The Reality of Strategic Planning:
Epiphany or Evolution?

Richard E. Crandall
Appalachian State University
CIS Dept, Raley Hall
Boone, NC 28608
(828)-262-4093
crandllre@appstate.edu

William "Rick" Crandall
School of Business
University of North Carolina at Pembroke
Pembroke, NC 28372
(910)-522-5786
rick.crandall@uncp.edu

Meeting: 2008 SEINFORMS
Track: Management, Strategy & International Issues

The Reality of Strategic Planning:
Epiphany or Evolution?

Abstract

The concept of strategic planning is often presented as an epiphany instead of an evolution. While strategic planning should explore the ethereal, it must also deal with reality. This paper approaches strategic planning from a practitioner's perspective. We first present strategic planning as an evolution, both from a theoretical point of view and how managements actually practice it. The evolution as a theoretical concept will be presented first. We will then look at some of the reasons strategic planning may deviate from its theoretical underpinnings, by looking at problems managers face in its implementation. We conclude with a framework that illustrates the strategic planning process as it attempts to deal with reality.

Introduction

Strategic planning is not a new concept in management circles, having come into favor in the mid-1960s (Mintzberg 1993). Before there was strategic planning, there was long-range planning and, before that, companies presumably survived with only informal planning processes. Founders of early organizations directly managed the business and kept their plans in their minds. They did not need formal plans because the businesses were small and executives could convey their goals and strategies directly to their employees. Even today, studies find that some small businesses use informal planning approaches (Meers and Robertson 2007).

The increase in size and complexity of businesses made it necessary to have a more formal process for developing and disseminating the strategies of an organization (Chandler 1977). Consequently, strategic planning arose as a normal part of managing an organization. While the concept of strategic planning is widely accepted as a theoretical concept, in practice, it has not been as effective (Mintzberg 1993). Is this a problem with the concept itself or with the quality of the implementation programs?

Part of the problem is that the concept of strategic planning is often presented as an epiphany instead of an evolution. While strategic planning should explore the ethereal, it must also deal with reality. This paper approaches strategic planning from a practitioner's perspective. It presents strategic planning as an evolution, both in theory practice. The evolution as a theoretical concept will be presented first. This discussion will be followed by reasons strategic planning deviates from its theoretical underpinnings, by looking at problems managers face in its implementation. We conclude with a framework that illustrates the strategic planning process as it attempts to deal with reality.

Phases of the Strategic Plan Evolution

To the practitioner, strategic planning appears to have followed several stages in its evolution as a concept and as a program within an organization. These phases include:

- The stand-alone strategic plan
- The link with the business plan

- The development of the vision and mission
- The identification of critical success factors
- The provisions for the unplanned.

The following discussion provides an overview for each of these stages.

The stand-alone strategic plan

Some portray strategic planning as a greenfield process in which top management conceives the strategic plan and then passes it down to the lower levels of the organization to implement. These plans included a great number of goals and objectives but little in the way of action plans to accomplish those objectives. In some cases, enlightened companies extended the objectives downward in the organization to include key functional areas, such as sales and operations. In this version, the strategic plan was a document to be revered internally, and shown to visitors, as an important contribution, but not to be disturbed by the humdrum of normal business practices. It rested peacefully until its time for renewal. Figure 1 shows this version of the strategic plan.

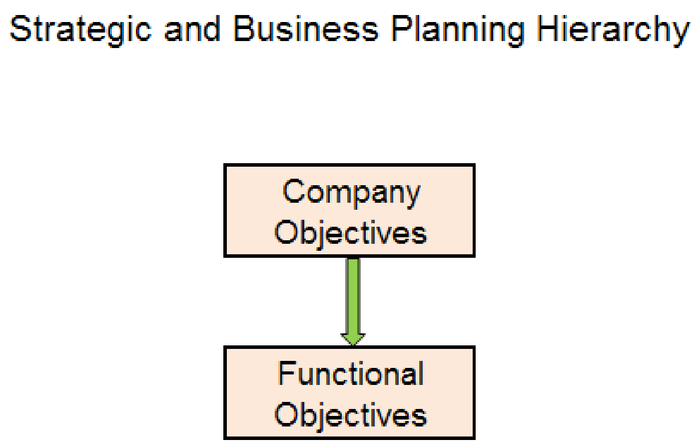

Figure 1. The Stand-Alone Strategic Planning Process

The link with the business plan

Even before the advent of strategic plans, most companies of any size prepared annual, or business, plans with particular emphasis on sales forecasts and expense budgets. These were the working documents uses to measure actual performance. Because of their rigidity – the inability to be changed during the fiscal year – they usually became less useful as time passed.

Enlightened companies decided it made sense to link the strategic plans and the business plans. This link demonstrated the idea that the strategic plan could provide direction to the business plan. In order to do this, the strategic plan expanded to include the action plans included in the business plans. Figure 2 shows this version of the strategic plan.

This expanded view also required that functional areas, such as marketing, operations, accounting and finance also develop their own objectives and action plans that would fit within the framework of the corporate objectives and action plans. While this was a logical extension of the strategic planning scope, it is still not a reality in many businesses.

Something was missing in many of the strategic plans. Some advocates decided that there was a need for an overriding sense of direction or core purpose that would provide continuity to the plan. That something turned into visions and missions.

