GLOSSARY OF TERMS

REINVENTING
STRATEGIC PLANNING

A Companion Guide

Consolidated "Best Practices" Research

Annual Planning: *See Operational Planning.*

Annual Planning and Budgeting: This is Step #7 in Strategic Planning. It is comprised of Annual Planning and Budgeting.

Annual Strategic Review and Update: This is step #10, a yearly review of the status of the SMS using numerous instruments from Strategic Planning materials and workbooks of the Centre for Strategic Management. This is similar to the yearly independent financial audit that most organizations are required to complete. The result from it is to redo your strategic plan (as necessary) and to update your annual planning priority actions (top 2-3 for each core strategy).

Backwards Thinking: The best way to ensure your organization's high performance in the future is to develop and pursue an "ideal future vision." This means developing a shared vision of this ideal future—for five or ten years hence—among your key executives and stakeholders, and then "thinking backwards" to create the core strategies that will bridge the gap between your vision and your current state of operations.

Basic Premises (3) to Reinvent Strategic Management and Create a Customer-Focused High Performance Organization:

1) "Planning is The Primary part of Management and Leadership."

2) "People support what they help create".

3) Systems Thinking (backwards thinking).

However it all requires "Persistence, Disciplined Persistence."

Best Practices: This is applied research on what makes a successful organization long term. It is analyzing world-class organizations regardless of industry or sector. CSM has researched and distilled this to develop the 21st Century Strategic Planning Process, the Organization as a System Model, and "Focusing on the Vital Few"—Four leverage points for strategic change.

Benchmarking: This is the process of setting up measurements of both the means (strategies) and ends (KSMs) of a successful organization.

Budgeting or (Resource Planning or Resource Allocation): This is properly done after the Annual and Functional Planning is complete. It assigns dollars, head count, and equipment to functional and business areas. This is part of Strategic Planning Step #7 and is key to implementation -providing resources for future oriented strategies.

Business Planning: This is Step #6 in Strategic Planning. It includes developing Business Plans for the next 3 years for specific SBUs/MPAs and major functional departments that support the organization-wide Strategic Plan implementation.

Business Process Re-engineering [BPR] (Customer-Focused): This is the way to do a complete culture change to a high performance organization using the "Organization as a System Model." It allows you to look at all business processes and redo or "re-

engineer" them to fit with and support the core strategies of the organization in order to become fully "customer-focused."

Competitive Business Advantages (CBA): A sustainable business advantage requires that an organization build and deliver a capability that others cannot duplicate easily or quickly. You can gain a competitive business advantage only by doing something difficult; if it's easy, too many other people can do it also. 80% of what an organization does can be duplicated by almost any other organization. Success will depend on the organization's ability to develop the remaining 20% as a CBA.

Core CSM Intervention Technologies (7):

I.   1) Strategies for Success—Best Practices

II.   Strategic Management System

    2)   21st Century Strategic Planning Process (vision and values)

    3)   Strategic Change Management System (KSMs and strategies)

III. Vital Few Leverage Points

    4)   Close to the Customer/Customer-Driven Quality/Service/Marketing Program (what)

    5)   Organization/Job Redesign Program (support the vision)

    6)   Customer-Focused Business Process Re-engineering Program (how)

    7)   Professional Management and Leadership Practices (PMP) (how to; skill building) including: Strategic Human Resources Management Programs

Core Strategies: These are the criteria or set of decision rules (or basic approaches) to guide individual and organizational behaviors toward the achievement of an organization's vision. Also seen as the major or key ways, methods, activities, "how to's," or means to the end (the vision). Also called "Core Strategies" to emphasize the need for a focused small number of strategies. *See Strategies.*

Core Strategies of the 21st Century: Private Sector

1)   Flexibility (i.e., Giant Industries)

2)   Speed (i.e., Toyota)

3)   Horizontally Integrated - Related Products/By-Products (i.e., Arco's AM/PM Mini-Marts, or Ethanol Plants)

4)   Networks and Alliances (i.e., Apple/IBM or Japanese Kieretsu's)

5)   Value Added - more value for the money (i.e., Nissan Maxima "Luxury" Sedan)

6)   Environmentally Improved/Based Products (i.e., solar heat; toxic waste clean up)

7)   Mass Customization (i.e., Toyota)

8) Commonization/Simplification (i.e., Honda value analysis)

9) Business Process Re-engineering - BPR (i.e., GE's Workout)

10) Organizational Learning (i.e., Senge/Beckhard/Peters)

11) Employee Morale/Benefits and Focus on Work (Lots of firms)

12) Management and Leadership Practices (GE/Giant)

These are in addition to the primary strategies of the late 1980s/1990s—such as:

13) High Quality Products (i.e., Ford)

14) Unsurpassed Customer Reputation (i.e., Nordstrom's)

15) Retrenchment, Turn-Arounds, or Cost Reductions (i.e., IBM, GM)

16) Divestitures (i.e., Sunoco, LBOs)

17) Growth through Capital Leverage (i.e., Marriott, Disney)

Core Strategies of the 1990s/21st Century: Public Sector
See Renaissance in Government.

Core Values: How do we/should we run this business? "The way we do our business" (our process). Principles or beliefs that guide our daily behaviors. Also called values or organizational values as opposed to personal values of individuals. Personal values are unique but organizational values must be agreed upon.

