

# On Strategic Management: A Conversation with George Wilkinson

Coming from a local United Way agency in Bridgeport, Connecticut, George Wilkinson has managed planning for United Way of America since 1980 and has helped locals across the country with their planning, only to discover, happily, that those *with* strategic planning raise more money and solve more community problems than locals without such a process. Here he explains how strategic planning helps people analyze their organizations and determine where they hope to be in the future.

**Y**ou've worked in strategic planning for more than 10 years. Why do you think educators are becoming interested in the idea?

In times of rapid change, we don't know what to expect, either for ourselves as individuals or for our organizations. Strategic management is a tool to help us deal with that uncertainty.

**But how much can we really know about the future? For example, who could have foreseen the incredible changes in eastern Europe and the Soviet Union—or the war in the Middle East resulting from Iraq's invasion of Kuwait?**

Well, the fact is that some people knew a lot about the possibility of those events; they just weren't common

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knowledge. But having particular information is one thing. Having a general understanding about the direction of change is another. That's the point of strategic management: you don't plan around a concrete future; you plan around uncertainty. You envision scenarios and wild-card events. You ask yourself what *might* happen that could alter your future and, if it happened, what you could do differently.

**You're saying that we've seen a few wild cards in the last year or two, but—though they were surprising—they could have been and undoubtedly were envisioned by some people as possibilities.**

Sure. And that's the sort of thing we have to be concerned with, because the future *is* uncertain.

**What is implied by the term *strategic*? How is strategic planning different from ordinary planning?**

Strategic planning isn't an entirely different form of planning. It's simply an effort to more thoroughly understand the nature of change in the marketplace: to identify the threats and opportunities posed by that marketplace to your institution. It's an effort to define your organization's competencies and shortcomings and to try to find an appropriate match for them.

To do that, you also have to understand what business you're in: your mission. You have to decide what you want your organization to be like 5 or 10 years from now, to have a vision of your desired future.

And then you identify the critical issues affecting the mission or vision in light of your analysis of the environment and of the organization itself. So a strategic process is future-oriented but rooted in today; it deals with issues that have to be resolved; and it calls for operational or tactical planning in its implementation.

I'm often asked, "What's the difference between strategic planning and marketing?" My answer is that they're identical, because they both involve looking at your organization, doing an analysis, examining the future, and saying, "This is the position I want in the marketplace. This is the image I want; these are the products and services I want to offer; this is the position in that marketplace I want those products and services to have." That's developing a *strategy*.

**You probably know you're using language that sets many educators on edge: what "business" people are in and "marketing." When you talk like that, you just confirm for some educators that strategic management is a technique imported from business that's really not appropriate for our kind of organization.**

Well, they're wrong. Schools, like any government or not-for-profit entity, exist in a marketplace. Right now, education is under tremendous pressure to be relevant—relevant in the quality of its products; relevant to its



*Photograph courtesy of George Willmetson*

customers, students and their parents; relevant to the institutions that pay taxes, both individuals and corporations. And they have a tremendous amount of competition. Corporations are beginning to say, "You're not doing it in the public sector, so we'll do it ourselves." They're starting their own schools, they're putting their employees into classrooms.

**Well, there may be similarities, but what about differences? You work for the United Way, a not-for-profit organization. Are there any differences between strategic management of nonprofits versus profitmaking organizations?**

The major difference is that most not-for-profits belong to the public. Because we don't have just a limited number of stockholders, our process has to be more open. To have a plan that has any hope of being implementable, we have to engage as many as possible of our key stakeholders in the process. In the for-profit sector, while

they are concerned with stakeholders, they're mainly concerned with those close to the corporation. So they don't bring as many outsiders into the process, and those they do bring in tend to be more enlightened.

Still, we're beginning to see a move in many corporations to bring a different set of outsiders onto their governing boards. It's sometimes brought about by pressure groups—environmentalists, and so on—but they're facing many of the same challenges that we in the nonprofit sector have to deal with. In fact, I'm finding their processes are now looking more like ours, rather than ours looking like theirs.

**I wonder if another difference might be that in profitmaking organizations, you have levers you get things done. In public schools, we may have a pretty good idea what needs to be done but not be able to bring it about. The machinery just keeps on running.**

But you see, that's a basic part of the strategic approach: you ask, "What *can* I do?" And you plan for implementation step by step. It's important to have a marketing strategy based on an analysis of the political system you're a part of. It may be somewhat easier for business, but I'd say that IBM, Sears—the big companies—have just as many problems as we have.

**One of the problems may be that a management process like this would seem to be more appealing to the head of the organization and to those near the top than to the rank and file. In school systems, for example, how do the superintendent and board, who obviously want to get things straightened out and have everybody marching in the same direc-**

**tion, convince teachers and principals of the value of the process?**

Well, I know this sounds like a cliché, but quite literally, it has to start at the bottom. In fact, I'm finding that some organizations are turning their organizational charts upside down. Putting the big base at the top and the little point at the bottom is actually a more accurate representation of the way things work.

In a school system, you've got to start with the organized constituencies on one hand and the building level on the other. There must be overall direction and coordination so that you end up with a systemwide viewpoint, but in the end, you've got to have strategies that can be implemented at the building level. So teachers and principals need to be involved at every stage, and they need to understand how the issues affect them and be a part of determining how to resolve those issues.

**Let me ask about a couple of things they might wonder about. For example, why should every institution start over, so to speak? Why should every institution have to scan the environment for trends that have already been spotted by others?**

They don't; they can often make use of what others have done. For example, they can use our publication, *What Lies Ahead* [see box, p. 25]. Any community can take that and ask themselves, "Will our community follow or deviate from these trends, and in what ways?" Now, the only question is the validity of their assumptions. That's the point at which they will need to do a more or less localized version of the environmental analysis done nationally. Local United Ways do that; they take our material that documents major national trends and try to identify how their community is following or deviating from those trends.

