Planning with No Beef

Let us now return to the questions posed above. Why do so many strategic plans sit on the shelf gathering dust? Why is there such widespread disillusionment with strategic planning? Why isn't future making an oxymoron?

These questions have a number of answers. The overarching reason is quite simple: most organizations fail to make real decisions about priorities and resources in their planning processes. The resulting plans usually establish ambitious goals and milestones, with varying degrees of specificity, but rarely identify where the resources will come from to pay for them. It's relatively easy to reach agreement on new ventures and new plans; it's relatively hard to decide on what to stop doing. And unless the organization has infinite resources, it will be necessary to stop doing some things in order to put resources down on bets about the future.

It's always hard to make these tough decisions—that's why they are called tough—but it's even harder when your planning processes get in the way. Planning is about setting priorities. When resource constraints are applied, those at the bottom of the priority pole don't get funded. A planning process that produces key decisions on where the firm is going and not going will have winners and losers. This is not easy or uncontroversial. There will be heated battles because those invested in the old or lower priority ways of doing business will fight for their survival. Serious future making is not a "feel good" exercise; it's about who will have a place, and how big that place will be, in the company's future.

Why Future Making?

The future is inevitable; it always comes. Like the last decade, it will bring more change and uncertainty, but the pace of change seems to be accelerating. Actions taken today have long-term consequences. Actions an organization could take today could better position it for the future. Waiting passively for the future to arrive will ensure that tomorrow's challenges will be met with today's capabilities. Not likely to work. The senior management of any organization, firm, or company needs to put the future on today's agenda.

A firm that doesn't try to make its future is in denial. The imperative for future making is even greater in a world operating at Internet speed, because the faster pace of change reduces the window of opportunity to make timely decisions. The time horizons differ depending on the nature of the business, of course, but at the heart of serious future making is the making of decisions that trade off current activities for activities that prepare the firm for the future. In planning jargon, these are called "intertemporal tradeoffs." These are the toughest decisions for any organization because they involve near-term pain for long-term gain, often after today's decision maker is long gone.

If senior leaders do not engage in future-making decisions, the organization risks being overtaken by the future. Even if decisions are made, there is no guarantee that they will be the correct ones. But if the decisions are the product of an honest, rigorous process designed to identify the best bets and best tradeoffs, then the organization has its greatest chance of success. This is the role of a formal future-making process.

Representing the Future

An organization can't make its own future without being future oriented. The long-range survival of any organization depends on how well it meets the future demand for its services, products, or capabilities. The CEO who wants to build an organization that lasts must give the future a seat at the table. He needs an advocate for the future, someone whose career depends on how well he informs senior leadership of the decisions its members must make for future success.

Most everybody in the company, including the CEO, is usually invested in the present. This is not surprising because meeting current demand is essential to organizational survival. No point thinking about tomorrow if you're going belly up today. Organizational future making is easiest when the organization is successful today. All too often, however, today's success breeds complacency about what will succeed tomorrow. Assigning those with current responsibilities the additional role of representing the future is asking them to behave unnaturally—that is, to dispassionately look at the very things that brought both the organization and themselves the success they enjoy today.

Organizations need a Future Rep who is not invested in today's way of doing business. Her view of future demand is much less likely to be influenced or shaped by today's way of meeting current demand. The Future Rep's most fundamental responsibility is to identify the future demand for an organization's capabilities, products, or services, and then to articulate that future demand at the various organizational tables.

Ask many planners, particularly if they are called "strategic planners," what their job is and they'll say it is to build plans for the organization's future. This is, perhaps, the most egregious case of Planner's Overreach. A plan, in its essence, represents the actions on the supply side that an organization will take to position itself to meet the future demand for its services or products. Planners who believe they are responsible for both advocating future demand and advocating how the organization will meet that demand are claiming too much for themselves and asking too little from their bosses. The result—plans with no beef.

Only the CEO and his senior line management team can decide what the organization will supply in the future. And since most companies have constrained resources, a decision to supply something new in the future must be accompanied by a decision on what the company will stop doing today. Without this latter decision, it is likely that not enough resources will be available to invest in building the future capability. Planners, by definition, can't make any decisions about what to give up because they have no line responsibilities. And senior managers don't like deciding what to stop doing because these decisions directly affect those currently engaged in those activities. It is particularly difficult when those decisions are formally ensconced in a "plan" that makes it obvious to all whose ox got gored as the firm positions itself for the future.

Tough decisions at the top on the trade-offs between current supply and future supply are the sine qua non of successful organizational future making. A future making or planning process that produces only new-start decisions is not a serious one. There is no free lunch. The planner's role as Future Rep must be evaluated against the stop-now standard—is his portrayal of the future compelling enough to persuade the organization to stop doing something today?

The convincing articulation of future demand is threatening enough, because somebody has to start paying the price for preparing to meet future demand. If the planner also straps on the job of advocating how to meet that demand, he has identified precisely who will pay the price for change. And the bill payer for change now knows who his enemy is. Better a live Future Rep than a dead (overreaching) planner. Stay on message—represent the future, but only on the demand side.