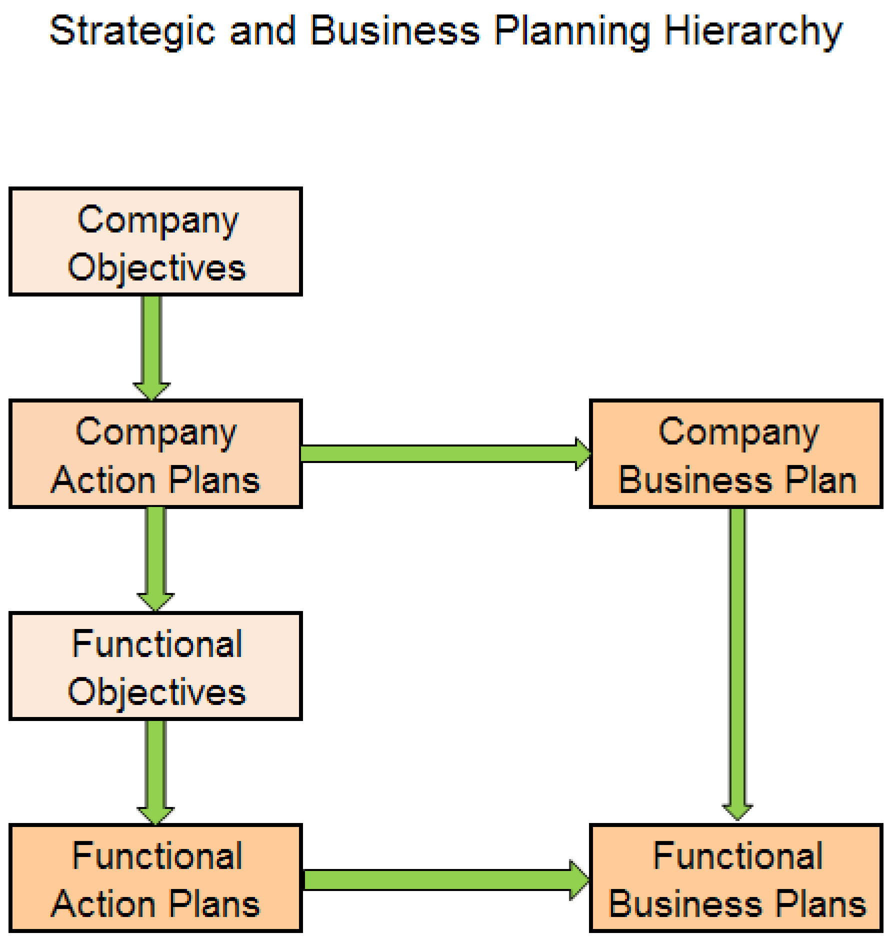

Figure 2. Linking the Strategic Plan with the Business Plan

The development of the vision and mission

As companies were trying to make the strategic plans more meaningful by linking them with the business plans, management theorists explored the idea of adding vision and mission statements. These statements would demonstrate the core ideas that would guide the organization over an extended period of time and serve to add both direction and constraints for the strategic planning process.

Many executives agree that their businesses should include vision and mission statements and dutifully schedule an all-day meeting to “develop our vision and mission.” While commendable, it is not likely that company management will “discover” its purpose in a single meeting.

There still seems to be some confusion about the difference between vision and mission. Which comes first? Which should be the more general statement? How specific should the mission be? Should it include history or just be forward-looking? Should it be short enough for employees to commit it to memory? These and other questions seem be fascinate scholars, but sometimes annoy practitioners.

Figure 3 shows the strategic planning process to include vision and mission statements. In this figure, we depict the vision as being more general than the mission statement. The mission statement then, is more precise in describing the specific directions of the organization and serves as the tangible link with the strategic plan.

Being realistic also means recognizing that vision and mission statements must be tempered if they are to have real meaning. Company founders often provide such strong leadership that their personal values find root in the company's vision. Examples include J. C. Penney, Sam Walton, Ray Kroc, Dave Thomas, and Bill Gates. These leaders had a vision that found permanence in the strategic planning of the business. Their successors must deal with how to preserve that vision or adapt it to changing conditions.

In practice, vision and mission statements are becoming less visible on company websites. They may be embedded in the company's culture, but companies use more tangible displays of the company's mission and vision, such as products or programs that the company is sponsoring.

In theory, the vision and mission statements provide direction to the strategic planning process and may even impose constraints concerning product lines, geographic areas, level of vertical integration, and the like. In practice, it appears that the strategic plan may often be a means of modifying the mission statement to fit the plan.

One prominent CEO warns, "Companies that become slaves to the short term are the ones most likely to fail in this age of globalization, just-in-time outsourcing, rapid technological change, and empowered consumers. You cannot simply create solutions for your customers week by week. You have to prepare for what they will need in five or ten years from now, too, and that takes research, effort, and scenario planning. You also must have the mettle to stick with your vision." (Eskew 2007)