Creating A Talented Employee Cadre: through 8 Human Resource Management areas and 35 processes

#1 Planning for People Management

#2 Feeding Back Performance to Management

#3 Attracting a Talented Cadre

#4 Empowering Performance

#5 Rewarding Performance

#6 Developing People

#7 Retaining a Talented Cadre

#8 Supporting the Cadre

Critical Mass: This is the development of ownership/commitment to your Strategic Plan by enough key stakeholders to ensure your plan's successful implementation. It is usually accomplished via the parallel process. It can take two years to build your critical mass. The following are ways to help you do this: 1) Hold parallel process meetings with key stakeholders; 2) Have leadership, be trusting and open; 3) Change the Strategic

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Planning drafts—listen, revise; 4) Involve key stakeholders in Business Planning; 5) Put out "updates" after each meeting and ask for feedback; 6) Implementation of changes/actions to convince skeptics; and 7) Answer WIIFM (what's in it for me). Remember that skeptics are your friends. If you encounter skeptics during your parallel process, be sure to ask them why they are skeptical. Get them to identify the roadblocks and don't try to force them to agree with you. Those roadblocks are the key items to overcome to ensure successful achievement of your vision.

Cultural Change: This is a change in all building blocks that make up an organizations culture.

Current State Assessment (CSA): This is Step #4 in Strategic Planning and is the analysis of your organization's current performance vs. your future vision. There are many ways to conduct this (see Strategic Planning Workbooks #4, 4A), a SWOT analysis being the simple list (see SWOT Framework).

Current State Assessment (CSA): Ten minimum CSA areas.

1. SWOT Analysis

2. Organizational Systems Culture Survey

3. SKEPTIC: Environmental Scanning of
   – Socio-demographics
   – (K) competition
   – Economic climate
   – Political climate
   – Technology
   – Industry
   – Customer/client

4. SBU/MPA Information
   – Pro Forma Matrix Today
   – Product/product line (market share and profitability)

5. Organization financial analysis

6. Core Values Analysis

7. 35 Key HR Processes

8. "Focus on the Vital Few"
   a. – Value Map
      – Market Oriented
      – Customer-focused

      b.   Organization design

      c.   Business Process Re engineering

      d.   Management/Leadership

9.   Rewards for Total Performance

10. All Key Success Measures (baseline data on KSM Matrix)

Customer: They are the main reason we exist. Their needs and wants should drive all organizations that want to be successful. Clarity of who they are is essential to success.

Customer-Focused (or Customer-Driven): is an organization that is clear on who their customers are and is totally focused on achieving a high level of customer satisfaction. It is the only way to become a high performance organization long term. We can restructure, reorganize, redeploy, redesign and refinance. We can acquire, we can divest, and we can go public, go private, and swap debt for equity. We can redefine our statements of vision, mission and objectives throughout every business unit in our organization. We can rethink our Strategic Plan, rewrite our five-year business plan, adopt the habits of highly successful people, and embrace total quality. But it won't amount to a hill of beans if our customers don't buy.

Customer Satisfaction (Our Purpose): The reason for being in business often gets lost in the shuffle of corporate initiatives.

Designing and Building Customer-Focused High Performance Organizations: is the overall mission and purpose of the Centre for Strategic ManagementÒ. It is a three-part Strategic Management, Systems Solution *See Strategic Management System*.

Driving Force/Positioning: is the key single strategic thrust within your vision mission and core values statements that your organization uses to achieve its vision/mission/values to which all other functions, directions, decisions, and criteria are subordinated and focused upon. Usually only either a "who," "what," or "how" from your mission/values ("why" is a given). It is or should be the organization's core or distinctive competency, which makes it unique from the competition. That will lead to the development of a competitive business advantage over your competitors. It must be sustainable as an edge over a period of years and cannot be readily duplicated. It is either our current reality or can become our reality within the period of time for which we are planning (i.e., "stick to your knitting"). It is what we are known for—our reputation—our distinctiveness—our positioning. It can't be more than 1-2 thrusts in number; any more and you're attempting to be "all things to all people." Also called "Positioning."

Feedback Loop: is a key component of any open system. It is the way to ensure reality of status of all organizational outputs in quantifiable measurement form through tracking, reporting, correcting and continuous improvement. In Strategic Planning, the Feedback Loop is mainly composed of KSMs, strategies, and SMS Review *See all three elsewhere in this Glossary. Also see System*.

Focus of the Vital Few—Best Practices: (and the knowledge, attitudes, and skills associated with these). Four vital few leverage points for customer-focused strategic change:

1) Operational Tasks of Total Quality and Customer Service

   - "Close to the Customer." Quality products and service—TQM/service management (customer focused and market driven organization). A marketing and sales orientation—throughout the organization.

2) Organizational Redesign and Restructuring

   - Organization design and restructuring the hierarchy (de-layering, empowering, and partnering). Job design for service, innovation, empowerment, and cost efficiencies.

3) Customer Focused Business Process Re-engineering (through business processes and systems that are re-engineered to be more "customer focused")

   - Effective communications processes supporting the strategic direction. Strong technology management that automates the re-engineered processes. Focused and priority driven annual budgeting processes.

