

Notes from Duke's Casebook

Volume 2, Issue 1

SPECIAL STRATEGIC PLANNING & MARGARITA EDITION

April 2005

About this edition

Focus on the strategic

I'm here on a rescue mission. My aim in this newsletter is to save a word *strategic* from continual misuse.

Strategic means something long-term, high level and systematic. It is the big picture. Strategic planning should be about big things, bold initiatives and significant breakthroughs. Whatever is it, it is NOT doing business as usual.

This newsletter is about reserving strategic for what is truly that: of long term, critical significance to organizational performance.

Duke Kuehn
July 11, 2005

WHAT MAKES IT STRATEGIC?

When differentiating between what is strategic and what is not, three distinctions are useful.

Distinction 1: Strategy is about achieving an **envisioned** superior long range position. The focus is on vision. Mission is relevant, but secondary. Strategy is about new initiatives, new levels of performance, new kinds of organization.

Continued on page 2

INSIDE THIS ISSUE

- 2** In search of the *margarita ultima*
- 2** This edition's quotation, a view from the dugout.
- 3** Staying in the strategic groove.
- 3** Duke's Rule #3: Mission first, vision second!
- 4** Jack Morris: Profiles in Leadership!

© Pacific Northwest Consulting Services, 2005
© Dr. Lowell L. Kuehn, 2005

You can copy this and share it all you want, just tell folks where you found it. Thanks, Duke

If you want past editions I'll gladly e-mail them.

Strategic planning: take a long view, find breakthroughs.

To act strategically is to act boldly.

Maybe it's a coincidence, but most of the strategic planning retreats I've facilitated recently have struggled being strategic. Too many of these plans end up as lists of activities, more about doing business as usual than documents providing strategic direction. My friend, Paul Danks from NAI Fuller Peiser, correctly says, as only an Englishman can, "rubbish!"

This newsletter aims to get everyone back on the right track, to make sure we get the most out of strategic planning and turn our energies to addressing the biggest questions our organizations must answer.

It helps to recognize the major differences between business and strategic planning. Planning has been around since humans grew smart enough to realize our survival was dependent on our ability to work together.

Any court officer in the ancient China or a monk in medieval Europe would easily recognize the checklists, timelines, goals and all the other stuff we associate with planning today..

These planning tools are used to produce the most basic of plans: **the business plan**. Whatever sector you occupy, the "business plan" lays the foundation for *how* you plan to achieve your mission. As important as a business plan is, it's really about turning the crank to get the job done, focusing on the day-to-day *tactical* concerns of work.

Strategic planning has a different focus altogether. As a practice it emerged from a recognition that the business plan, which is incredibly valuable for doing business is, nevertheless, too limited in scope to be of value in a future where the manner and means of doing business is changing. Thus long range planning was born.

Continued on page 3

What is strategic? *continued from page 1*

Distinction 2: Strategy is often distinguished from tactics. Strategy is an envisioned **position** (in the marketplace or politics), tactics are the methods employed to get there.

Distinction 3: My favorite. Follow these criteria. If what you're working on meets any one of these standards you are focused on the strategic.

- Is there a hole in the bottom of the boat? If yes, the mission is at risk. Fix it. Not the most exciting of strategic goals, but meeting mission critical demands is of highest priority.
- Opportunity knocks but once (and a stitch in time saves nine). Anything that significantly improves mission performance or opens the door to a better position qualifies.
- Portals. Some things qualify as strategic because they are the first in a sequence of events that, once accomplished, open doors to all the rest. Mao was right, a journey of a 1000 miles does begin with a single step. Recognizing that step and taking it is another thing.
- Breakthroughs. We tend to grind it out every day, but recognizing significant shortcuts or reconceptualizing a problem so that we leap ahead is real strategy. These so-called *paradigm shifts* cause us to recognize that we've been focused on the symptom, not the problem or on the

I Really Wish I'd Said This: Now LaRussa starts to worry. *He's throwing nothing but fastballs up there.* No pitcher should ever let a hitter feel comfortable, and if Stephenson keeps throwing heat, the Cubs will come to the plate with a bat and a Mai Tai. Bissinger, *Three Nights in August*, page 87.

