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A resource for people developing strategies in the NHS

This resource is for people who are trying to develop organisational or service strategies that will genuinely have an impact on performance. It has been developed by members of a strategy learning set as a summary of our learning during the life of the set. It draws on our experience as strategy practitioners and on a range of theories whose relevance we have tested in practice. This combination of theory, practice and in-depth experience will, we hope, make this resource valuable for anyone involved in developing strategy in the NHS, and especially for those who have become frustrated with many current practices, including the following:

- lots of workshops leading to lots of plans which make no difference to what actually happens
- writing a strategy in order to be able to produce one when people ask to see it
- using analysis as a delaying tactic: analysing and re-analysing to gain a more elegant definition of the issue rather than a decision and action
- strategies that are out of date as soon as they are written
- strategies divorced from the momentum of the organisation.

So, if you have been asked to write a strategy, or to facilitate a large multi agency stakeholder event to generate strategic aims, if you wonder what a good strategy process would look like, or how to tell a good strategy from a less good one, we hope you will find our learning helpful.

History of the learning set

The origins of the learning set lie in a think tank sponsored by the NHS Confederation at the end of 2003. The event was designed and facilitated by Valerie Iles and in summarising the discussion Gordon Best introduced a matrix that encompassed the key approaches to strategy that the think tank was considering. Valerie invited a small number of strategy practitioners to reflect further on the way in which this matrix could be developed as a guide for action, and as a set we have drawn on and further developed this thinking by familiarising ourselves with a diverse range of related theory and literature, as well as reflecting on our own experiences in developing and enacting strategy in a range of NHS organisations.

The set members, Helen Cameron, Pamela Coen, Paul Gray, and Beverley Slater, encompassed between them strategic thinking for a strategic health authority, acute trust, primary care trust, and city-wide redesign work. Together we have come more and more to the view that the traditional approach to strategy is not viable as it stands, when developing strategies for complex organisations operating within a set of political realities, and that it must be combined with other approaches if strategy is ever going to be a concept that is credible within the NHS. This resource attempts to describe ways in which this can be achieved in practice.

Different schools of thinking about strategy

The strategy section of any business book shop is vast and it can be difficult to know where to begin. In this resource we think of approaches to strategy falling into three broad schools: the classical, the emergent and the spontaneous.

The classical approach

Strategy has been taught by military and political strategists for centuries and in schools of management and business since their inception in the early nineteenth hundreds. In these settings the emphasis has been on analysis and on planning. It is summed up in the phrase 'to fail to plan is to plan to fail'. We can think of this as a 'classical' approach to strategy that rests on a rigorous analysis of the current situation, and yields a sense of the 'strategic fit'. The analysis has three elements: our goals or aims, the resources and competences available to us, and the environment in which we are operating. If, on analysis it appears that the resources are deployed in the best way possible to achieve these goals in this environment, then the strategic fit is good. If not, then decisions about how to deploy the resources differently have to be taken. This is a step by step process that leads to the design of an implementation programme or action plan, which can then be project managed using critical path or other milestone monitoring methods. Overall there is an emphasis on clarity about aims, on the development of five year plans, on annual reviews of progress, and on control.

Strategies that emerge

Another term for the classical approach is 'deliberate', and the school that coined the distinction between this and another approach they termed 'emergent', is that of Henry Mintzberg at McGill University in Canada. In their research Mintzberg and his colleagues compared what managers say they do and what they actually do, what organisations describe as their strategy process and the actions they take that determine their strategy in practice. As a result Mintzberg talks of managers 'crafting a strategy' in a manner similar to that of a potter crafting a pot: watching and feeling what is happening; responding to changes as they occur, changes that are often subtle and easier to feel than to describe; intervening in similar small ways that they may not recognise as having a strategic impact. In this way a strategy emerges as a result of these small actions. He suggests that a strategist is as much a recogniser of patterns as a developer of plans, that the strategies that organisations genuinely adopt emerge, and are not those they may write down in advance. Whereas many of the 'classical' approaches can be undertaken by skilled outsiders without a feel for the business, Mintzberg suggests that effective emergent strategists have authenticity and intuition, a deep knowledge of the people and activities, born of longevity in the organisation.

