

“Strategic Planning – Forward In Reverse?”

HBR November-December 1985

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Excerpt & Summary – by Robert A. Stahl

Traditional Approach to Strategic Planning:

1. **Ends** – establish corporate objectives
2. **Ways** – develop a strategy for attaining them
3. **Means** – marshal the resources to implement this strategy

Problems with this approach:

1. **Ends** – “. . . they assume that the world of competition is predictable and that clear paths can be charted across it much like a highway system across a road map. Equally important, they assume that reasonable objectives, arrived at by thoughtful people, can be achieved through purposeful activity and that progress toward those objectives is both measurable and controllable.”
2. **Ways** – “. . . attributes a certain stability to the company itself. There is an expectation that the company’s values and needs will not change over the planning horizon and that the objectives it sets will seem as desirable up close as they do from afar. Managers can, therefore, concern themselves with ‘static optimization’ - that is with making a few key decisions and then holding to them.”
3. **Means** – “There is a further expectation that, once these objectives and strategies for achieving them are in place, managers can assemble the necessary resources in the required time frame and convert them into the appropriate form.”
 - **Additionally** – “Underlying all these assumptions is the belief that responsibility for organizational success rests primarily on the shoulders of top management. This ‘command-and-control’ mentality allocates all major decisions to top management, which imposes them on the organization and monitors them through elaborate planning, budgeting, and control systems.”
 - **In other words** – This approach tends to put you on a competitive playing field of your weakness, due to your inexperience.

Alternative Solution (Reverse the order):

3. **Means** – “First, it suggests that a company should begin by investing in the development of its capabilities along a broad front (means). It should train workers and managers in a variety of jobs; educate them about the general competitive situation and the actions of specific competitors; teach them how to identify problems, how to develop solutions for them, and how to persuade others to follow their recommendations. It should acquire and experiment with new technologies and techniques so that workers and managers gain experience with them and come to understand their capabilities and constraints. It should focus R&D activity on fewer lines but spread it more widely throughout the organization. Managers should have cross-functional assignments so that they develop a broad understanding of the company’s markets, technologies, and factories.”

- 2. Ways** – “Second, as these capabilities develop and as technological and market opportunities appear, the company should encourage managers well down in the organization to exploit matches wherever they occur (ways). Top management’s job, then, is to facilitate this kind of entrepreneurial activity, provide it with resources from other parts of the company, and, where feasible, encourage cooperative activities. In short, the logic here is to not develop plans and then seek capabilities; instead, build capabilities and then encourage the development of plans for exploiting them. Do not try to develop optimal strategies on the assumption of a static environment; instead, seek continuous improvement in a dynamic environment.”
- 1. Ends** – “The guiding force throughout such disparate activities will not come from a set of directions or controls. To the contrary, it will come from a balance between integration, which arises out of a sense of organizational unity and camaraderie, and instinctive banding together in the face of common enemies, and direction, which arises out of a set of shared values rooted in a long-term vision of the kind of company that its people want it to become - in short, group cohesion and a compass [versus a road map].”
- **In other words** – This alternative approach will give you a better chance of being on a competitive playing field of you strength and relative experience. **If strategic planning is done substantively in both directions, it will more likely assure the optimization of your competitive position!**

The Process:

“The trick, of course, to managing such discontinuities without alienating the organization or undermining its capabilities is to employ a patient, consensus-seeking decision process in which all parties have an opportunity to be heard.”

This top management led process is known as:

Executive Sales & Operations Planning

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