formal and informal *arenas* are needed in which legislative, executive, and administrative decisions are made. Finally, formal and informal *courts* must be designed and used, where underlying laws and norms are reinforced or modified and residual conflicts from policymaking or executive decisions are managed. The most important court is probably the court of public opinion.

Of the three types of characteristic settings, forums are the most amenable to design, in contrast to formal arenas and courts, which often are quite rigidly structured. Fortunately, however, in my experience, forums are the most important kind of setting because they are where meaning is created and communicated—which is extraordinarily consequential for shaping what follows, including what gets considered in arenas and courts.

In each of these settings for deliberation, participants must take into account the “deliberative pathways” that are possible and available for use as part of mutual efforts at persuasion. The term was coined by Bryan Garsten (2006, p. 131) to describe Aristotle’s sense of “the landscape of thoughts and patterns” that might exist in an audience

and thus “the pathways” that might exist from one belief to another. These pathways are the starting point for understanding how mutual understanding, learning, and judgment might proceed. The pathways will influence a listener’s beliefs via the structure and logic of an argument (*logos*), via trust in the judgment and good will of the speaker (*ethos*), or because he or she felt moved by an emotion (*pathos*) (Garsten, 2006).

Strategic planning approached as the design and use of settings for deliberation must include an awareness of the features of effective deliberation, including the pathways that might be available for use. In other words, the overall process of designing a pathway (or process) for deliberation must take into account the pathways already existing within audiences’ heads.

The basic form of a reasonable statement is to make a claim based on good reasons and evidence. Deliberation occurs in situations requiring choice—the basic form of a deliberative statement is *choice* based on *reasons* in order to *achieve ends* (Simons & Jones, 2011, pp. 241–267). This honorable tradition of reasonable deliberation goes back at least to Aristotle and Cicero, both of whom analyzed and promoted its virtues.

But to succeed, deliberative processes and practices also need institutional and organizational arrangements in place to support them. Deliberation certainly should be a part of politics, but its constructive role must be supported and protected or the politics can get very nasty indeed.

The deliberative tradition requires a willingness on the part of would-be deliberators to: resist rushing to judgment; tolerate uncertainty, ambiguity, and equivocality; consider different views and new information; and be persuaded—but also a willingness to end deliberations at some point and go with the group’s considered judgment. The deliberative tradition doesn’t presume that there is a “correct” solution or “one best answer” to addressing major challenges, only that there is wisdom to be found via the process (Garston, 2006; Stone, 2011). Many find the lack of definitiveness in deliberation frustrating. It takes time to build and maintain an appreciate audience for deliberation—as with poetry, jazz, hip hop, and rap music.

In short, at its best, strategic planning requires deliberation informed by broad-scale yet effective information gathering, analysis, and synthesis; clarification of the mission and goals to be pursued and issues to be addressed along the way; development and exploration of, and choice among, strategic alternatives; and an emphasis on the future implications of present decisions. Strategic planning can help facilitate communication, participation, and judgment; accommodate

divergent interests and values, foster wise decision making informed by reasonable analysis; promote successful implementation and accountability; and enhance ongoing learning. In short, at its best, strategic planning can prompt in organizations the kind of imagination—and commitment—that can help effectively address the challenges they face. As psychotherapist and theologian Thomas Moore (2016, p. 292) observed, “Usually the main problem with life conundrums is that we don’t bring to them enough imagination.”

One useful way to think about strategic planning is presented in Figure 1.1, The ABCs of Strategic Planning. The figure presents a capsule summary of what strategic planning is all about. Necessary richness and detail can be added as needed to this basic understanding. “A” is figuring out, via a deliberative process, where you are, “B” is where you want to be, and “C” is how to get there. Leaders and other process participants come to understand A, B, and C as they formulate, clarify, and resolve strategic issues—the fundamental policy choices or challenges the organization has to face. The content of A and B are the organization’s existing or new mission, structure, communications systems, programs and services, people and skills, relationships,

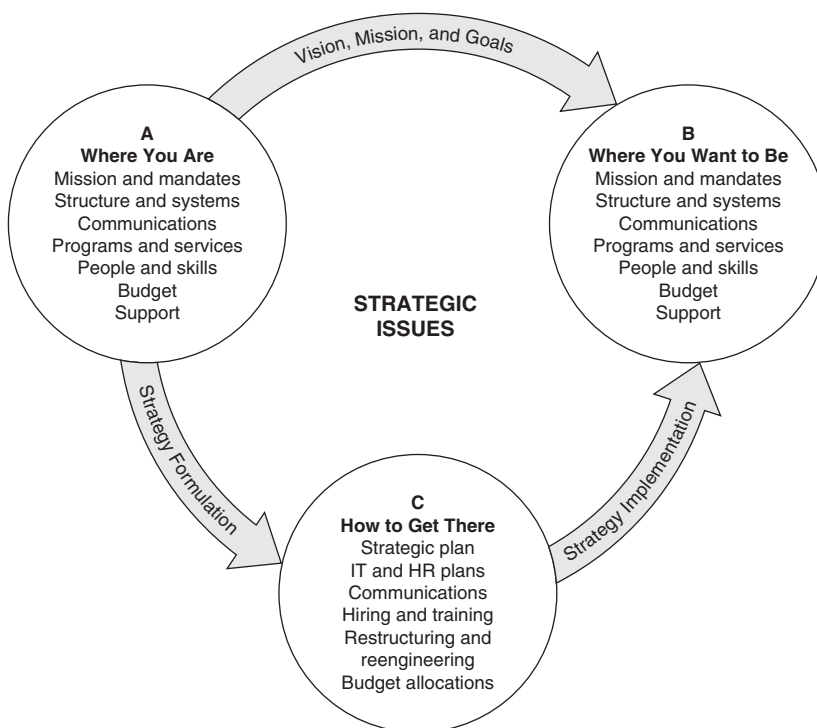


Figure 1.1. The ABCs of Strategic Planning.

Source: Bryson and Alston, 2011.

budgets and other supports. The content of C is the strategic plan; plans for various functions; and ways to restructure, reengineer, reframe, or repurpose (Scharmer, 2016); budget allocations; and other strategies and vehicles for change.

Getting from A to B involves clarifying vision, mission, and goals. Getting from A to C is the process of strategy formulation; getting from C to B is strategy implementation. To do strategic planning well, you need to figure out A, B, and C and how they should connect as you go along. You accomplish this principally by understanding the issues that A, B, C, and their interconnections must address effectively. Think of the arrows as making use of pathways for deliberation that result in the final choices of what is in A, B, and C. The summary also makes it clear that strategic planning is an approach, not a detailed, rigidly sequential, step-by-step, technocratic process. As an approach, it requires effective deliberation—and leadership—and a variety of concepts, activities, procedures, tools, and techniques that can contribute to its success.