Strategy what strategy? Spontaneity and strategy

From another direction too there is a challenge to the classical approach. The 'new sciences' have challenged our beliefs about our ability to intervene with predictable results in complex systems. The tenets of complexity theory (sensitivity to initial conditions, complex cumulative effects of the application of simple rules, the emergence of new behaviours and properties, co-evolution of self-regulating sets of behaviours that recur after a disturbance), all indicate that the image of a manager making an intervention in an organisation with predictable results is fanciful. These change theorists challenge the classical insistence on planning by asking 'who plans the food system in New York?', to which the answer is clearly that no-one does, (it is a complex system in which all the individual components adapt to changing situations in which they find themselves), and yet New Yorkers eat well.

When to use which approach

Advocates of each of these approaches can point to some evidence of success, and each of them has an internal coherence. In other words all three make sense, so we should not just plump for one rather than the others - somehow or other we need to find a way of using all three.

One way of doing so is to consider the matrix below, in which the three columns of the matrix represent the three schools of thinking outlined above, and the rows represent different time periods in relation to a strategy. In the first managers are thinking ahead about the strategy they will develop and enact, in the second they are in the process of enacting it, and in the third they are reflecting back on it.

		STRATEGIC APPROACH		
<i>Time</i>	Planned or deliberate <i>(analysis followed by plan and implementation)</i>	Spontaneous <i>(events, actions and behaviours emerge spontaneously from interactions in a complex adaptive system)</i>	Emergent¹ <i>(foster, craft, discover things, detect patterns)</i>	
<i>Prospective</i>	1 Analysing situation and designing intervention	2 Engaging players in developing a spirit and purpose	3 Encompassing tacit knowledge and recognising patterns	
<i>Real time</i>	4 Project managing the implementation programme	5 Living in the moment, responding to events in the spirit of the plan	6 Spotting trends and exploiting opportunities	
<i>Retrospective</i>	7 Evaluating the implementation	8 Learning about dynamics	9 Weaving a story into a longer narrative	

The use of the matrix will become clearer if we look at it in more detail. Please see overleaf.

¹ The words emergent and emergence appear in both the middle and right hand columns but with slightly different meanings. One way of distinguishing between these, is to call them crafted emergence (right hand column) and spontaneous emergence (middle column).

STRATEGIC APPROACH

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Prospective	<p>1 Undertake a rigorous analysis, that leads to a list of critical issues that need to be addressed, and some form of implementation programme. <i>Key skills:</i> analytical and computational</p>	<p>2 Engage with a wide range of people, encouraging them to contribute their perspective and to take responsibility for playing their part in shaping the analysis and the design. <i>Key skills:</i> listening, being comfortable with ambiguity.</p>	<p>3 Work with the people with 'tacit knowledge', authentic and intuitive understanding of the organisation. Experiment with different ideas and look for patterns in the experience of the organisation. <i>Key skills:</i> spotting patterns, identifying authenticity.</p>
Real time	<p>4 Project manage the implementation programme, using sound, proven methods for monitoring progress. Language used: critical path, compliance, milestones, progress reports, contingency plans, performance management.</p>	<p>5 Keep in mind, and voice for others, the spirit of the programme of change, help others also to behave in the spirit of this plan² Attributes needed: dynamic poise, attentiveness, flexibility and responsiveness.</p>	<p>6 Make all your usual everyday decisions that appear to have little connection with the implementation plan. Take opportunities as they arise, fostering and crafting choices to make the best of each unforeseen situation. Interpret all sorts of knowledge and information, tacit as well as explicit, and bring meaning to events as they unfurl.</p>
Retrospective	<p>7 Compare actual events and outcomes with those of the plan, and with the analysis that led to the plan. In practice this can have a developmental intent (enabling better analysis and planning in the future) or a judgmental one (performance management).</p>	<p>8 Try and understand what actually happened and how, by considering the events and processes, behaviours and relationships that emerged as time went on. This gives a better understanding of the dynamics of the system and enables the design of development programmes that will influence the way people respond in the future. Tools used: facilitated reflection, informal reflection, non-blame feedback, systems thinking.</p>	<p>9 Tell stories: help people make sense of what has happened, by selecting some events and decisions and not others. (Note. Stories woven here are not accurate pictures of reality but simplified, coherent versions of reality, that can be told to multiple stakeholders). This engenders a sense of meaning and of belonging to a longer narrative, which can become part of the history of the service or organisation.</p>

² The more association people have had with the plan – in box 2 – the more their emergent behaviours will be within the spirit of the plan

Strategy in practice

Based on our experiences and our conversations with other strategy practitioners we strongly suggest that every box in the matrix is important, and strategies will be much more successful if all nine are used. However we also observe that it can be quite healthy for one box in each time period to dominate, as long as the three dominating boxes are 1, 5, and 9.

