

This is the ninth of a series of 12 articles on systems thinking, a way of understanding complex organizations and society offering significant promise for improving the leadership and management of commercial companies, not-for-profit organizations, and government agencies.

Part 9

Strategic Navigation: Strategy Development and Deployment

By H. William Dettmer

It is more important to know where you are going than to get there quickly. Do not mistake activity for achievement.

—Mabel Newcomber

If you don't know where you're going, when you get there you'll be lost.

—Yogi Berra

If you don't know where you are going, every road will get you nowhere.

—Henry Kissinger

Great minds think alike. Perhaps that's why the preceding quotations from Yogi Berra and Henry Kissinger are so similar! Both of them make a powerful statement about goals. Even more to the point are a few lines from the song "Paint Your Wagon," from the musical play of the same name by Lerner and Lowe:

*Where am I going? I don't know.
When will I get there? I ain't certain.
All that I know is I am on my way! ...
...Paint your wagon, and come along!*

What a statement! Think about it—"I have no clue where I'm going or when I'll get there...but why don't you join me?"

Unfortunately, this is the way many organizations—businesses, government agencies, not-for-profit organizations—operate these days. Not intentionally, perhaps, but they do it all the same. I'm reminded of a statement by an executive of a company who said, "We're a non-profit organization...but it wasn't planned that way!" They may have nice warm, fuzzy visions about where they'd like to be in the future, but when it comes to getting there, they're often clueless. Or, at best, mistaken about the route they believe will get them there. Worse, if they do get there, they often find that's not where they really wanted to be at all!

Strategic Planning

In the mid-1960s, some companies, dissatisfied with the short-term focus of annual business planning, began to look for ways to stabilize their journey into the future—and at the same time assure desired outcomes with a higher degree of confidence. The vehicle they chose was *strategic planning*. But strategic planning didn't quite live up to expectations or the hype. Henry Mintzberg, perhaps the foremost authority in the world on strategic planning, identified the principal failings of strategic planning as it evolved from its beginnings through the early 1990s. [1] He discovered that most organizations disregarded the interdependencies inherent among different organizational functions, and between the organization and the external environment. He also noted that most strategic plans were ponderous and inflexible, and that they emphasized the plan more than the development of strategy. Finally, he observed that most strategic plans were difficult—if not impossible—to implement effectively.

This is unsettling for most organizational leaders to come to grips with. On the one hand, they don't want to get wrapped around the axle with time-consuming, ponderous planning efforts that don't adequately come to grips with reality, are difficult to execute, and are quickly (and frequently) overcome by events. But on the other hand, they're not comfortable "flying by the seat of their pants," being reactive rather than proactive, and most important, not knowing whether they're doing the right things to realize the goals they've set for the organization. This is especially true for companies in the high-tech sector, where the competitive environment changes from year to year, and product lifetimes are measured in months rather than years. One CEO of an information technology company observed, "Forget ten-year planning horizons. I'm not confident where we'll be two years out." A serious dilemma, indeed. As the King of Siam said in the Broadway play *The King and I*, " 'Tis a puzzlement!"

The Systems Approach

We've examined various aspects of systems thinking and the systems approach throughout the preceding eight installments of this series. Now it's time to see how they combine to help us create and deploy strategy that is: [2:45]

- *Optimal*. As "lean and mean" or as detailed as we need for our situation.
- *Fast*. Constructed in a matter of days or weeks.
- *Flexible*. Responsive to changing circumstances, i.e., can "turn on a dime."
- *Integrated*. Considers and accommodates all relevant interdependencies.
- *Deployable*. Relatively straightforward in execution.
- *Visible*. Everyone can see how their part in the execution fits in with every other, and in the context of the overall strategy.
- *Accountable*. Lends itself to clear assignment of accountability and easy monitoring of success.

A methodology that can deliver all of these outcomes clearly depends on a thorough understanding of systems thinking, as we discussed in Installment #1, which means that it inherently considers the concept of system constraints (Installment #6). It would draw on the precepts of maneuver warfare (Installments #2 and #4) and embody *both* analysis and synthesis (Installment #3). And it should afford the opportunity for organizational learning (Installment #5). Finally, the product of such a methodology would have to be logical, and that logic should be easy for everyone in the system to understand (Installments #7 and #8). See how all of this systems stuff starts to fit together?

The Constraint Management Model

The methodology I propose for successfully navigating an organization's course into the future is called the Constraint Management Model (CMM). It's a logical, systematic way of deciding where the captains of organizations want to take their ships, the course they'll need to follow to get there, how to know when they deviate from the planned course, and what to do to get back on course. The CMM has seven basic steps: [2:52]

1. Define the paradigm
2. Analyze the mismatches
3. Create a transformation
4. Design the future
5. Plan the execution
6. Deploy the strategy
7. Review the strategy

This taxonomy combines the basic principles of systems thinking, maneuver warfare (as embodied in the O-O-D-A loop), and cause-effect logic.