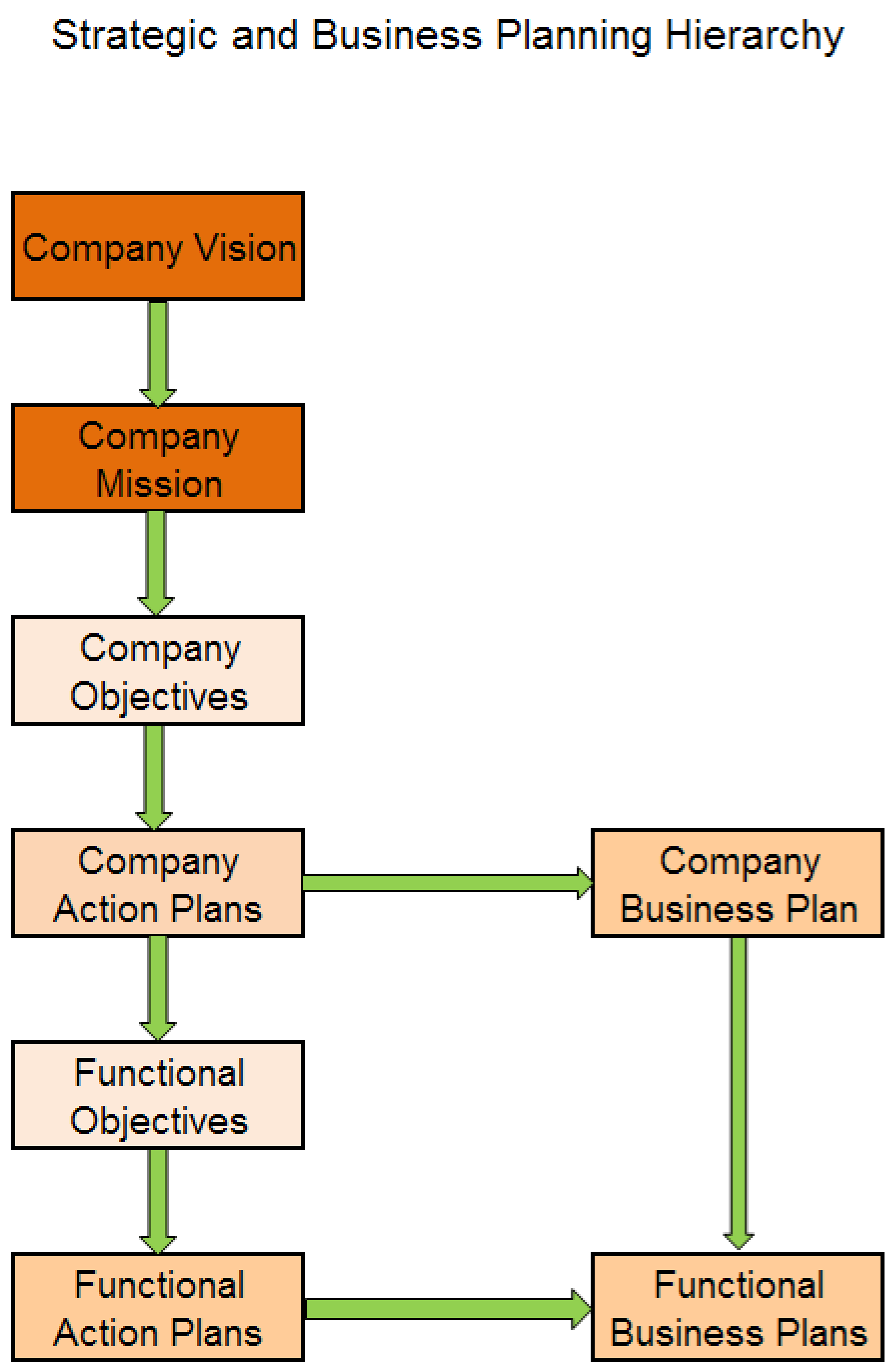

Figure 3. Vision and Mission Added to the Planning Process

Figure 3 shows the strategic planning process as management theorists often describe it. It is a top-down process in which executives develop the objectives that will fulfill the vision and mission of the company. They send these objectives down to the various functional managers, along with the identity of selected action plans that will achieve the objectives. The executives also send the strategic plan to the business plan developers, usually the accounting and finance departments. The functional managers – marketing, operations, engineering, and human resources – then prepare their own strategic and business plans that fit within the constraints provided by the strategic plan and the business planners.

While the concept of strategic planning includes the idea of feedback and collaboration in the planning process, time constraints often make this difficult because, no matter when the planning cycle starts, there is always a rush to get the plans completed by the deadline date. This may mean that objections go unheard, differences in plans do not get reconciled and last minute events – even those of considerable importance – do not get included. Planning is enough of a chore; but replanning or changing plans is burdensome.
.

The identification of critical success factors

Before leaving our description of the strategic planning process, we would like to add a branch of the planning process that writers rarely mention and only a few organizations actually practice. That is the identification of the critical success factors (CSFs) necessary for the organization to successfully meet its strategic and business objectives. John Rockart is credited with being the first to use the term "critical success factor" in his article about how to improve reporting key information to top executives. He defined CSFs as "… the few key areas where 'things must go right' for the business to flourish… As a result, the critical success factors are areas of activity that should receive constant and careful attention from management" (Rockart, 1979, p.85).

Strategic and business plans include a number of objectives and action items. While it is desirable to achieve all of the objectives identified, the CSFs are those few objectives that are essential and therefore, must be achieved. Figure 4 shows this addition.

