

“Things which matter most must never be at the mercy of things that matter least.”

*J.W. von Goethe as quoted by Covey in
The Seven Habits of Highly Effective People*

The Time is Right For a Better Way to Chart a New Course

Get More from Your Association Strategic Planning Budget

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Strategic Planning doesn't have to be an oxymoron.

Hewlett-Packard, Motorola and others pioneered *hoshin kanri*—a way of powerfully integrating planning and management—in this country as part of the quality revolution. It incorporates an intense, goal-driven focus on *metrics* and *measurement*, an emphasis on the *voice of the customer*, and alignment of the organization through *deployment*, *catchball* and *visual communication* processes that concentrate resources on breakthrough strategies.

In essence, hoshin kanri is a way of making dramatic improvements in an organization in a short time. It goes by many names and comes in many forms. We call it *Master Planning* or *Transformational Planning*—depending on how it is to be employed—and have developed ways of bringing the power of what was originally a Deming-based and manufacturing-oriented process to knowledge-based organizations.

Why should a technical or scientific society consider upgrading its current planning processes to encompass hoshin kanri principles? Here are five reasons to consider.

1. *You can improve existing processes and gain dramatic improvements without imposing traumatic change.*

There isn't only one way to implement hoshin kanri. You can and should build on your existing system, processes and capabilities to best fit your organization's situation and needs.

You don't need to call it hoshin (or anything else) and you can simply use hoshin kanri principles and techniques to improve a current strategic planning system.

2. *You can significantly improve your ROI from the time and money you currently spend on strategic planning and associated activities.*

One of the essential principles of hoshin is focus, and the associated technique is what we term Rigorous Prioritization. Most conventional strategic plans include numerous and broadly stated goals and strategies—too often mixing apples and oranges from a priority standpoint—and do not offer clear, measurable connections to the daily operations of the organization.

At best, many such plans become loosely prioritized “to-do lists” which lead the organization to develop multi-faceted operational plans in an attempt to move the organization ahead on many fronts simultaneously. At worst, many such plans become exercises in wishful thinking coupled with political trade-offs. They may offer something of a star to steer by, but are disconnected from the real day-to-day work of the organization, thus providing no real power or direction to effect progress or change.

A hoshin-based Master Planning process will result in a ruthlessly focused set of key strategies with clear measurements of success—the result of which will be movement of the organization from one state to another within a defined period of time.

3. You can clarify roles, helping leaders to lead, managers to manage and doers to do.

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It is neither a top-down, nor a bottom-up system. It is both, with clearly articulated responsibilities for policy level decisions at the most senior levels of the organization—and with a process and structure that then deploys those decisions through the management and non-management ranks for increasingly detailed planning and measurement of results.

The nature of a hoshin-based system effectively discourages micro-management from the top because it so clearly articulates accountabilities and responsibilities for every level of the plan at every level of the organization.

4. You can align your organization.

A principal tool of a hoshin-based system is disaggregation. Simply put, disaggregation is breaking a bigger goal into a limited number of smaller strategies designed to achieve that goal. If the organization derives its plans from disaggregation—and then undertakes and resources only those activities called for in the master plan—the improved efficiency and effectiveness truly make breakthrough goals possible.

This is why Master Planning is such an effective tool for turnarounds, next-level growth, market share breakthroughs or organizational transformation.

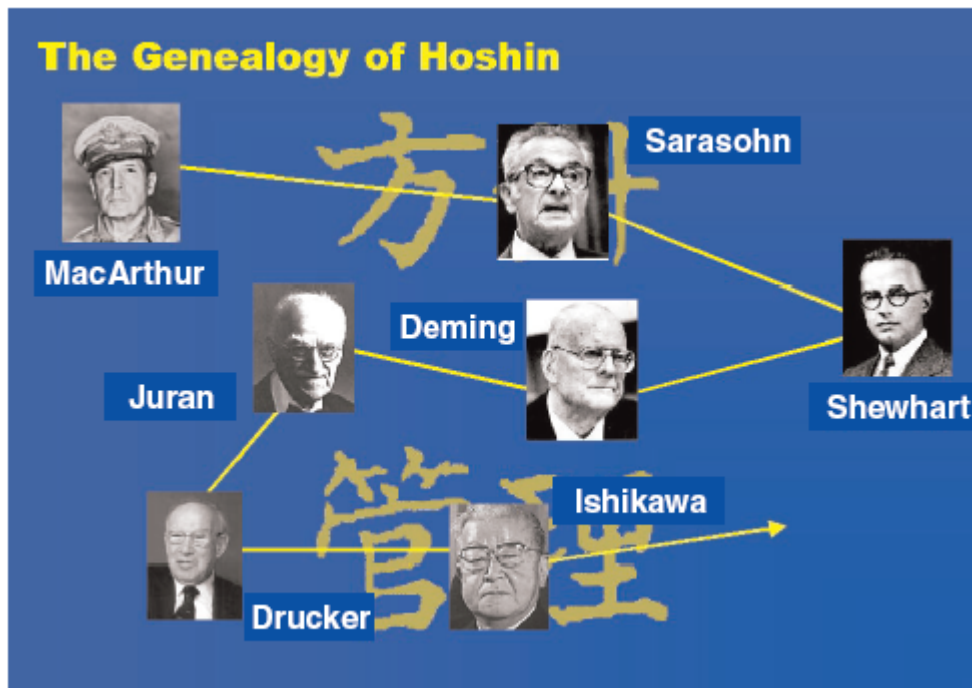
For example, hoshin-based planning and management systems are often used to implement TQM or other quality systems. Master Planning is also an effective tool for culture change and organizational transformation—for example, to help associations and membership societies become knowledge-based organizations.



