



CHAPTER ONE

WHY STRATEGIC PLANNING IS MORE IMPORTANT THAN EVER

Usually, the main problem with life conundrums is that we don't bring to them enough imagination.

THOMAS MOORE, *CARE OF THE SOUL*

Leaders and managers of governments, public agencies, nonprofit organizations, and communities face numerous and difficult challenges. Consider, for example, the dizzying number of trends and events affecting the United States in the past two decades: an aging and diversifying population; changes in the nature of families; an apparent shift to political conservatism; tax cuts, levy limits, and indexing; dramatic shifts in federal and state responsibilities and funding priorities; a huge bull market in equities followed by one of the longest bear markets in history; a closing of the gap between rich and poor and then a reopening of that gap; the emergence of children as the largest group of poor Americans; dramatic growth in the use of information technology, e-commerce, and e-government; the changing nature of work and a redefinition of careers; fears about international terrorism; and the emergence of obesity as an important public health concern. Perhaps most ominously, we have experienced a dramatic decline in social capital in recent decades (Putnam, 2000), and citizens in the United States and other developed countries appear to be less happy now than they were thirty years ago (Lane, 2000; Institute of Education, 2003).

Not surprisingly, we have seen sustained attention to governmental and nonprofit organizational design, 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 (Peters, 1996, p. vii, Rainey, 1997, p. 317; Light, 1997, 2000; Kettl, 2002).

Globally, the spread of democracy and a beneficent capitalism seemed almost inevitable after the collapse of the Soviet Union (Schwartz, Leyden, and Hyatt, 1999; Giddens, 2002). Now, progress seems far more uneven (Huntingdon, 1998; Friedman, 2000; Sardar and Davies, 2002). Dictators—even tyrants—still abound; concerns about labor dislocations and exploitation persist; unemployment rates are high in many, perhaps most, developed and developing countries; many of the world's fish stocks are depleted, and so on. Poverty and ill health are far too widespread, even when some of the worst effects of ill health might be removed for literally pennies per person per day through ensuring clean water and sanitation facilities and easy access to immunization and generic drugs. Global environmental change shows up in hotter average temperatures, changed rainfall patterns, prolonged droughts, an increasing number of catastrophic storms, and increased skin cancer rates. The Worldwatch Institute (2004) claims in *State of the World 2004: Richer, Fatter, and Not Much Happier*, that worldwide consumerism has put us on a collision course with environmental disaster. Terrorism is real and deeply threatening, and must be countered if democracy, sane economic growth, and peaceful conflict management are to occur. And Sir Martin Rees, a renowned astrophysicist and Britain's astronomer royal, guesses the world has only a fifty-fifty chance of escaping a devastating global catastrophe of some kind sometime in this century (Rees, 2003).

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 (Gersick, 1991; Baumgartner and Jones, 1993; Mintzberg, 1994). These periods of organizational change may be exciting, but they may also 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 and short periods of terror.” (Gould, 1980, p. 185).

These environmental and organizational changes are aggravated by the interconnectedness of the world. Changes anywhere typically result in changes elsewhere. Or as novelist Salman Rushdie (1981) says, “Most of what matters in our lives takes place in our absence” (p. 19). 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 (Cleveland, 2002; Kettl, 2002). These changes have become dramatically apparent since the mid-1970s.

The U.S. economy is now intimately integrated with the economies of the rest of the world, and events abroad have domestic repercussions. My wife and I own two U.S.-made cars—whose engines and drivetrains are Japanese. Deflation in Japan in the last few years has aroused fears of deflation in the United States and elsewhere. When I was growing up, the Soviet Union was the enemy; now the Evil Empire, as President Ronald Reagan called it, does not exist, and Russia is an ally on many fronts. Threats to U.S. oil supplies from abroad prompt meetings in and actions by the White House, the intelligence agencies, and the Departments of State, Defense, and Homeland Security.

Distinctions between policy areas are also hard to maintain. For example, educational policy is now seen as a type of economic development and industrial policy to help communities and firms compete more effectively. Strengthening the economy will not eliminate the human service costs incurred by the government, 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 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 public responsibilities, yet increasingly, we rely on private and nonprofit organizations to produce 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, and 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”—state and local governments have been the big gainers in power in the last fifteen years, and the federal government the big loser. Now, as *Governing* magazine’s editors note, “In the first decade of the new century, the federal government is no longer the instrument of first resort when it comes to dealing with the most complex social and economic problems. State and local governments are the problem-solvers—uncertain, under-funded and disunited as they frequently are” (“The Way We Were and Are,” 2002, p. 37). The result of this “leakage” of sovereignty up, out, and down and this blurring of boundaries between public, private and nonprofit sectors has been 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