Define the Paradigm. This is an information-gathering step that includes research on external economic, political, sociological, and technical conditions. It represents a "world view"—as complete picture as possible of the organization and its environment. It also requires defining the organization's goal and critical success factors, in light of that world view—where does the organization want to be with respect to that situation?

Analyze the Mismatches. The next step is to define the organization's existing condition in comparison with both the external environment and the desired goal and critical success factors. In other words, perform a "gap" analysis: what is the size and scope of the deviation between where the organization is and where it wants to *be*? The definition of this gap establishes a kind of *vector*—a magnitude and direction of the course change needed to close with the goal.

Create a Transformation. Once the size and direction of the gap is determined, the organization must decide what to do about it. In most cases, some kind of policy change will be required. After all, the current way of doing things, in the presence of a change in the environment, led to the gap in the first place, so a major change will almost always be required. Inevitably, the prospect of such a change will pose some kind of dilemma, engender resistance, or generate some other kind of conflict. These dilemmas must be resolved, and "breakthrough" ideas are often required.

Design the Future. Even a breakthrough idea is only an idea. It doesn't become a robust solution until and unless its effects are thoroughly mapped out, the "law of unintended consequences" accounted for, and the effectiveness of the strategy in reaching the goal is validated. The process of doing all this is, in effect, the creation and logical verification of a strategy. This is the heart of the strategy development process. Besides creating a new "map," it also ensures that the map truly leads logically to the desired outcomes. A key part of this map is the major initiatives or projects that must be implemented to produce the desired directional change.

Plan the Execution. Once the strategy is established and logically validated, the next step is to figure out how to make it happen. Execution planning involves accomplishing the key initiatives needed to advance the strategy. These initiatives were identified in the *Design the Future* step. Each initiative is usually comprised of multiple component detailed tasks. Often these tasks are required to overcome discrete implementation obstacles. In most cases, their accomplishment has some kind of sequential dependency. Implementation of initiatives is frequently complex enough to make it prudent to manage them as discrete projects. And if there are multiple initiatives, their respective executions might better be coordinated as a meta-level project. In concert, the implementation of these various initiatives represents the deployment of the entire strategy. A meta-level project, then, provides executive-level visibility for that deployment.

Deploy the Strategy. The next step is to actually commence action to execute the plan. As part of the preceding step ("projectizing" individual initiatives), metrics for performance, schedule and cost are normally established. Responsibility and authority for each project is assigned in the deployment step, and resources are allocated to the project leader. While the preceding steps in the CMM process can usually be completed in a relatively brief period of time—perhaps a matter of weeks—the duration of actual execution depends entirely on the nature of the initiatives. Some might be completed in a month or less, while others might take a year or more. Either way, this is an ongoing step that is not considered complete until the initiatives are all implemented. It's normally in this step than unanticipated difficulties tend to arise. If the preceding two steps (Design the Future, Plan the Execution) were conscientiously done, these "glitches" should be no more than minor adjustments to execution. In rare instances, an entire initiative may require re-thinking. Either way, this is why good project management is required for the deployment phase.

Review the Strategy. The seventh step of the CMM is a monitoring step. It's also an executive responsibility, and it's ongoing. In the navigation analogy, it's equivalent to continually checking to be sure that as time goes on, the organization is closing the gap between where it is and where it wants to be—the destination defined by achievement of the goal established in the first step. To the extent that this is not happening, or not quickly enough, the captain of the ship (organization) must reassess the external environment and the mismatches between it and the organization's performance. It's a fact of life that our world environment is continually changing. Sometimes these changes are revolutionary, even catastrophic, such as those resulting from the terror attacks of 9/11. More often they're evolutionary—they "sneak up" on us, as the digital age has. Either way, the failure of leaders to recognize the new gaps (the course deviations) these environmental changes pose, and do something about them, represents a dereliction of duty and a detriment to the organization.

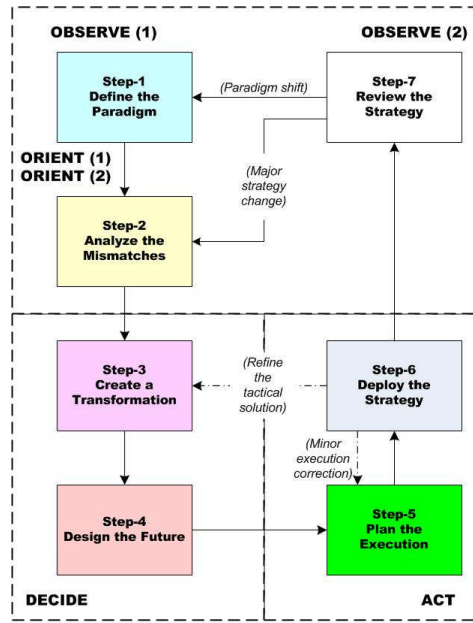


Figure 1. The Constraint Management Model

SOURCE: Dettmer, *Strategic Navigation* (2003)

