A Map, a Compass, Asking for Directions, and Visioning

ORGANIZATIONAL TOOLS FOR NAVIGATING THE FUTURE

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BEYOND DOUBT, THE SHAPE OF THINGS IN THE YEAR 2000 *will be more like the situation at that time than has ever been true before.*

—Anonymous

For both real and symbolic reasons, the turning of the calendar to 2000 has made people think about the future. In public organizations, discussions about the future are likely to occur as part of long-range planning. For many years, long-range planning typically meant "forecasting," especially in large public and private organizations. New public policies and programs often were based on linear forecasts, such as population and employment projections. Not surprisingly, many linear forecasts turned out to be wrong. For example, in 1992 the North

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Carolina Employment Security Commission predicted slower population and labor-force growth in the 1990s than in the previous decade.

Most forecasting began with the present and assumed the future to be a logical extension of the past. This approach worked well when times were reasonably stable. As both public organizations and corporations began to experience rapid "discontinuous change,"[1] linear forecasting gave way to a more dynamic process, best known as "strategic planning." Strategic planning originated in corporate or business planning of the 1960s, which grew out of the "Gantt charts" designed during World War I to plan war production.[2]

Strategic planning is one of the most frequently discussed topics in the management literature, yet many organizations find it difficult to put into practice. Using navigational tools as a metaphor, this article describes some limitations of strategic planning and suggests why public organizations should consider visioning as an alternative.

IT'S TOUGH TO MAKE PREDICTIONS, *especially about the future.*

—Yogi Berra

Limitations of Strategic Planning

Strategic planning is based on a systems theory approach, which recognizes that a specific enterprise is part of a larger social, political, and economic system. Strategic planning includes (1) setting goals or objectives; (2) assessing and forecasting the external environment; (3) designing and assessing alternative courses of action, including their potential risks and rewards; (4) selecting the best course of action; and (5) evaluating results as the course of action is implemented.[3] In strategic planning, the ability to make decisions about the future depends on a clear knowledge of the available alternatives, a systematic assessment of the costs and the benefits of each alternative, consistent ordering of preferences, and clear decision rules. The hallmark of strategic

planning is a comprehensive plan designed to interrelate all of an organization's decisions and activities.

Whether applied to local government, a corporation, or a nonprofit association, strategic planning "consists of taking stock of how major social and economic trends—'megatrends'—will affect the community, deciding on the most important issues and goals, and then laying out specific, feasible steps to reach those goals."[4] The cardinal purpose of strategic planning is to discover future opportunities and exploit them. The most effective plans, then, exploit opportunities and remove obstacles on the basis of an objective and systematic survey of the future.[5] To accomplish this, strategic planning emphasizes "environmental scanning."[6] The purpose of environmental scanning is to prepare the organization's internal environment to respond to changes in the external environment.

Adopting this linear approach to planning leads organizations to make frequent and common mistakes, such as relegating strategic planning to the chief executive or to a central planning office, assuming that strategy can be fully determined up front, and mistaking strategic planning for strategic thinking.[7] The core problems with planning, and the reasons that most planning fails, relate to commitment, change, politics, and control. Henry Mintzberg, a former president of the Strategic Management Society, argues that the real role of planning is to serve as a vehicle for elaborating on and

operationalizing strategies that the organization already has chosen.[8] The overwhelming degree of uncertainty about the environment, the pervasive influence of administrative politics, and the sheer unpredictability of the future make strategic planning more feasible in theory than in practice.

MORE THAN ANYTIME IN HISTORY, MANKIND FACES A CROSSROADS. *One path leads to despair and utter hopelessness, the other to total extinction. Let us pray that we have the wisdom to choose correctly.*

—Woody Allen

Ways of Navigating the Future

To carry out strategic planning successfully, an organization must understand its own internal and external constraints. Organizations trying to plan strategically must navigate between two sets of constraints: the need for environmental adaptation and the need for internal coordination.[9] (To see how these two dynamics shape an organization's choice of navigational tools, see Table 1.) "Environmental adaptation" refers to the degree to which an organization must respond quickly to changes in its external environment. "Internal coordination" refers to the degree to which an organization must coordinate its decisions and actions within its internal environment. In this context, strategic planning is an organization's attempt to navigate its internal and external environments simultaneously. Four tools can help an organization navigate: a map, a compass, asking for directions, and visioning.

A map. Organizations with high needs for internal coordination but relatively low needs for environmental adaptation prefer to navigate using a map. Such organizations must appear rational in their decision making. They attempt to map where they are going in relation to where they are now and where they have been. Rapid response to the external environment is less important than coordinated internal

action. The organization presumes its environment to be relatively stable. This means that it can take time to assess the environment fully and subject alternatives to an analysis of costs and benefits.[10] The best known and most widely analyzed attempt to apply this model of strategic planning to government was the planning, programming, and budgeting system (PPBS) initiated in the early 1960s by Secretary of Defense Robert S. McNamara. It was intended to centralize planning in the Office of the Secretary, provide guidance on programming, correlate budgets with plans, and use cost-benefit analysis and other analytical techniques to assist in decision making.