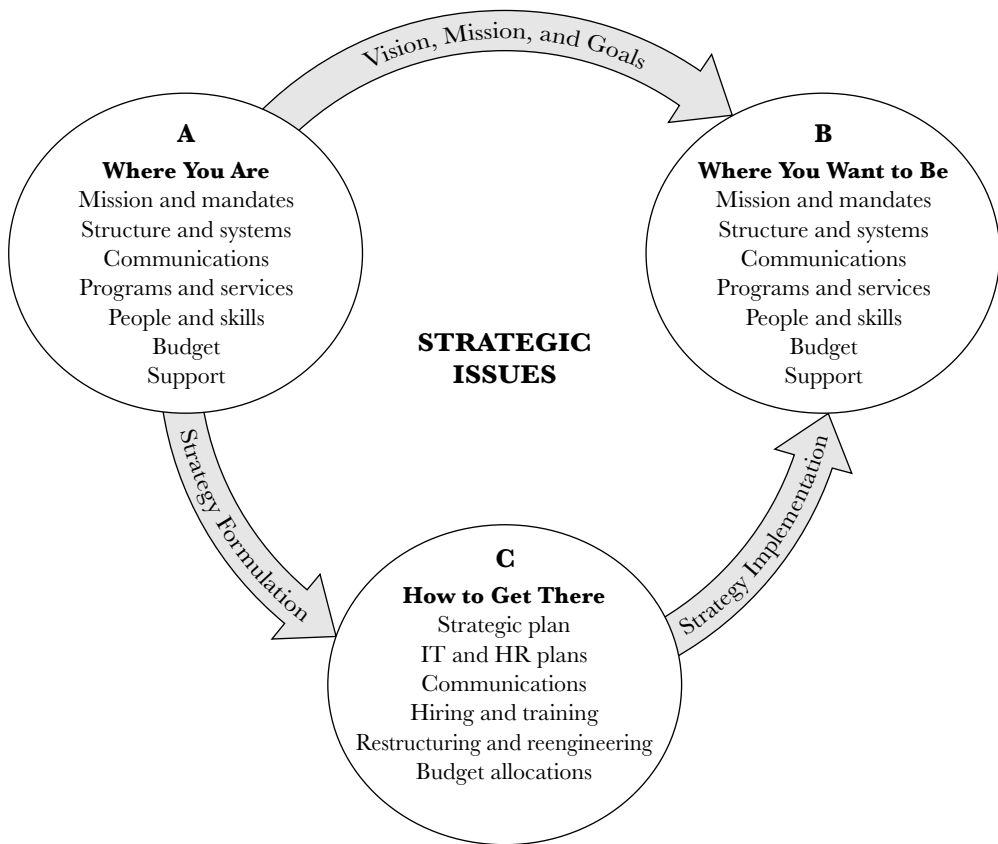
important actor—in the networks we rely on to do the public’s work (Milward, Provan, and Else, 1993; Provan and Milward, 2001).

The blurring of these boundaries means that we have moved to a world in which no one organization or institution is fully in charge and yet many are involved, affected, or have a partial responsibility to act (Cleveland, 2002; Kettl, 2002; Crosby and Bryson, forthcoming). This increased jurisdictional ambiguity—coupled with the events and trends noted previously—requires public and nonprofit organizations (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? Drawing on Olsen and Eadie (1982, p. 4), I define *strategic planning* as *a 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*. At its best, strategic planning requires broad-scale yet effective information gathering, clarification of the mission to be pursued and issues to be addressed along the way, development and exploration of strategic alternatives, and an emphasis on the future implications of present decisions. Strategic planning can facilitate communication and participation, accommodate divergent interests and values, foster wise and reasonably analytical decision making, and promote successful implementation and accountability. In short, at its best strategic planning can prompt in organizations the kind of imagination—and commitment—that psychotherapist and theologian Thomas Moore thinks is necessary to deal with individuals’ life conundrums.

Figure 1.1 presents the ABCs of strategic planning, a capsule summary of what strategic planning is all about. Detail can be added as needed to this basic understanding: *A* is figuring out where you are, *B* is figuring out where you want to go, and *C* is figuring out how to get there. Leaders and managers 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 and systems, communications, programs and services, people and skills, relationships, budgets, and other supports. The content of *C* is the strategic plan; plans for various functions; ways to redesign, restructure, or reengineer; budget allocations; and other vehicles for change. Getting from *A* to *C* involves clarifying vision, mission, and goals.

FIGURE 1.1. THE ABCS OF STRATEGIC PLANNING.

Source: Bryson and Alston, 2004.

Getting from *A* to *C* is the process of strategy formulation, whereas 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 be connected. You accomplish this principally by understanding the issues that *A*, *B*, *C*, and their interconnections must address effectively. This summary also makes it clear that strategic planning is not a single thing but a set of concepts, procedures, and tools.

So that is how strategic planning is defined and briefly what it is. But why engage in strategic planning? At its best the purpose of strategic planning in the United States and elsewhere is to help public and nonprofit organizations “create

public value,” in Mark Moore’s compelling and evocative phrase (Moore, 1995, 2000). Moore discusses creating public value primarily as the responsibility of individual managers, whereas I see creating public value more broadly as an individual, group, organizational, and community responsibility. Creating public value means producing enterprises, policies, programs, projects, services, or infrastructures (physical, technological, social, etc.) that advance the public interest and the common good at a reasonable cost. 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 this sense, strategic planning is about “the manufacture of transcendence” (Krieger, 2000) and finds its inspiration in the deepest sources of “the real American Dream” (Delbanco, 1999). Beyond that, strategic planning in the United States and elsewhere is meant to help its practitioners and beneficiaries “pursue significance” (Denhardt, 1993)—in short, to create public value.

Most of the thinking about strategic planning has focused on its use in for-profit organizations. Until the early 1980s, strategic planning in the public sector was applied primarily to military strategy and the practice of statecraft on a grand scale (Quinn, 1980; Bracker, 1980). That situation changed, however, with the publication in 1982 of J. B. Olsen and D. C. Eadie’s *The Game Plan: Governance with Foresight*, which marks the beginning of sustained applications of strategic planning to the broad range of public organizations and the inception of scholarship on how best to do so. Strategic planning for nonprofit organizations has proceeded in parallel, with the most important early publication being Barry (1986). I am pleased to be able to say that the first and second editions of this book, published in 1988 and 1995, respectively, also played an important role in expanding the use of strategic planning by public and nonprofit organizations.

Experience has clearly demonstrated that strategic planning can be used successfully by

- Public agencies, departments, and major organizational divisions (for example, Dair, 1999a, 1999b; Abramson and Lawrence, 2001; Barzelay and Campbell, 2003)
- General purpose governments, such as city, county, state, and tribal governments (for example, Berry and Wechsler, 1995; Jurkiewicz and Bowman, 2002; Eitel, 2003; Hendrick, 2003)

- Nonprofit organizations providing what are basically public services (for example, Medley, 1999a, 1999b; Allison and Kaye, 1997; Crittenden, 2000; Kaplan, 2001; Berger and Vasile, 2002)
- Specific functions—such as transportation, health, or education—that bridge organizational and governmental boundaries (for example, Nelson and French, 2002; Poister, 2003; Burby, 2003)
- Interorganizational networks—such as partnerships, collaboratives, alliances, and coalitions—in the public and nonprofit sectors (for example, Stone, 2000; Linden, 2002)
- Entire communities, urban or metropolitan areas, regions, and states (for example, Chrislip, 2002; Wheeland, 2003)