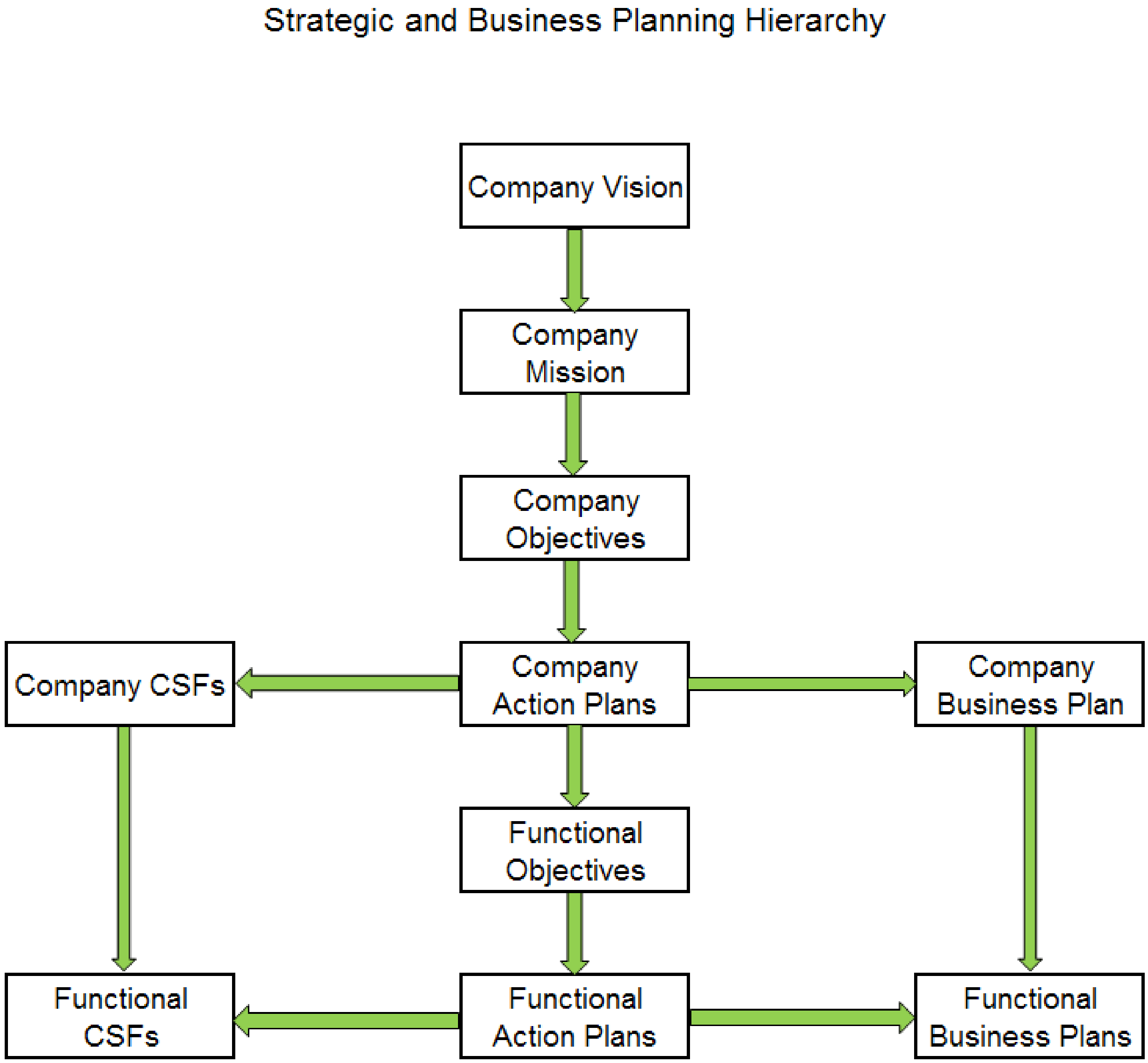

Figure 4. Adding Critical Success Factors (CSFs) to the Strategic Planning Process

Figure 4 shows this progression in the planning process and includes cross-functional relationships that seek commitment and collaboration among the various functions of the organization. However, it lacks the feedback loop that suggests that strategic planning is an interactive, and iterative, process. Figure 5 captures the need for interaction among the strategic plan elements.