Since all the boxes in one row take place at the same time, we need to be able to pull together a set of activities that uses the tools of all three boxes in that row simultaneously.

Furthermore since organisations are often involved with several strategies, the same people will be acting to develop one strategy at the same time as enacting another and reflecting on yet another. So at any moment it is likely that we will be engaged in several boxes. We therefore need to be able to use each box well, and also to be able to combine them effectively with others.

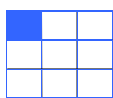
We have made four observations about how people undertake strategy in practice:

- One is that many people have a strong preference for one school (one column in the matrix) and advocate this at the expense of the others. When they (we) do this, not only does it result in sub optimal strategies and poor strategic results, but also to conflict within management teams.
- Another is that row three is hardly undertaken at all and that current and future strategies are rarely informed by learning form the past.
- A third is that box 5 is where everything can so easily go wrong. We can see the importance of box 5 by suggesting another way of thinking about the matrix: that box 5 is where the advanced or expert strategist lives most of the time, drawing on thinking and activities from each of the other boxes, often instinctively.
- And the fourth is that (partly as a result of the first two) the usual practice is for a mish mash of all three approaches, with none being used rigorously or creatively.

There is therefore a need for developing skills in all these three approaches and in understanding how to bring them together. That is what we attempt to do in the following pages.

Row One: Thinking Ahead

In this row we are thinking ahead about a strategy. In practice we must use all three boxes in this row at the same time, but to ensure we use them rigorously and creatively it is worth considering them in turn.



Box 1: Analysing a situation and designing an intervention

Practitioners in box 1 engage in a systematic set of processes to undertake an analysis that brings together the three core considerations of strategy: aims, resources and environment. The purpose of the analysis is to assess how resources need to be deployed differently to increase the chances of the aims being achieved in this environment. The outcome of the analysis is a set of priorities that need to be addressed. Goals are then set for these priority areas, and options for achieving them are identified and appraised. Ultimately some form of implementation programme (an action plan, business plan, project plan) is developed.

The analysis benefits from being rigorous and disciplined, and hence requires some expertise in this process. Clarity of thinking, perceptiveness and objectivity are prized, as is quality of data. To practitioners operating only in box 1 this expertise will be valued more highly than an in depth understanding of the organisation being analysed.

The precise analytical tools will depend on the *focus* of the strategy – is it the strategy for a team, a service, an organisation or a partnership, for example. It will also depend on its *scope*. Is it an overall strategy guiding the future of the service or organisation? Or is it a strategy to address a particular problem or opportunity (e.g. a strategy to reduce falls, or one to increase management capability). Some of the analytical tools that are often useful where the focus is the future of a whole service or organisation include: SWOT analyses, management accounts that show the margin (of profit or loss) on different services, 7S and PEST analyses, analysis of demographic trends, market analyses of customers and competitors, analysis of potential collaborative advantage and so on. At board level the recent document The Intelligent Board³ gives a good indication of the kinds of information needed for the purposes of box 1. Where the strategy is more limited in scope (falls, in the above example) the relevant data and analysis will be more limited, and will include a quantification of the problem and consideration of research evidence.

Obtaining information isn't always easy and, rather than avoid or delay box 1 activity, it may be necessary to state some assumptions on which the rest of the analysis rests, specifying a range over which the conclusions hold, and be prepared to re-analyse as more information becomes available. It is also possible to re-work the analysis using different assumptions and form a view about what (if any) information is so critical to the decision that further effort obtaining it is worthwhile.