   - Business process re-engineering. "Bureaucratic blow-out" processes. Administrative system cost savings/efficiencies.

4A) Sound Professional Management (and Leadership) Practices (through skills in the basics)

   - 21st Century visionary leadership & management practices and skills (new skills & roles) including: Self-mastery, learning, and change ("Personal Leadership Plans" PLPs— "Walk the Talk").

   - Executive team development. Horizontal (cross-functional or self-directed) work teams, including creating a "learning organization" (vision—empowerment—innovation—continuous improvement).

4B) Includes: Strategic Human Resources Management Programs:

   - 21st Century Strategic Human Resource Management System (processes, people, subsystems, and skills); "creating employees as a competitive business advantage." Rewards for total performance area (empowerment/rewards). Succession and development area (attract/develop/retain).

Functional/Department Planning: Supporting plans for the Annual Plan for each department, function, division, program area, etc. This is also 12 months long.

General System's Theory (GST): A body of knowledge and theory on how to describe any system of any type. GST was started in the 1920s in the field of Biology and is now acknowledged as the most accurate way to describe any system. *See System for the generic system components. See Systems Properties. Also see Partial Systems Solutions.*

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Goals vs. Objectives: (a difficult distinction: we don't use these terms). Goal: A broadly defined, central aim of an organization or business. The goals can lead to long-term objectives for key areas such as profitability, growth, and market share or articulate more general aims of a values, social, or political nature. Objective: A specific aim or end to be worked toward or aspired to. Strategists use the term within a hierarchy of aims and distinguish between a company's mission, goals, objectives, and targets. Typically, goals refer to the aims outlined by the company in its corporate strategy. Objectives are more specific and are associated with operating activities set for each functional area.

So...is that clear? Note: dictionary definitions are even less helpful! One is a synonym for the other. Therefore, it is preferable not to use these terms in Strategic Planning.

High Performance Organizations: A long-term competitive business advantage is created when: 1) Organizational Effectiveness is present; 2) Organizational Efficiency is present; 3) Organizational Health is maintained; and 4) Human Dignity and Health is maintained. However, it must be "customer-focused" to be successful long-term. *See all four characteristics elsewhere in this Glossary*.

Human Dignity and Health is Maintained: when the needs of the employees are met as part of their employment. This usually includes issues of participatory management, self-esteem, empowerment and delegation, rewards and recognition, personal growth, and a supportive, yet, challenging environment.

Human Resource Management Systems Models: *See Creating a Talented Cadre*.

Ideal Future Vision: is the second step in Strategic Planning and is composed of the desired future of an organization's collective leadership. It includes statements of our vision—mission—and core values and our driving force(s) and rallying cry.

Individual Accountability: Once an organization's Annual Plan and Budget is in place, two other crucial management systems must be installed (as a minimum): 1) A Performance Management System; and 2) A Rewards and Recognition System. Together, they equal a system of "Rewarding for Total Performance." Everyone must be evaluated on their behaviors (vs. the core values) and their results (contributions to the core strategies).

Key Success Measures (KSMs): Developing Key Success Measures is Step #3 in Strategic Planning. They are the quantifiable measurements of an organization's vision, mission, and values on a year-by-year basis to ensure continual improvement towards achieving the Ideal Future Vision. These are the Best Practices Benchmarks of success (outcomes).

i.e., 1) How do you know if you're being successful?

2) How do you know if you're going to get into trouble?

3) Now, if you are off-course (in trouble), what corrective actions do you need to take to get the organization back on track to achieve your Ideal Future Vision?

Leadership: Leadership appears to be the art of getting others to want to do something you are convinced should be done. It is needed at all levels in the organization.

Learning Organization of the 21st Century: *(Jim O'Toole).* Since there is no static body of corporate knowledge to master - no set of rules or principles that will lead all corporations to success - the Vanguard have discovered that they must learn continuously from the changing environment. Their "teachers" are their many stakeholders. By listening to their many internal and external constituencies, the Vanguard continually test and revise their assumptions about the environment; by remaining sensitive to the changing needs of all their constituencies, the Vanguard institutionalize the process of change. As Calvin Coolidge once said, "Nobody ever listened himself out of a job."

Long Range Planning: extrapolates forward from today out 1–3 years (i.e., forecasts of current performance into the future). Usually financial in nature.

Major Program Area (MPA) or Strategic Business Unit (SBU): It is the business/line elements or parts of the organization that together make up the whole business. Specifically the SBUs/MPAs exist if they:

1) Produce and market a well-defined set of related products and/or services;

2) Serve a clearly defined set of customers, in a reasonably self-contained geographic area; and

3) Compete with a well-defined set of competitors. *See SBUs.*

Management: is achieving results through others. The five functions of management are:

1) Planning; 2) Organizing; 3) Staffing; 4) Directing; and, 5) Controlling.

Marketing Planning: the support plans to the Strategic and Business Plans that have specific and targeted sales and image appeals to market segments and customers.

Master Work Plan: is the 1st year's plan for the implementation of the Strategic Planning process. It is the activities such as a Strategic Change Steering Committee and SMS Review that we need to accomplish to ensure the plan gets implemented. This often includes the use of a comprehensive map for the 4–6 committee meeting agendas.