This book concentrates on strategic planning for public and nonprofit organizations. It also considers, in lesser detail, the application of strategic planning to communities and services that bridge organizational boundaries. (The term *community* is used throughout to refer to communities, urban or metropolitan areas, regions, and states.) Although the process detailed in this book is applicable to all the entities just listed, 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*, even though considerable relevant information may be gathered from outsiders. Certainly, this will 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 or not the organization’s board of directors or governing body consists of insiders or outsiders may be an open question, particularly when the members of this body are publicly elected. For instance, are 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—often crossing organizational or governmental boundaries—or on a community, almost all the key decision makers will be *outsiders* (Huxham, 2003). In these situations the focus will be on how to organize thought, action, and learning more or less collaboratively within an interorganizational network or among networks where no one person, group, organization, or institution is fully in charge but where many are involved, or affected, or have a partial responsibility to act. We should expect that it might be more difficult to organize an effective strategic planning process in such a *shared-power* context (Bardach, 1998; Huxham, 2003). More time will probably need to be spent on organizing forums for discussion, involving diverse constituencies,

negotiating agreements in existing or new arenas, and coordinating the activities of numerous, relatively independent people, groups, organizations, and institutions (Innes, 1996; Burby, 2003; Huxham, 2003).

Organizations engage in strategic planning for many reasons. Proponents of strategic planning typically try to persuade their colleagues of its value with one or more of the following kinds of statements (Nutt and Backoff, 1992, pp. 9–17; Barry, 1997, pp. 3–4; Borins, 1998, pp. 41–49):

“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, 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 Total Quality Management, reinvention and reengineering, downsizing, and rightsizing, along with the revolution in information technology. Now people are asking us to take on process improvement, performance management, balanced 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.”

“This major issue 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 the services of other organizations. Right now, things are just too fragmented and poorly resourced, and our clients needing more than one service are suffering.”

“Our principal funder [or board of directors or new chief executive] has 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.”

Whatever the reasons that drive public and nonprofit organizations to engage in strategic planning, similar *benefits* are likely to result. Many authors argue that strategic planning can produce a number of benefits for organizations (for example, Nutt and Backoff, 1992; Barry, 1997; Nutt, 2002). The first and perhaps most obvious potential benefit is the *promotion of strategic thinking, acting, and learning*, especially through dialogue and *strategic conversation* among key actors (Van der Heijden, 1996). Strategic thinking, acting, and learning are promoted by systematic information gathering about the organization’s external and internal environment and various actors’ interests, thoughtful examination of the organization’s successes and failures, clarification of future direction, establishment of organizational priorities for action, and in general, attention to the acquisition and use of knowledge and skills. For many organizations, “strategic planning has become a natural part of doing business.” Regular dialogues about key concerns are a central feature of “moving the organization forward and increasing its effectiveness” (Barry, 1997, p. 10). In short, strategic planning can be used to help organize and manage effective organizational change processes in which the organization figures out what to change but also keeps the best.

The second benefit is *improved decision making*. Improved decision making is crucial, because recent studies have indicated that at least half of all strategic decisions fail as a result of poor decision-making processes (Nutt, 2002)! Strategic planning focuses attention on the crucial issues and challenges the organization faces and helps key decision makers figure out what they should do about them. It can help them make today’s decisions in light of the likely future consequences of those decisions. It can help them develop a coherent and defensible basis for decision making and then coordinate the resulting decisions across levels and functions. It can help them exercise maximum discretion in the areas that are 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*, which flows from the first two. Organizations engaging in strategic planning are encouraged to clarify and address major organizational issues, respond wisely to internal and external demands and pressures (including those for accountability), and deal effectively with rapidly changing circumstances. They are encouraged, in other words, to be

well managed. And although it sounds almost tautological to say so, it clearly is not: organizations that are managed well perform better, are more responsive, more innovative, have greater influence, and are more accountable than organizations that are not managed well (Light, 1998; Borins, 1998; Rainey and Steinbauer, 1999; Gill and Meier, 2001; O'Toole and Meier, 2003; Coggburn and Schneider, 2003; Boyne and Gould-Williams, 2003). Good management creates good organizational systems; in other words, good management is a *process* that draws on *resources* to produce the *outputs and outcomes* that indicate organizational effectiveness and that trigger the resource flows the organization needs to sustain itself and continue to create public value into the future (Bryson, Gibbons, and Shaye, 2000). Porter (1985, pp. 33–61) refers to this linkage of inputs, processes, and outputs in firms as a *value chain*, and if this chain does not produce value in the marketplace at reasonable cost, the firm is in danger of going out of business. In the case of public and nonprofit organizations, we can say that the value chain must create public value at reasonable cost or serious consequences are likely to ensue. 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 (Bryson, 2003a).

Fourth, beyond organizational effectiveness, strategic planning can produce *enhanced effectiveness of broader societal systems*. Most of the public problems we face these days stretch beyond any one organization's boundaries. As Donald Schön (1971) pointed out long ago, 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 need to work better if our lives and the world are to be made better. Organizations can contribute to better functioning of these systems but typically must do so in partnership with others or by somehow taking those others into account (Kettl, 2002; Crosby and Bryson, forthcoming). Strategic planning can help organizations take the broader environment into account and help them figure out how best to partner with other organizations so that they can jointly create better environments (Joyce, 1999). The result probably should be some sort of concerted institutional redesign effort at the system level (for example, Brandl, 1998; Lake, Reis, and Spann, 2000) that enhances intellectual, human, and social capital at both the societal and organizational levels (Nahapiet and Ghoshal, 1998).

Finally, strategic planning can directly *benefit the people involved*. Policymakers and key decision makers can be helped to fulfill their roles and responsibilities, and participants in the process can improve their teamwork and expertise (Kim, 2002). Further, both employees and organizations that can create real, demonstrable public value are more likely to have a job in the future. Public and non-

profit organizations are externally justified in that they exist to provide real service; those that do and that continue to find ways to do so as circumstances change typically continue to exist (Pinsonneault and Kraemer, 2002; Holzer, Lee, and Newman, 2003).