So that is how strategic planning is defined and briefly what it is. But why engage in strategic planning? At best, the purpose of strategic planning in the United States and elsewhere is to help public and nonprofit organizations “create public value,” to use Mark Moore’s compelling and evocative phrase (Moore, 1995, 2013). This means producing enterprises, policies, programs, projects, services, or physical, technological, social, political, and cultural infrastructure that advance the public interest and the common good at a reasonable cost.

At a general level, in the United States, creating public value means enhancing life, liberty, and the pursuit of happiness for all while also fostering a more perfect union. It means ensuring that the beneficial effects of our institutions and efforts carry on into the indefinite future and that we change what we must so that the world is always left better off than we found it. Strategic planning is about listening to “the better angels of our nature,” as Abraham Lincoln called them in his first inaugural address—it is about organizing our best and most noble hopes and dreams, making them reasonable and actionable, and bringing them to life—in short, to create significant and enduring public value.

Experience has clearly demonstrated that strategic planning can be used successfully to help (Bryson, Edwards, & Van Slyke, 2017):

- Public agencies, departments, or major organizational divisions
- General purpose governments, such as a city, county, state, or tribal governments
- Nonprofit organizations providing what are basically public services

- Purpose-driven interorganizational networks (such as partnerships, collaborations, and alliances) in the public and nonprofit sectors designed to fulfill specific functions, such as transportation, health, education, or emergency services—that bridge organizational and governmental boundaries
- Entire communities, urban or metropolitan areas, and regions or states

This book concentrates primarily on strategic planning for public and nonprofit organizations, including the collaborations of which they may be a part. It considers applications for communities in lesser detail. (The term *community* is used throughout the book to refer to communities, urban or metropolitan areas, and regions or states.) Although the process detailed in this book is applicable to all the entities listed above, the specifics of its implementation may differ for each case.

When strategic planning is focused on an organization, it is likely that most of the key decision makers will be “insiders”—though considerable relevant information may be gathered from “outsiders.” Certainly, this would be true of public agencies, local governments, and nonprofit organizations that deliver “public” services. When most of the key decision makers are insiders, it will likely be easier to get people together to decide important matters, reconcile differences, and coordinate implementation activities. (Of course, whether the organization’s board of directors or governing body consists of insiders or outsiders may be an open question, particularly if they are publicly elected. For instance, are elected city council members insiders, outsiders, or both? Regardless of the answer, it remains true that typically a major proportion of the key decision makers will be insiders.)

In contrast, when strategic planning is focused on a function crossing organizational or governmental boundaries, or on a community, almost all of the key decision makers will be outsiders. In these situations, the focus of attention will be on how to organize collective thinking, action, and learning more or less collaboratively within an interorganizational network or networks where no one person, group, organization, or institution is fully in charge but many are involved, or affected, or have a partial responsibility to act. One should expect that it might be more difficult to organize an effective strategic planning process in such a “shared-power” context. More time probably will need to be spent on organizing forums for discussion, involving various diverse constituencies, negotiating agreements in existing or new arenas, and coordinating the activities and actions of numerous relatively independent people, groups, organizations, and institutions (Agranoff, 2012; Deyle & Wiedenman, 2014).

Organizations engage in strategic planning for many reasons. Proponents of strategic planning typically try to persuade their colleagues with one or more of the following kinds of statements:

- “We face so many conflicting demands we need to figure out what our focus and priorities should be.”
- “The rules are changing on us. We are being told to emphasize measurable outcomes, the competition is stiffer, funding is getting tighter, and collaboration is being pushed, and we need to figure out what we do or can do well that fits with the changing picture.”
- “We have gone through quality management, reinvention, and reengineering, downsizing and rightsizing, along with continuing revolutions in information technology. Now people are asking us to take on performance management, dashboards and scorecards, knowledge management, and who knows what else? How can we make sure all of this effort is headed in the right direction?”
- “We can expect a severe budget deficit next year, and the public will suffer unless we drastically rethink the way we do business. Somehow we need to figure out how to do more with less through better integration of our activities, finances, human resources, and information technology.”
- “Our city is changing, and in spite of our best efforts, things do not seem to be getting better.”
- “Issue X is staring us in the face, and we need some way to help us think about its resolution or else we will be badly hurt.”
- “We need to integrate or coordinate better the services we provide with those of other organizations. Right now, things are just too fragmented and poorly resourced, and our clients needing more than one service are suffering.”
- “Our funders (or board of directors or new chief executive) have asked us to prepare a strategic plan.”
- “We know a leadership change is coming and want to prepare for it.”
- “We want to use strategic planning to educate, involve, and revitalize our board and staff.”
- “Our organization has an embarrassment of riches, but we still need to figure out how we can have the biggest impact; we owe it to our stakeholders.”
- “Everyone is doing strategic planning these days; we’d better do it too.”

Regardless of why public and nonprofit organizations engage in strategic planning, however, similar benefits are likely to result. Many authors argue that strategic planning can produce a number of benefits for organizations. The first and perhaps most obvious potential benefit is the *promotion of strategic thinking, acting, and learning*, especially through “strategic conversation” and deliberation among key actors (Van der Heijden, 2005).

Let me define these terms. I define *strategic thinking* as thinking in context about how to pursue purposes or achieve goals. This also includes thinking about what the context is and how it might or should be changed; what the purposes are or should be; and what capabilities or competencies will or might be needed, and how they might be used, to achieve the purposes. *Strategic acting* is acting in context in light of future consequences to achieve purposes and/or to facilitate learning. And drawing in part on Simon (1996, p. 100), I define *strategic learning* as any change in a system (which could be an individual) that by better adapting it to its environment produces a more or less permanent change in its capacity to pursue its purposes. The learning thus is focused pragmatically on what works, which likely includes knowing something about what doesn’t. Learning of this sort doesn’t have to be by design; much of it will be tacit and epiphenomenal. In short, strategic planning is an approach to facilitate these kinds of thinking, acting, and learning.

The second benefit is *improved decision making*. Improved decision making is really crucial because studies have indicated that at least half of all strategic decisions fail as a result of poor decision-making processes (Nutt, 2002)! Strategic planning helps because it focuses attention on the crucial issues and challenges the organization faces and it helps key decision makers figure out what they should do about them. It can help them make today’s decisions in light of future consequences. It can help them develop a coherent and defensible basis for decision making and then coordinate implementing the resulting decisions across levels and functions. It can help them exercise maximum discretion in the areas under their organization’s control and influence actions and outcomes in those areas that are not. Strategic planning thus can help organizations formulate and clearly communicate their strategic directions and intentions to relevant audiences and also act on those intentions.

The third benefit is *enhanced organizational effectiveness, responsiveness, resilience, and sustainability*, which flow from the first two. Organizations engaging in strategic planning are encouraged to clarify and address major organizational issues, respond wisely to them, and deal effectively with rapidly changing circumstances. They are encouraged, in other words, to be well managed. And though it almost sounds

tautological to say so, it clearly is not: The evidence is fairly clear that organizations that are managed well and are relatively stable perform better, are appropriately responsive to external demands, are innovative in effective ways, have greater influence, are more accountable, and are more resilient than organizations that are not managed well (e.g., Borins, 2014; Meier & O'Toole, 2009).