Mastering Strategic Change Workshop: "A Customer focused systems solution to accelerating the achievement of your desired future vision." A "customer-focused" and change management two-day seminar. Overall purpose of two-day seminar: to create a mission focused and change oriented organization (i.e., to assist in successfully changing/implementing your desired future vision and supporting core strategies/driving forces, core values, and/or major change projects -such as: 1) total quality management/ improvement; 2) service quality improvement/management; 3) self-directed work teams/ participative management/teamwork; 4) employee involvement, empowerment, and creativity; 5) productivity improvement or cost reduction efficiencies/blow-out bureaucracies; 6) an improved sales/market-driven culture; 7) business process/

continuous improvement (re-engineering); 8) organization redesign and restructuring; 9) sound/professional management (and leadership) practices; 10) creating a people as a competitive business advantage; and 11) "Benchmarking" and "Best Practices" examination and implementation.

Mastery: There are four stages of professional growth. They are:

Stage 1:   Trainee/Rookie

Stage 2:   Technique-Driven

Stage 3:   Model-Driven/Systems Focus
- A) Eclectic
- B) Theory/Research-Based

Stage 4:   Mastery/Interpretation (Art form-Jazz)
- – Conceptual/Strategic
- – Individual/Organization
- – Business/Human

Means vs. Ends: Strategies are the primary means to achieving the Ends of the Ideal Future Vision. KSMs are measurements of the Ends. (Outcome measures).

Micro Strategic Planning: is an extremely shortened way to do Strategic Planning. It generally takes only off sites of 2 days to accomplish (along with work done back on the job). *See Strategic Planning Quick for a slightly longer process.*

Mission: Answers what business are we in? "Why we exist, our reason for being"—The purpose towards which we commit our work life—The content of our business, what we do/who we serve.

New Way We Do Business: It generally takes three-five years to develop and institutionalize a new mentality or thought process that automatically links Strategic Planning with strategic change (i.e., Strategic management). Year #1 Pre-Change, Year #2 Begin "Strategic Change Management System," and Years #3-5 Change—refreeze the new vision.

Operational/Annual/Tactical Planning: Plans for the next 12 months for an entire organization (should support the Strategic Plan). This is the first part of Strategic Planning Step #7 and leads the budgeting process (instead of vice-versa).

Operational Tasks (of Quality/Service): are the yearly tasks to carry out your Operational Plan -usually the production tasks to produce quality products or service excellence. *See Seven Tracks or TQM.*

Organizational Culture: "The way we do business around here." Organizational culture is a set of interrelated beliefs or norms shared by most of the employees of an organization, about how one should behave at work and what activities are more

important than others. Assumptions, philosophies (Our world view—"Weltanschauung")... lead to personal values...lead to organizational values...lead to norms of behavior (i.e., the standards for action)...lead to Individual behavior...that collectively leads to our culture.

Organization Effectiveness is Present: when an organization's Strategic Plan fits into and adapts to 1) the external environment as well as; 2) the Ideal Future Vision/values of the collective leadership...and 3) that strategy successfully differentiates you from your competitors. You must be customer-focused and outcome driven for this to occur. *See CBA*.

Organizational Efficiency is Present: when there is internal consistency and integration or "fit" between the desired culture of an organization and it's strategies.... creating a high performance organization.

Organizational Health is Maintained: When a Strategic Management System is in place to utilize data feedback and environmental changes to enhance the organization's capacity for continued succession of essential leadership/technical roles for learning, adaptation, and renewal...to sustain long-term organizational effectiveness and efficiency (i.e., continual improvement). *See Strategic Management System or Learning Organization*.

Organizational Systems Model: The 21st Century "Best Practices" Centre for Strategic Management model developed via a literature search, our experiences, key theorists in the field and a Delphi technique. This model is a diagnostic tool for creating a culture change to a high performance organization *See SMS Phases/Partial Systems Solutions*.

Outcomes of Strategic Planning:

1)   A Strategic Planning Document;

2)   A Strategic Planning Process;

3)   A Strategic Change Management Process;

4)   A "Vital Few" game plan to change the organizational culture and organizational capabilities

5)   A "Strategic Management System Review" game plan to audit your implementation success on annual basis and then update your strategic and annual plans and priorities. *See Strategic Management System.*

Output of a High Performance Organization: Often includes six areas:

1)   Customer Satisfaction;

2)   Quality Products/Services;

3)   Profitability/Retained Earnings;

4)   Employee Satisfaction;

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5) A contribution to Society; and

6) Environmental Sound Practices and Products

Parallel Process: is the involvement of key stakeholders and the conducting of environmental scanning throughout the Strategic Planning steps/process in order to achieve two goals: 1) Commitment and ownership for implementation; and 2) The best possible decisions on your future vision. This is often done by: 1) Having the stakeholders review and criticize Strategic Planning documents as they are developed (and before they are finalized); and 2) Having them make presentations on their own Strategic Plans and its implications to your organization.

Partial Systems Solutions: Many activities and change projects are only partial attempts to change a system. They usually fail. *See Focus on the Vital Few and GST*.

Penny-wise and Pound Foolish: The hard part is implementation, not strategic planning: 80/20 Rule.

