

Strategic Planning Often Means Strategic Change

The outcomes from an organization's strategic planning process can be wide, varied and invariably far reaching within the organization. For some the results of the process are to stay the current course but for others their strategy requires a more significant change. Yet many of the organizations that pursue strategies that require a more significant change fail to deliver. The main reasons these strategic changes fail include:

1. Lack of key stakeholder support for the new strategy.
2. Inappropriate strategy.
3. Inability to gain Board support during the implementation of the strategy.
4. Lack of internal management skills.
5. Ineffective or no change management process is used.

Points 1 & 2 can be addressed by using the correct process in the development of the organization's strategy. To increase the probability that these two points are addressed the process should include:

- ◆ A stakeholder analysis that ensures all key stakeholders are identified.
- ◆ Allow key stakeholders to provide input that they feel is meaningful.
- ◆ A facilitated process that enables the participants to test underlying assumptions and the status quo.
- ◆ Development of different strategic scenarios around key assumptions so the key stakeholders have ample opportunity to discuss.
- ◆ A defined and accepted process for the decision-making group to reach decisions.

Points 1 & 2 are usually handled well during the strategy development process by most organizations. A more difficult task is to keep the Board's on-going commitment to the strategy. This is especially so if the short-term results are not favorable.

For example, let's say a Foundation that has in the past primarily focused on special events to raise funds now wants to change its focus to major gifts and planned giving. Even if this transition is well managed it is highly likely that the overall annual revenue for that Foundation will decline during the first year in which it makes this transition. It is during these times when the results aren't as positive as the Board wants, that doubts about the strategy get raised. Yet the Board's support of the strategy is more critical now than it was when it was initially developed. So how do you ensure the Board's support during the implementation phases, especially if the initial results are quite as rosy as you may have first hoped?

There are essentially 3 things that need to be done; communicate, communicate, communicate. This communication should include:

- ◆ A discussion at the initial strategy session about realistic results, associated timing and key assumptions. It is important to help the Board understand that any significant change in strategy may have a short term detrimental impact upon results but will better position the organization for the future.
- ◆ Communicate this strategy often and help Board members realize what that means regarding their actions and its impact on the organization. It can also be beneficial to explain the impact on the organization if you don't follow the strategy.

- ◆ Ensure that the Board doesn't get any surprises. It can be difficult enough to keep a Board's support during times of change without having them surprised with negative news. Communicate early and often.

Points 4 & 5 are related. The two key skills that the organization's senior management requires during times of significant strategic change are communication and change management. Introducing a simple change management process to the Board during the final presentation of the strategic plan will help them understand how the strategic plan will be implemented and how the changes will be introduced and managed, the Board's role in the process and the potential impacts upon staff and key stakeholders.

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