Observations:

All of the tools mentioned here can be valuable if used well and a waste of time if not. More generally there are many ways in which box 1 can be done badly. We list below a few of our observations:

1. The perfect can be the enemy of the good, and we have observed a tendency to use new information to keep redefining the problem instead of making a decision..
2. As we said above, the fundamental aim of this box is to bring together the three core elements of strategy: aims, resources and environment. Our observation is that people usually focus on only one of these – resources and how to deploy them. This is probably because we all assume we know what the aims are, (and these prove surprisingly difficult to articulate in anything other than pious generalities) and it is important that at every level (team, service, organisation, partnership) these encompass the personal aims of the people within them and not just those of a few people at the top. We also pay insufficient attention to the environment and yet understanding this is crucial, and our understanding needs to encompass customers, consumers and competitors, remembering to be mindful not only of their current position but also of their strategic ambitions, and remembering too that for teams and services this will include other departments and players within a trust.
3. Analysts often forget to use 'soft' information as well as hard quantitative data. So they ignore the perceptions and feelings of patients, staff and communities. It is important to be

³ The Intelligent Board, Feb 2006 published by The NHS Appointments Commission and Dr Foster Intelligence and downloadable from www.appointments.org.uk/publications.asp

as rigorous, astute and perceptive about political and professional issues as about financial and activity data.

4. In row one we believe it can be healthy for box 1 to receive more attention than the others (and have seen many poor strategies resulting from insufficient analytical competence), however there is a significant danger that organisational change is seen (especially by those with good analytical skills such as accountants, economists and strategy consultants) as linear and predictable. The analysis then only incorporates explicit and not tacit knowledge and can be seen as 'nothing to do with us' by those whose engagement is critical to its success. By focussing on the 'right' strategy it also encourages a view of strategy as a planned set of actions rather than as an ability to respond successfully to changing circumstances.

To be truly effective box1 activities must always be combined with those of boxes 2 and 3.



Box 2: Opening up perspectives and awakening responsibilities to participate

Practitioners in box 2 will make sure they engage with a wide range of people, and in the course of these interactions will encourage them to contribute their perspective and to take responsibility for playing their part in shaping the analysis and reaching an understanding about what needs to happen. Rather than trying to shape those contributions they will value them and try to understand them. They therefore need the courage to wait, listen and really hear – believing that a better understanding of a rich complex situation will be reached if they do so. A person acting in the spirit of box 2 expects the many different perspectives to generate some ambiguity and is comfortable with that.

A box 2 strategist will always recognise themselves as a player, rather than as an external observer or analyst. They will recognise that they have an impact on the perceptions and behaviours of all those around them. Knowing this they will reflect on that impact and strive to make it constructive. While striving to understand the present and the contribution that history has made they try to focus attention on the future and on ways of addressing any current difficulties. They will encounter people blaming others not present (especially politicians, managers past and present, and other organisations) and will not collude with this but encourage an acceptance of legitimate pressure and political and financial realities. They have to be able to handle other people's emotion without getting sucked into this themselves, treating others as competent adults whose statements should be taken at face value.

If the activities of this box were summed up in one term it would be 'ongoing opportunistic conversations'. Other more structured activities might include: active listening techniques, focus groups (where focus group participants are invited to contribute to the analysis of box 1), large group intervention methods (e.g. 'whole system events'), pattern mapping (as described by Paul Plsek, US management consultant) and other methods of raising consciousness of our own cultural patterns, creativity techniques (such as brain storming or 6 hat thinking), creating 'transitional space' and silence.

Observations

1. Again these approaches can be used well or badly, and we have seen much time wasted in unproductive 'whole system events', focus groups etc. We have also seen many discussions

with key players being counter productive. Skills at these activities need to be honed as carefully as those analytical skills of box 1.

2. We have also seen calls for increased participation being derided as 'weak' by those with a strong preference for the planned (left-hand column) approach, and skills in these areas being under valued.

This box, too, is only part of the strategy story but it is an essential one.



Box 3: Continuing on a journey to somewhere, yet to be determined

Practitioners in box 3 use their experience, and the organisational intuition this has developed, to shape an approach to the future. As they have been part of the system for some time they are able to demonstrate an in depth understanding of its idiosyncrasies, its complex processes, and the behaviours of its people. In other words they will have a 'feel' for the organisation not unlike a potter's feel for the way their clay is handling on the potters wheel.

By reflecting on past patterns (of behaviours and of decisions made) they are able to articulate the strategy narrative of individuals and groups within the organisation (the direction of travel people themselves believe they are taking). They encourage an unlocking of tacit knowledge and of dreams for the future which may not have been expressed, and voice these. Strategy starts to emerge as a result of a set of purposeful discussions with a wide range of contributors.

Looking for patterns is a key part of this approach, but experimentation is also a feature. There is no plan prescribing some actions and discouraging others (as in box 1), but an encouragement to reflect on the impact of actions, and of decisions taken and what can be learnt from these.