In short, strategic planning at its best surely must count as a *smart practice*, which Bardach defines as a “method of interacting with a situation that is intended to produce some result . . . [and] also involves taking advantage of some latent opportunity for creating value on the cheap” (1998, p. 36). Strategic planning is smart because it is relatively easy to do; is not all that time and resource intensive, particularly when matched against the costs of potential failure; and would seem to go hand in hand with the craft of creating public value (Lynn, 1996; Bardach, 1998). Strategic planning can be a highly cost-effective tool for creating useful ideas for strategic interventions and for figuring out how to organize the participation and coalition needed to adopt the ideas and protect them during implementation. When not overly formalized, bereft of participation, and obsessed with numbers, strategic planning can be a very effective route to enhanced organizational responsiveness, performance, and accountability.

Although strategic planning *can* provide all these benefits, there is no guarantee it *will*. Indeed, it is highly unlikely that any organization will experience all or even most of the benefits of strategic planning the first time through—or even after many cycles of strategic planning. For one thing, strategic planning is simply a set of concepts, procedures, and tools. Leaders, managers, and planners need to engage in strategic planning carefully because their success will depend at least in part on how they tailor the process to their situations. This book presents a generic strategic planning process for governments, public agencies, and nonprofit organizations that is based on considerable research and experience. It offers advice on applying the process in different circumstances. But the process will work well only when enough key decision makers and planners support it and use it with common sense and a sensitivity to the particulars of their situation. And even then success is never guaranteed, particularly when difficult and fraught strategic issues are addressed.

Furthermore, strategic planning is not always advisable (Mintzberg, 1994; Barry, 1997; Mintzberg, Ahlstrand, and Lampel, 1998). 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 in—keeping in mind, of course, that every crisis should be managed strategically (Mitroff and Pearson, 1993; Weick and Sutcliffe, 2001). 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 (Dutton, Frost, Worline, Kanov, and Lilius, 2002). Second, when the organization's key decision makers lack the skills, resources, or commitment to produce a good plan or when implementation 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 and 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 can be offered for not engaging in strategic planning. Too often, however, these "reasons" are actually excuses, used to avoid what should be done. For example, one might argue that strategic planning will be of little use if the costs of the process are likely to outweigh any benefits or if the process takes time and money that might be better used elsewhere. These concerns may be justified, but recall that the purpose of strategic planning is to produce fundamental decisions and actions that define what an organization (or other entity) is, what it does, and why it does it. In Chapter Three I will argue that strategic planning probably should not take more than 10 percent of the ordinary work time available to any key decision maker during a year. When is the cost of that 10 percent likely to outweigh the benefit of focusing that time on the production of fundamental decisions and actions by the organization? In my experience, hardly ever.

Many organizations—particularly small nonprofit organizations—may prefer to rely on the intuition and vision of gifted leaders instead of on formal strategic planning processes. When these leaders are strategically minded and experienced, there may be no need for formal strategic planning. 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 strategic planning process helps organizations gather 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 constitute the only process that will work. *Muddling* 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 innova-

tions 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 (Quinn, 1980; Behn, 1988; Mintzberg, Ahlstrand, and Lampel, 1998). Unfortunately, muddling typically results in chronic suboptimization of organizational performance, with the result that key external and internal constituencies may be badly served (Osborne and Plastrik, 1997; Barzelay, 1992, 2001).

Strategic planning should also probably not be undertaken when implementation is extremely unlikely. To engage in strategic planning when effective implementation will not follow is the organizational equivalent of making the average New Year's resolution. Nevertheless, 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 may simply not know how and where to start and stop the process. The good news is that strategic planning 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 is no panacea. As noted, strategic planning is simply a set of concepts, procedures, and tools designed to help leaders, managers, and planners think, act, and learn strategically. Used in wise and skillful ways by a coalition of interested parties, it can help organizations focus on producing effective decisions and actions that create public value, further the organization's mission, meet organizational mandates, and satisfy key stakeholders. Strategic planning should not be a substitute for strategic thinking, acting, and learning carried out by caring and committed people. Unfortunately, when used thoughtlessly, obsessively, or excessively formally, strategic planning can drive out precisely the kind of strategic thinking, acting, and learning it was supposed to promote.

Furthermore, strategic planning is not a substitute for leadership. In my experience there is *no* substitute for leadership when it comes to strategic planning. At least some key decision makers and process champions must be committed to strategic planning, or any attempts to use it are bound to fail.

A standard distinction is to argue that leadership is “doing the right things” whereas management is “doing things right.” My own view is that *both* leadership and management involve *both* doing the right things *and* doing them well, but if we stick with this rather simplistic distinction for a moment, strategic planning is first and foremost about clarifying mission, mandates, vision, goals, and the nature of

the common good and public value to be created—doing the right things—whereas management is about making sure those things are done well through strategies and operations at reasonable cost. But no matter what your view of the similarities of and differences between leadership and management, both matter and both are needed if strategic planning is to succeed—because it won't succeed by itself!

In addition, strategic planning is not synonymous with creation of an organization's strategy. 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* will be some combination of what is *intended* and what *emerges* along the way (McCaskey, 1974; Mintzberg, Ahlstrand, and Lampel, 1998). Strategic planning can help organizations develop and implement effective strategies, but organizations should also remain open to unforeseen opportunities as well. Too much attention to strategic planning and reverence for strategic plans can blind organizations to unplanned and unexpected—yet incredibly useful—sources of information, insight, and action.

It should be clear now that the *discipline* highlighted in my definition of strategic planning can be of two sorts. The first harkens back to the Latin roots of the word and emphasizes instruction, training, education, and learning. The second embodies later interpretations and emphasizes order, control, and punishment. I personally prefer the emphasis on education and learning, although there clearly are occasions when imposing order, taking control, and imposing well-chosen sanctions are appropriate. Key leaders, managers, and planners can best use strategic planning as an educational and learning tool, to help them figure out what is really important and what should be done about it. Sometimes this means following a particular sequence of steps and preparing formal strategic plans, but not necessarily. The ultimate end of strategic planning should not be rigid adherence to a particular process or the production of plans. Instead, strategic planning should promote wise strategic thought, action, and learning on behalf of an organization and its key stakeholders. It should be used to create public value. What steps to follow, in what sequence, and whether or not to prepare formal plans are subsidiary concerns.

