

Is Strategic Planning Dead?

Strategy on the Morph

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by Walter Kiechel

In 1966, *Time* magazine published a cover article posing the question, "Is God Dead?" Asked about the possibility, former President Eisenhower reportedly responded, "That's funny. I was just talking with Him this morning." Some of us are beginning to feel the same way about trendy assertions that strategy is dead.

You may have read one such proclamation in the Jan. 25 *Wall Street Journal*. "Strategy, as we knew it, is dead," argued Walt Shill, who leads Accenture's North American consulting practice. An article titled "Strategic Plans Lose Favor" goes on to quote him saying, "Corporate clients decided that increased flexibility and accelerated decision making are much more important than simply predicting the future."

If you believe strategy consists of predicting the future, or making plans, please feel free to take a chair next to Mr. Shill in the front row of mourners. On your seat you'll find a copy of Henry Mintzberg's 1994 book, *The Rise and Fall of Strategic Planning*, which should completely disabuse you of any residual hope you may have held out for the corporate planning process.

Meanwhile, a few of us who didn't get the sad news will be sitting around the roaring hearth, sipping wine and talking, not about strategy's death but about its future. Or so we did one evening last week in Manhattan under the auspices of the Association of Management Consulting Firms, sans hearth actually, but not sans wine. The conclusion there was that strategy was going to need to be faster of foot, smarter about picking its shots, and in general more "adaptive," to use my favorite new descriptor (which of course I cribbed from people smarter than myself, some of whom were at the event).

But it was not going to be dead. Darrell Rigby, a longtime partner at Bain & Co. and author of *Winning in Turbulence*, pointed out that we've gone through periods before when people said the world was moving so fast that companies didn't have the need for, or time to do, strategy. Like in the late 1990s. Something like 90% of the high-tech outfits from that era that thought they could do without the big S are no more. Rigby, who has been surveying companies on their use of management tools since 1994, also reported that strategic planning has ranked first or second on the list every year since then. (Maybe they didn't get the memo on the difference between planning and strategy, either, but it's also true that "have a strategy" isn't by itself a choice on the survey.)

As moderator of the discussion, without wine glass, let me try to distill what I heard into a few calls to action. By way of context I'd note that Accenture's Shill isn't wrong about companies wanting increased flexibility and accelerated decision making. Part of what these experts are wrestling with is how to root both of those in strategy, or, looked at from the other direction, how to rethink strategy to make it quicker and more dexterous.

1. Consider distributing the right to make strategy more widely throughout your organization. Martin Reeves, head of the Boston Consulting Group's Strategy Institute, had a wonderful phrase for what strategy will increasingly consist of: iterative empiricism. You learn something about a fast-changing market, reflect it in the actions you take, learn from how the market responds to that, boil that into your next steps, and so on. "But we've been saying that for years," partisans of the emergent, or learn-from-doing school of strategy may complain. True, but nowadays the action on the front-lines is moving so fast that you probably have to entrust the people there with decisions that heretofore would have been sent back to the company H.Q., where the great strategic wisdom supposedly was stored.

2. Understand that one process does not fit all decisions. Uta Werner, in a past life a partner at Marakon, now head of strategy at Xerox, noted that some strategy calls are of a scale that they can be left with folks out there in the organization. Others are so big, long term, and momentous in their potential implications that top management has to be involved. Knowing which is which, and having that knowledge widespread throughout the company, is critical to making strategy "adaptive." Such wisdom also does wonders for your flexibility.

3. Resources — corporate money and talent — will need to move as fast as decision making. Tom Stewart, chief marketing and knowledge officer for Booz & Co. — and a former editor of *Harvard Business Review* — has the banner inscription for this imperative: Fluidity. Don't think hydraulics. Think rather of the relentless, ever-morphing villains of the Terminator movies, the cinematic series where James Cameron made his bones (you should pardon the expression) as a director. Cameron may have lost out in the Oscar race this week, but his earlier creation could provide an image of what adaptive strategy — comin' at ya — will look like.

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