

DYNAMIC STRATEGY

STRATEGIC PLANNING AND EXECUTION FOR TODAY'S ACCELERATING PACE OF CHANGE

STRATEGIC PLANNING AND EXECUTION FOR TODAY'S ACCELERATING PACE OF CHANGE

STRATEGIC PLANS IN THE DIGITAL AGE

For decades, military and intelligence organizations have demonstrated that setting long-term strategic goals can be a powerful, deliberate way to lead themselves smartly into the future with finite resources. This is especially true when there are specific objectives to advance those goals, as well as frequent measurement, analysis, and follow-up.

Since Defense Secretary Robert McNamara introduced the Planning, Programming, and Budgeting System (PPBS) in the early 1960s, organizations have employed strategic planning processes to assess their present state, ascertain critical challenges and opportunities, and decide upon a most desirable destination and how to get there.

Today, this ubiquitous tool has lost its relevancy — not because strategic plans are not needed, but because they cannot keep pace in a volatile and dynamic world. Leaders increasingly question whether the time and resources spent on strategic plans is worth the effort.

Traditional strategic planning evolved in the Industrial Age, deriving value from the information constraints in place at that time. Data and technology was less accessible, requiring significant time and resources to collect and analyze. This meant environmental assessments by organizations were necessarily less frequent and strategies enjoyed longer shelf lives than today. Moreover, the pace of environmental change was slower, and careful study of past events and trends could more easily predict what was to come over the horizon.

As we race into the Digital Age, this concept is changing dramatically. The explosive proliferation of information and communication channels is rendering collected data obsolete and compressing cause-and-effect cycles. Significant global and national events are occurring frequently, often with little or no warning. Consider, for example, the nature of recent significant events triggered by weather, terrorism, or cyber threats. Likewise, military strategy and operations are evolving faster than ever, due largely to accelerating technological advancements. As Chairman of the Joint Chiefs of Staff Gen. Joseph Dunford Jr. observed:

“New technologies are fielded faster than ever before. Leaders at lower and lower levels utilize enabling capabilities once reserved for the highest echelons of command. Tactics, techniques, and procedures are adapted from one deployment cycle to the next. This accelerated pace of change is inextricably linked to the speed of war today. ... The speed of war has changed, and the nature of these changes makes the global security environment even more unpredictable, dangerous, and unforgiving.”¹

Perhaps even more disruptive is a pattern of increasing turbulence and uncertainty within government — reorganizations, mergers, downsizings, financial crises, and transformations — driven largely by budgetary and political pressures. Government organizations are under near-continuous pressure to justify and refine themselves, cut costs, achieve better outcomes, and realign to ever-shifting roles and responsibilities.

Traditional strategic plans — most of which are updated only every two to four years — cannot possibly keep up. Defense and intelligence leaders understandably view the resource-intensive strategic planning process warily and are hesitant to complete plans because significant events — such as budget decisions, leadership changes, or mission reviews — are always pending. Once completed, today's strategic plans will be rendered outdated quickly and overcome by new events, resulting in organizations adopting a “wait and see” posture.

Keeping a focus on strategy implementation in the face of ongoing change is another challenge. Considerable time and work may be dedicated to building a plan, but once published, subsequent events impacting the organization may occur, redirecting leadership focus away from plan execution.

The result is that, while defense and intelligence organizations continue to draft strategic plans, increasingly few are effectively employing them as management tools to improve efficiency, performance, and, ultimately, relevancy. Many instead resort to reactive modes of behavior because their strategic plans are unresponsive to real events. Left unchanged, these trends expose agencies to greater vulnerability by

diminishing their ability to deliberately add value and relevance in a changing world.

Some defense and intelligence leaders may be tempted to view their predicament as a choice between two options: strategy or agility. Yet a number of government organizations are already demonstrating that these are not mutually exclusive directions. Rather, leaders and planners are better served by re-imagining their current approaches to strategic planning to make them highly adaptive to environmental change and deeply integrated into the organization's daily activities.

FROM STRATEGIC PLANS TO DYNAMIC STRATEGIC PLANNING

Strategic planning must evolve beyond its current constraints to remain relevant in an a rapidly changing operational environment. A dynamic strategy and execution capability that anticipates and quickly adapts to fast-changing environments and is fully embedded into organizational operations and culture is required.

Dynamic strategy is decoupled from static plans and reviewed on a frequent cadence appropriate to each particular organization and its environment. This allows for external and internal environmental developments to be quickly incorporated into the strategy's assumptions and resulting objectives and milestones. Dynamic strategy execution is tightly woven into the fabric of the organization's day-to-day activity so that progress toward strategic goals and objectives is occurring continually and organically as part of normal business.