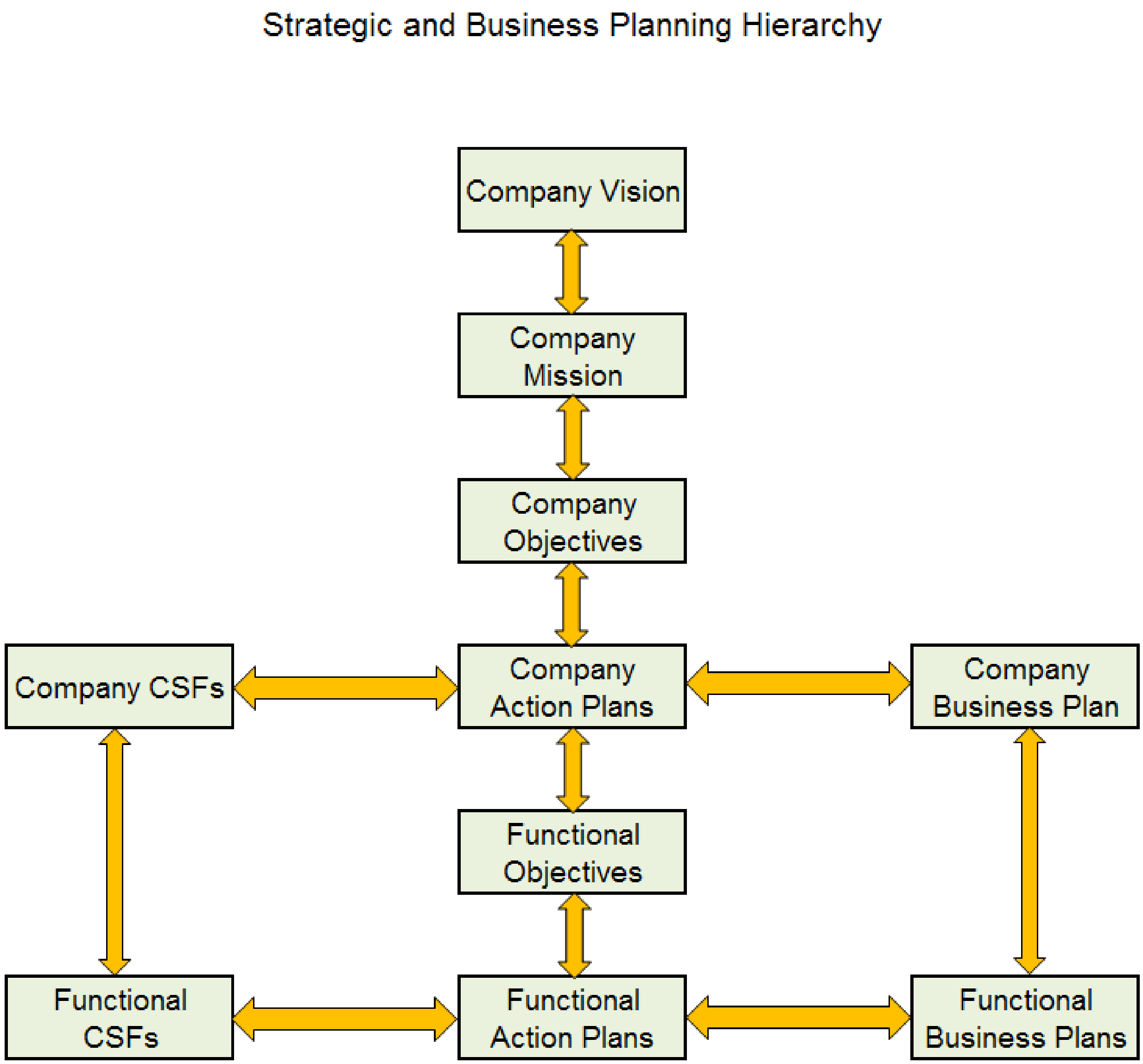

Figure 5. Interaction among strategic plan elements

The diagrams shown above represent a strategic planning system that should, but does not always, work. In a recent article, Kaplan and Norton (2008) point out that companies often have difficulty successfully integrating strategy and operations. As a remedy, they emphasize the need for a closed-loop management system to link strategy and operations consisting of the following phases: (1) develop the strategy, (2) translate the strategy into objectives and initiatives, (3) plan operations at the functional level, (4) monitor and earn, (5) test and adapt the strategy.

Why Has Strategic Planning Not Been Successful?

Despite the logic of the model shown above, organizations are still having difficulty in their strategic planning. Why? Is it the system or the execution? Or is it some combination of both? In the next section, we overview six core areas that help explain why strategic planning has not been the complete success that management theorists believed possible. The areas point out that 1) the business environment is always changing, 2) there is an obsession with control on the part of management, 3) there are too many options to pick from, 4) coordination between departments is a problem, 5) it is often difficult to identify performance problems from environmental problems, and 6) too often, the planning department dictates the heart of the strategic plan.

The business environment is always changing. This observation of course is nothing new. What is interesting though is that each generation of management theorists believe that their generation was turbulent while the previous generation was stable (Mintzberg 1993). This line of thinking has been going on since the 1960s, when Drucker clearly elaborated on it in his book *The Age of Discontinuity* (Drucker 1969). In reality, turbulence, or the constant of change, has always existed to some degree, and will continue to exist. Thus, any claims by a contemporary writer that this generation (and the ones that follow) is ever changing, should be greeted with a sigh and a resigned "yes, we have heard that one before".

One item that makes change so prevalent is that organizations exist in an open environment, subject to forces outside of itself. Consequently, there is an obvious need to consider open system effects and some planning approaches address this dilemma – Porter's Five Forces Model, SWOT analysis, and Drucker's planning gap.

Another paradox of the changing business environment is that plans have a definite life span but the organization goes on in a continuous fashion. As a result, plans are static but actual results are dynamic. The obvious conclusion herein is that just as the business environment changes, mechanisms need to be in place to allow adjustments in the plans as well.

Management has an obsession with control. Management wants exclusive control of the planning process (Mintzberg 1993). This is ironic, since we have just said that the environment is turbulent and therefore, cannot be totally controlled. Nonetheless, planners want to define goals and action plans over which the organization can exercise control.

One of the symptoms of this obsession with control is the source of the planning goals. Is it the planners (often top management), or the line managers? For example, many managers faced a dilemma related to management by objectives (MBO). In theory, MBO sounds good, line managers and their superiors work together to come up with operational goals. However, what often happens is that the line manager is told what their bottom line profits should be by the end of the fiscal period, and it is up to them to "figure out" how to hit that goal. The input from line management then, is not setting the goal, but managing to reach the goal that has been set for them.

This dilemma illustrates the need to align strategic plans (company) with supply chain goals (across companies). It is difficult enough to align the planning process within a company; to do it across multiple companies appears almost insurmountable.

Another dilemma with this obsession with control is that lower level managers often have inadequate time to complete the planning process. The planning process usually has a target completion date that is often "set" by top management. This in itself is not a bad thing. However, line managers often rush into setting budget forecasts since they spend the bulk of their time managing their units. Inevitably, the groups at the end of the process feel squeezed and may not have the time to link with the rest of the plans set by top management.

To compensate a little for this quest for control, some theorists and practitioners advocate contingency planning. However, even this wise approach gives an air of indecisiveness that planners do not like. Even contingency planning can get tedious. For example, we could plan for 20% higher and 20% lower. But is 20% right, or should it be 25%? This type of thinking creates a desire for point targets instead of a true range of possibilities. Point targets (one number) are seldom correct; therefore, it appears that the targets should cover a reasonable range.

One other response to releasing a bit of control is the practice of scenario planning. This type of planning allows for a range of possibilities, but is often aimed at planning for crisis events. For example, oil companies plan for interruptions of oil in case a war breaks out in a region of the world. This type of planning is good and should be advocated, but its focus is more on a range of potential events, as opposed to a range of potential outcome targets, such as sales, expenses, and profit margins.

There are too many options from which to pick. One of the byproducts of this information age is that there are too many choices to make (Schwartz 2004). For line managers, this results in analysis that is often time consuming and out of their reach since there is just not enough time to consider every alternative available. Consequently, operating managers are willing to accept first feasible solutions and since they are not able to search for the optimum solution. Herbert Simon (1997) noticed this dilemma and coined the term satisficing, to indicate the best solution within the time constraints. Satisficing is fine, as long as a viable alternatives is not overlooked.