Good management helps create good organizational systems and response repertoires; in other words, good management is a process that draws on resources of many kinds to produce the outputs and outcomes that indicate organizational effectiveness and that trigger the resource flows the organization needs to sustain itself and to continue to create public value into the future (Bryson, Gibbons, & Shaye, 2001; Osterwalder, Pigneur, Bernarda, Smith, & Papadakos, 2014). Increasingly, integrated use of human resources, information technology, and financial management are crucial elements of organizing, strengthening, protecting, and sustaining organizational capabilities for creating public value (e.g., Alford & Yates, 2014).

The fourth benefit is *enhanced organizational legitimacy*. Organizations that satisfy their key stakeholders according to the stakeholders' criteria and that create real public value at reasonable cost have earned the right to exist (Ackermann & Eden, 2011). Said differently, public and nonprofit organizations are externally justified in that they exist to provide real service; those that do, and continue to find ways to do so as circumstances change, typically continue to exist. These survivors therefore can concentrate on doing better without having to worry quite so much as they otherwise might about having to justify their claims on others' resources (Suddaby, Bitektine, & Haack, 2017).

Fifth, beyond organizational effectiveness, strategic planning can help produce *enhanced effectiveness of broader societal systems*. Most of the public problems we face these days stretch beyond any one organization's boundaries. Our big challenges in education, health, employment, poverty, the environment—you name it—typically need to be conceptualized at the supraorganizational or *system* level, not the *organizational* level. Those systems are what really need to work better if our lives and the world are to be made better and broadly based public value is to be created. Organizations can contribute to better functioning of these systems, but they typically must do so in partnership with others or by somehow taking those others into account (Emerson & Nabatchi, 2015; Mulgan, 2009). Strategic planning can help organizations take the broader environment into account and can help them figure out how best to partner with other organizations so that they jointly can create better environments (Agranoff, 2012; Bryson, Ackermann, & Eden, 2016). The result probably should be

some sort of concerted institutional redesign effort at the system level that better serves public services (e.g., Scharmer, 2016).

Finally, strategic planning can directly *benefit the people involved*. Policymakers and key decision makers can be helped to fulfill their roles and responsibilities, and teamwork and expertise are likely to be built among participants in the process. Human, social, political, and intellectual capital can increase. Morale can improve based on task accomplishment. Further, employees or organizations that can create real, demonstrable public value are more likely to have a job in the future. Reduced anxiety may result from a job well done, increased competency, strengthened relationships, and enhanced job prospects.

In short, strategic planning is very often a very smart thing to do for several reasons: It is relatively easy to do. It is not all that time and resource intensive, particularly when matched against the costs of potential failure. It seeks out relevant information; makes use of deliberative argumentation, which is an important route to producing wise judgments; and helps with figuring out how to organize the participation and coalition needed to adopt the ideas and protect them during implementation. And it would seem to go hand in hand with the craft of creating public value. When not overly formalized, bereft of participation, and obsessed with numbers, strategic planning can make effective use of deliberation to produce enhanced organizational responsiveness, performance, and accountability.

Although strategic planning *can* provide all these benefits, there is *no* guarantee that it will. For one thing, the process depends on its participants' willingness to engage in deliberation. In addition, strategic planning must be adapted to its context, even as its purpose may be to change aspects of that context. Leaders, managers, and planners therefore need to be very careful—and strategic—about how they engage in strategic planning because their success will depend at least in part on how they tailor the process to their situations.

This book will present a generic approach to strategic planning for governments, public agencies, and nonprofit organizations that is based in considerable research and experience. Advice will be offered on how to apply the process in different circumstances. But the process will work only if enough key decision makers and planners support it and use it with common sense and sensitivity to the particulars of their situation. And even then, success is never guaranteed, particularly when very difficult and fraught strategic issues are addressed.

Furthermore, strategic planning is not always advisable. In my experience, there are two compelling reasons for holding off on a formal strategic planning effort. First, strategic planning may not be the best first step for an organization whose roof has fallen—keeping in mind,

of course, that every crisis should be managed strategically (Weick & Sutcliffe, 2015). For example, the organization may need to remedy a cash flow crunch before undertaking strategic planning. Or the organization may need to postpone strategic planning until it fills a key leadership position. Or it could be that showing compassion for people who have faced some sort of disaster is the first order of business.

Second, if the organization lacks the skills, resources, or commitment of key decision makers to engage in deliberative strategic planning, or if implementation of the results is extremely unlikely, strategic planning will be a waste of time. Such a situation embodies what Bill Roering and I have called “the paradox of strategic planning:” It is most needed where it is least likely to work, and least needed where it is most likely to work (Bryson & Roering, 1988, 1989). If strategic planning is undertaken in such a situation, it probably should be a focused and limited effort aimed at developing the necessary skills, resources, and commitment.

A number of other reasons also can be offered for not engaging in strategic planning. Too often, however, these “reasons” are actually excuses used to avoid what should be done. Many organizations—particularly small nonprofit organizations—may prefer to rely on the intuition and vision of extremely gifted leaders instead of on formal strategic planning processes. If these leaders are strategically minded and experienced, there may be no need for strategic planning for purposes of developing strategies. It is rare, however, for any leader to have all the information necessary to develop an effective strategy and rarer still for any strategy developed by a single person to engender the kind of commitment necessary for effective implementation. A reasonably structured and formalized deliberative strategic planning process helps organizations gather and assess the information necessary for effective strategy formulation. It also provides the discipline and commitment necessary to effectively implement strategies.

In addition, many organizations—particularly those that have enormous difficulty reaching decisions that cut across levels, functions, or programs—find that incremental decision making and mutual adjustments of various sorts among interested partisans is the only process that will work. “Muddling through” of this sort, as Charles Lindblom (1959) described it, legitimizes the existing distribution of power and resources in the organization and allows the separate parts of the organization to pursue opportunities as they arise. Interesting and useful innovations may develop that enhance learning and promote useful adaptations to changing circumstances. In fact, if the muddling occurs within a general agreement on overall direction, everyone may be better off (e.g., Poister, Edwards, & Pasha, 2013). Unfortunately, muddling typically results in a chronic suboptimization of organizational

performance, and key external and internal constituencies therefore may be badly served (Andrews, Boyne, Law, & Walker, 2012).

Strategic planning also probably should not be undertaken if implementation is extremely unlikely. To do so would be the organizational equivalent of the average new year's resolution. On the other hand, when armed with the knowledge that implementation will be difficult, key decision makers and planners can focus extra attention on ensuring implementation success.

Finally, organizations simply may not know how and where to start and stop the process. The good news is that strategic planning actually can begin almost anywhere—the process is so interconnected that you end up covering most phases via conversation and dialogue, no matter where you start.