A dynamic strategy and execution capability is characterized by four elements:

- **Rapidity.** In today's environment, leaders have days, not months, to define and execute plans. Dynamic strategy does not set out to develop and implement 100-percent solutions at the first pass. Because speed is critical, a dynamic strategy starts by quickly addressing near-term needs and challenges and then iterates continually. As with strategy, execution is not comprehensive, but prioritized to focus on near-term steps that address urgent needs while considering

long-term goals. This approach enables planners to achieve early successes that will generate buy-in, participation, and momentum.

- **Agility.** A dynamic strategy does not strive to be perfect or comprehensive. It is incremental and living, so it continuously improves and adjusts. This allows planners to build and adapt strategy swiftly as events dictate. Agility also means that strategy execution is customizable to the needs of the organization. Progress and outcomes are continuously monitored so adjustments can be made when needed to ensure the overall path leads most directly and efficiently toward the desired strategic goals. Being agile also requires that organizations strike an appropriate frequency when adjusting strategy to accommodate changing environments.
- **Clear Direction.** Executing a dynamic strategy requires a cross-functional portfolio of action plans that are aligned to strategic goals and regularly evaluated and adjusted as part of normal operations. Leaders at all levels of the organization are assigned ownership and responsibility for specific pieces of the process. Clear performance metrics associated with these plans ensure all organizational components understand their status and where they need to be. As with the strategy itself, action plans must also be adaptable to changing circumstances.
- **Continual Progress.** Progress toward each agency objective is tracked, evaluated, and communicated to stakeholders, using data-driven performance metrics. This continuous monitoring and reporting of progress informs all stakeholders how their activities are moving the organization toward its goals, enhancing their personal stake in the effort. Moreover, this tracking and communicating of metrics is done through existing web-based project management tools, such as SharePoint, Huddle, Confluence, or Box.

These features are mutually reinforcing. For example, being rapid and agile in setting and refining strategy

does little good if the organization lacks an ongoing capacity to execute via detailed action plans. If an execution mechanism must be built from scratch to metabolize each iteration to strategy, needed momentum and urgency are lost, and execution becomes effectively disconnected from strategy. Without the capability to track, evaluate and communicate progress on a real-time basis, accountability is lost and progress quickly stalls.

Moving toward a dynamic strategic planning and execution process yields significant overall benefits to the organization. In effect, the strategic planning process ceases to become a highly resource-intensive exercise that is layered on top of the organization's everyday activities. Instead, it occurs organically as part of the organization's daily routine, making it far easier to execute and more relevant to the organization. Assessing the environment, adjusting strategic assumptions, and refining strategic goals and derivative action plans is an intrinsic piece of organizational activity at all levels.

Leaders recognize the strategic plan is not a finished document that sits on a shelf while the organization is distracted by unanticipated events. Instead, the strategic planning process is ongoing and tracks continuously with environmental twists and turns to ensure the organization's focus on the future is always current and calibrated. As strategy execution is inextricably linked to an agile planning process and embedded in the organization's day-to-day activities, it becomes the primary means of metabolizing environmental change for the organization. A dynamic strategy and execution capability effectively shifts the organizational engagement profile from being periodic to continuous.

By using a dynamic strategy and execution approach, organizations become more strategy-centric and forward-focused, and consequently retain greater control over their futures. Rather than being focused on keeping up with a shifting landscape, organizations maintain constant focus on adding value to be better positioned for the future. In today's environment of rapid technological advancement, staff downsizing, and fiscal constraint, this evolution is increasingly critical to survival for organizations.

A PROVEN PROCESS FOR CREATING A DYNAMIC STRATEGY AND EXECUTION CAPABILITY

Dynamic strategy and execution allows for flexibility to assess and respond to the changing environment. It incorporates internal and external changes to adjust strategy, continuously monitors and measures against performance objectives, and refines the strategy to ensure capabilities align to mission priorities. The stages of this process are captured in the Figure 1.

Define. Analyze the organization and its environment to define the organization's strategic direction and activities. This involves applying research and analyzing environmental trends and challenges relative to current strategic goals and priorities; aligning the organization's strategy with higher-level strategic guidance; engaging stakeholders to identify opportunities that will "move the needle" to quickly realize objectives; and defining agency strategic activities aligned to the organization's vision, mission and strategic objectives. The result is a set of strategic activities aligned with mission and strategic priorities that factor into the organization's current state environment.

Develop. Build an agile road map to set strategic milestones that will guide progress. Component-level units and the organization as a whole conduct planning workshops to validate established goals and create objectives to advance those goals. Those objectives are prioritized based on their ability to impact goals. Stakeholders identify targeted implementation teams and team champions to advance key goal areas as well as success metrics to manage and execute strategic activities. The result is an adaptable roadmap that outlines the organization's strategic framework, goals/objectives/actions, timeline, targeted implementation teams, and success metrics. Implementation teams leverage existing web-based management tools to build, manage, and communicate a centralized integrated master schedule (IMS) that provides organization-wide transparency into all aspects of strategy execution.