- Goal #1 = 20% Effort, Strategic Planning

- Goal #2 = 80% Effort, Mastering Strategic Change plus focusing on the Vital Few:
    1) Quality and Service;
    2) Organization Redesign;
    3) Business Process Re-engineering; and
    4) Professional Management Practices including Strategic Human Resources Management Programs
- Plus the annual SMS review/update of plans

Plan-to-Implement: is the last step (#8) of Strategic Planning prior to implementation. As it's name implies, its purpose is to install a "Strategic Change Leadership Management System" and a "Master Work Plan/Yearly Comprehensive Map" to guide implementation.

Plan-to-Plan: is the first step of Strategic Planning as it is a way to get the planning team educated and organized to begin Strategic Planning. There are many tasks to complete before starting Strategic Planning, including:

1) Clarify our personal readiness;

2) Identification of the strategic issues;

3) Consideration of potential barriers;

4) Identification of core planning team and staff support team;

5) Definition of our crafted process/model to be used;

6) The link/time frames with the annual planning and budgeting cycle; and

7) A clear agreement among participants regarding individual commitment. *See Plan-to-Plan Workbook #1 for full details*.

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PLPs (Personal Leadership Plans): (i.e., senior management personal actions and learnings). Actions and Commitments: 1) Each senior management member should determine their own "value added" and personal commitments regarding the implementation of your Strategic Plan; 2) Then, they should have a written and verbal personal commitment to the Core Planning Team and SCLSC members as well. Personal Leadership Plans answer this question: what am I/we personally going to do to lead, add value, and ensure my/our Strategic Plan is successfully implemented (i.e., my personal commitment/guarantee).

Positioning: *See Driving Force.*

Priority Maintenance System: includes three component tasks:

- Task #A: Forced Ranking System—initially priorities via "force ranking" (1-10, etc.) the criteria from your Strategic Plan;

- Task #B: Priority Maintenance System—set up an ongoing "priority maintenance system" to deal with changes to the priorities as they need to occur (i.e., a regular time, say quarterly, to meet and review your business priorities and change them as needed); and,

- Task #C: Priority Interruptions System—set up a system and procedures to deal with and react properly to "priority interruptions" from the political, cultural, and rational dynamics of key stakeholder actions (i.e., the world keeps changing, how will you handle interruptions? Is it OK to say no?).

Product Planning: the plans to design, develop, and sell specific products or services as part of an SBU.

Professional Management (and Leadership) Practices (PMP): Alternately called "Sound Business Practices" (i.e., the "basics," the blocking and tackling of business). PMPs must be tailored and specific to your organization, culture, and style.

I.   The Basics of PMP

  A) The Social Side,

     1) Strategic Human Resource Management System

     2) Visionary Leadership Concepts and Practices

     3) Willingness to practice/model your values (Personal Leadership Plans)

  B) The Technical Side

     4) Organization and job design philosophies and practices

     5) Strong financial management systems (i.e., financial viability)

     6) Strong technological management skills and processes

  C) "Customer-Focused"

     7) Strong marketing and sales orientation

8) Total quality and service management ("close to the customer")

II. Changing your PMPs

9) Precondition: cascade of planning processes

10) Change management processes

11) Horizontal (self-directed) work teams resulting in continuous improvement for all of your business processes, systems, structures

II A. Following Up/Institutionalizing Your PMPs

12) Annual Strategic Review (and Update) similar to an independent yearly financial audit; and then update of your Strategic & Annual Plans, including a review of your entire Strategic Management System and its results to date.

13) Skills and self-mastery of all of the above

Professional Management & Leadership (Best Practices):

I. Core is each person individually being a Trainer-Coach-Facilitator (new role of the 21st Century manager)

1) Visionary leadership practices (training and skill building)

2) Personal leadership plans-PLPs (self-mastery)

II. Best Practices: Organizational Skill Building/Developmental Technologies

1) Executive team development

2) Horizontal self-directed work teams (continuous improvement): team leadership

3) Strategic HRM system (plan for people management)

4) Rewards for total performance areas (empower/reward employees)

5) Succession and development area (attract/develop/retain talented employees)

Rallying Cry: the crisp slogan (eight words or less) that is remembered by the employees and is the essence of the vision, mission, and core values (i.e., driving force). It is not an advertising slogan, but for long-term internal use (over the length of the Strategic Plan). It is used for emphasis motivation of staff to the vision. It can be secondarily used externally (especially in the not-for-profit sector). This is usually developed at the very end of Strategic Planning to ensure consensus on the essence of the Strategic Plan.

Renaissance in Government: 13 Principles of Entrepreneurial Government:

1) Steer, not row (facilitate vs. do it yourself).

2) Empower communities and customers to solve their own problems rather than simply deliver services.

3) Encourage competition rather than monopolies.

4) Be driven by missions, not rules.

5) Be results-oriented by funding outcomes rather than inputs.

6) Meet the needs of the customer, not the bureaucracy.

7) Concentrate on earning and making money rather than spending it.

8) Stop subsidizing everyone. "User-pay" through charging user fees.

9) Invest in preventing problems rather than curing crises.

10) Decentralize authority.

11) Solve problems by influencing market forces rather than creating public programs.

12) Reduce regulations; cut out bureaucracy and low risk taking.