Why Strategic Planning Is Becoming Standard Smart Practice

The vast majority of public and nonprofit organizations now claim to engage in strategic planning (Poister and Streib, 1994; Berry and Wechsler, 1995; Berman and West, 1998; Joyce, 1999). Exactly what they mean when they say that is un-

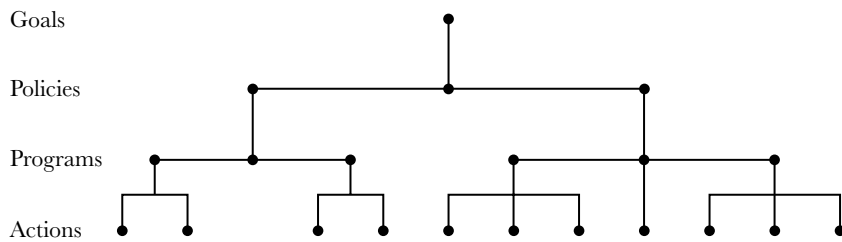
clear. All that is really clear is that strategic planning is an idea whose time appears to have come. The idea that strategic planning is something that skilled leaders and managers do has passed the “tipping point” (Gladwell, 2000) and is now an idea “in good currency” (Schön, 1971). Doing strategic planning has become accepted practice—and indeed, when done well, it is a smart practice.

That said, 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 have seen cost-benefit analysis, planning-programming-budgeting systems, zero-based budgeting, management by objectives, continuous improvement, downsizing, contracting out, reinvention, reengineering, and a host of other techniques trumpeted by a cadre of authors and management consultants. They have also, all too often, seen these techniques fall by the wayside after a burst of initial enthusiasm. Managers, in particular, frequently and justifiably are tired of “buzzword bingo” and feel as if they are the victims of some sort of perverse management hazing or “status degradation ritual” (Schein, 1987, pp. 84–86).

But strategic planning, at least the sort of strategic planning proposed in this book, is far from a passing fad. The strategic planning process presented here is durable because it takes account of *political* intelligence, rationality, and decision making. Many other management techniques fail 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 we humans use to find answers to the analytically unresolvable questions of what should be done for collective purposes, how it should be done, and why it should be done (Moore, 1995, p. 54; Christensen, 1999; Van Horn, Baumer, and Gormley, 2001; Stone, 2002).

Many 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 that word. Public and nonprofit organizations (and communities) embody 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 (Wildavsky, 1979; March and Olsen, 1995; Stone, 2002).

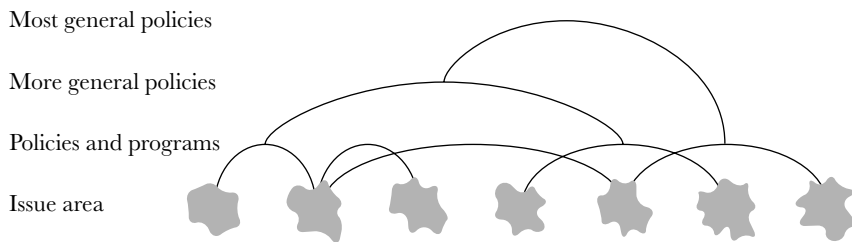
We can pursue this point further by contrasting two kinds of decision making: the “rational” planning model and political decision making. The rational planning model is presented in Figure 1.2. This rational-deductive approach to decision making begins with goals; policies, programs, and actions are then deduced to achieve those goals. If there is a traditional planning theology, this model is one of its icons. Indeed, if there had been a planning Moses, Figure 1.2 would

FIGURE 1.2. RATIONAL PLANNING MODEL.

have been etched on his tablets when he came down from the mount. Now consider 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, either there will 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 consensus does not matter. This assumption just does not hold in most circumstances. Only in fairly centralized, authoritarian, and quasi-military bureaucracies will this assumption hold—maybe (Roberts and Wargo, 1994).

Now let us examine a model that contrasts sharply with the rational planning model, the political decision-making model presented in Figure 1.3. This model is inductive, not 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 the conflicts may be severe. As efforts proceed to resolve these conflicts and learn how to move ahead, policies and programs emerge that address the issues and that 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. These various policies and programs are in effect treaties among the various stakeholder groups, and even though they may not record a true consensus, they do represent a reasonable level of agreement among stakeholders (Lindblom, 1965, 1980; March and Olsen, 1989, 1995).

Now, the heart of the strategic planning process discussed in Chapter Two 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

FIGURE 1.3. POLITICAL DECISION-MAKING MODEL.

makers more effective, and if practiced consistently, might 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 (Van Horn, Baumer, and Gormley, 2001; Bolman and Deal, 2003), strategic planning can help these decision makers 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 actually improves political decisions, as well as programs, policies, and learning how to do better.

Having drawn a sharp distinction between the rational planning model and political decision making, I must now emphasize that the two models are not inherently antithetical. Indeed, research by Judith Innes (1996) and her colleagues demonstrates that multiparty efforts to reach consensus on important issues fraught with conflict often can look extremely messy in practice yet meet very high standards of rationality after all the political, technical, and legal issues have been sorted out. The challenge in this case is simply to sequence the approaches appropriately. Use of the political decision-making model is necessary to work out consensual agreements on what programs 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 in a form that is rational in the ordinary sense of the term. 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 (Behn, 1999a; Nutt, 2002).

To use another example, in many organizations and communities people display a broad-based consensus on basic purposes and values—and often on many

policies, programs, and actions as well. They may even possess 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. These remaining issues are likely to revolve around what will have to be done in order to achieve the agreed-upon goals or vision.

