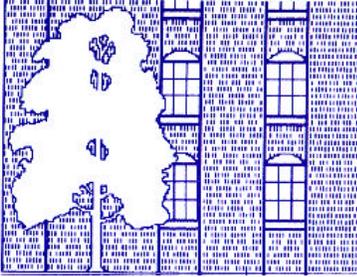


Berkeley on Strategic Management — An Introduction —



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Collective Wisdom... Fresh Ideas

Strategic Management

The Strategic Management Concept

The idea of strategic management and strategic planning is quite simple. To be successful, an organization needs to know the following, as shown on Figure 1:

- What outcomes it wants to accomplish, and its role in doing so — its **outcome mission**.
- How it can effectively accomplish its desired outcomes and play its role — its **operating strategy**.
- What capabilities it requires to execute its strategy efficiently and effectively — its **organizational strategy**.

Taken together, a company or agency's statement of each of these ingredients constitutes its strategy.

Integration — The Success Formula

As well as being explicitly stated, a strategy needs to be integrated, internally consistent, and relevant to external environmental changes. Put simply, the recipe or formula must make sense to work in practice. Having an articulate but unachievable statement of outcome mission prompts excess expectations and organizational failure, not success!

Figure 1
STRATEGY — Meaning



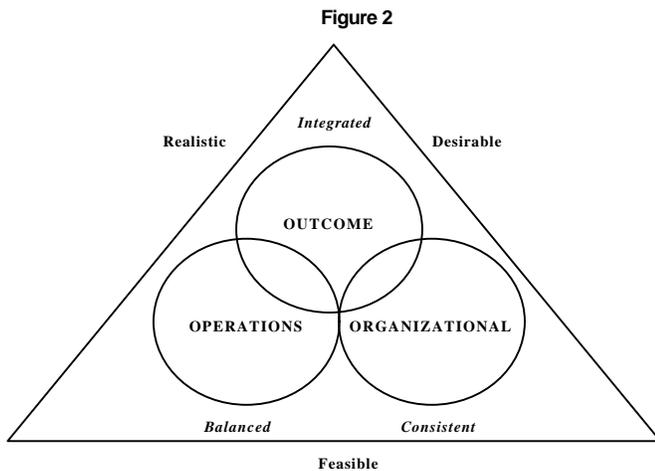
To assess an organization's success formula, the strategy elements need to be explicitly stated. Then, one can assess whether they meet the three tests of integration:

Desirable/Acceptable — Outcomes are desired and acceptable to the key stakeholders and owners.

Realistic — In light of environmental circumstances, competitive players and other market and industry forces, the strategy makes sense.

Feasible — The organization has or can get the competence and resources to implement the strategy successfully.

Figure 2 graphically shows the idea of a success formula — the three ingredients of strategy outcome, operations and organization fitting together in a balanced recipe that makes sense. Companies that develop a success formula resolve the fundamental dilemmas between ways and means. They develop “if... then” statements that articulate what they are going to accomplish and why it will work. They solve the dilemmas between the desired and the possible, the reality of their current competence and the requirements for strategic success.



Characteristics of Strategically Managed Organizations

A strategically managed company or agency may not have a strategic planning document! What it does have are the capabilities and processes to make and remake strategic decisions in real time. Organizations with strategic management demonstrate the following characteristics described in Figure 3.

Figure 3

1. Clarity of intent — goal-oriented and clear.
2. Well founded — congruent with trends and rules of the business.
3. Widely understood and accepted — key people buy in.
4. Ease of enactment — it defines actions.
5. Evidence of implementation — it is put in place.
6. Signs of success — it works.

Strategic Management Processes

Strategic Management is the ongoing process by which a company or agency works out its strategic dilemmas by making decisions in its present direction in order to influence its future success.

One of the approaches to enhance a company's process may include periodic strategic planning.

