

# Strategic Plays

## A Model for Organizational Planning

Emil Malizia

*Strategic planning is a form of organizational planning appropriate for local development organizations (LDOs). It is a "producer-oriented" process to the extent that the aims, resources and capabilities of the local development organization are determined before area-wide goals and problems are addressed. Rather than represent a general prescriptive plan for all local organizations, the plan of the local development organization is one piece of the mosaic of organizational plans which must be jointly pursued to effect successful economic development. This article provides an overview of the strategic planning process as it might be used by local economic development directors.*

Strategic planning demands intra-organizational planning as a prerequisite to planning for the community as a whole. Organizational planning provides the context for area-wide planning. Local development organizations have the capacity to devise local economic development strategies that overcome goal and value conflicts, resource constraints and disagreements surrounding particular community projects. With strategic plans providing the base, a local development organization is in a position to play an effective and appropriate role promoting local economic development with and through other community organizations.

The local development organization represents ground zero; the origin from which the planner formulates an approach to local economic development. Too often the local planner tries to plan for the community at large or for a committee of local actors representing different local peer organizations. The resulting plans are usually very general and somewhat inconsistent. They often lack substantial local support or serious resource commitments. More problematically, the local planner preparing such plans is diverted from his/her organizational planning obligations. Such organizational planning should provide a rudder for guiding broader-based local economic development efforts. Furthermore, the local planner cannot assume that devising general plans or writing up broad policy statements provide good currency for increasing local credibility and support. This currency is already declining and may be devalued severely in the years ahead.

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### THE STRATEGIC PROCESS

Strategic planning includes analysis, design and implementation tasks. It may be divided into five steps: (1) articulating organizational aims, (2) specifying organizational means, (3) anticipating environmental events and trends, (4) designing and evaluating alternative strategies, and (5) devising tactics for executing desired strategy.

#### Articulating Organizational Aims

To have a grounding for planning local economic development, the local planner should question – what are the overriding aims of this organization? A community development director answered this question, as follows: to secure adequate funding to continue the CD staff at their current level of effort. The executive director of a local Chamber of Commerce receiving city funds to promote economic development answered it this way: to be recognized by public officials as a fair and effective organization while maintaining the support of the local business community. An industrial developer had the narrow aim of selling an available industrial site to a national corporation. A city manager wanted to convince the mayor to dissolve the existing administrative arrangements and vest his office with responsibility for promoting local economic development. As these examples suggest, the local planner should answer this question as honestly as possible and answer it privately or in the company of trusted staff members.

intra-organizational  
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The next question is—how can local economic development promotion serve these aims or purposes? By answering this question, the local planner may begin to consider economic development from the perspective of the opportunities afforded his or her organization. He or she has to sketch out various economic development outcomes that help achieve organizational aims. These sketches should lead to the next question— which local economic development problems should be tackled? Which have to be addressed? Responses to these questions describe the orientation and position that the local development organization will seek when dealing with local economic development.

Finally, the planner should consider which definition of local economic development is most compatible with the answers given to all of the above questions. A definition should be formulated that is compatible with the idea of “doing good” in the local community as well as “doing well” for the local development organization.

### Specifying Organizational Means

With this step, the local planner shifts the focus on the internal environment from organizational goals to organizational resources. Again, the planner must conduct an honest assessment of the organization’s strengths and weaknesses: What do we do best? What have we done poorly? Which activities have given us status and recognition in the past? When have we gotten mud on our faces and why?

Upon completion of a frank assessment of strengths and weaknesses, inventories of staff, budget and other organizational resources should be undertaken and linked to the organization’s basic capabilities. At this stage, the planner should prepare local economic development strategies which capitalize on the organization’s strengths and effectively employ its financial resources. The planner should also examine successful economic development models which parallel the legal and political constraints of the local environment. This examination should narrow and sharpen alternatives to those which are most feasible in terms of the organization’s capacity, legal constraints, political realities and external forms of support. This analysis will often provoke changes in the definition of local economic development posed in step one.