Also, of course, some trends are more critical to particular enterprises than others, so it's important to pay attention to those trends that most affect the field of education. Otherwise, there's certainly no need to reinvent the wheel; if somebody has

already done the job and you're comfortable with what they've done, use it.

**Let me ask a mildly skeptical question. I've heard that a key aspect of strategic management is identifying your mission. You said earlier that you've got to decide "what business you're in." Now, I wonder why every school system across the United States should have to do that. Don't we already know what schools are for?**

Yes, in general we know the mission of education. The major differences may be in focus, geographical region, and so on. A lot of school system mission statements are pretty much alike. Still, members of any organization need at least to look at the question of what their mission should be and whether that's what they're really focusing on. It's important for people to have belief in and ownership of what they're doing. Granted, they may come up with the same words that others have used, but how that plays out in a particular community will always be somewhat unique.

**You seem to be saying that one reason to engage in this process is to develop understanding and commitment. Some might even say the process is even more important than the plan itself. Would you?**

Well, I may have said that on occasion, because when people are going in 17 different directions and not functioning as a team, it's pretty hard to get anything done. So the process is important as a way to get people to buy in and develop focus. But obviously, even with a great process, a lousy product will have lousy results—so the two walk hand-in-hand.

I might point out that, in my view, strategic planning is an ongoing activity. It's not something you do once and then come back and do five years later or three years later. It's an attitude and a process that you build into the management system of an organization, and you use it constantly. As circumstances change, you also redefine it constantly.



In fact, my experience would say that, in a climate of limited change, you probably need to refine your plan 15 percent per year. In a time of rapid change, it may be as high as 50 or 60 percent, either on the strategy side or on the tactical—the implementation—side. You'll find that you were able to do some things more quickly, which means you can redeploy resources, and that in other areas you're having unforeseen difficulties, which means you've got to put more resources into them. Or new issues that come to the horizon. Or wild cards that you hadn't expected, such as a major plant closing that affects the whole community, including the educational system. That's why I spoke earlier about scenarios and contingency planning. You can't believe that once you have a plan, it's set in concrete. It's got to be dynamic, because circumstances will change.

**How new is all of this? Haven't good organizations always done it? I think of Milton Hershey, founder of the Hershey Chocolate Company in Pennsylvania. He was always looking around and taking advantage of opportunities he spotted.**

Yes, it's basically common sense. But what we're seeing is the attempt to institutionalize in large, well-developed organizations the qualities of the intuitive entrepreneurs—the Hersheys of the world. They looked at the environment, sensed opportunities, and seized those opportunities, bringing their strengths to the task. When organizations are small, entrepreneurial leadership works very well. As they grow, they need organized systems to sustain that kind of leadership.

When I got my degrees back in the late '60s and early '70s, we were talking about master planning for education. Our plans were supposed to be good for five years or more. We did grade-progression ratios; what you saw in kindergarten you'd see marching up through the ranks. But lo and behold, it didn't work that way. People moved out, or they moved in. They didn't come to the schools where we thought they would, and the children

### What Lies Ahead

Coping with the realities of the present is a task that has prompted many schools to embark on a course for change. Tackling tomorrow's challenges, however, will require careful planning—not just reacting to events. Such planning will require precise analysis of the best data available about what the future will bring.

Well, here it is. United Way of America's *What Lies Ahead: Countdown to the 21st Century* takes both the guesswork and the legwork out of gathering information on possible future scenarios: here are the hard facts, the calculated projections, the informed opinions, and the educated guesses about the future of everything from the nation's racial and cultural diversity to the greenhouse effect.

The book catalogues and describes a vast number of social, economic, regional, political, and technological trends that will influence our future and identifies nine leading forces—"changedrivers"—that are reshaping American society. These include the maturation of America, the mosaic society, the redefinition of individual and societal roles, the information-based economy, globalization, economic restructuring, personal and environmental health, the redefinition of family and home, and the rebirth of social activism.

This is an invaluable resource for school systems seeking to keep ahead of change. Armed with this book, administrators can quickly make decisions about how their particular circumstances are likely to be affected by national and regional trends, making possible a plan to respond to those challenges *before* they become crises.

The 112-page softcover book—containing 57 charts and graphs—may be purchased for \$20.00 by sending a check or money order to: United Way of America, Sales Service Department, 901 N. Pitt St., Alexandria, VA 22314. An accompanying video (\$250.00) and slide show (\$85.00) are also available, as well as an eight-book guide to strategic management (\$110.00). Include \$2.50 for postage and handling per item. For more information, call 800-772-0008 or 703-836-7100.

were more diverse, economically and racially. So we began to realize in education, as they did in business, that the things that worked for us in the past, in static or slowly changing situations, would not work for us in the future in times of rapid change.

That explains the evolution from what we used to call master planning, or long-range planning, to strategic planning, or what we're now calling strategic management—even that's evolving. I mentioned earlier the merger of strategic marketplanning with strategic management. It's a continuing challenge to know how to manage in times of turbulence. No one has all the answers; it's a continuing dynamic.

We're doing studies here at United Way in what we're calling strategic thinking and strategic leadership, because we find that some organizations can articulate what seem like great strategies but many times fall short on

implementation. It seems to be related to organizational culture, which is shaped partly by the chief executive, but not only by him or her, because there are countercultures built up around other leaders and over time.

So the dynamic of how the organization itself behaves becomes critical. Some organizations seem to be continually struggling, continually in turmoil—and they're very unproductive. Others, though, behave as a team; they have symbiotic relationships; they seem much more successful. What we want to understand is what makes the difference—and how to institutionalize that difference: how to make more organizations truly strategic. □

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