To summarize, a great advantage of the strategic planning process outlined in this book is that it does not presume consensus where consensus does not exist, but it can accommodate consensus where it does exist. Because this process makes no presumption of consensus, it is more suitable for politicized circumstances than are purely rational approaches. An intense attention to stakeholders and their interests, external and internal environments, and strategic issues means that the actions ultimately agreed upon are more likely to be *politically* wise and that organizational survival and prosperity are therefore more likely to be ensured. Furthermore, because it gathers relevant information, asks probing questions, and focuses on how best to raise the 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 (Flyvbjerg, 1998). The process, in other words, provides a way of blending substantive rationality *and* political intelligence—content *and* process—in wise ways to the betterment of the organizations and communities that use it (March and Olsen, 1989, 1995; Nutt, 2002; Stone, 2002).

Three Examples of Strategic Planning

Throughout this book the experiences of three organizations (two public and one nonprofit) are used to illustrate key points about strategic planning—including its capacity for accommodating substantive rationality and political intelligence. Each of these organizations used the strategic planning process outlined here, explicitly or implicitly adapting it for their own purposes. I was a strategic planning consultant for all three organizations, although the extent of my involvement varied from extensive to minimal. Each project represented an action research project in which the aims included developing theory and guidance for practice (Eden and Huxham, 1996).

The three organizations described here are a suburban school district (School District), a major U.S. Navy organization (the Naval Security Group), and a nonprofit organization providing affordable housing, jobs, training, and other support services (Project for Pride in Living). (The identities of the School District and its members have been masked to preserve their privacy.) A number of other less detailed examples are used as well to clarify the discussion.

School District

The School District is located in one of the fastest-growing suburbs of a major Midwestern metropolitan area. This primarily middle-class community has a reputation for being well planned and well managed, which the citizenry expects and which is important given the community's rapid growth. When the School District's strategic planning process began in 1996, the community's population was approximately 50,000 and was projected to increase to 60,000 in the first decade of the twenty-first century. The school census was expected to increase in parallel with the general population increase. In the decade leading up to initiation of the strategic planning process, the student population had more than doubled, to approximately 9,750, with demographic studies predicting a peak of approximately 10,500 students shortly after the millennium.

The School District has enjoyed a strong reputation for providing a quality education and has high graduation rates, a large number of National Merit Scholars, and more than its share of championship sports teams. But by 1996 the district's existing strategic plan, *Vision 2001*, was seven years old, and a number of changes were prompting initiation of a new round of planning. First, the school-age population was growing, and the fact that 60 percent of the students were in grade 6 or below indicated that a significant population bulge was working its way through the system. Second, changes in technology and physical facilities were changing ways of working and interacting and producing a range of new opportunities and challenges. When the *Vision 2001* plan was written in 1989, little thought had been given to laptop computers for students; voice-mail and e-mail communications; the Internet, intranets, and Web sites; and the creation of a sports facility under an inflatable bubble and of an activity center and a performing arts center in the high school. All of these were important realities in 1996. Third, a new superintendent had been hired in late 1995. The school board and the district had made a major commitment to quality improvement under the previous superintendent. The board was intent on making sure the new superintendent was also committed to quality education as well as to partnerships; two-way, open communications; effective decision making; and customer service. The new superintendent was committed—and also believed that strategic planning was an important front end for all of those processes.

The new superintendent had worked with me and my colleague Charles “Chuck” Finn before, on a strategic planning effort for a school district on the other side of the metropolitan area. (That case is presented in the 1995 edition of this book, where it is also called “the school district.”) That effort was very successful, and he wanted to repeat the process in his new assignment, with us once again as consultants. He gained the commitment of the board to strategic planning as its top priority, encouraged the assistant superintendent (who would become the

day-to-day manager of the process and later superintendent herself) to embrace the idea, and gained buy-in incrementally from other key actors.

As the process unfolded, a number of changes occurred. The vision and mission were rethought; the commitment to quality was reinterpreted, within the new strategic framework; and facilities and transportation issues were addressed. In addition, an underlying issue of mistrust between administration and staff emerged. The previous superintendent, although highly regarded outside the organization, was known to be abusive to many inside the organization who disagreed with him. The new superintendent's open and participatory style thus was initially met by a deep skepticism bordering on fear. This issue had to be dealt with—which it was—before the process could go very far. Also, the process was delayed for a time in the fall of 1997 by a successful referendum to fund facilities. Ultimately, in 1998, a new strategic plan was produced that brought with it the broad understanding and commitment that an open and participatory process at its best can produce. A new, trimmed-down strategic plan (discussed in Chapter Twelve) was produced in 2004.

The Naval Security Group

The Naval Security Group (NSG) is a major Navy organization in the U.S. Department of Defense. NSG provides cryptological personnel, products, and services for Navy ships and aircraft and for the National Security Agency (NSA). It comprises a headquarters staff of about 200 personnel in the Washington, D.C., area and over 10,000 additional personnel scattered around the world on ships, aircraft, and shore stations. NSG—along with comparable branches in the U.S. Army, Marines, and Air Force—is responsible for protecting, detecting, and analyzing communications that affect U.S. security and military preparedness.

In early 1992, NSG headquarters had not yet engaged in formal strategic planning, and the organizational culture was still reactive and crisis driven. At the height of the Cold War, NSG had had very little need for strategic planning, because most of the group's systems, people, and training were fully and effectively directed against Cold War enemies. The group was highly successful in accomplishing its mission and enjoyed good support from its two major stakeholders, the Navy and NSA. Thus the senior leadership had never been forced to consider major changes in direction. From time to time the group had introduced major new cryptological systems, but they amounted merely to a more effective methodology, not a major overhaul or redirection.

NSG did draft a formal strategic plan in July 1992, in response to the Navy's first attempt at Total Quality Management (TQM). As is typical of many first strategic planning efforts, the plan fulfilled a step in the TQM process, but it was hardly a strategic guide to action. The plan had high-level goals and "lots of slo-

gans and New Year's resolutions" (Frentzel, Bryson, and Crosby, 2000, p. 405). Furthermore, the headquarters' six functional departments (administration, training, communications, operations, logistics, and programs and budget) had provided separate inputs to the first plan, resulting in a segmented product with no integration or common goals and objectives.

