

The Rise and Fall of Strategic Planning

by Henry Mintzberg
New York: The Free Press, 1994

Review and Response by Tom Gilson
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Structure of this Paper

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Review of the Book

One of North America's more prominent organizational researchers, Henry Mintzberg, looks at the history of strategic planning as it has been practiced in organizations, noting its many and deep failures. and suggesting ways in which it can yet be a tremendous asset to organizations. In spite of the provocative title Mintzberg applied to the book, he does not saying strategic planning is dead; rather that it has been misapplied.

Failures of Planning

Mintzberg view of strategic planning is focused on its common manifestation, as a rational, formalized approach led by planners to lead organizations toward strategic decisions. In this form, he says, it has almost universally failed. It is bound to fail because its assumptions are completely disconnected from the way persons and organizations learn and make decisions. Some of the false assumptions:

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- *Planners are better situated than managers to see broad perspectives and strategic horizons.* In fact, most planners are not closely enough connected to operational and market realities to see opportunities and issues.
- *Analysis--decomposing the parts of a situation--leads to good strategy.* In fact, analysis sterilizes situations and requires uncharacteristically high creativity to lead to the synthesis that produces good strategy.
- *Planners are more creative than managers.* In fact, planners vary on this as do other persons, and where planning is primarily analytical in nature, planners are often extremely conservative.
- *Planners' "big picture" view leads to better overall strategies than managers' detailed view.* In fact, many strategies emerge from managers' detailed views, customer interactions, and so on.
- *Planners use hard data that is superior to managers' soft impressions.* In fact, hard data carries its own distortions, connected with what is considered quantifiable, what is or is not measured, and so on; and soft impressions carry a considerable load of important unquantifiable information. Hard data is often delayed in reaching planners. Intuition has been a major source of innovation in real organizations.
- *Planning in general leads to creative new solutions.* In fact, by its programmed nature and annual timetables, planning itself tends to be conservative and inflexible.
- *The future can be planned (either by forecasting or creating the future).* In fact, this is true only in unusually stable situations, and the world is never consistently stable even for the most mature industries.
- *Rationality (analysis and synthesis) is the essential road to effective organizational decision making; irrationality is to be strongly discouraged.* In fact, rationality and creative discontinuity work hand in hand to produce new opportunities and answers.
- *Strategies come from top leadership.* While this is often the case, and top leaders must endorse major strategies, real strategies arise anywhere in real organizations.
- *Strategies on paper will be realized.* In fact, strategies are more often "emergent" than planned.
- *If plans fail, it's because somebody didn't . . . (do their job, take it seriously, etc.).* In fact, the systemic issues above prevent plans from succeeding; if it were just the middle managers' fault (for example), why didn't the plan take their characteristics into account?
- *Everybody ought to buy into the plan.* In fact, plans made by staff often carry a patronizing approach toward managers--"we'll do the thinking, you do the work"--that mitigate against widespread commitment.

- *Strategic thinking can be programmed.* In fact, while off-sites and special sessions can be opportunities for reflection and creativity, real thinking just can't be scheduled.
- *Planners are objective and non-political.* In fact, planners have their own agendas and sponsors, so they are not free of organizational politics.

This summarizes the first 320 pages of the book. Mintzberg's own one-sentence summary (p. 321) is:

"Thus we arrive at the planning school's grand fallacy: **Because analysis is not synthesis, strategic planning is not strategy formation.**" (Emphasis in the original.)

Formal strategic planning, in conclusion is simply no way to develop strategies.

Recommended Roles for Planning, Plans, and Planners

Yet Mintzberg is not recommending every organization fire all its planners. The final 100 pages of the text are devoted to recommendations for their proper and productive contribution. It rests primarily on his thesis that strategies do not emerge from planning, but planners can find, recognize, formalize, champion, integrate, and program strategies that emerge from all segments of organizations.

He quotes Langley (p. 331):

"Formal strategic planning and strategic planners do not make strategic decisions. People and organizations make strategic decisions, and sometimes they use strategic planning as a discipline in which to do this, or to seem to do this. Strategic planning supplies a forum for announcing, selling, negotiating, rationalizing strategic decisions, and it also offers means for controlling their implementation. These roles are important if not more important than the more usually noted role of providing information to improve the content of strategy."