Why: Now I know why the A's kept beating those Mariners. Bissinger describe classic strategic thinking. Stability, predictability, consistency, all the stuff of good management, will ultimately be your undoing. Thinking strategically means to be creative, challenge assumptions, avoid settling for good when better is out there. LaRussa's teams just wear you out because he is always looking for a new way to beat you. Strategic planning is about taking a *managed* risk. Throw the breaking ball.

The Strategic Gourmand: The Perfect *Margarita*

Lime juice, something sweet, something salty and tequila. The best remedy for anything at the end of a hot day. No restaurant any where can beat a well mixed *margy* at home.

It's hard to go wrong on this one as long as you follow some basic rules. Top shelf tequila is a must... not *Cuevo*, we're talking *Herradura* or *Patron*. Even medium grade tequila tastes like and is as toxic as regular gasoline. Stick with the expensive stuff and your margarita will be tasty, refreshing and smooth.

On the rocks with salt on the rim. A frozen *margarita* is an abomination of nature and an insult to any citizen of Mexico. This is a margarita NOT a slushee from the mini-mart. The salt replenishes what you've lost from a hard day of work or play in the sun.

Here is the ultimate recipe, with eternal gratitude to Sanders Thompson who taught this northwestern mossback how to fix a real Texas-style *margarita*.

1 part top shelf gold tequila
1 part Rose's lime juice
½ part Triple Sec
Splash (or more) Grand Marnier.

Mix in a pitcher, salt the rim of a glass, add ice, toss in a slice of lime.

Sanders did teach me that it's best *not* to have more than one of these if you have an early appointment the next morning.

To keep the theme strategic, if you're really adventurous save the Grand Marnier until the end. Pour it *on top* of the drink in the glass... and more than a splash. Garnish with an orange slice and you have a *Cadillac margarita*. You may never go back.

Buena suerte!

The Facilitator's Creativity Toolbox

Groups have a natural tendency to drift from the strategic to the tactical. Problem solving is what we're all paid to do and you're good at it. Only the most extreme problems threatening your mission qualify as strategic. So, here are some tips to keep planning teams focused on the strategic.

Try thinking in a new way. Ask planning teams to look at their organization or operation as though it is something else. Commercial real estate firms are consistent enough in their business that any question is likely to receive a pretty conventional answer taken out of *that* context.

For analytic purposes, change the context. Ask someone running a real estate firm, how things would be done if we were an airline or dry cleaner or a swimming team. The shift in context invariably prompts a shift in thinking.

Interestingly, sometimes the new context uncovers a hidden solution. Quite possibly dry cleaners have figured out something about customer service and information management that real estate professionals haven't.

This technique is akin to one described in my first newsletter when I recommended asking out of context questions such as, *how does nature do this?* to inspire creative thought. Your market position may not resemble an armadillo's shell, but you never know.

Shift the thinking by changing the context.

Duke's Rule #3: Mission first, then vision.

As much as I encourage strategic planning, it's important to keep things in perspective. An organization's mission is about doing what's necessary to get the results that keep you in business.

It follows that the primary rule of management is to make sure your business plan goals *are* achieved or you'll be out of business tomorrow. The business plan is composed of the goals and objectives you *must* do to live up to the expectations of shareholders, clients and employees.

Assuming you are achieving your mission, your strategic plan is an effort to stay in business for the long run; it represents what you *want* to do in pursuit of a vision.

It's simply good practice to keep business/tactical goals ahead of strategic ones. Make sure your mission is covered, then start thinking about your vision.

Planning strategically continued from page 1

Strategic planning originated out of a shift in thinking that argued that well led organizations ought to be *making change* as much as responding to it. Business and long range plans have value, but a *strategic* plan means organizations can, to some degree, determine their own future.

A vision is the critical component of a strategic plan, calling everyone's attention to ways in which the organization plans to grow and improve. Just as the mission grounds the business plan, the vision expands the organization to transform itself. The mission is the tree trunk and roots; the vision the ever growing branches.

It's easy to confuse the two types of plans, in format they are the same: goals, objectives and action plans. It is their focus which differentiates them. Business plans are about little things; strategic plans are about big things. One focuses on the rock solid foundation of the organization's mission, the other keeps an eye on its vision.