What Strategic Planning Is Not

Strategic planning clearly is no panacea. As noted, strategic planning is simply a deliberative, disciplined *approach* to helping people in organizations (collaborations, communities) figure out what they think they should be doing, how, and why. It may not be possible to design or use the needed formal and informal forums, arenas, and courts; the key decision makers may not participate. Even if they do take part, needed deliberations may not necessarily occur. And if they do, needed actions may not necessarily be taken as a result. There is an available set of concepts, procedures, tools, and practical guidance designed to help leaders, managers, and planners think, act, and learn strategically, but those needed in any particular situation may not be used or used effectively. Indeed, in my experience—in life generally and in strategic planning specifically—there are more ways to fail than to succeed, so possible failure is always lurking in the footsteps of incipient success.

One must always remember that strategic planning is not a substitute for strategic thinking, acting, and learning. Only caring and committed people can do that—and almost always via deliberative processes. Unfortunately, when used thoughtlessly, obsessively, or with excessive formality or rigidity, strategic planning can drive out precisely the kind of strategic thinking, acting, and learning it was supposed to promote. That kind of approach may be worse than no approach at all.

Furthermore, strategic planning is not a substitute for leadership broadly conceived. In my experience, there is simply *no* substitute for leadership when it comes to engaging in strategic planning effectively. At least some key decision makers and process champions must be committed to it; otherwise, any attempts to use strategic planning are bound to fail. An effective strategic planning team also is typically needed. And skilled facilitators are often necessary.

In addition, strategic planning is not synonymous with creation of an organization's strategies. Organizational strategies have numerous sources, both planned and unplanned. Strategic planning is likely to result in a statement of organizational *intentions*, but what is *realized* in practice will be some combination of what is *intended* with what *emerges* along the way (Mintzberg et al., 2009). Strategic planning can help organizations develop and implement effective strategies, but organizations should remain open to unforeseen opportunities as well. Too much attention to strategic planning and reverence for strategic plans can blind organizations to other unplanned and unexpected—yet incredibly useful—sources of information, insight, and action.

It should be clear now that the *deliberation* among key actors in strategic planning—and especially among key decision makers—is of a very special kind: it is thoughtful, reflective, informed, appreciative, situation- and stakeholder-sensitive, mission-oriented, careful, and political—in the best sense. Deliberation of that sort involves a special kind of *discipline* harkening back to the Latin roots of the word emphasizing instruction, training, education, and learning. Of course, there is a second meaning of discipline embodied in later interpretations emphasizing order, control, and punishment. I personally prefer the emphasis on education and learning, though there clearly are occasions when imposing order, taking control, and imposing appropriate sanctions are appropriate. Strategic planning should be used as a kind of purposeful discipline to create noteworthy public value. If it does not, then it has been a waste of time other than to fulfill some symbolic or procedural requirement.

Why Strategic Planning Is Becoming a Standard Practice

A very large fraction of public and nonprofit organizations now claim to engage in strategic planning (Bryson & Edwards, 2017). Having said that, many leaders and managers no doubt groan at the prospect of having to go through another round of strategic planning. They may have “been there, done that” and, depending on their experience, may not want to do it again. They also have seen all manner of management fads come and go. Managers in particular are frequently, and justifiably, tired of these fads and feel as though they are the victims of some sort of perverse management hazing or status degradation ritual.

But strategic planning is far from a passing fad, at least not the sort of deliberative strategic planning proposed in this book. The reason is that the strategic planning process presented here builds on the nature of *political* intelligence and decision making. So many other management techniques have failed because they ignore, try to circumvent, or even

try to counter the political nature of life in private, public, and nonprofit sector organizations. Too many planners and managers, at least in my experience, just do not understand that such a quest is almost guaranteed to be quixotic. Politics is the method that we humans use to answer the analytically unresolvable questions of what should be done for collective purposes, how, and why (Moore, 2013; Mulgan, 2009).

Most of these new management innovations have tried to improve government decision making and operations by trying to impose a formal rationality on systems that are not rational, at least in the conventional meaning of the word. Public and nonprofit organizations (and communities) function primarily based on a political intelligence and rationality, and any technique that is likely to work well in such organizations must accept and build on the nature of political rationality (Stone, 2011).

Let us pursue this point further by contrasting two different kinds of decision making: the “rational” planning model and the political decision-making model. The rational planning model, a rational-deductive approach to decision making, is presented in Figure 1.2. This model begins with goals, which are achieved through policies, programs, and actions. If there is a traditional planning theology, this model is one of its icons. Indeed, if there were a Moses of planning, Figure 1.2 would have been etched on his tablets when he came down from the Mount.

Let us now examine a fundamental assumption of the rational planning model—that in the fragmented, shared power settings that characterize many public and nonprofit organizations, networks, and communities, there will either be a *consensus* on goals, policies, programs, and actions necessary to achieve organizational aims or there will be someone with enough *power* and *authority* that any disagreements can be effectively overruled. The assumption just does not hold in most circumstances—only in fairly centralized, authoritarian, and quasimilitary bureaucracies—maybe (Bolman & Deal, 2013).

Let us now examine a model that contrasts sharply with the rational planning model, the political decision-making model presented

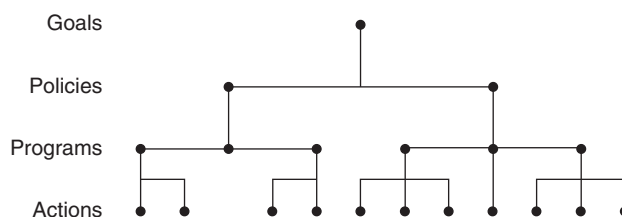


Figure 1.2. Rational Planning Model.

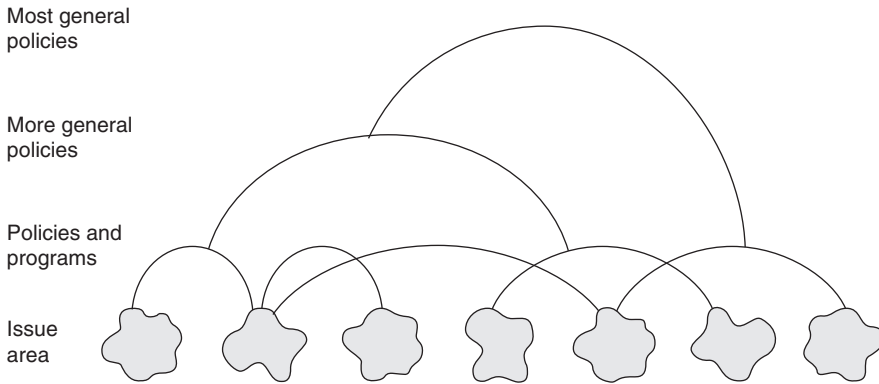


Figure 1.3. Political Decision-Making Model.

in Figure 1.3. This model is more emergent or inductive rather than top-down or rational-deductive. It begins with issues, which almost by definition involve conflict, not consensus. The conflicts may be over ends, means, timing, location, political advantage, reasons for change, or philosophy and values—and they may be severe. As efforts proceed to resolve the issues and learn how to move ahead, policies and programs emerge that address the issues and are politically rational—that is, they are politically acceptable to involved or affected parties. Over time, more general policies may be formulated to capture, frame, shape, guide, or interpret the policies, programs, and learning developed to deal with the issues. The various policies and programs are in effect treaties among the various stakeholder groups and, though they may not exactly record a consensus, at least they represent a reasonable level of agreement among stakeholders (Bolman & Deal, 2013; Spee & Jarzabkowski, 2017).