5. You can motivate and manage through a system of measures for all efforts at all levels.

Keeping score is the secret of motivation, because people will work harder and stay focused if they get timely feedback. Short-term measurements are also the secret of effective management, because you can't make course corrections without knowing where you are.

Master Planning's roots go back to Deming and measurement-oriented quality systems. Master Planning systems provide parallel structure for both qualitative goal/strategy statements and quantitative targets/ measures. There's a measure for everything—from the overarching five- or more-year target to daily customer service performance measures.



Why Strategic Planning is Too Often an Oxymoron

What began as a budget exercise for Corporate America in the 1950s, and became an obsession in the following decades, is now being recognized as an oxymoron.

In his definitive and revealing history, *The Rise and Fall of Strategic Planning*,¹ Henry Mintzberg concludes that strategy cannot be planned because planning is about analysis and strategy is about synthesis. That is why, he asserts, the process has failed so often and so dramatically. Mintzberg argues that conventional strategic planning processes themselves can destroy commitment, narrow an organization's vision, discourage change, and breed an atmosphere of politics.

In a harsh critique of many sacred cows, he cites three basic fallacies of the process—that discontinuities can be predicted, that strategists can be detached from operations of the organization and that strategy-making itself can be formalized as a periodically undertaken special process.

While planning remains absolutely essential for managing today's economic,

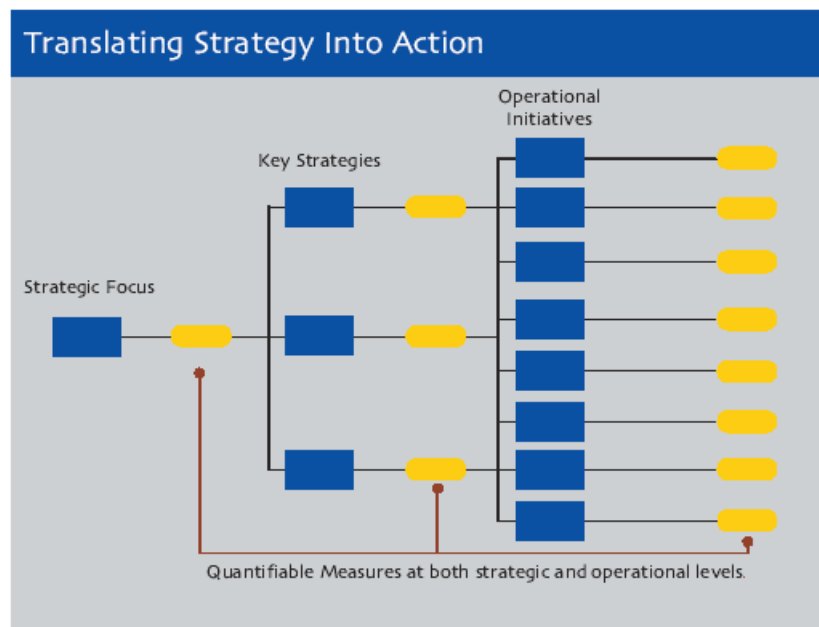
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technologic and environmental challenges, it requires a different approach, a different set of tools and a different mindset. Nowhere is this more apparent than in technical and scientific societies where competition, declining membership and governance structures make strategy development and management difficult and complex processes.

How Can Strategic Planning Work Right?

The current disenchantment with strategic planning partly stems from a lack of a clear definition of what the words together actually mean. Strategy is often thought of as a direction, guide, or course of action that gets you from Point A to Point B. To some people, planning is thinking about the future while for others it means choosing a direction and making decisions based on that direction.

T. H. McConnell points out that if not managed properly, the planning process may corrupt the development of strategy, or if strategy is developed, planning may impede the strategy to such a degree to render it minimally effective.²



Another current disillusionment with strategic planning, particularly in the association community, is that the strategic planning process is often thought to be the responsibility and province of a small group of stakeholders such as the strategic planning committee or the Board.

Although thinking strategically about the future of the organization is clearly an ongoing responsibility of the Board, every employee in an organization must be able to clearly articulate the strategic plan and understand how it affects that individual's daily activities. It must be a simple-to-understand, clear, actionable road map that has been developed in concert with the staff and not left to a professional planner or the Board. Board and staff should be highly collaborative and continuously engage in a dialogue about how the future and the association's strategy are unfolding.

The time is right for a better way to chart a new course, think strategically and align and inspire those doing the work to achieve common goals. What can help to achieve these goals is this relatively new approach to integrated planning and management with hoshin-based processes. **MPI**

1 Mintzberg, Henry, *The Rise and Fall of Strategic Planning*, 1994, The Free Press, a division of Simon & Schuster, New York

2 T.H. McConnell, "There is No Such Thing as Strategic Planning," White Paper for the College of American Pathologists, 1994, p.3

Marketing Partners, Inc. is a strategy and business services organization serving individual membership societies and associations, as well as consumer packaged goods, consumer durable and health care clients across the United States. The firm's focus is on business improvement—principally in three areas:

- *Customer Focus*, which includes using market research to create market-driven products and processes designed to gain and retain customer and member loyalty;
- *Organizational Advancement*, which views the organization itself as the product and focuses on developing both strategy and organizational capabilities including custom-designed strategic and breakthrough planning processes; and
- *Revenue Enhancement*, which employs both fund raising and marketing tools to identify and tap new sources of revenue.

Marketing Partners, Inc. is a Michigan corporation formed in 1983. The firm and its predecessor companies have been engaged in service to associations and membership societies since 1972.

If you would like more information about how Master Planning might benefit your Association or Society, or more information about any of the services Marketing Partners offers, please contact Viki Gudas in St. Joseph, MI, (269) 983-0016, (hq@mpicompanies.com).