Some of the practices for box 3 overlap with those for box 2 but the intent is subtly different. The strategist in box 3 is seeking to observe and articulate with and for others a narrative in which they all play a part. The box 2 strategist is encouraging the development of a set of behaviours as much as they are concentrating on the content of the conversations. Box 3 activities certainly include conversations and all sorts of other opportunities for observation and reflection, including: active listening especially to those who have lengthy experience of the organisation; soft systems analysis leading to a good understanding of different perception and concerns; day to day observation of interactions between people, reflecting on these and detecting any patterns; surfacing tacit knowledge through facilitated discussion groups and action research groups.

Observations

1. Although there is still the danger that the 'hard' information of box 1 is taken more seriously than the tacit and softer information relevant here, there is an equivalent danger that some practitioners are so convinced of the need for box 3 approaches that they give insufficient attention to box 1.
2. Although many of these activities are undertaken they are not explored fully or deeply enough for the results to be worthwhile. Indeed the whole concept of 'emergent strategy' has come to mean 'waiting to see what happens'.
3. It is easy for people to get sucked into the cynicism and defeatism of others, rather than encouraging an alternative narrative that makes just as good use of the relevant facts.

Row 2 – using all the boxes

Bringing these approaches together requires curbing the impatience of the analysts with a preference for box 1, because the analysis needs to be done slowly, involving many different people and not necessarily (indeed very much not) in planned ways, as part of a neat timetable. All sorts of information need to feed into it, including good relevant quantitative data and explicit knowledge, and also responses to these that indicate tacit knowledge that may lead to different interpretations to it.

Understanding the dynamics is important, so careful reflection on individual motivations, group norms, differences in status between professions and the impact all these have on behaviours will be essential. This will help ensure that strategy decisions are not inappropriately influenced by status, and it should also ensure that the impact of strategy decisions on high status groups is discussed with them as early as with other groups. Our observation is that often the opposite is the case: the higher the status and more influential an individual or group, the more difficult managers and strategy practitioners find it to discuss change with them and the longer they delay it.

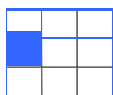
The politics, the feelings and concerns of individuals and groups must form part of the analysis, and not just be a context for it. These must be considered alongside the more quantitative data to generate a multi-faceted strategy, or strategic direction, with simultaneous action on a number of fronts reflecting the interdependent nature of health care systems, in which action in one area will have direct and indirect impacts on many others.

The outcome of this row is a sense of direction, probably captured in a *plan or programme*, with a number of agreed priorities and realistic action plans to address them. But it is also manifest in an acknowledged *spirit of purpose* among a critical mass of the individuals and groups involved, including high status groups, and also in a preparedness to *reflect on day to day actions and experiment* and to feed these constructively into the ongoing strategy implementation process.

And now we move on to the second row in which we are living in real time, living out the strategy.

Row Two: The process of enacting it

In row 1 we were thinking ahead about strategy. In this row we are in the process of enacting it. This is the row about operating in real time – it's where most of us spend most of our time. It is helpful to review each of the boxes in the row in turn, whilst remembering that in practice we must use all three boxes in this row at the same time.



Box 4: Implementing the plan

Practitioners in box 4 seek to implement the plan devised in box 1, using sound, proven methods of project and performance management. These tend to be given a title (and a proprietary specified approach) and proficiency in operating these approaches – perhaps through academic study and gaining accreditation to use the proprietary approach – is highly valued by experts in this field.

The project management approaches consist chiefly of methods of identifying the resources needed, scheduling activities in ways that recognise that some rely on the completion of others (critical path

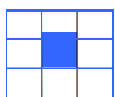
methods), and nominating milestones and timelines. Plans are often cascaded so that they form a hierarchy of corporate and service plans. When undertaken well, each part of the organisation, and each individual, will know what their role in implementation is; each directorate, division, service, team and individual will have objectives which are SMART (Specific, Measurable, Achievable, Realistic and bounded in Time). This methodical approach, with a clear link between corporate and personal objectives substantially increases the likelihood that the plan devised in box 1 will be delivered.

Performance against the project plan is monitored against the agreed milestones and progress is reported. When performance falters, problems may be identified and support given, or more ferocious forms of performance management may be applied. Risk assessments, contingency plans, progress reports, compliance matrices, performance management and remedial action are all part of the language associated with operating in box 4.