Now, the heart of the strategic planning process discussed in Chapter 2 is the identification and resolution of strategic—that is, very important and consequential—issues. The process, in other words, accepts political decision making’s emphasis on issues and seeks to inform the formulation and resolution of those issues. Effective strategic planning, therefore, should make political decision makers more effective, and, if practiced consistently, may even make their professional lives easier (Janis, 1989; Nutt, 2002). Because every key decision maker in a large public or nonprofit organization is, in effect, a political decision maker (Bolman & Deal, 2013), strategic planning can help them and their organizations. Strategic planning—at least as described in this book—therefore will last in government and nonprofit organizations because it accepts and builds on the nature of political decision making. If done well, it joins political acceptability with administrative feasibility, procedural rationality, and substantive rationality.

Having drawn a sharp distinction between the rational planning and political decision-making models, I must now emphasize that the two models are not inherently antithetical. Indeed, several researchers have demonstrated that multiparty efforts to reach consensus on important issues fraught with conflict often can look extremely messy in practice but then meet very high standards of rationality after all of the political, technical, administrative, procedural, and legal issues have been sorted out (Deyle & Weidenman, 2014; Innes, 1996; Innes & Booher, 2010). The challenge in this case is simply to sequence the approaches appropriately. The political decision-making model is necessary to work out consensual agreements on what programs (services, projects, and so on) and policies will best resolve key issues. Then the rational planning model can be used to recast that consensus in the form of goals, policies, programs, and actions.

Although the planning and decision making that goes into the formulation of a strategic plan may look fairly sloppy to an outsider, once a consensus is reached on what to do, the resulting strategic plan can be rewritten—rationalized—in a form that is quite rational by ordinary definitions (Ackermann & Eden, 2011). Furthermore, the rational planning model may be used to sort out and address any minor (and perhaps major) inconsistencies embedded in the political consensus. Clear goals, when backed by political agreement and authority, can help foster and guide organizational innovation and effectiveness (e.g., Fernandez & Rainey, 2006).

To use another example, in many organizations and communities, there exists a broad-based consensus on basic purposes and values—and often on many policies, programs, and actions as well. There may even be a consensus on the organization's or community's vision. This consensus can be recast using the rational planning model. The political model can then be used to address remaining issues on which there is no agreement, which are likely to revolve around what has to be done to achieve the agreed-upon goals or vision.

To summarize: A great advantage of the strategic planning process outlined in this book is that the process does not presume consensus where it does not exist but can accommodate consensus where it does exist. Because there is no presumption of consensus, the process is more suitable for politicized circumstances than purely “rational” approaches. An intense attention to, and deliberation about, stakeholders and their interests, external and internal environments, and strategic issues means that the actions that are ultimately agreed upon are more likely to be *politically* wise and that organizational survival and prosperity are, therefore, more likely to be ensured. Furthermore, by gathering relevant information, asking probing questions, and focusing on how

best to raise issues, the process can be used to inform political decision making in such a way that virtuous public and nonprofit purposes are better served than they would be if only the rawest forms of political decision making prevailed.

The process, in other words, provides a way of blending substantive rationality (that is, the content of the final answer makes sense), procedural rationality (that is, the steps followed make reasonable sense to the parties involved or affected), and political rationality (that is, acceptability to the interested parties)—content and process and politics—in wise ways to the betterment of the organizations and communities that use it (e.g., Page, Stone, Bryson, & Crosby, 2015).

DEFINITION, PURPOSE, AND BENEFITS OF STRATEGIC MANAGEMENT

What is strategic management, and how does strategic planning relate to it? Strategic management is a more inclusive concept than strategic planning because strategic management is the reasonable integration of strategic planning and implementation across an organization (or other entity) in an ongoing way to enhance the fulfillment of mission, meeting of mandates, continuous learning, and sustained creation of public value (see Exhibit 1.1). Strategic management should thus be considered a part of organizational *governance*, which, as Owen Hughes (2010, pp. 87–88) points out, “is about running organizations, about setting up structures to enable the organization to be run. . . . In English, the verb *govern* derives from the Latin *gubernare*, meaning steer, direct, rule.”

Functionally, strategic planning involves the kind of deliberative, disciplined work intended to help clarify organizational purposes, mandates, goals, and strategies. It also includes designing an effective and responsive strategic management system that will build the enterprise’s capacity for, and delivery of, success over time. Implementation, however, involves the effort to realize in practice an organization’s mission, goals, and strategies; the meeting of its mandates; continued organizational learning; and the ongoing creation of public value. Doing so requires actually developing a useful strategic management system, including linking budgeting, performance measurement, and performance management, and allowing desirable changes in ends and means to emerge over time. Conceptually, it is useful to view strategic planning as the “front end” of strategic management, even though most strategic planning efforts begin amid the implementation of previously designed, or currently emerging, strategies.

Exhibit 1.1. Strategic Planning and Strategic Management—Definitions, Functions, and Approaches.

	Strategic Management The integration of strategic planning and implementation across an organization (or other entity) in an ongoing way to enhance the fulfillment of mission, meeting of mandates, and sustained creation of public value	
	Strategic planning “A deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why it does it” (Bryson, 2010, S256–257)	Implementation The effort to realize in practice an organization’s (or other entity’s) mission, goals and strategies, the meeting of its mandates, continued organizational learning, and the ongoing creation of public value
	↔	
Functions	Designing and integrating kinds of <i>work</i> that have to be done in a reasonably <i>formalized way</i> for the sake of clarifying organizational purposes, mandates, goals, issues, strategies, and requirements for success; the work includes use of deliberative settings to foster collective strategic thinking, acting, and learning around key issues	Designing an appropriate formal <i>strategic management system</i> and the placement and role of strategic and operational planning within it
	Addressing the kinds of <i>work</i> that should be done in a reasonably <i>formalized way</i> for the sake of building the enterprise’s <i>capacity for, and delivery of, success over time</i> ; the work includes linking purposes, people, structures, processes, resources, political support, and learning in productive ways	Linking budgeting, performance measurement, and performance management to meet mandates; achieve agreed-upon mission, goals, strategies, and requirements for success; allow for desirable changes in ends and means to emerge over time; and achieve significant public value
	Clarifying the purpose and placement of the strategic planning function within a governmental or nonprofit organizational design	Making use of forums and evaluations to tailor and adjust strategies during implementation to increase chances of success Making use of forums and evaluations to help judge the degree to which success has been achieved and whether new ends and means should be pursued