Summary and Conclusion

Figure 1 shows the entire Constraint Management Model. Notice that the seven steps actually incorporate the four stages of Boyd's O-O-D-A loop. [3] Like the O-O-D-A loop, the CMM is a cyclical process, the last step leading seamlessly back to a successive iteration of the first, and continuing ad infinitum. Review of the strategy (step 7 in the CMM) is equivalent to the second observation. The second definition of paradigm and analysis of mismatches represents the second orientation.

Remember (from Installments #2 and #4) that Boyd's O-O-D-A loop is the foundation of maneuver warfare. It's the mechanism by which speed, or reduced decision cycle time, is achieved. Though Boyd articulated four discrete steps, remember that he intended the last two steps, *decide* and *act*, to become implicit eventually, meaning that decision and action would take place as Musashi intended: "sword becomes no-sword; intention becomes no-intention." [4] Boyd reflected that in the O-O-D-A loop as implicit guidance and control arrows leading out of the orientation step indicate. (See **Figure 2**)

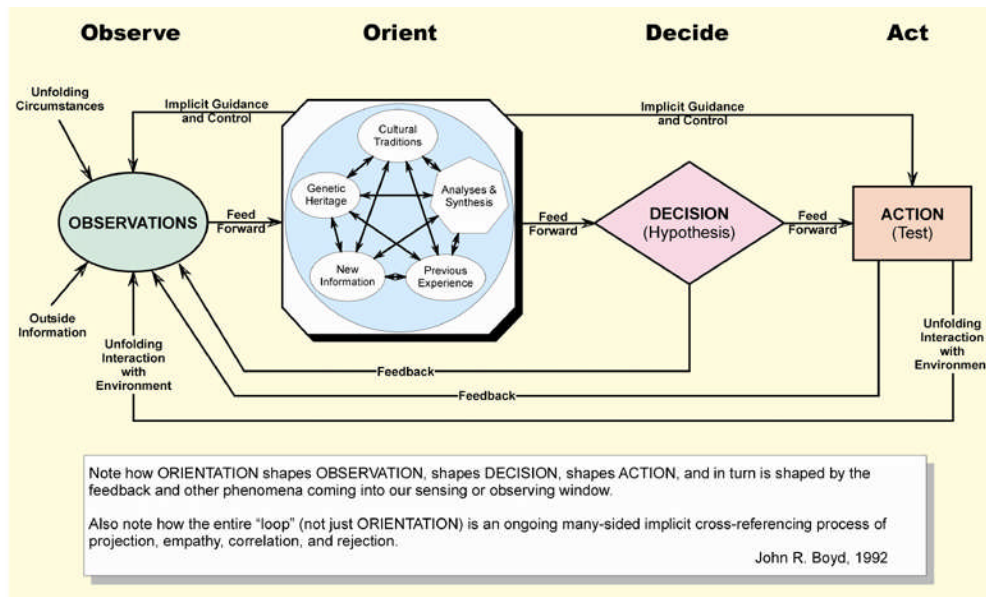


Figure 2. O-O-D-A Loop [3]

But there's an element missing from this discussion of strategic navigation, and it's implicit in steps 6 and 7 of the Constraint Management Model: *leadership*—a topic we'll take up in the next installment.

Obstacles are those frightful things you see when you take your eye off the goal.

—Hannah More

The future is the time when you'll wish you'd done what you aren't doing now.

—Unknown

Victory awaits the one who has prepared everything in advance—people call it luck. Defeat is certain for the one who did not make the necessary preparations in time—people call it misfortune.

—Roald Amundsen

Vision without action is a daydream. Action without vision is a nightmare.

—Japanese proverb

By losing your goal, you have lost your way.

—Friedrich Nietzsche

Long-range planning does not deal with future decisions, but with the future of present decisions.

—Peter F. Drucker

In about five years there will be two types of CEOs: those who think globally and those who are unemployed.

—Peter F. Drucker

Endnotes

1. Minzberg, H. *The Rise and Fall of Strategic Planning*. New York: The Free Press, 1994.
2. Dettmer, H. W. *Strategic Navigation: A Systems Approach to Business Strategy*. Milwaukee, WI: ASQ Quality Press, 2003.
3. Hammond, Grant T. *The Mind of War: John Boyd and American Security*. Washington, D.C.: Smithsonian Institution Press, 2001.
4. Musashi, Miyamoto. *A Book of Five Rings* (1645).