The plan is often used as a framework for other activities (for example opportunities that arise, or decisions that need to be made about unforeseen events). It is a very rational approach to change – and there is an expectation that once the plan has been developed challenging it is disloyal. For many, competent delivery of a plan is often a prerequisite for a license to operate in other boxes of the matrix.

Observations

1. The approaches in box 4 bring an important degree of rigour and clarity to the task of delivering a plan – but they can be, if implemented in isolation, be overly rigid and inflexible, so that there is a danger that it is the letter of the plan that is aimed at and not the spirit behind it.
2. The project and performance management methodology is designed to increase the certainty for the organisation that its people do the tasks that the organisation needs them to, to deliver the organisations plan. This approach can be hugely successful if the personal desires and aspirations of individuals in the organisation chime with the objectives they receive – but when the personal hopes, dreams and desires of an organisation are not aligned with those of its people, we find that the tools and techniques of box 4 on there own can't deliver the real value that organisations are looking for in the process.



Box 5: Living the plan

This is the box where the strategy is lived out in real life. This is the everyday world of interactions between people, events, behaviours and feelings – with a multitude of tiny interactions and reactions shaping the way the strategy is enacted in practice.

The practitioner in box 5 will keep in mind, voice for others, and respond to events in the spirit of the strategy, encouraging behaviours that help move in the direction of the programme of change and discouraging those that do the opposite.

Operating in box 5 demands integrity and credibility, and a willingness to engage in robust and genuine relationships. Behaviours in this context require a mature approach with adult ego states; the focus is on influencing relationships and behaviours and as a consequence higher levels of emotional and spiritual intelligence tend to be needed. Conversations will therefore be challenging and uncomfortable at times, as they go beyond the easier, repetitive dialogues that can caricature

some organisations and move into discussion that drives learning, reflection and development. A leader operating in box 5 will be aware of dynamics among his/her team, especially where status is used inappropriately, and will intervene where these are unhealthy. Behaviours in box 5 will reflect a persons own ability to learn and encourage learning in others.

The more association people have had with the plan - in box 2 - the more their emergent behaviours will be within the spirit of the plan. Undertaking box 2 therefore supports the work of the strategy practitioner in box 5 – reducing the pain and effort that may be required to live the plan in real time.

Real life is full of choices. People make choices every day – often without realising they even have a choice - about what they do and how they respond to situations. The strategy practitioner sees the points at which these choices are made as potential bifurcation points – helping people to see that they do have a choice and encouraging choices that are in the spirit of the plan. Done well, this can lead to substantial changes in behaviours.

The practitioner in box 5 will model non-anxious responses to unpredictable and ambiguous situations ('we'll be able to work this out'). They will take issues seriously but not allow them to overwhelm the situation, or lead to defeatism. People are kept refreshed and engaged. The leader will be weaving positive stories and challenging unhelpful ones.

Phrases describing leadership styles in complex situations include 'dynamic poise'⁴, alert, attentive, calm, able to respond quickly, and 'low centre of gravity' which together imply stability with flexibility and responsiveness.

Observations

1. The outputs and changes that result from operating in box 5 are significantly more subtle and soft that the hard edged classical approaches to project and performance management in box 4. As a result work in box 5 can be interpreted as lack of action – or action which is not strictly in accordance with the written plan
2. It is in box 5 that strategy frequently goes wrong.



Box 6: Crafting the map

This box is all about spotting opportunities and patterns, and making the most of them as they arise. Crucially, practitioners in box 6 make their everyday decisions with reference to the pattern of events as they unfold, and not with reference to an agreed 'strategic direction' or 'strategic choice'. The decisions are designed to maximise the benefit, value and gain arising from the opportunity, rather than to take an organisation further down an agreed, pre-determined path. As a result decisions made at all levels in the organisation appear to have little connection with any 'strategy' but in fact strategy is being made through this decision making process.

Successful practitioners in Box 6 are able to use their intuition to foster and craft choices to make the best of each unforeseen situation and opportunity they face. They are able to bring meaning where there is apparently none. They are strong at interpreting the information they absorb, rather than analysing data. They are active, doing lots of things and learning from what happens. Strategy

⁴ 'Dynamic poise' is a term coined by John Darwin in his 1995 article "The partnership mindset" in L Montanherio (ed) *Public and Private Partnership in the Global Context* Sheffield: Hallam University Press.

development is therefore an iterative process, with decisions being taken on a day to day basis, often with little awareness of the pattern that those actions are forming.

