

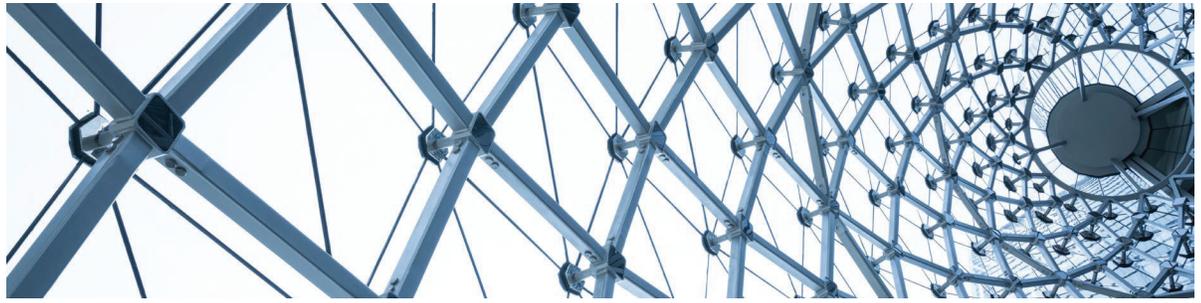
This is the fourth of a six-part series on developing and sustaining organizational capacity.



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Merging Culture and Strategy

Creating a strategic framework to build capacity and ensure sustainability

by Bruce Weber and Charlie Smith

► Previous articles explored the concepts of capacity as the ability of an organization to perform and the importance of creating a culture where high-performance teams deliver mission and impact to all stakeholders. With these in place, all is operating well. But can success be sustained as the future is navigated? This requires thinking and acting strategically.

For many, strategic planning is a discrete annual activity. Perhaps there is a strategic planning retreat spent reflecting on the past while trying to anticipate the future. Elegant words are written up and then tucked away into nice binders with logos across the front. The job is done. But is it?

Crafting and communicating strategy are among the most important roles of effective leadership, yet few express confidence that it is being done right. BoardSource's 2017 "Leading with Intent Survey" showed that fewer than 50 percent of nonprofit CEOs and boards believe they are effective at creating and monitoring their strategic plans. A recent Boardview study found that 95 percent of employees do not understand their company's strategy.

Why is strategic planning such a challenge? Why so often completely ineffective? Why so often mind-numbingly boring?

Part of the reason is the thinking around strategy, especially the way access to and input into the process is managed. Strategic plans have traditionally been created by a few senior leaders in quiet conference rooms and then cascaded across the organization. Staff who receive the plans have had little, if any, experience of or insight into the process. Critical client-facing, real-time information is often missing and input from those who are closest to challenges and opportunities are left outside the process. While well-intended, the new plan may be insufficient in meeting the needs of the organization.

Another reason planning is such a challenge is the rate of change in the hyper-connected world of the 21st century, a reality that requires a plan be dynamic and adaptive. Yet many managers are uncomfortable with change, preferring to deal with what is known and predictable rather than making hard choices about the future in an unpredictable world. This approach requires a major shift if strategy is to be meaningful. As Bob Johansen describes in *Leaders Make the Future: Leadership Skills for an Uncertain World*, "We are in a time of accelerating disruptive change. In a VUCA world — one characterized by volatility, uncertainty, complexity and ambiguity — traditional leadership skills won't be enough."

Traditional strategic planning models no longer suffice. Rather than focusing on creating a "strategic plan document," the focus shifts to creating a "framework" that provides a discipline and cadence for ongoing, ever-evolving, emerging and adaptive strategic conversations.

Thinking about and planning the organization's future should be the most interesting and energizing work of the team. Rather than a one-time activity, it is the team's way of being! Strategy is alive and pulsing throughout the organization. It is fun, inspirational, collaborative and in touch with reality.

Creating a strategic framework requires three things: a conscious decision to do it, describe it and be open to failure; being deliberate about embedding it into the organization's culture; and establishing time, space and process for connection, interaction and action by all.

Developing a strategic framework creates the dynamic where disciplined curiosity and informed change become core competencies of the organization. The process of continuous improvement and innovation is intentional and occurs naturally. A strategic framework is where culture meets strategy.

There is no one template for how to set up a strategic framework, as every organization is unique, but there are ways to start, beginning by changing the way senior leaders invite the organization into strategic dialogue. There must be a letting go of ego and opening up to change. It continues with inviting the board to make strategy conversations a vital part of every meeting. Indeed, all meetings should have strategy inherent within them — does this investment of time and resources honor the strategy and move the organization in the intended direction?

The Peter Drucker phrase "culture eats strategy for breakfast" — made popular by Ford CEO Mark Fields when he posted it in the boardroom to make a point about radical change — is useful here. Perhaps it does not have to be one or the other, but one and the other. Culture and strategy.

A strategic framework makes strategic thinking the driver of the organization's mindset, embedded and manifested in culture. It challenges current leaders and allows unidentified talent to be revealed, and ensures that all stakeholders get a view and a voice into the ongoing creation of the organization's success! ■