A compass. Organizations with high needs for environmental adaptation but relatively low needs for internal coordination are more likely to navigate using a compass. These organizations see themselves as entrepreneurial. They search for innovations and new opportunities, avoiding complex decision processes that slow down response time. Imagination, flexibility, and creativity are more highly valued than internal coordination, integration, and control.[11] In Scottsdale, Arizona, a strategic shift in direction from fire fighting to fire prevention has helped reduce fire losses even as the assessed value of property has increased.[12]

Asking for directions. Organizations with relatively low needs for environmental adaptation and internal coordination prefer to navigate by asking for directions. They are much more likely to want to be told to "go two blocks and turn right at the light" than to be told to "go north until the terrain seems to transition from deciduous trees to conifers." These organizations prefer directions that are logical, sequential, and incremental. They would rather take one small step at a time than try to garner support for a "big" idea all at once. Small steps make it easier to forestall resistance, to "test the water," to collect feedback, and to make adjustments along the way.[13] Madison, Wisconsin, began exploring community policing by using parking-meter monitors as the "eyes and ears" of the police. A wholesale shift to community policing might have aroused opposition from some seg-

ments of the Police Department. This incremental experiment proved so successful that the department became its strongest advocate.

Visioning. Organizations that must balance high environmental adaptation and high internal coordination need a different approach to planning. Visioning, literally a combination of "vision" and "planning," allows organizations to incorporate the benefits of a map, a compass, and asking for directions into an approach that attempts to create a desired future instead of reacting to the future. In visioning, organizations shop widely for new ideas and important signals; build awareness by creating study groups and developing new options; broaden support by forcing discussions, probing positions, exploring options, and encouraging trial ideas; and develop commitment by launching exploratory projects and capitalizing on external crises or events.[14] Governmental efforts to navigate the future through visioning, also known as "anticipatory democracy,"[15] can be found across states (for example, Goals for Georgia, Hawaii's Future, and Texas 2000), municipalities [Imagine Rockville (Md.), Livable Tucson (Ariz.), and Chattanooga (Tenn.) ReVision 2000], and communities [Boulder (Colo.) Healthy Communities, Lander Valley (Wyo.) 2020, and Wrangell Alaska 2001].

THE BEST WAY *to predict the future is to create it.*

—Peter Drucker

The Need for Visioning in Public Organizations

Strategic planning may fail because an organization does it badly, but it is more likely to fail because the model an organization chooses is a bad fit. Mapping is likely to work best in organizations that need internal coordination more than they need environmental adaptation. The latter characterization may have been true of public organizations at one time, but it is certainly less true or untrue today! Because the external environment of most public organizations is not likely to remain stable for very long, a detailed map is less useful for navigating the future. For example, when one is lost on a highway or in a city, a detailed map can be very useful; but when one is lost in a swamp, a compass is much more valuable.[16] Public managers and officials who try to force a fit between their organizations and strategic mapping are likely to get frustrated at the process, if not at one another.
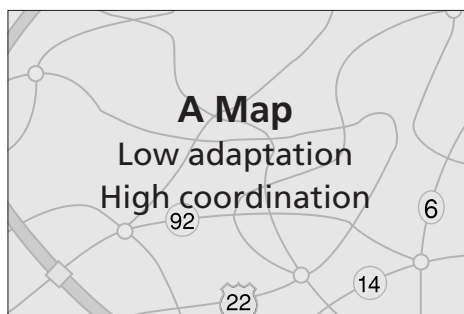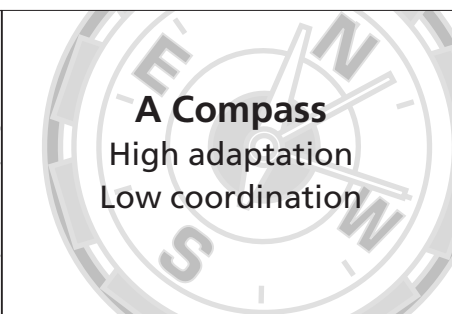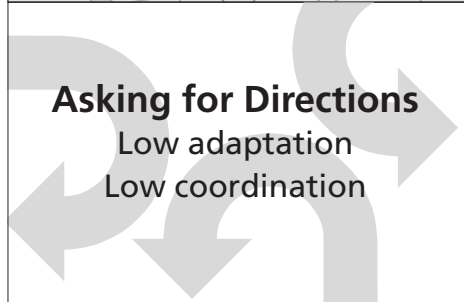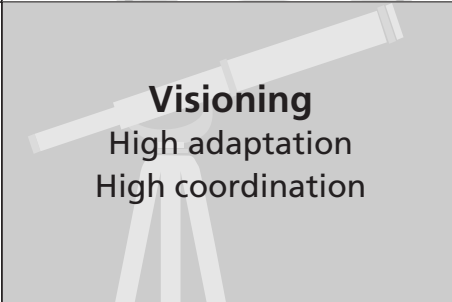
Navigating by compass and asking for directions are not likely to work much better in most public organizations today. Public organizations are under enormous pressure to respond quickly to their changing external environments by moving in new directions, as evident in their efforts to "reinvent" themselves, "break through" bureaucracy, "deregulate," or "innovate."[17] This pressure to respond to the environment is likely also to increase the need for internal coordination. And few agencies can adopt incremental planning because few can claim that tomorrow will be "business as usual."