Joined together business and strategic plans can present an excellent balance in the management of an organization, the first guaranteeing the imperatives of the mission are met; the second assuring that the organization is headed somewhere. The business plan turns the crank, everyday; the strategic plan moves us closer, over time, towards a vision of what we hope to become.

Indeed, the mission is relevant to the strategic plan. Visions are an outgrowth connected to the mission; branches to the tree trunk. And it is legitimately strategic to aim for significantly improved levels of mission improvement.

In the end what makes something strategic is a vision that calls for new initiatives that propel the organization towards its vision and initiatives leading to significant improvements in current performance. *In both instances the common denominator is an emphasis on NEW initiatives.*

These new initiatives are decidedly not doing business as usual, they call for unusual efforts and outcomes. Visions are about making breakthroughs and discoveries, doing business as un-usual.

continued on page 4

Don't mistake visioning for the crazy plots of pointy-headed academic and propeller heads. Great visions come from the result of carefully forecasting the future, thoroughly examining options and finding the soul of the organization. It is about leadership and the greatest of visionary leaders knew how to listen and paid attention to everything around them.

Really good strategic visions point the direction to special efforts aimed at achieving significant organizational growth, higher levels of performance and the materialization of a preferred future.

These special endeavors are anchored in the plan to a specific timeframe. Indeed, once achieved many strategic goals cease to be strategic and become part of the business plan. For example, the design and implementation of a data-mining system could start out as a strategic initiative, but once in place and routinely used, it becomes part of the business plan.

Their special nature means that leaders are often forced to choose between many desirable strategic initiatives. The plan should provide direction as to which of those options is *most* strategic and likely to produce a desired return on investment.

Don't take any of this as a rejection of detailed action planning. Strategy must be converted to action, otherwise all you have is a plan. Planning of any sort is, firstly, about implementation and, ultimately, results.

Good strategic planning demands actions for which someone or something is held accountable, time frames are set and resources are dedicated. It's not necessary or prudent to share that level of detail with everyone. Keep strategic planning focused on big ideas. The details of implementation can be left to those persons responsible for that part of the plan.

In drawing this distinction I am not setting up a competition between business and strategic plans. They should be connected and, done well, are complementary.

Strategic planning is simply too important to waste time on small stuff. Fixing problems, making marginal improvements and creating efficiencies are the stuff of good business planning. Use strategic planning for the bold strokes of visionary leadership.

Profiles in Leadership: Jack Morris

Sadly, this one is offered *posthumously*. Jack died in Olympia in June after a distinguished record of public and private service. He was one of my first clients and I learned much from him about leadership. I regret that much of what I say here he never knew I felt... a reminder to all of us to let the people we care about know how important they are in our lives.

Jack was tough, no two ways about it. He grew up in Boys Town and he learned early on how to make his own way. He led by never quitting. I remember once he and I speculating over lunch on the ways in which one might escape a falling boulder trapped at the bottom of a mineshaft.

He was demanding, but compassionate. My favorite conversations were those that dealt with his two daughters, from whom he always expected the best and to whom he gave all the love a father could muster. He taught me a few things about being a dad, too.

He was strategic. He brought systems to government, ultimately transforming the way court data are handled in Washington state. But his eye was always on the next hill: be it changes in technology, politics or economics. He read voraciously and was an engaging conversationalist, well versed, by his own account, about anything that would come up.

We spent many a lunch splitting dishes at the old *China Town* café. We argued, challenged, laughed and believed in each other. He opened doors for me and I helped him plan his moves. He was a great friend and a marvelous, no-nonsense counselor.

Regrettably we lost contact with each other over the last few years, our business activities headed in different directions. Without question he was a great influence to me, the first of my many big brothers and I am truly saddened to realize we'll never share another *moo shu pork* or *hot and sour soup*.

IDEAS? SUGGESTIONS?
COMMENTS?

PLEASE CONTACT ME:
KUEHNLL@MSN.COM

IF YOU KNOW ANYONE WHO
WOULD ENJOY THIS
NEWSLETTER, SEND ME THEIR E-
MAIL ADDRESS. IF YOU DON'T
WANT TO RECEIVE THIS, JUST