<p>Approaches to Fulfilling the Functions</p>	<p>A strategic planning approach is a kind of <i>response</i> to circumstances recognized as <i>challenges</i> that people judge to require a considered, collective, and often novel <i>response</i>.</p> <p>Such responses are part of complex social problem solving, inseparable—and in many ways indistinguishable—from other parts of the same thing. Still, for purposes of discussing enterprises in which planning plays a role, it is advantageous to use <i>strategic planning</i> to characterize this “part” of response scenarios to challenges.</p> <p>A widely used approach is the Strategy Change Cycle (Bryson, 2004), which includes attending to context and developing and linking purposes, strategies, participation, and the coalitions of support needed to adopt desirable changes and protect them during implementation, as well as building capacity for ongoing implementation, learning, and change.</p>	<p>Approaches to, or kinds of, <i>strategic management systems</i>:</p> <ul style="list-style-type: none"> • Integrated units of management (or layered or stacked units of management), including possible use of cascaded dashboards or scorecards • Strategic issues management, including PerformanceStat systems • Contract models • Portfolio approaches • Collaboration models: <ul style="list-style-type: none"> • Lead organization • Shared governance • Partnership administrative organization • Goals or benchmark approaches • Hybrid models, i.e., combinations of two or more of the above
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Source: Adapted in part from *Two Views of Strategic Planning*, by M. Barzelay and J. M. Bryson, 2010, London School of Economics and Political Science, Department of Management (unpublished manuscript); and Bryson (2010).

There are many different ways to approach strategic planning in practice. This book focuses on one, the Strategy Change Cycle, which is presented in some detail in the next chapter. The approach is generic and must be tailored in an ongoing way to fit specific purposes and circumstances. It is also important to keep in mind that strategic planning is just one of the ways in which important strategy change is brought about; those using the process must be attentive to other sources and avenues of positive change and figure out ways for the strategic planning effort to make use of or complement them.

Similarly, there are many different approaches to designing a strategic management system in practice, where the approach again must be tailored in an ongoing way to fit specific purposes and circumstances. Seven different major approaches are listed in Exhibit 1.1, of which the most important is perhaps the last: hybrid models. Because purposes and circumstances are often so situation-specific, most effective strategic management systems are hybrids of two or more of the other approaches. All seven approaches are discussed in Chapter 10. To summarize, this book is mainly but not exclusively about *strategic planning*, but I will always emphasize the need to do the planning with the requirements for, and functions of, implementation and strategic management kept clearly in mind.

Three Examples of Strategic Planning

Throughout this book, the experiences of three organizations (one public, one nonprofit, and one multiparty collaboration) are used to illustrate key points about strategic planning—including its capacity for accommodating procedural, substantive, and political rationality. Each of these organizations used a variant of the strategic planning process outlined here, explicitly or implicitly adapting it for their own purposes. I had some direct or indirect involvement in each effort though the extent of my involvement varied greatly. Each of these projects represented a kind of action research project in which the aims included developing theory and guidance for practice (Eden & Huxham, 1996).

The three organizations described here are the City of Minneapolis, a municipal government; the Metropolitan Economic Development Association, a nonprofit organization; and the International Organization of Supreme Audit Institutions (INTOSAI), an international nonprofit organization linked to the United Nations consisting of the chief accountability offices of 194 member nations. The U.S. General Accountability Office is the supreme audit institution for the United States.

The City of Minneapolis. Minneapolis and St. Paul are known throughout the country as the Twin Cities. Indeed, the local major league professional baseball team is known as the Minnesota Twins. Minneapolis is the larger of the two cities with approximately 420,000 people in 2017; St. Paul has slightly more than 300,000. Both cities are growing after significant declines in the latter part of the twentieth century. The metropolitan area continues to grow as well and, at 3.5 million people, is the sixteenth largest metropolitan area in the country.

The “City of Lakes” is known for its economic vitality as the economic hub of the state, which has 5.5 million people. The city is also known for its vibrant cultural scene featuring many theatres, museums, and music

venues and for its award-winning park system that includes the city's 13 lakes. The city has become increasingly diverse over the decades. In 2017, approximately 60 percent of the population is white, 20 percent is black or African American, 11 percent is Hispanic or Latino, 6 percent is Asian, and the rest is from other races or of mixed races.

The city has an unusual "weak mayor" government structure that is often referred to as a "three-legged stool." The three legs are the mayor, city council, and city coordinator's office (CCO). The city's diffuse political authority and complex departmental chain of command make achieving consensus on directions and plans a challenge but also mean that power is widely shared.

The mayor has limited formal powers but is the presiding officer of the city council, which is the governing body. The mayor has the power to nominate department heads and make specific appointments, such as the chief of police. The mayor also proposes policy directions and the annual operating and capital budgets.

The city council is the legislative body for the city. Council members are elected by wards, with each representing approximately 32,000 residents. The city adopts local laws and city budgets, provides policy direction, has oversight responsibility of the city's administration, and monitors policy implementation.

The CCO acts as an advisor and consultant to the mayor and city council. The coordinator carries out administrative services, including planning, budgeting, fiscal management, and program monitoring. As part of carrying out these assignments, the coordinator oversees a specific set of "nonstatutory" departments (i.e., IT, human resources, finance and property services, communications, neighborhood and community relations, 311, 911, the Convention Center, intergovernmental relations, and emergency management). The CCO carries out the city's strategic planning and results management efforts. The coordinator is appointed by the mayor for a two-year term with the option of being reappointed.

The city has been engaged in ongoing performance management efforts for some time. It began producing strategic plans on a four-year cycle starting in 2006. We will focus on the process that produced the 2014 strategic plan and how it was implemented. The presentation benefits greatly from a series of student team papers produced as part of my yearly strategic planning class at the Humphrey School and by regular contact with city staff (Andreason et al., 2016; Arbury et al., 2014; Christ et al., 2009; Dickens et al., 2015).

The Metropolitan Economic Development Association. The Metropolitan Economic Development Association (MEDA) is a nonprofit organization that was established in 1971 in the aftermath of the civil

unrest in Minneapolis in the late 1960s. MEDA's purpose is to help entrepreneurs of color and minority-owned businesses succeed. The founders of MEDA included members of the civic and business elites of the metropolitan area. They believed—and the organization still believes—that supporting minority businesses is “a positive, achievable and market-based approach to create wealth in Minnesota's communities of color and provide equal economic opportunity” (MEDA, 2015, p. 3). We will focus on the process that produced the 2016–2010 strategic plan.

MEDA's mission in 2014 was “helping entrepreneurs of color succeed. And communities grow.” The vision was “thriving communities through equal economic participation.” Values included excellence, customer focus, integrity, and respect.