But the winds of change were already blowing. The Soviet Union had disintegrated in August 1991 and with it went NSG's primary enemy, focus, and reason for funding. Citizen groups and supportive politicians—including the next president, Bill Clinton—were clamoring for a "peace dividend." A major reduction in personnel was a real possibility. In response the Navy changed its basic doctrine. The primary Navy strategy for the future shifted from fighting an open-ocean conflict to projecting force from the sea onto land in coastal areas—in other words, an expeditionary warfare strategy. So at least two issues that NSG had to confront simultaneously were how to protect its personnel and how to reorient its own strategy in response to changes in Navy strategy. Another major issue concerned NSG's other major stakeholder, NSA. NSA badly needed to invest in new technology and was likely to cut funding for military cryptological personnel dedicated to the old technologies. So NSG's personnel needed to be reinvested, away from legacy Cold War areas and toward areas that were more programmatically secure. And finally, in the Goldwater-Nichols Act of 1986, Congress had mandated joint operations involving collaboration across the services. Implementation had been sparse, but now increasing budget cuts and base closings were forcing the issue, and intense interservice rivalry was erupting over control of the remaining infrastructure.

An effective strategic planning process seemed the only way to confront all these issues successfully. The NSG comptroller initiated what eventually turned into a full-blown strategic planning process when he asked his subordinates, in October 1992, to focus on the issues around reinvesting personnel resources. Captain William Y. Frentzel II became what I call the *process champion* for the overall effort—the person who keeps organizing and pushing the process along. Eventually, he and some of his senior and junior colleagues succeeded in prompting the entire headquarters staff and senior cryptological officers on the major fleet staffs to engage in a full-blown coordinated strategic planning process. Along the way, major refocusing, restructuring, and reinvesting occurred, and ultimately a new mission emerged. This case stands as an interesting example of how strategic planning can be led initially from the middle by a group of committed managers.

Project for Pride in Living

Project for Pride in Living (PPL) is a prominent nonprofit organization headquartered in Minneapolis, Minnesota. Joseph Selvaggio, a charismatic and committed ex-priest, founded PPL in 1972. The organization's work began on a

winter's day when Selvaggio and several other PPL founders started restoring a house in a poverty-stricken area in south Minneapolis. The project would take months. Thirty years later PPL has built or renovated over 1,400 houses, duplexes, and apartment units throughout Minneapolis, St. Paul, and some first-ring suburbs. The organization was and is inspired by Selvaggio's vision of a "hand up" for the poor, including decent housing, self-sufficient families, and stronger neighborhoods in the lowest-income areas of the metropolitan area. The organization has come to be one of the most trusted human service organizations in the Twin Cities, and its pioneering approaches to fostering self-sufficiency among its participants are widely admired. In September 2002, when the new strategic plan was adopted, PPL's three divisions—affordable housing and development, employment and job training, and human services—touched the lives of over 5,000 people. The organization's annual budget was just shy of \$11 million, and it employed 108 people.

Steve Cramer, a former Minneapolis city council member (and former student of mine), became PPL's executive director in 1997 and served for three years before heading on to direct the Minneapolis Community Development Agency in mid-1999. During Cramer's time the organization experienced substantial growth and became involved in very large projects. The transition from Selvaggio to Cramer went smoothly because it was carefully planned, the board was fully involved, and Selvaggio worked to ensure its success. Cramer was succeeded by Jim Scheibel in late 1999, after a somewhat lengthy search. Scheibel was a former mayor and city council member of St. Paul. He was returning to the Twin Cities after serving the Clinton administration as a senior official with the Corporation for National Service, which includes AmeriCorps, VISTA, and the National Senior Service Corps. Scheibel had been an advocate for strategic planning ever since the mid-1980s, when he served as president of the St. Paul city council (a group for which I was a strategic planning consultant when it was under Jim's leadership), and he was joining an organization with a history of strategic planning and a commitment to it.

PPL has engaged in formal strategic planning every five years. When Scheibel joined the organization, the end of the 1998–2002 strategic plan was approaching, and there was a broad consensus within the organization and among the board members that it was time to begin work on the next plan. PPL did not begin the process with any specific issues highlighted but was clear that a new plan was needed that better reflected the emerging environment and PPL capacities. For example, competition for funding was becoming more severe, pressures for accountability were rising, maintaining dynamism and sustainability was a real challenge, the organization's *core competencies* needed attention, and PPL needed to do something to affect the broader policy environment within which it had to operate.

Scheibel therefore initiated a participatory planning process that involved many people over approximately a year, from September 2001 to September 2002. During the process the issues that had been in the backs of people's minds were sharpened and often redefined. Extended discussions of the organization's mission, its core competencies, and the meaning of self-sufficiency occurred. A deeper understanding by key stakeholders resulted, and greater integration across organizational functions occurred. Not all these discussions were finished, however, before the final plan was adopted at a board meeting in September 2002. Debate on many points continues, which is healthy and to be expected. Scheibel stepped down in 2003, and Cramer became executive director once again. He has demonstrated a commitment to the plan while also getting PPL to attend to some new issues (discussed in Chapter Twelve).

Comparisons and Contrasts

These three organizations offer a number of comparisons and contrasts. They differ in size, staff, budget, and legal status. The School District is a unit of local government. The Naval Security Group is a single-function governmental agency located down the organizational hierarchy. And Project for Pride in Living is an independent nonprofit organization.

The strategic planning efforts made by these organizations differed in the extent to which they focused directly on the organization and what it should do or on what should happen in the community of which the organization is a part. The School District and PPL focused on both organizational and community planning. The NSG focused on itself and its key stakeholders.