13) Privatization (except for essentials not provided elsewhere).

Resource Allocation: "Where the rubber meets the road." Determines the real Strategic Plan in action (begins management's Strategic Change). It includes dollars, people, equipment, facilities, technology, and information. *See Budgeting*.

Rewarding for Total Performance: through two of the eight HRM areas and 8 of the 35 processes

#4   Empowering Performance

#5   Rewarding Performance

Right Answers (3) to Reinvent Strategic Planning for the 21st Century and Create a Customer Focused High Performance Organization:

1) Institutionalize a Strategic Management System.

2) Creation of Professional Management and Leadership Practices (as the only true competitive advantage).

3) Focus on Outcomes–Serving the Customer).

However it all requires "Persistence, Disciplined Persistence."

Service (Customer Service): There are Ten Commandments of customer-focused organizations (Stephen G. Haines, 1993). They are: 1) "Close to the customer," especially senior executives (i.e., see/touch/feel/meet, and dialogue with them face-to-face on a regular basis); 2) Know the customers' needs, wants, and desires, continually as they change, and surpassing them is the driving force; 3) Survey the customers' satisfaction with our products and services on a regular basis; 4) Focus on the "value-added" benefits to the customer (Quality and service, Environmentally sound, Cost, Delivery response and speed (QECD) as well as performance, safety and the intangibles); 5) Include the customers in their decisions, focus groups, meetings, planning, and deliberations; 6) Require everyone in the organization to experience moments of truth by meeting and serving the customer directly... at least one day every year; 7) Focus and re-

engineer the business processes based on the customer needs and perceptions... and do it across all functions; 8) Focus the organization structure based on the marketplace (i.e., structure the organization by customer markets: 1 customer = 1 representative); 9) Reward customer-focused behaviors (especially cross-functional teams that work together to serve the customer)... and the heavy use of recovery strategies to surpass customer expectations; and 10) Hire and promote "customer friendly" people.

SKEPTIC: is environmental Scanning of Socio-demographics, (K) competition, Economic climate, Political climate, Technology, Industry and the Customer/clients.

Stakeholders: anyone with a stake (both positive/negative) in the outcome of your Strategic Plan and its subsequent implementation.

Strategic Action Items (SAIs): For each core strategy, an organization needs a "Plan" or set of Strategic Action Items. These SAIs are the major 5-15 activities, tasks, actions, and changes required over the planning horizon to achieve each core strategy. Each year the top three actions under each strategy should be identified to focus the organization for the next 12 months.

Strategic Business Units (SBUs)/Major Program Areas (MPAs): are usually:

1) Separate and distinct units — generally more self contained with their own mission and Strategic Plans (under the organization-wide plans). They compete strategically with other business units;

2) The sub-elements/units of the business you are in (why you exist!) with their own identifiable business strategies;

3) Usually the "what we do," not the "how;"

4) The business transactions you perform for a customer/client (not your values or support functions.

5) Usually based on your driving force/core competencies;

6) A distinct group of products and/or services with distinct and separate competitors/customers;

7) Often representative of specific skills and expertise;

8) Areas focused on desired results/outcomes; not just activities;

9) Ones where the preponderance of your business is with outside customers as opposed to sister departments/divisions; and

10) Able to have the authority to implement their plans once approval is given. *See MPA for more details*.

Note: SBUs are a private sector term and MPAs a public sector needed term.

Strategic Change Leadership Steering Committee (SCLSC): is a new way to manage and run your business, giving equal weight to managing desired changes, in addition to the ongoing daily management of the organization. The Leadership Committee typically meets on a regular schedule, every two-three, months on an ongoing basis. It's purposes are: 1) To guide and control the implementation of any large scale, organization-wide strategic planning/change efforts undertaken through the "Reinventing Strategic Management Model to Creating a High Performing Organization;" 2) To coordinate any other major performance improvement projects going on in the organization at the same time, to ensure they fit with the time and energy demands of ongoing daily business activities (i.e., Systems Alignment and Integrity); and 3) Development of a Master Work Plan (or Yearly Comprehensive Map) of yearly implementation steps.

Strategic Change Management System: This is the system of managing the organization-wide list of major improvements, changes, transitions, or paradigm shifts desired by an organization as a result of its Strategic Plan and Ideal Future Vision. This usually entails fundamentally changing or transforming the organization building block components in some fashion to conform or align with the strategy. It also entails the setting up of a Strategic Change Leadership Steering Committee to guide and to ensure the Strategic Plan is implemented and the Ideal Future Vision is achieved (i.e., implementation and control planning). This is another term for Strategic Planning Step #9 (Strategy Implementation and Change).

Strategic Change Projects: In most Strategic Planning, there are core strategies or major tasks of "corporate importance" which either: are fuzzy as to what/how to do it, cross department lines, have no one person clearly responsible, requires the project to have broad organizational input, or has broad organizational impact. Some of these type projects might include issues such as:

1) Strategic Change Steering Committee itself; communications, Strategic Plan rollout,

2) Empowering or delegating decisions closest to the customer;

3) Quality products/service issues (TQM, Service Management, Kaizen, continuous improvement);

4) Partnership/alliance building,

5) Reward systems;

6) Installing innovation/creativity throughout the organization;

7) Restructuring parts of the organization to match and support the new/changing strategies;

8) Changing the organization's culture;

9) Eliminating or reducing bureaucratic policies and procedures/costs;

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10) Redoing/re-engineering business processes that cross departments boundaries;

11) Improving the organization's leadership and management skills and practices; and

12) Creating a learning organization.