A map, a compass, and asking for directions are useful tools for navigating the future, but they share a weakness. They all attempt to navigate the future by starting from today. Organizations that need to adapt to the environment and coordinate their internal actions cannot use these tools alone. They must incorporate these tools into a planning process that creates rather than reacts. Visioning embraces each of these other tools. It uses the long-range analyses inherent in rational mapping to probe the future; it seeks strategic directions that can be discovered only with a compass; and it experiments with and learns from a series of incremental decisions rather than through a comprehensive strategy.

The notion that an organization can map out strategy in detail in advance of its implementation—the "strategy is in the binder" myth[18]—fails to take into account that, to a considerable degree, strategy must be allowed to emerge as new circumstances present themselves. A six-year study of visionary companies explodes the myth that successful organizations operate on the basis of highly planned strategy: what might look in retrospect like brilliant moves were actually trials, experiments, sheer opportunism, or even accidents.[19] Visioning organizations try things and, in doing so, discover what works. "We think in order to act, to be sure, but we also act in order to think," explains Henry Mintzberg.[20]

In visioning, acting often precedes planning. An organization may seem to be responding to a demand from the environment, but often it is creating the en-

Table 1. Navigational Tools in Organizations

A Map Low adaptation High coordination	A Compass High adaptation Low coordination
Asking for Directions Low adaptation Low coordination	Visioning High adaptation High coordination

Source: Adapted from JAMES M. KOUZES & BARRY Z. POSNER, THE LEADERSHIP CHALLENGE: HOW TO GET EXTRAORDINARY THINGS DONE IN ORGANIZATIONS (San Francisco: Jossey-Bass, 1987); JAMES B. QUINN, STRATEGIES FOR CHANGE: LOGICAL INCREMENTALISM (Homewood, Ill.: Irwin, 1980); HAL G. RAINEY, UNDERSTANDING AND MANAGING PUBLIC ORGANIZATIONS (San Francisco: Jossey-Bass, 1991); and N. ROBERTS, *Limitations of Strategic Action in Bureaus,* in PUBLIC MANAGEMENT: THE STATE OF THE ART at 153 (Barry Bozeman ed., San Francisco: Jossey-Bass, 1993).

vironment through action and implementation. Strategies tend to be "just-in-time…, supported by more investment in general knowledge, a large skill repertoire, the ability to do a quick study, trust in intuitions, and sophistication in cutting losses."[21] Visioning does not become subservient to any one model. Instead, "each approach becomes simply a component in a logical process that improves the quality of available information, establishes critical elements of political power and credibility, creates needed participation and psychological commitment, and thus enhances both the quality of strategic decisions and the likelihood of their successful implementation."[22] Such an approach balances the appeal of creating the one big plan and the necessity of adopting a series of successive smaller plans. In visioning, "[t]he big picture is painted with little strokes."[23]

IF YOU ARE PLANNING FOR A YEAR, SOW RICE; *if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people.*

—Chinese proverb

Conclusion

The rational organization prepares a detailed map of the future, the entrepreneurial organization uses a compass to discover uncharted opportunities, and the incremental organization asks for directions. Which approach is best? None of these approaches fit well with modern public organizations that have needs for high environmental adaptation and high internal coordination, that find "the logic of rational, comprehensive action too limiting, the beliefs about management control illusory, and the acceptance of the status quo unimaginative."[24]

Organizations trying to navigate the future using only a map, a compass, or directions are reacting to a future based on today. Visioning organizations seek to create the future. As Peter Drucker writes, "[t]he institution, in short, does not simply exist within and react to society. It exists to produce results on and in society."[25] Perhaps the time has come for public organizations to think about creating the future instead of responding to it.

Notes

1. "Discontinuous change" refers to a major shift in an organization's environment that results in major shifts in the organization's mission or activities. See David A. Nadler, Robert B. Shaw, & A. Elise Walton, Discontinuous Change: Leading Organizational Transformation (San Francisco: Jossey-Bass, 1995).