MEDA offered programs in three categories: business consulting, financial services, and creating market opportunities. In the business consulting area, MEDA provided management consulting and mentoring, help with taking businesses to scale, and specialized support for businesses working in the construction industry. In the finance area, MEDA offered its own loan fund, managed funds for external partners, and partnered with community lenders, commercial banks, and the State of Minnesota to help clients acquire capital. Finally, in terms of market opportunities creation, MEDA had four centers designed to help clients connect with corporate and government contracting opportunities, assist with registrations and certifications, and provide educational and training workshops.

In 2014, MEDA served more than 1,600 clients across its three program areas and throughout the state. Not all of these clients were minority entrepreneurs or minority-owned businesses. MEDA helped its clients secure more than \$650 million in contracts. In the Twin Cities metropolitan area, it helped 55 minority-owned firms secure nearly \$26 million in financial capital. As a result of these contracts and financial capital, approximately 200 new jobs were created with an average wage of \$22 per hour.

According to MEDA's 2014 Annual Report, MEDA had total assets of \$9,164,604 and total liabilities of \$5,260,831 for total net assets of \$3,903,773. MEDA's revenue, including lending capital and multiyear operational grant awards, was \$4,126,097, and total expenses were \$3,279,620 for net assets of \$846,477. The total expense that included program services was \$3,279,620. There were 28 staff members.

The year included a major leadership transition. Gary Cunningham succeeded Yvonne Cheung Ho, who had served as the president and CEO of MEDA for 15 years. The board of directors selected Cunningham for his passion and strong vision for MEDA's work and asked him

to “take MEDA to the next level.” Previously, he held a number of senior management positions, including vice president for operations of the Northwest Area Foundation, head of North Point Health and Wellness Center in Minneapolis, and director of the Office of Planning and Development for Hennepin County, Minnesota (the county that contains Minneapolis).

Although the board wanted a transformation, they did not specify what that meant. Cunningham knew MEDA was a successful organization, but he also wanted to greatly increase its impact. Although he knew a strategic planning process would be necessary, he also wanted to know more about MEDA before he began one. Three weeks after assuming his new position in August 2014, Cunningham and I began coteaching a Fall 2014 course on performance management at the Humphrey School of Public Affairs. We focused the class on MEDA and what moving to the next level might mean. Insights the class developed helped clarify a number of issues facing MEDA and helped Cunningham better understand how to push ahead with a formal strategic planning process. That effort began in 2015 with consulting support from the Minneapolis office of Accenture, the global consulting firm. I have served as a strategic planning advisor throughout.

The International Organization of Supreme Audit Institutions. The International Organization of Supreme Audit Institutions (INTOSAI) is an “autonomous, independent, professional, and nonpolitical organization,” which is legally a nongovernment organization (NGO) (INTOSAI, 2010, p. 2). It was founded in 1953 as the overarching association of supreme audit institutions (SAIs) for the United Nations’ member countries. Currently, the organization includes SAIs from 194 countries and five associate members. An SAI is a country-level government agency whose purpose, at least in theory, is to ensure transparency, accountability, and efficiency within the bureaucratic operations of a government. SAIs go by different names in different countries; for example, auditor general, comptroller general, or chief financial controller. The U. S. Government Accountability Office (GAO) is the national SAI representing the United States. In addition, there are some associate organizational members such as the World Bank. INTOSAI carries out its work in five official languages—Arabic, English, French, German, and Spanish—and is headquartered in Vienna with the Austrian Court of Audit. The organization has special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

INTOSAI’s current mission, which is broadened somewhat from the 2011–2016 mission, states that it will “provide mutual support; foster the exchange of ideas, knowledge, and experiences; act as a recognized

voice of supreme audit institutions within the international community; provide high quality auditing standards for the public sector; promote good governance; and foster SAI capacity development and continuous performance improvement.” INTOSAI’s current vision is to “promote good governance by enabling SAIs to help their respective governments improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and foster the efficient and effective receipt and use of public resources for the benefit of their citizens.” The organization operates on the core values of interdependence, integrity, professionalism, credibility, inclusiveness, cooperation, and innovation. The current strategic plan modifies and elaborates on the goals in the previous strategic plan. The major change is that the plan is meant to guide its SAI members as they support their governments in achieving the United Nations’ Sustainable Development Goals (SDGs). The 17 SDGs were adopted by the UN General Assembly in September 2015 and seek to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda (United Nations Development Program, 2015). The new plan provides a framework for INTOSAI and its member SAIs to follow up and review national sustainable development initiatives in accord with individual SAI mandates, priorities, and capabilities.

The effort to produce INTOSAI’s third strategic plan, the 2017–2022 Strategic Plan, is the case reported on here. The new plan was adopted by INTOSAI’s governing board, the International Congress of Supreme Audit Institutions, in the United Arab Emirates in December 2016. The head of U.S. GAO, the comptroller general of the United States, chaired the Task Force on Strategic Planning. GAO staff played a central role as a champion and facilitator of the effort. The previous edition of this book was one of the sources for advice on the process that ensued. In addition to publicly available documents, the entries about the case draw heavily on Huff (2017), which grew out of a Humphrey School student team paper that was prepared in cooperation with, and reviewed by, U.S. GAO staff.

COMPARISONS AND CONTRASTS

These three organizations and their strategic planning efforts offer a number of comparisons and contrasts. Two are Minnesota-based, and one is quite emphatically international. They differ in size, staff, budgets, and legal status. The City of Minneapolis is a unit of local government. MEDA is an independent nonprofit organization. INTOSAI is also formally a nonprofit but is essentially a self-governing network

of government organizations served by a network administrative organization located in Vienna, Austria (Provan & Kenis, 2009).

The strategic planning effort for these organizations differed in the extent to which it focused directly on the organization and what it should do or what should happen in the community of which the organization is a part. The Minneapolis process focused on both organizational and community planning. MEDA focused on itself but also highlighted ways of changing the entire ecology of support for minority-owned businesses. INTOSAI's effort focused on itself but especially on what the SAIs could do to help their nations' governments achieve goals that involved far more than what governments could do directly. In short, for these organizations, the boundary between what was "inside" and what is "outside" the organization was not always clear.

In addition, the three organizations engaged in strategic planning for different reasons. Minneapolis and INTOSAI both were following a very regular cycle for updating strategic plans, but the circumstances surrounding the updates were quite different. Minneapolis began its process knowing the political leadership of the city would change significantly midway through the process. INTOSAI used the scheduled update to significantly repurpose the plan to focus on helping achieve the UN's SDGs. And MEDA also knew the time had come for a new strategic plan but wasn't sure what transforming the organization—which both the board and the new president and CEO wanted—might mean.

There are similarities among the three cases as well. First, each organization succeeded because it had leaders willing to act as *process sponsors* to endorse and legitimize the effort. The sponsors were not always particularly active participants, nor were they always at the top of the organizational hierarchy, but they did let it be known that they wanted important decision makers and managers to give the effort a good try. Second, each organization had *process champions* committed to making the process work. These champions did not have preconceived ideas about what specific issues and answers would emerge from the process, though they may have had some good hunches. They simply believed that the process would result in good answers and pushed until those answers emerged (Bryson & Roering, 1988, 1989).