The abundance of data collected leads to an abundance of information. We all know information hides the meaning of the data – if there is time to interpret it. Unfortunately, a vast amount of uninterpreted information exists. As a result, organizations have a mix of data, information, knowledge and wisdom. Often, because of time constraints, it is more convenient to use whatever is in the most usable form even though it may not be the most relevant.

Coordination between departments is a problem. As we mentioned above, upper level managers often set goals that lower level managers must attain. The so-called input from lower level managers is the assurance that they can be flexible in managing their operation – provided they meet the goals that have been set for them. This situation creates a conflict between the upper and lower levels of the organization. The need to do a better job of managing the interfaces between departments (see previous figures) is necessary. These interfaces require aligning objectives, actions and timing.

For example, department managers may not agree with each other on strategies, especially at the lower levels of the organization. The classic example is the division that often exists between the marketing department and the production department. Marketing managers have the goal of introducing new products with various features. Production managers must contain costs, usually with standard production runs that require a consistent product over a period of time, in other words, as few new products as possible. Production and accounting managers often have conflicting goals in the area of inventory levels. Production departments require an abundance of raw materials and components in order to keep production lines moving. The accounting department must show inventory levels that are as low as possible. Such differences can be resolved only when departments agree to exist as components of the system, not the system itself.

It is often difficult to identify performance problems from environmental problems. Many organizations lack a mechanism for adjusting for changes in their plans. As a result, this lack of replanning capability may result in some confusion as to whether there is a performance problem, or an outside factor at work that is beyond the control of the line manager. Something as simple as bad weather can throw a performance budget off (for example, a loss of sales and subsequent bottom-line profits). Under these circumstances, it is a mistake to hold the manager accountable to the original plan.

Of course, if the problem is a performance issue, then the situation must be addressed. However, adjustments to goals should reflect outside factors, not internal failures. Two questions emerge at this point: 1) how do you decide if actual conditions have changed enough to change the plan, and 2) at what point is it meaningless to continue to compare actual results with the plan?

Too many strategic plans are largely done by the planning department. Although the planning department, or the "planners," has an important role in preparing strategic plans, they should not be the ones who make the critical decisions upon which plans rest. Planners should develop planning systems and provide input, but the line managers who have the responsibility to achieve the plan objectives should be the ones to make the final decisions. Too often, operating managers abdicate this decision-making responsibility, or it is delegated to planners by top management.

One executive emphasizes the need to involve the operating employees.   "Building the future is really about building the present. Yes, you must be able to see where you want to go, but you will never get there if you spend too much time only looking toward it. Instead, the decisions you make and the people you work with today are what will get you to where you need to be - never lose touch with them. And to build the present, a business leader must be careful to stay close to the front line - the people who deal with your customers and markets." (Levy 2007)

Gunn and Williams (2007) also caution about an extreme dependence on strategic tools and frameworks as a generic solution, instead of fitting the tools to the situation.

In light of the above discussion, companies need a realistic approach to strategic planning. This approach must adjust for changes that occur during the life of the plan. The following section addresses this issue.

The Need for Reality

At the risk of oversimplification, the root cause of strategic planning failures appears to be that the plans do not adequately reflect reality. Mintzberg (1985) distinguished between the intended strategy (plan) and the realized strategy (actual). He proposed that realized strategy resulted from a combination of intended strategy and emergent strategy – "patterns or consistencies realized despite, or in the absence of, intentions". Nonoka and Toyama (2007) present strategic management as distributed practical wisdom, or phronesis. They claim, "Strategy is not created from the logical analysis of environment and a firm's resources… Strategy emerges from practice". Lengnick-Hall and Wolff (1998) describe three types of strategies that require facing reality – capability logic, guerilla logic, and complexity logic. They defined these strategies in terms of the dominant logic supporting each strategy. Capability logic is the premise that "firms seek to develop and implement strategies that will create a sustainable competitive advantage." Guerrilla logic "is shaped by the emerging research into high-velocity firms and industries embroiled in not only extremely competitive but intentionally disruptive interactions." Complexity logic "links strategic success with the natural consequences of understanding, shaping, and moving with the paradoxical forces that shape organizational systems." They compared the three approaches on a number of factors that reflected the need to be realistic.

Before we can show how strategic planning should reflect reality, we must first describe what we mean by reality. In the next section, we outline four groups that encompass the major activities of an organization.

Categories of Operations

There are three major categories of activities in a business. The first are normal ongoing operations – the bulk of the business activities. This type of operation involves transforming inputs, such as steel and wood, into products. It also involves transforming inputs into service outputs; often, the input is a person to whom a business provides the service. In most organizations, the ongoing operations are what the company considers its primary business and around which they build their strategic plans.

However, there are two other major types of operations for almost every organization. The first is improving operations, in which the company uses planned programs to make improvements in its ongoing operations. These improving programs can be either incremental or radical. Incremental improvements represent a continuing flow of improvements that involve a large number of employees. Each improvement may not be major; however, the cumulative effect can be significant. Programs such as Total Quality Management (TQM) and Just-in-Time (JIT) represent incremental improvement efforts. Radical improvements are major in scope and often pose a disruptive effect on the ongoing operations. Lean manufacturing is an example of a program that may provide considerable benefit but is often disruptive to the normal operations of a company.

The other major category of operations is problem-solving activities. These can also be divided into two groups – routine problem solving and crisis management. The first involves the normal kind of actions to correct a reoccurring problem, such as late deliveries or invoice errors. Employees within the company can usually resolve these problems within the framework of their normal workday. Crisis management is a different story. A crisis occurs because of a major unexpected event, such as a toy recall because of lead paint or a fire that destroys a manufacturing plant. Often, this type of event requires outside, expert help.

