

Strategy Glasses

How to see clearly into the next decade

One of the biggest advantages that any nonprofit executive can enjoy is the ability to put on Strategy Glasses. Not sold in optical shops, Strategy Glasses give the wearer the ability to look into the future and see patterns, trends, and developments that will affect their organization. This insight then helps the wearer position the organization accordingly.

Strategy Glasses aren't a tangible object designed by a famous European style maven. In fact, it is not even a tangible object. The term is a metaphor for the most productive way to approach a strategy formulation project. An easy way to think about Strategy Glasses is as shorthand for the next three to five years in your organization.

And, therein lies the confusion.

Strategic thinking is one of the most difficult things that human beings can attempt. This is because strategy is about the long-term future, while the vast majority of the work that managers carry out can be found squarely in the context of the next few days, weeks, or perhaps a month or so. This is operational planning and execution, which is where the large majority of managers and executives in most industries spend their time.

For a variety of reasons, many executives are simply more likely to be comfortable with operations than they would be trying to adopt the long-term perspective that strategy development requires.

Organizational structure and size are the chief reasons for this disconnect. Small entities of any kind put similar pressures on the CEO. In economic terms, it is easier to build a qualified management team in a large organization than it is to cover the vast range of tasks when there aren't enough people to whom to delegate the jobs. Put simply, the CEO of a small organization almost always must spend considerable amounts of time dealing with current crises and next week's payroll than they can spend on long-range planning.

These repeated short-term demands on executives tend to shrink their ability to think strategically, especially if they weren't comfortable with long-range thinking in the first place. This is one of the many reasons why it can be wise to call time-out when the planning focus drifts to the immediate future. Better to call a halt than to kid one's self into thinking that next month constitutes the long term.

THINKING FOR THE LONG TERM

If Strategy Glasses were real, you might be able to more readily identify the positives and negatives of the next three to five years. Since they're not, planners

need to find ways to identify the themes that will be stronger before they actually get stronger. One way of doing this is to list the current problems that are mildly to moderately important and then project them into the future using your Strategy Glasses. Will they be easier to resolve then or more intractable?

The aging of Baby Boomer CEOs is one of those inevitable, intractable dilemmas that nonprofits are currently facing and will have to continue doing so for many more years. This is because the candidate pool for nonprofit roles -- along with other roles in the economy -- has already been on a downward trajectory for several years, and is likely to get tougher before it gets better. There simply are far fewer Generation Xers than Baby Boomers. This will lead to other staff shortages.

As another example of the need for Strategy Glasses, consider the increased longevity that many nonprofits' clients will enjoy in the near term future. In many instances these individuals spent their childhoods and early adulthood years in massive governmental institutions before being allowed to live in the community. This almost certainly will translate into longer lifespans at just about the time that the workforce will be largely composed of the smaller Gen X workforce.

These actual strategic challenges that nonprofits are or will shortly be facing are examples of longer-term strategic challenges that will not be met simply by working harder. Instead, nonprofit leaders will need to find alternative approaches and new ways of achieving unchanging goals.

STEPS & ADAPTATIONS TOWARD SOLUTIONS

Whether the strategic challenge is based in the above circumstances or an unrelated area, the steps toward a solution should be reasonably similar. Here is a suggested logical pathway toward resolution.

- Be clear about the current dimensions of the problem. How did it come about, and what are the expected dimensions in three to five years?
- What are the stakes, and what group or groups of stakeholders need to be supported?
- How -- and how much -- will your organization get paid to serve these groups?
- What are the practical dimensions of the solution, especially as it relates to adequate funding?
- Will the need for services evolve? If so, how? The origination of the AIDS epidemic in the 1980s meant that patients in their mid-20s faced an early death. Today, more than half of all HIV patients in San Francisco are in their 50s or older thanks to develop-

ments in medicine and related social services. This is a classic case of adaptation to an evolving disease.

- What are the implications of success? Failure?

When the above bullet points have been covered carefully, the result should be at least a rough start on your "service model." This is the basis on which you can make use of what you've learned when exploring the long-term future. The service model will often suggest innovations and reformulations that were not obvious at the beginning because planners' thinking tends to evolve as they work through the future implications of a problem.

As one example, pay careful attention to the now-forming system of Accountable Care Organizations (ACOs). These hospital-based entities expect to lower administrative costs for their participating hospital systems. But the unacknowledged reality of ACOs is that the successful systems will almost certainly be incentivized to expand into social services. Judging from the projections, this could begin happening somewhere around the year 2021.

Does this sound far off? Remember in the year 2011 when the year 2016 seemed to be way off in the future?

THE CEO

A key asset that can and must be highly engaged in strategy is the CEO. In large nonprofits, the CEO should be joined by other high-ranking executives. If there is a true visionary in the mix, it is most likely to be the CEO. Moreover, the CEO will have a larger professional stake in the success of the new strategy than most others in the corporation. And, most important, the CEO usually has the best position from which to see the future.

The metaphor of Strategy Glasses is just a way to describe the kind of thinking that a good strategy requires. In the beginning of strategy formulation there cannot be a static formula to follow because in the early stages of creating solutions there is little that can be confirmed if the strategy is new to the organization and therefore highly susceptible to change.

This will ideally lead more readily to creative thinking and some level of experimentation because there is usually not yet a right or wrong answer. Strategy Glasses are a powerful prescription. *NPT*

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