To which Mintzberg adds,

"In effect, the strategy making process, whether its strategies are formulated deliberately or just form emergently, must be seen as an impenetrable 'black box' for planning as well as planners, *around* which, rather than *inside* which, they work. . . . They may be involved in inputs *to* the process, support *for* the process, or consequences *of* the process." (Emphasis in original.)

Mintzberg distinguishes "Planning," "Plans," and "Planners," and names roles appropriate for each. His assumption for what follows is based on the above paragraph, especially that the emergence of strategy is a given, and that Planning and Planners work with these strategies.

Roles for Planning

- *Strategic Programming:* support for documenting, scheduling, budgeting, and integrating strategies, translating decisions into specific action patterns for implementation.

- Codifying strategy
- Elaborating strategy
- Converting the elaborated strategy into organizational action and “routine”
- Tends to be more effective or relevant under conditions of
 - Environmental stability
 - Industry maturity
 - Capital intensity
 - Large size (of the organization)
 - Elaborated structure (of the organization)
 - Tightly coupled operations
 - Simple operations
 - External control (external to the relevant operating unit, that is)

Roles for Plans

- *Communication media*--getting the word out about strategies
- *Control Devices*--goals, schedules, budgets, etc.

Roles for Planners

- *Finders of Strategy*. Planners can be organizational information-hounds, seeking through a wide base of contacts and questioning to find new ideas, emergent opportunities, etc., and bringing them to the attention of appropriate leaders; helping to think through further development of emerging strategies. Key passage on this (pp. 362-363):

“[Weick’s] point was that actions in and of themselves have no meaning: ‘It is only when they are singled out reflectively that they become meaningful, coherent, and discrete (102).’ To quote one corporate planner, ‘You plan to find out what it is you are doing.’

“This suggests that a role for planners. . . is to provide that logic in action . . . to interpret behavior for purposes of understanding strategy. . . .

“This means the tracking of patterns of action in the organization in order to identify strategies, whether emergent or deliberate.”

- *Analysts*. Carrying out analysis of specific issues to be fed into the strategy making process on an ad hoc basis; providing in-depth studies for managers who do not have time or skills for it. This includes internal and external issues and scrutinization of strategies.
- *Catalysts*. Opening up strategic thinking through creative interaction with managers.

Response: Application to Campus Crusade for Christ and Operational Advisory Services

This book effectively describes real concerns relevant to centralized strategic planning in Campus Crusade for Christ. Our staff members are the experts on their ministries and their target audiences, so they are not looking to a detached office somewhere to come tell them what will work. Campus Crusade staff members tend to be skeptical (at best) of formalization and external control, both of which are associated with traditional, centralized strategic planning. Local and National staff members will not welcome planning they see as patronizing or intrusive.

Yet there is a place for planning within Campus Crusade. Staff members may be the source of emergent ideas, yet these they and their ideas can profit from support in:

Finding Strategies

- Recognizing new ideas as they arise
- Legitimizing new ideas (whether experimental or established) for what they are
- Documenting ideas for purposes of wider communication
- Developing ideas (working through the thought processes associated with them)

Analyzing Strategies

- Cost-benefit approaches
- Effectiveness analyses (see metrics, below)

Catalyzing Strategies

Connecting staff members and leaders with diverse ideas, trends, information from elsewhere in CCC and other ministries, technologies, etc.; using creative thinking techniques and defined strategic thinking sessions to open up new opportunities or solutions.

Integrating Strategies

Serving as a champion for cross-ministry integration, carrying ideas from one ministry to another, representing global- and national-level strategies to national and local leadership.

Codifying Strategies

Documenting vision, mission, values, and plans for ministry leaders and their staff members, also for the use of other CCC leaders and donors; collating multiple ministries' strategies for use by senior leaders

Scrutinizing Strategies

Examining strategies for feasibility, and consistency with other within-ministry needs and higher-level strategies.

Converting Strategies

Connecting strategies to operational planning through help with the thinking process, and especially through developing strategic metrics