Practitioners operating in this model will spend time in review and reflection, observing patterns of activity and the results of unrelated incidents. They will reflect back to people what they see happening, identifying emerging stories and coaching people to see that a map is being crafted out of what they are doing.

Experimentation is a key characteristic of box 6. New ideas, methods, approaches and services will be piloted in order to test them, learn from them and refine them, and the PDSA (Plan-Do-Study-Act) cycle will be used to ensure that iterative process of learning from action makes the best of every opportunity which arises. Statistical process control, and other methods of understanding trends and patterns may be used to identify and drive sustainable change – but the focus is on interpretation of the data rather than the analysis itself.

Strategists practising in box 6 don't feel constrained by a plan; in fact there is no written plan directing their actions. They can think the impossible, breaking what others may perceive to be the rules. They talk about opportunities rather than threats, and patterns rather than plans. They use their intuition to foster and craft choices.

The actions in Box 6 often only fit together and make sense to others when they are pulled together later into a story (Box 9).

Observations

1. A high level of authenticity and a degree of history in an organisation is needed to operate effectively in box 6. Strategic planners brought in from 'outside' to develop strategies on behalf of organisations may not be able to function in this way and as a result may not be able to lead a strategy development process which focuses on box 6.
2. It takes a lot of energy to identify the 'negative' stories being told by cynical others and to challenge when a different narrative is more helpful.

Row 2 – using all the boxes

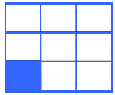
Row 2 is where we spend most of our time – doing strategy in real time. Bringing the three approaches together will result in a highly energetic process which requires stamina and persistence to see through. It involves the work of listening, supporting and nurturing alongside challenging through robust conversations

It is important to value the implementation plan that has been developed in box 4, but even more important to keep it in perspective. The practitioner operating across row 2 will own and take responsibility for the implementation plan, but is not constrained by it. Instead, she/he is focussed on the spirit of the plan rather than the letter of it. She/he uses the plan, and the performance of the organisation against the plan, to inform the challenging and robust conversations which are engaged in every day.

Poised with a knowledge of the plan, and operating in the spirit of the plan, whilst obtaining greatest value from each opportunity means that the strategy practitioner must be prepared to modify the plan when the map being crafted is taking the service or organisation in a different direction.

Row Three: Reflecting back on what has been achieved

Row 3 is the retrospective perspective, looking backwards. Each of the boxes in Row 3 is an attempt to learn from the strategy process, from the earliest conception of the strategy, through its enactment towards its impact and outcomes. Box 7 does this within the rational planning framework, box 8 from a complexity perspective and box 9 is the crafted emergent approach. Considering the strengths of each of the boxes in turn....



Box 7: Evaluating the implementation

For practitioners in box 7, evaluation is a rational assessment of the plan's implementation and outcomes. The project's original goals or targets will determine the framework for the analysis. The key questions will be:

- How well did we execute our plan?
- Did the plan deliver the intended outcomes?
- Was this the best way of achieving those outcomes?

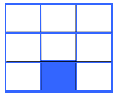
The evaluation will make use of available and measurable data and 'facts'. Audit, cost/benefit, review and evaluation may be some of the approaches used. Qualitative data may also form the 'facts' that the evaluator may use in box 7. At its most basic level this will amount to comments solicited from participants or stakeholders as part of a feedback evaluation. Comments (stand alone or in themes) may be used to back up other evidence or to identify completely new points.

Evaluation in box 7 will come from either a *developmental* perspective, assisting the participants to learn from their experience to apply next time. Or the evaluation may be used to *judge* the strategy and its implementers on its success. Performance management may include both perspectives.

Evaluations may be done at different levels of detail and thoroughness, including 'quick and dirty', 'quick and clean', and (for major programmes) full blown publishable research evaluation by an external agency.

Observations

1. Evaluation and review of this kind are not conducted as routinely as might be expected, and are often commissioned for a particular stakeholder or purpose, which can skew the results (in spite of the focus on measurable, quantifiable and objective facts).
2. There is a danger that the evaluation is concerned only with the specific targets set out in the plan and not with the strategic goals the plan was developed to achieve.
3. Where there are significant but unexpected by-products of the strategic activity in rows 1 and 2 (and these could be positive or negative) these may be missed by an evaluation in box 7 that concentrates solely on the *a priori* stated objectives of the intervention.