Third, each organization ultimately developed a fairly clear understanding and agreement among key decision makers about what strategic planning was and what they expected from the process. Fourth, each followed a reasonably structured strategic thinking, acting, and learning process. Fifth, each had a decision-making body to oversee the process. Sixth, each had a strategic planning team to manage the process, collect information and prepare for meetings, engage in serious strategic dialogue, and draft a strategic plan. Seventh, each identified

critical issues that required effective action if the organization were to capitalize on important opportunities, avoid being victimized by serious threats, or both. Eighth, each worked hard to develop strategies that created public value and were politically acceptable, technically workable, administratively feasible, and ethically responsible. Ninth, each relied on outside assistance of various kinds to help with the process. And finally, each gained many of the potential benefits of strategic planning outlined above

SUMMARY

This chapter has discussed what strategic planning is and why it is important. Its importance stems from its ability to help organizations and communities anticipate and respond to change in wise and effective ways. Not only have the environments of public and nonprofit organizations and communities changed dramatically in the recent past, but more upheaval is likely in the future as well. Continuous progress can hardly be taken for granted. In fact, we should expect periods of stability and small changes that are interrupted by instability and significant change. We should expect uncertainty, ambiguity, and equivocality, happy surprises but also unhappy jolts—and occasional terror. In the past century and into this one, we experienced world wars, big booms, big busts, modernism, postmodernism, poststructuralism, and new major roles for government and nonprofit organizations. Within living memory, the United States experienced the effects of the Korean War; the civil rights movement; the women's movement; the environmental movement; the disastrous war in Vietnam; the antiwar movement; the environmental movement; the collapse of the Soviet Union; dramatic shifts in the dominant political ideology in the United States; the HIV/AIDS crisis; lengthy but inconclusive wars in the Middle East; a rise in terrorism; growing public distrust and cynicism; staggering new technologies; unprecedented economic growth with a continuation of sometimes brutal business cycle downturns; the emergence of the European Union, China, and India as serious economic competitors; a dramatic spread of democracy and some noteworthy retreats from it; and globalization—plus all the other changes noted in the opening paragraphs of this chapter.

It all reminds me of a quotation attributed to Lord Salisbury (Robert Gascoyne-Cecil), three-time British prime minister in the nineteenth century: “Change, change, who needs change? Aren't things bad enough already?” Or this chapter's opening epigram: a handwritten sign on a tip jar in a coffee shop in Portland, Oregon: “If you don't like change, leave it here.” If only it were that simple!

Strategic planning is one way to help organizations and communities deal with their changed circumstances. Strategic planning is intended to enhance an organization's ability to think, act, and learn strategically. It can help organizations clarify and resolve the most important issues they face. It can help them build on strengths and take advantage of major opportunities while they overcome or minimize weaknesses and serious challenges. It can help them be much more effective in what seems to be a more hostile world. If it does not do that, it probably was not worth the effort, even though it may have satisfied certain legal mandates or symbolic needs.

The ABCs of Strategic Planning presented in Figure 1.1 showed how strategic planning can help an organization (or other entity) deliberate about how it might get from where it is to where it wants to be. Figure 1.4 shows another way to think about strategic planning that more forcefully demonstrates its importance in terms of purposes and functions—namely, that strategic planning is meant to help public and nonprofit organizations and communities create public value through meeting their mandates and fulfilling their missions. To do so, it must help produce fundamental decisions and actions that shape and guide what the organization is, what it does, and why it does it. Producing those decisions and actions requires an interconnected set of activities that organizes effective participation; creates meritorious ideas for mission, goals, strategies, actions, and other strategic interventions; builds a winning coalition; implements strategies; and builds capacity for ongoing implementation, learning, and strategic change.

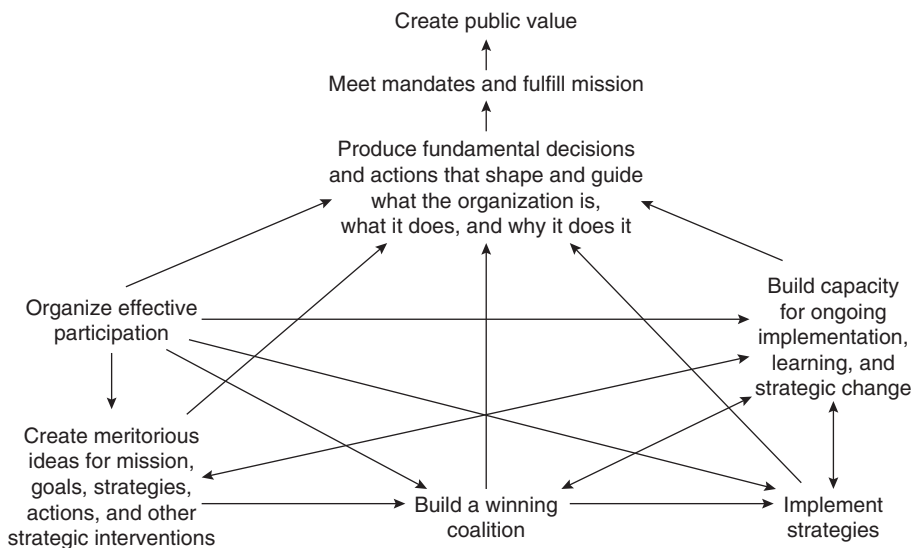


Figure 1.4. Purposes and Functions of Strategic Planning and Management.

Source: Adapted from Bryson, 2004, p. 28.

Strategic planning clearly is a leadership and management innovation that is likely to persist because, unlike many other recent innovations, it accepts and builds on the nature of *political* decision making. Raising and resolving important issues is the heart of political decision making and the heart of strategic planning. Strategic planning seeks to improve on raw political decision making, however, by helping to ensure that issues are raised and resolved in ways that benefit the organization, its key stakeholders, and society.

Chapter 2 presents my preferred approach to strategic planning for governments, public agencies, nonprofit organizations, boundary-crossing collaborations, and communities. Subsequent chapters will discuss how to apply the process to help public and nonprofit organizations, collaborative networks, and communities create public value, fulfill their missions, meet their mandates, and serve their stakeholders effectively, efficiently, and responsibly. The good news in this book is of two sorts: There is lots of good work to do, and strategic planning can help you do it. The bad news is also of two sorts: Strategic planning is not necessarily easy, and there is no guarantee of success.

Indeed, it may be helpful to consider the words of Samuel Beckett, winner of the Nobel Prize for Literature, in *Worstward Ho*: “Ever tried. Ever failed. No matter. Try again. Fail again. Fail better” (1983). Beckett’s words are helpful because often failure of various sorts prompts the strategic thinking, acting, and learning necessary for success (Bryson & Crosby, 2008; Weick, Sutcliffe, & Obstfeld, 2005). The key is to use a deliberative, disciplined process that allows strategic thinking, acting, and learning to be joined for the ultimate benefit of those involved or affected. The next chapter presents such a process.