2. Peter F. Drucker, The New Realities: In Government and Politics, in Economics and Business, in Society and World View (New York: Harper & Row, 1989).

3. For a more detailed discussion of the planning process, *see* Kurt Jenne, *From Vision to Reality: Effective Planning by the Governing Board*, Popular Government, Summer 1988, at 33; and Roger Schwarz, *Managing Planned Change in Organizations*, Popular Government, Winter 1988, at 13.

4. Kurt Jenne, *Strategic Planning: Taking Charge of the Future*, Popular Government, Spring 1986, at 36, 36.

5. Barton Wechsler & Robert W. Backoff, *Policy Making and Administration in State Agencies: Strategic Management Approaches*, 46 Public Administration Review 321 (1986). Strategic planning assumes that planners will take into account three essential sets of knowledge: (1) the fundamental social, political, and economic purposes the organization is expected to serve; (2) the values of the people within the organization and the people served by the organization; and (3) opportunities and problems in the organization's environment. *See* Grover Starling, Managing the Public Sector (Fort Worth, Tex.: Harcourt Brace, 1998).

6. Environmental scanning is actually part of a set of strategic planning procedures. Other common procedures include stakeholder analysis, scenario building, strategic conversation, strategic issue analysis (assessing opposing forces and values), and SWOT analysis (assessing strengths, weaknesses, opportunities, and threats). For a discussion of their application, *see* John M. Bryson, Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement (San Francisco: Jossey-Bass, 1988); Peter Schwartz, The Art of the Long View: Planning for the Future in an Uncertain World (New York: Doubleday, 1996); and B. Wechsler & R. W. Backoff, *Policy Making and Administration in State Agencies: Strategic Management Approaches*, 46 Public Administration Review 321 (1986).

7. Carole S. Napolitano & Lida J. Henderson, The Leadership Odyssey: A Self-Development Guide to New Skills for New Times (San Francisco: Jossey-Bass, 1998).

8. For a thorough review and critique of strategic planning, *see* Henry Mintzberg, The Rise and Fall of Strategic Planning: Reconceiving Roles for Planning, Plans, and Planners (New York: Free Press, 1993).

9. Nancy C. Roberts, *Limitations of Strategic Action in Bureaus*, in Public Management: The State of the Art at 153 (Barry Bozeman ed., San Francisco: Jossey-Bass, 1993).

10. Napolitano & Henderson, The Leadership Odyssey.

11. James M. Kouzes & Barry Z. Posner, The Leadership Challenge: How to Get Extraordinary Things Done in Organizations (San Francisco: Jossey-Bass, 1987).

12. Scottsdale contracts out its fire service to a private firm, which can initiate a strategic environmental shift without needing to be as concerned with internal coordination as it would if it were a public organization.

13. Roberts, *Limitations*.

14. James B. Quinn, Strategies for Change: Logical Incrementalism (Homewood, Ill.: Irwin, 1980).

15. Alvin Toffler first used the phrase "anticipatory democracy" in Future Shock (New York: Random House, 1970). For applications to state and local government, see Anticipatory Democracy: People in the Politics of the Future (Clement Bezold ed., New York: Vintage, 1978).

16. Kouzes & Posner, The Leadership Challenge.

17. For more detailed discussions of these forces at work in public agencies, *see* Michael Barzelay, Breaking through Bureaucracy: A New Vision for Managing in Government (Berkeley: University of California Press, 1992); Deregulating the Public Service: Can Government Be Improved? (J. D. DiIulio, Jr., ed., Washington, D.C.: Brookings Institution, 1994); David Osborne & Ted Gaebler, Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector (Reading, Mass.: Addison-Wesley, 1992); and Sandford F. Borins, Innovating with Integrity: How Local Heroes Are Transforming American Government (Washington, D.C.: Georgetown University, 1998).

18. Stephen J. Wall & Shannon R. Wall, The New Strategists: Creating Leaders at All Levels (New York: Free Press, 1995).

19. James C. Collins & Jerry I. Porras, Built to Last: Successful Habits of Visionary Companies (New York: HarperCollins, 1994).

20. Henry Mintzberg, *The Rise and Fall of Strategic Planning,* Harvard Business Review, Jan.–Feb. 1994, 107, 111.

21. Karl E. Weick, The Social Psychology of Organizing at 223, 229 (Reading, Mass.: Addison-Wesley, 1979).

22. Quinn, Strategies for Change at 58.

23. Mintzberg, *The Rise and Fall* at 111.

24. Roberts, *Limitations* at 172.

25. Peter Drucker, *Management's New Paradigms,* Forbes, Oct. 5, 1998, 152, 176.