### Anticipating Environmental Events And Trends

The local planner moves from consideration of the internal environment of the organization to an analysis of the external environment. The longer the time frame for strategic planning, the more difficult the analysis and the more general the results. Long-term planning requires attention to the technological, social, political, and market forces that affect the local economy. The recommendation here is to focus on shorter term economic trends. Try to anticipate environmental events which may occur and which may have a significant impact on the immediate future of the local economy. The process of anticipating environmental events involves determining whether they are likely to occur and forecasting their relative timing.

The planner next examines each environmental event relative to the organization’s aims and capabilities. The examination should conclude with the decision to either gear up activities to confront the environmental event or to ignore it. This step completes the analysis phase of strategic planning.

### Designing and Evaluating Alternative Strategies

Designing and evaluating alternative strategies are the most creative and innovative aspects of strategic planning. Strategy is “the general’s art”. It is the game plan or the different paths for achieving organizational aims. With the results of the analysis phase in hand, the planner should be able to describe what actions to take to achieve organizational aims. To fashion the best strategy, alternatives should be designed and evaluated in an interactive process. Strategies are usually more general than specific mitigations or projects. In fact, strategic courses of



action should be used to guide the design of specific mitigations or projects. No single methodology is adequate for designing strategic alternatives, however, useful techniques are presented in the strategic planning literature (See references).

The responsibilities of a local economic development organization and its associated community organizations must be distinguished to successfully execute any economic development strategy. Resources must be allocated to activities which the planner controls and to activities which entice and cajole others to act "appropriately". In an environment of peer organizations, failing to motivate others is the easiest way to turn a creative strategy into an empty wish.

When the preferred strategies are developed, the planner should return to his/her definition of local economic development and revise it in accordance with the chosen strategies. Like the best strategies, the most appropriate definition of local economic development is one that both increases the chances of achieving organizational aims and contributes to improving the local economy.

## Devising Tactics

To carry out a desired strategy, the local planner should use management tools which are helpful in policy and program implementation. The basic question is – how is the organization going to initiate, sustain, and complete preferred strategies? To answer this question, the planner needs to decide who is going to do what and when. The planner may use a work plan format in which tasks and sub-tasks are listed and charted over time intervals, usually months. The work plan helps keep track of critical stages, project milestones, decision points and patterns of resource use.

As with contingency planning, the planner should identify key actors, forge agreements among them,

and try to anticipate things that could go wrong. What should be done if things start falling apart? What are the second-best alternatives? Are there ways to save face? What can be learned when failure is inevitable? The planner must decide when it is appropriate to terminate efforts, when to accept defeat or, conversely, when to declare a victory.

Chosen strategies should be carefully documented regardless of their success or failure. This information is vital to the learning process inherent to strategic planning. If success is achieved, the material should also be used to make others aware of the organization's accomplishments.

Implementation is a crucial part of the strategic planning process. If an environmental event occurs, a planner cannot justify the prior steps of strategic planning without taking the concrete actions embodied in the last step. Understandably, community support for economic development planning is not inspired by the quality of the planning procedure but on the visible, beneficial results achieved.

Three additional rules of thumb should improve strategic planning:

- §Keep it simple (a project with seven sequential tasks, each having a 90% chance of successful completion, has less than a 50-50 chance of being finished);
- §Distinguish the essential from the preferred;
- §Be modest about organizational aims, resources and capabilities.

For additional discussion of strategic planning, see Peter Drucker, *Management: Tasks, Responsibilities and Practice* (New York: Harper and Row, 1974.), George A. Steiner, *Strategic Planning: What Every Manager Must Know* (New York: The Free Press, 1979) and Richard I. Levin, *The Executive's Illustrated Primer of Long-Range Planning* (Englewood Cliffs: Prentice-Hall, 1981.) □

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