Box 8: Learning about dynamics

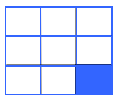
Coming from a complex systems perspective, a person working in box 8 will want to consider all the influences on the strategic outcome, and especially how behaviours and relationships have contributed. These aspects of performance are often hidden in an organisation's assumptions about the 'normal way' of doing something. This touches on aspects of an organisation's culture, and indeed is likely to be part of the shadow side of that culture. As such it may be difficult to raise or confront directly within the organisation.

Reflection may take place as an individual activity or as part of a group. There is a need to be aware of differences in status, roles and abilities to challenge in mixed groups or with different organisations when reflection is taking place as these will clearly influence what can be said. And participants will be only too aware of how difficult it is to be frank about their views. If a safe environment for considering these difficult issues can be found then the power of this analysis could be quite considerable. In particular one the strategy practitioner will aim to help participants see where behaviour and relationship dynamics may be limiting what can be achieved. This can lead to insight about how to change those patterns of behaviour in the future.

An outside human dynamics consultant could possibly be used to facilitate this sort of reflection, especially where anonymous, confidential or non-attributable feedback is being used.

Observations

1. This box can be seen as a luxury – it is costly and the outcome may be challenging. It requires a very cool head and an ability to consider honestly those factors that may belong to the 'shadow side' of an organisation, and which may be difficult (for various reasons) for internal people to discuss.
2. Organisations may not be prepared to be that honest with themselves.



Box 9: Weaving the story into a longer narrative

This box is about telling stories about the progress of the strategy, which helps make sense of the process for others. It involves selecting and weaving together of some of the decisions taken into a coherent strategy story (or stories) that can be sold to a range of stakeholders. It can involve replacing one set of myths with another more constructive version of events.

Stories can be told in presentations and through other means such as 'good news' stories in organisational magazines, celebration events, excellence awards and press releases. These may be told by people involved in the project or by the leader of the organisation. If the story is recognisable and told authentically it can provide an energising force for people to see that they are part of a longer narrative that is worthwhile.

Observations

1. By weaving the story into a longer narrative one might sometimes be accused of *post hoc* rationalisation, that is, persuading people that the strategy that was implemented was what was intended all the way along.

2. There is a danger that the story is created to justify a course of action and not necessarily about learning from the experience.
3. And, if people don't recognise the story sufficiently, if it contradicts what they have experienced, then it would certainly fuel a wider cynicism.

Row 3 – using all the boxes

Row 3 is an opportunity and an invitation to learn from our experience. At the conclusion of any strategy it is tempting and understandable for managers to want to move on to the next thing rather than spending time on the potentially challenging and uncomfortable business of reflecting on what went well (and why) and what could have been done better (and how). However, businesses and organisations are increasingly appreciating the value of the knowledge embedded in peoples' experience. One indication of this is the rise of interest in the 'knowledge management' function.

The matrix gives some clues about how knowledge can be owned and recycled within the organisation to improve performance and move on better equipped. The key box in this row is box 9. The knowledge gained from evaluation of the strategic initiative must be used to help the organisation make sense of its own efforts and put these into a motivating context for a wide range of stakeholders. But if the organisational story is to be credible and inspirational then that story must be informed by good intelligence (box 7) and a bravery to understand and tackle some of the cultural patterns that may otherwise limit performance (box 8). This is a task for leaders.

Conclusions

We hope this resource will have given readers the confidence to provide strategic leadership in your own contexts that will deliver the kind of outcomes you are looking for. In particular we hope that:

- you find that the matrix provides a vocabulary and way of thinking that helps you assess what you are doing
- you agree that the best strategies are likely to have been developed by pulling together a set of activities that use the tools of all three boxes and all three rows
- you will use the matrix to challenge and identify gaps in your current approach,
- you find the matrix useful in assessing new strategy tools and approaches that you come across (those that draw on all the boxes are more likely to be useful than those that use only some of them), and that
- you will be prepared to learn how to do each approach well (i.e. moving away from the mish-mash we talked about at the beginning) - and so reap the benefits.

If you have any comments, discussion points or stories you would like to share, we would be delighted to hear from you, please email us c/o v.iles@reallylearning.com

This paper and other resources can be found at www.reallylearning.com