Actions: in these cases, it is recommended that you develop Strategic Change projects and list them with clear accountability.

Strategic Human Resources Management Programs:

1) Strategic HRM system (plan for people management)

2) Rewards for total performance areas (empower/reward employees)

3) Succession and development area (attract/develop/retain talented employees)

Strategic Life Plans: These are Strategic Plans for your life (individual or family).

Strategic Management: This is the term for the combination of a comprehensive and shared future vision and Strategic Plan complemented by the management and implementation of changes required by this strategy through a Strategic Change Steering Committee. This ensures that the changes are managed just as well as the day-to-day business activities. (Strategic Management = Strategic Planning + Strategic Change Management System)

Strategic Management Systems (SMS): This is a comprehensive yearly "system" to lead, manage, and change one's total organization in a conscious, well-planned out, and integrated fashion...based on our core strategies and using proven research that works...(i.e., "the new way to run the business: we manage our business in a systematic way based on our strategies").

The SMS has three Parts to design and build a Customer-Focused High Performance Organization:

Part I:

1) Educate and Organize (Plan-to-Plan);

2) 21st Century Strategic Planning conducted

3) Bridge the Gap: Plan-to-Implement/Mastering Strategic Change Workshop

Part II:

1) Strategic Change Management System

2) Focus on the four vital few strategic change projects; and

Part III:

1) Annual Strategic Review (and Update) of the Strategic Plan/Annual Plans

Strategic Management System Outcomes: Three goals and seven outcomes (plus bridging the gap to create a customer-focused new way to run your business day-to-day).

Goal #1: Develop a Strategic Plan and Document

    1)   Plan-to Plan (educate/organize for planning)

    2)   Strategic Plan (document) and an Interactive Strategic Planning Process (to build ownership for change). Bridging the gap from Goal #1 to Goal #2 through...

    3)   Plan-to-Implement Step #8 (educate/organize for change) and Strategic Change Game Plan (yearly map)

    4)   Kick off: "Mastering Strategic Change" (workshop on knowledge/skills)

Goal #2: Ensure its' Successful Implementation

    5)   Strategic Change Steering Committee (guide change)

    6)   Focusing on the Vital Few (four leverage points for strategic change)

Goal #3: To Build and Sustain High Performance over the long term.

    7) Annual Strategic Management System Review (and update of plans)

Result: Achieve Your Customer-Focused Ideal Future Vision.

Strategic Planning: Strategic Planning is a dynamic backwards thinking process by the collective leadership of an organization...1) To define their Ideal Future Vision (i.e., "ends planning") and the core directional statements required...2) For consistent and meaningful annual operating plans and budgets...3) That drive the measurement and achievement of this future vision. The Strategic Plan itself is a blueprint. The annual plans and budgets have the specific yearly details.

Strategic Planning for the 21st Century: The Centre's research based "Best Practices" Strategic Planning 10 Step model resulting from a literature search, our experiences, key theorists in the field plus a Delphi technique.

Strategic Planning Quick (SPQ): This is a shortened version of Strategic Planning used in smaller organizations, in Business Planning or when the time/priority is not a full Strategic Plan. It consists of: 1) Create your own Ideal Future Vision; 2) Plan-to-implement your own future successfully; 3) Strategy implementation and change; and 4) Feedback loop. *See Micro Strategic Planning.*

Strategies: They are the criteria or set of decision rules (or basic approaches) to guide individual and organizational behaviors toward the achievement of an organization's vision. Also seen as the major or key ways, methods, activities, "how to's," or means to the end (the vision). Also called "Core Strategies" to emphasize the need for a focused small number of strategies. *See Core Strategies.*

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Strategy Development: Strategy Development is the Strategic Planning Step #5 of developing an organization's core strategies to use to achieve an organization's vision.

Strategy Implementation and Change: (Transition State) Step #9 is the actual follow-through implementation of the needed actions that result from the Strategic Plan. It includes the ongoing use of the Strategic Change Leadership Steering Committee and master work plan. *See Strategic Change Management System.*

Strategy Sponsorship Teams: These are cross-functional planning team members with a passion for a particular core strategy. The roles of these champions—to "keep the core strategy alive" by being kept informed of the status of the core strategy's actual implementation. Actively supporting and performing a leadership role in advocating this core strategy across the organization. Cajoling, agitating and otherwise pushing and influencing the people organizationally responsible to implement this core strategy to keep it moving forward (i.e., reverse the "entropy" that usually occurs with achieving change within a day-to-day context. Advising and recommending actions needed to achieve this core strategy. Actively tracking and monitoring the core strategy's success and report on it at quarterly SCLSC meetings. Key stakeholders can also supplement these "Strategy Sponsorship Teams" if you wish. However, each team must be kept to 6–8 people (maximum) for ease of group dynamics/actions. Each person should choose a "Strategy Sponsorship Team" based on his or her passion and energy in seeing that the core strategy is actually achieved. The desire is to have a balanced mix of cross-functional team members, not necessarily just people with the direct line responsibility to implement the core strategy.