As a result, strategic plans can never be completely oriented toward desired goals; they must consider the actual situation as is exists. Organizations must start from where they are; not just from where they would like to be.

Approaching Reality

How do organizations consider reality in their strategic planning? One widely used approach is to use the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. This should be done within the framework of the closed and open system environments. The closed system considers internal operating factors that are largely within the control of the organization – the strengths and weaknesses. The open system considers external factors that are largely not within the control of the organization – the opportunities and threats. Some of the external factors to consider include (1) actions by competitors, (2) technology developments, (3) trends in society tastes and mores, (4) government legislation and controls, (5) general economic conditions, and (6) global environmental perspectives. The closed system considers what an organization can do; the open system considers what an organization must do.

Another approach to strategic planning that force an organization to deal with reality was outlined by Peter Drucker in his book *Managing for Results*. He posed the question “What will happen if we do nothing?” In most cases, conditions will deteriorate if a company does nothing; therefore, they have to face the need to do something and that is to plan some strategic actions that will carry them to their desired levels of performance.

The Reality of Strategic Planning

Figures 6, 7 and 8 attempt to portray how strategic planning fits within the framework of an organization’s activities. We will describe three cycles of strategic planning and illustrate how actual experiences can be reflected in an organization’s strategic plan over an extended period. In these scenarios, we try to show that strategic planning is a dynamic process, where the approach to planning varies as conditions change. Huy and Mintzberg (2003) call this evolution the “rhythm of change,” and describe it as follows:

> **“Today's obsession with change focuses on that which is imposed dramatically from the "top." This view should be tempered, however, by the realization that effective organizational change often emerges inadvertently or develops in a more orderly fashion. Dramatic change is**

frequently initiated in times of crisis or of great opportunity when power is concentrated and there is great slack to be leveraged. Systematic change is slower, less ambitious, more focused and more carefully constructed and sequenced. Organic change seems to rise from the ranks without being formally managed. Dramatic change alone can be just drama, systematic change by itself can deadening and organizational change without the other two can be chaotic, they must be combined or sequenced and paced over time creating a rhythm of change."

Time period One

Very few companies begin their existence by developing a strategic plan. Most operate for a period of time before they get around to preparing their first strategic plan. While those looking for funding to start a business have to develop a business plan, in actual practice, such plans probably focus more on how to repay the loan than on strategic issues. It follows that most companies should include their past performance in developing their strategic objectives and action plans. While they may entertain objectives that represent new thinking, it is likely that the strategic plan is heavily influenced by their past experiences.

In Figure 6, moving from left to right shows the transition from business plans (sometimes called annual plans) to actual results, and then to the preparation of the first strategic plan. From top to bottom, Figure 6 shows the influence of program plans, the traditional business plan (with detailed forecasts and budgets), plans to deal with routine problems, and contingency plans (not all companies will have contingency plans). In the figure, the boldness of the border is intended to show that the annual plan is the most likely to be developed, program plans next, and contingency plans the least likely to be formally prepared, at least in the beginning. The diagram also attempts to show the influence of each of these areas on the strategic plan by the boldness of the arrows leading to the strategic plan. Of course, there must be room for new corporate objectives in the strategic plan, shown as the center block in the diagram. These may or may not be the result of actual experiences.

The actual results for each of the four activities will have an effect on the strategic plan. In addition, the horizontal dashed lines leading to the right indicate that the actual results for each activity area will also have an influence on subsequent individual activity plans. This can be seen more clearly in Figure 8, which shows the continuation of the planning process into Period Two.