In addition, the three organizations engaged in strategic planning for different reasons. The School District was growing rapidly but faced an emerging crisis. A demographic bulge in elementary school students was working its way through the system, and because of a quirk in the state education funding formula, the district received significantly less money per pupil than did surrounding districts. Parents expected all the same services that the other districts offered, but the School District's revenues were capped at a significantly lower level. Parents found the discrepancy hard to understand and changing the state law was problematic. The school board and the new superintendent wanted to undertake strategic planning to cope with both the immediate and longer-term issues and to take the district to a new level of excellence. PPL had a habit of regular strategic planning, and the time had come to produce the next plan. PPL did not face an emerging crisis, but its environment had become tougher, and the match with the organization's capabilities and distinctive competencies had to be explored. A new leader and his board and staff wanted to use the process to ensure the organization's survival

and success in an increasingly challenging operating environment. Finally, NSG was being rocked by the loss of its *raison d'être*, severe budget cuts, and dramatic changes in technology. A group of middle managers saw strategic planning as a way of coping with these changes and used the process to prepare the way for changes ultimately adopted by the organization's senior leadership. The NSG case thus is one of, at least initially, leading from the middle.

The three cases have a number of similarities as well. First, each organization succeeded because it had leaders willing to act as *process sponsors*, endorsing and legitimizing the effort. The sponsors were not always particularly active participants, and they were not 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 process a good try. Second, each organization had process champions, people committed to making the process work. The champions did not have preconceived ideas about the specific issues and answers that would emerge from the process, although 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 and 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 established a decision-making or advisory body to oversee the process. Sixth, each designated 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 or to avoid being victimized by serious challenges or threats, or both. Eighth, each worked hard to develop strategies that created public value and were politically acceptable, technically workable, and ethically responsible. Ninth, each relied on outside assistance, including consultants, to help with the process. Tenth, each made a point of not getting so bogged down in the process that participants lost sight of what was truly important—strategic thought, action, and learning. And finally, each gained many of the potential benefits of strategic planning outlined previously.

Summary

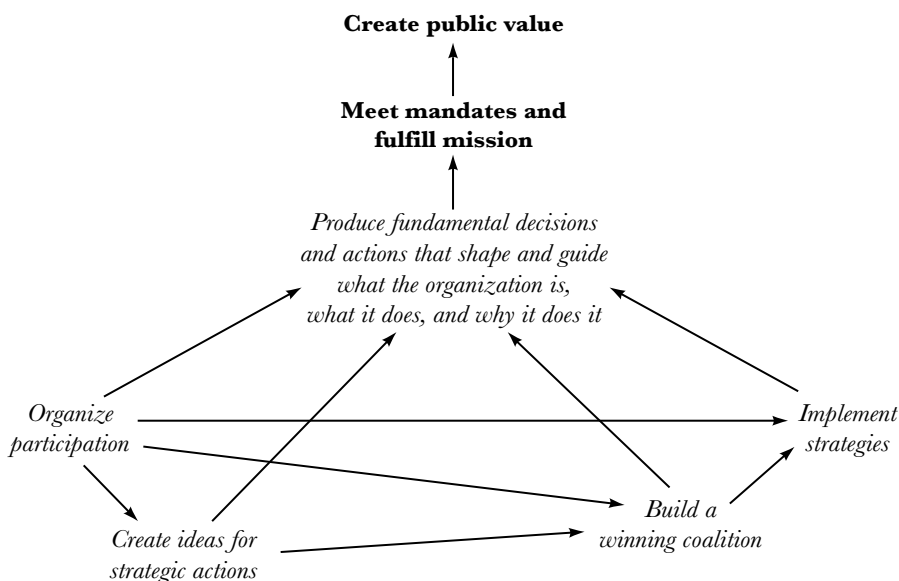
This chapter has discussed what strategic planning is and why it is important. Its importance stems from its ability to help organizations and communities anticipate and respond to change in wise and effective ways. Not only have the envi-

ronments of public and nonprofit organizations and communities changed dramatically in the recent past but more upheaval is likely in the future. The postindustrial, postmodern, and post-9/11 era is one in which continual progress can hardly be taken for granted. The norm in fact consists of periods of stability and small changes—interrupted by instability and significant change, uncertainty and ambiguity, happy surprises but also unhappy jolts, and occasional terror. In the last century we experienced world wars, big booms, big busts, modernism, postmodernism, and major new roles for government and nonprofit organizations. The last half century in the United States was marked by the Korean War, the civil rights movement, the women’s movement, major student protests, the disastrous war in Vietnam, the environmental movement, the collapse of the Soviet Union, dramatic shifts in the dominant political ideology in the United States, scandals besmirching Republican and Democratic administrations, the HIV/AIDS epidemic, growing public cynicism, staggering new technologies, unprecedented economic growth, a dramatic spread of democracy in the world, and globalization—plus all the other changes noted in the opening paragraphs of this chapter. The current century opened with the hope of a new millennium—and was quickly followed in the United States by the appalling problems with the presidential election process in 2000, the terrorist attack on the World Trade Center and the Pentagon, the collapse of Enron and a host of other once-famed, now infamous corporations, wars in Afghanistan and Iraq, and the biggest federal debt in our history. It all reminds me of a handwritten sign on a jar filled with coins at a coffee shop cash register 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 also 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 (Figure 1.1) show how strategic planning helps an organization (or other entity) think about how it might get from where it is to where it wants to be. Figure 1.4 shows a way to think about strategic planning that more forcefully demonstrates its importance in functional terms—namely, that it is meant to help public and nonprofit organizations and communities create public value through meeting their mandates and fulfilling their missions. In order to do so it must produce fundamental decisions and

FIGURE 1.4. PURPOSES AND FUNCTIONS OF STRATEGIC PLANNING.



Source: Adapted from Bryson, 2004b, p. 25.

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 organize participation, create ideas for strategic actions, build a winning coalition, and implement strategies.

Strategic planning 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 ensuring that issues are raised and resolved in ways that benefit the organization, its key stakeholders, and society.

Chapter Two presents my preferred approach to strategic planning for governments, public agencies, nonprofit organizations, boundary-crossing services, and communities. Subsequent chapters will discuss how to apply the process to help public and nonprofit organizations, service networks, and communities cre-

ate 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. That's when it helps to remember the words of former senator and vice president Hubert H. Humphrey (1968): "Sometimes we get so overwhelmed by the problems of today that we forget the promise of tomorrow."