SWOT Framework: (strengths—weaknesses—opportunities—threats) is a simple way to conduct a current analysis of your organization's performance. It stands for:

- S) Building on your internal Strengths;
- W) Eliminating or coping with your internal Weaknesses;
- O) Exploiting your external Opportunities; and
- T) Reacting to your external Threats.

System: Any system can be described as 1) an input, 2) throughput, 3) output process within an 4) open and interactive environment that, 5) feeds back information to improve the system's input. (Also called an "open" system). *See GST.*

Systems Fit Alignment and Integrity: People and systems get entrenched, so much that they exist only for themselves. They don't think about the organization as a whole. Management has to lead and in some cases drag people along. Systems alignment and integrity deals with each part of the organization and its relationships with others. This must all be aligned to support the future vision. "Change is planned and managed" is something you must begin to work on internally, be developing and faithfully maintaining systems fit, alignment and integrity to the future vision. This means that all change projects, education and training events, or new initiatives of any major size—no matter

where they are occurring in the organization, must be undertaken only under the leadership and guidance of the SCLSC.

Systems Properties: The properties of systems include the following based on General Systems Theory:

1) System, and organization as systems, can only be understood holistically;

2) Every system has properties that none of its parts can do;

3) Parts/elements/subsystems are interdependent;

4) Change in any element of a system affects the whole as well as the other elements/subsystems;

5) A system cannot be subdivided into independent parts;

6) Exclusive focus on one element or subsystem without simultaneous attention to other subsystems leads to sub optimal results and new disturbances; and

7) Organizations are open systems and, as such, are viable only in mutual interaction with and adaptation to the changing environment. So, a system cannot be understood by analysis... but by synthesis, looking at it as a whole within its environment. *See System and also see GST*.

Systems Thinking: "An orientation to life." Ask yourself these four questions in sequence (always in everything you do…personal—professional—job—team—organization):

1) Where do we want to be? (i.e., our ends, outcomes, purposes, goals, holistic vision);

2) How will we know when we get there? (i.e., the customers' needs and wants connected into a quantifiable feedback system);

3) Where are we now? (i.e., today's issues and problems); and

4) How do we get there? (i.e., close the gap from 3 ® 1 in a complete holistic way

vs.

Analytic thinking which: A) Starts with today and the current state, issues, and problems; B) Breaks the issues and/or problems into their smallest components; C) Solves each component separately (i.e., maximizes the solution); and D) Has no far-reaching vision or goal (just the absence of the problem).

"If you don't know where you're going, any road will get you there."

Tactical (Operational) Planning vs. Strategic Planning: Tactical (Operational) planning is the shortest period worth considering. It is easier, narrower with few functional areas involved; however, Strategic Planning is the longest period worth considering and is harder, more broad, involving functional areas. *See Operational Planning*.

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Tactical Planning: (means planning) specific tasks/projects/tactics, which support the Strategic Plan.

TQM/TQL (Total Quality Leadership): (U.S. Navy). Total Quality Leadership is both a philosophy and a set of guiding principles that represent the foundation of a continuously improving organization. Total Quality Leadership is the application of quantitative methods and human resources to improve the material and services supplied to an organization, all the processes within an organization, and the degree to which the needs of the customer are met, now and in the future. Total Quality Leadership integrates fundamental leadership techniques, existing improvement efforts, and technical tools under a disciplined approach focused on continuous improvement. The Four Absolutes of Quality are: (Holly Davidson, Central Credit Union, adapted from Philip Crosby) 1) Conforming to requirements is the definition of quality, doing it to specs based on customer expectations and needs; 2) Prevention must be the system for causing quality. Instead, cost and schedule usually drive American business with quality the "fix it," clean-up, reactive response afterwards. In the future, make quality an equal—or better yet—make it first among equals; 3) Zero Defects is the Performance Standard and rallying cry with the expectation of "do it right the first time;" and 4) The price of non-conformance is the cost of the chronic problems, complaints, quality control and rework. This must be the system of measurement.

Three Goals of Strategic Management:

Goal #1: Develop a Strategic Plan document; and

Goal #2: Ensure its successful implementation

Goal #3: Build and Sustain High Performance

Value Added Total Product Perspective: 1) Core (commodity?); 2) Brand (tangible) features/ quality, and style/package; 3) Total Product (intangible) perception/reputation/install/credit/delivery/augment, and warranty. Where do you compete (core product or outer features?)? A) Commodity; B) Brand; and C) Total Product.

Values: determine norms or standards of behaviors (acceptable and not acceptable). They are beliefs—collective beliefs organization wide. They are philosophies, guiding principles on how to behave while doing our tasks to achieve our results (mission, vision). *See Core Values*.

Vision: Our view/image of what the ideal future looks like. It has dreamlike qualities, future hopes and aspirations, even if they are never fully attainable. An energizing, positive, and inspiring statement of where we want to be in the future.

Yearly Comprehensive Map: This is the project map of a full year's worth of implementation "process." It is crucial to develop this map to ensure your changes get the same priority and focus that day-to-day crises do. *See Master Work Plan*.