Strategic Planning Processes are short bursts of energy to define and potentially resolve as many of these future directional dilemmas and issues as possible. By addressing the issues in one process, in an integrated fashion, the expectation is that an integrated or consistent pattern of answers results. By addressing these issues as a special effort, the expectation is that people break with conventional, internally oriented, short-term thinking, and take a futuristic and externally, customer driven approach. So, strategic planning is simply one possible approach to become 'strategically managed'.

Is Strategic Planning Appropriate for Your Organization?

Private and public sector industries are changing and restructuring. Certainly, the policy and resource environment in which public, human, and community services are provided is changing. In this setting, a clear understanding of the outcome mission, operating and organizational strategy will allow an agency to direct its resources in a more effective manner, and to anticipate and take advantage of emerging opportunities. Which brings us to the question, “will strategic planning do that”?

The truth is that the answer is, “maybe”. As we suggested above, the first time an organization undertakes a strategic planning process, it usually needs some objective, content advice about its strategic issues. Sometimes, strategic planning takes up too much time talking semantics, directs too much consulting and internal resources to searching for answers that research simply cannot answer. Sometimes, the environmental uncertainties just don't go away.



Optional Approaches to Strategic Management

We find that clients are really after a means to better manage their way through the uncertainty, with a clearer sense of what people want to work towards, and better collective appreciation among the organizational members about what is key to success.

Consequently, we believe that there are variations of the traditional process that allow for a customization to the client circumstances.

Berkeley has five different approaches or methodologies.

1. **Traditional Strategic Planning Process** — an intense and participative three to six month process of developing the strategic plan; from taking stock of the internal and external environment to defining initiatives for action.
2. **Visioning Process** — focused effort starting with a clear understanding of the philosophy of the organization and moving on to define a picture of what the organization is seeking to accomplish in a realistic time frame.
3. **Strategic Management Diagnostic** — a diagnosis of the status of the management processes within the organization to identify gaps and areas for improvement.

4. **Evergreen Strategic Management** — an organizational development process for enhancing the organization's management processes address strategic issues on an ongoing real time basis. This method rests on the belief that there is so much uncertainty that strategic plans are outdated, as they are prepared. Instead, we need to create organizations that are more responsive, anticipatory and flexible.
5. **ReDesign for Sustainability** — a participative intense process of three to four months with a focus on developing strategies for sustainability in light of constrained economics. The process integrates a response to economic realities with a concern for maintaining the agency's concern for its outcome mission.

A description of each of these methodologies is available.



Berkeley supports senior management to lead their organizations through strategic transitions to create the capacity for sustained successful performance. Supporting this mission, Berkeley's practice includes strategy development & planning, organization design, change management, outcome management, and leadership feedback and development.

Formed in 1986, Berkeley Consulting Group, a Canadian partnership, has a full time staff of 5 consultants and support staff in our Toronto office. The office supports our affiliate Berkeley Feedback & Development Inc. and its associate in London England and Berkeley's network of twelve consulting associates in Ontario.

Berkeley's philosophy and consulting approach is captured in the phrase, **Collective Wisdom...Fresh Ideas.** Berkeley's core competence lies in its ability to bring seasoned associates together as a team, to use leading edge methods applied to the client's strategic challenges so that results are delivered with cost-effective use of consulting dollars and management time.

- Our consultants are knowledgeable and experienced in their industry or part of the public sector.
- Our teams are formed to fit the client's needs and not just to utilize available junior staff.
- We think about each project on its own merits and avoid simplistic black-box answers.
- We combine sound analysis and thinking with effective process to promote implementation.

To keep 'fresh' and broaden our network, Berkeley has linkages with other organizations. For over a decade, we have worked with the Rensselaerville Institute (TRI), a non-profit organization in New York that is a leading edge player in public sector results and outcome management. We also have close links with academic learning centres, since Berkeley's Managing Partner is an Adjunct Professor of Strategic Management at Schulich School of Business (York University).