Execute. Targeted teams within the organization implement a framework that effectively makes strategic



Figure 1

activity a part of day-to-day operations. Leaders and key stakeholders establish a governance structure that guides the activities of implementation teams, such as meeting cadence, procedures for reporting on success metrics, and the re-evaluation of strategic goals in the face of environmental changes. Documented project charters drive accountability for designated project leaders. A concerted communications campaign brands the roadmap as central to the organization's strategic transformation. Implementation teams are activity-based, goal-focused, and operate with clear leadership ownership and accountability. Regular and frequent meetings measure and report execution progress. The result is a highly focused operational discourse that is inexorably linked to the advancement of organizational strategic goals.

Refine. Regularly assess the organization's changing environmental challenges, stakeholder requirements, and results of existing strategic and execution plans. If needed, refinements are made to strategic goals and objectives, action plans, the performance management framework, the structure of implementation teams, and other aspects of the strategy and execution framework.

These stages repeat on a cycle and timeframe appropriate to the organization's mission and environmental situation. This process is highly customizable to accommodate for varying organizational characteristics.

A successful dynamic strategy and execution practice also incorporates the a set of best practices. The best practices start with clear communication to all stakeholders early and often. For example, communicating the agile framework up-front ensures that leadership is prepared for faster outcomes that are not perfect but adaptable over time through refinement. Communication ensures stakeholders are aware of where they and the entire organization stand in meeting their goals and objectives.

A focus on the bottom-up assessment process is essential. Including a majority of the organization's members as active participants in the Develop stage requires a bit more time, but generates early and widespread buy-in and ensures strong momentum for the strategy's execution. For many stakeholders, playing a strong role in the development of strategic goals and activities generates a sense of ownership and personal investment in achieving a successful outcome.

Effecting change management across the organization and incorporating dynamic strategy and execution into the culture is key to a successful outcome. This includes ensuring stakeholders are engaged early, given ownership of specific pieces of the process, and held accountable. For example, using the organization's existing web-based management tools to communicate (via dashboards) the status of each piece of the plan provides a clear sense of how stakeholders fit in and binds them to the broader outcome. Additionally, having a governance structure that defines specific authorities for middle managers can empower them to provide input, set goals, and take ownership of action plans. By managing the strategy and its execution as their own, they become invested in its success.

Of course, maintaining senior leadership support and involvement is also essential to success. Senior leadership participation should be clearly seen so all stakeholders across the organization experience consistent messaging from top to bottom.

Committing to a strong battle rhythm helps drive success. Leveraging the organization's existing management tools to achieve and embed strategy execution as part of the organization's daily routine will help drive the battle rhythm. The day-to-day activity of the organization is driven by the centralized IMS and the organization's web-based management tool, which connects and engages staff at all levels by providing situational awareness, progress tracking, communications, and a platform for day-to-day project collaboration. Complementary frequent senior leadership meetings — and implementation team meetings led by senior leaders — keep the organization on track.

BOOZ ALLEN: YOUR ESSENTIAL PARTNER IN SUSTAINING STRATEGIC RESULTS

“Decision space has collapsed and so our processes must adapt to keep pace with the speed of war. Keeping pace

with the speed of war means changing the way we approach challenges, build strategy, make decisions, and develop leaders.”²

Leaders increasingly recognize that their planning approaches must become more agile and adaptable to remain useful in the future. Booz Allen's proven expertise enables the realization of strategic objectives by making strategy execution part of the natural course of business and creating agile leaders focused on innovating for the future.

Strategy and Change Management Expertise. In partnership with a wide range of defense and intelligence organizations, we help to formulate strategies and organizational concepts of operation to meet mission and goals while also managing risks. With extensive expertise and certifications in strategy development, organizational change management, project management, Lean and Agile methodologies, and Design Thinking, our staff are able to align organizational functions, people, processes/methodologies, technology, and organization structures to plan, measure, monitor, and drive performance.

Domain Expertise. We understand that each service branch and intelligence organization has unique mission requirements. Our tailored approach combines deep understanding of these mission portfolios and the environments in which they operate to ensure a comprehensive view of issues and solution development. Our experience integrating planning and execution activities adds accountability throughout the project lifecycle to ensure mission objectives, cost, budget, and key stakeholder requirements align throughout the process.

Booz Allen Hamilton's Dynamic Strategy and Execution capability enables organizations to rapidly adjust to environmental changes while driving and sustaining strategic results.

NOTES

1. “The Pace of Change” by Gen. Joseph Dunford, Jr., *Joint Force Quarterly*, Jan. 26, 2017.
2. *Ibid.*

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together—we will find the answers and change the world. To learn more, visit BoozAllen.com.