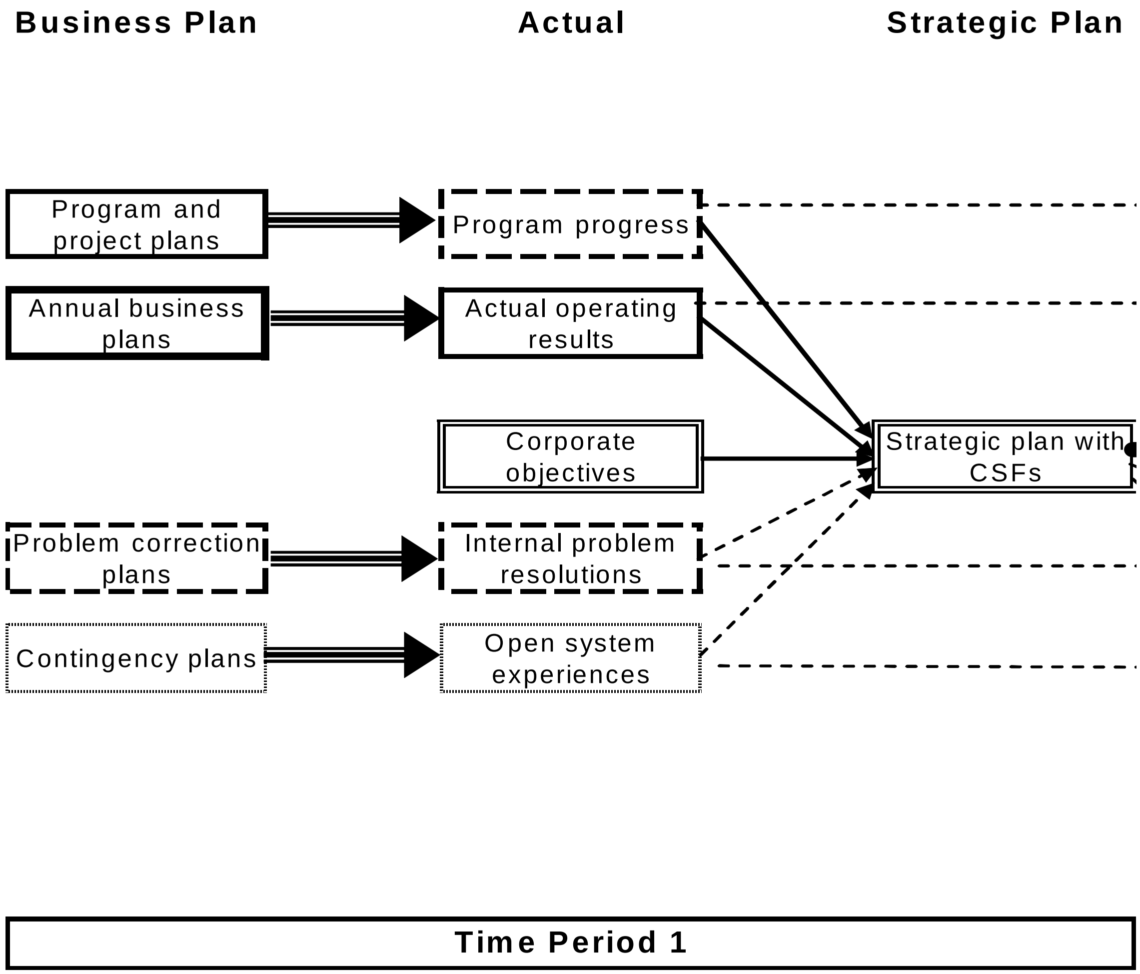

Figure 6. First Time Strategic Planning

Time Period Two

As time passes, actual results almost always differ from the original plan. If the differences are small, the strategic plan remains relatively intact. If the differences are large, the strategic plan becomes suspect. In Figure 7, we indicate that differences arise from either the business plan or one of the program plans. The normal operations may be experiencing less than anticipated results for some reason. For example, it may be that in actual practice, a manufacturing department needs more training before cost savings can be realized. Deviations could also occur on the program side. Or, the actual results of an outsourcing program may not be achieving its target objectives. Perhaps the lower cost of manufacturing the item overseas has been offset by rising oil prices, a resource needed to bring the completed product to the marketplace. It is likely that the program will be modified to change the outsourcing program and this change will become a part of the succeeding strategic plan.

Figure 7 shows on the left, the Strategic Plan developed in Period One. The components of the figure are the same as for Figure 6, except they reflect the events of the first period. The bold irregular line in the center conveys the idea that things start out as expected during the early part of the period. However, as actual results begin to stray from the plan, as described in the previous paragraph, the path begins to stray, somewhat unsteadily, the effect of unexpected variances from plan. The straight lines for the problem-solving and contingency plans reflect no unexpected events of any consequence. The displacement of the corporate objectives block slightly upwards indicates that they have been influenced by events. All of these factors converge to be included in the strategic plan for Period Two.

Figure 7. Strategic Planning for Period 2

Time Period Three

Figure 8 is a continuation of Figure 7. In a subsequent period, other changes could arise. While ongoing operations proceed according to plan, a competitor introduces a new product and sales drop dramatically in one of the key product lines. This may have been anticipated in a contingency plan and it may not have been. Contingency planning often seems to be an exercise in futility. How many contingencies do you plan for? Which contingencies do you plan for? It is difficult to quantify certain contingency outcomes such as the effect of a competitor's new product. How much of the market will it attract? Will its effect be short-term or will it capture an increased share of the market over the long-term? At any rate, it is a factor to consider in the next strategic plan. Another unexpected event could be a governmental directive mandating the reduction of the use of hazardous materials.

As the strategic planning process moves from left to right, on along the time horizon, there will probably be an increased recognition of the effect of open system factors, reflected in an increased effort to do contingency planning that anticipates the expected changes. We have indicated the increasing likelihood of contingency and problem-solving planning by making the arrows bolder that are leading from these activities to the strategic plan.

Figure 8. Strategic Planning for Period Three

Conclusions

The strategic planning process continues to evolve, both conceptually and in practice.   One approach suggests that the Five Forces, Core Competence and Game Theory models of strategy deal with "clear industry boundaries, predictable competition, or a knowable future" (Brown & Eisenhardt, 1998, p. 7). They conclude that strategy needs a new strategy, which they call "competing on the edge." This approach assumes that industries change rapidly and unpredictably and, therefore, managing change is the central strategic challenge. The authors go on to describe a strategic plan as a rough roadmap, budgetary guideline, and rallying point, not as a straitjacket the limited managers from adapting to the real future that unfolded.

Gavetti and Rivkin (2008) try to strike a balance between deliberate, emergent, and analogical approaches to finding the best strategy. Their research suggests that all of the approaches have their place and that they all work, just under different circumstances and at different times in an industry's development. "Managers should try things out, learn from experience, adjust, and gradually craft a strategy."

Kaplan and Norton (2008) propose, "Companies have always found it hard to balance pressing operational concerns with long-term strategic priorities. The tension is critical: World-class processes won't lead to success without the right strategic direction, and the best strategy in the world will get nowhere without strong operations to execute it." They propose a five-stage approach to aligning strategy and operations, with emphasis on the need to provide feedback from actual results to the planning process.

The task of strategic planning becomes more difficult because of the increased complexity of the open system environment in which most organizations operate. We listed some of the difficulties in implementing strategic plans earlier in this paper. Many of them relate more to administration and relationship management than to the inadequacy of the theory used. There appears to be enough theory; the problem seems more in the selection and implementation of those theories. Perhaps it is now time to put more emphasis on the practice of the theory.

We believe that it would help if companies would view the strategic planning process as a continuous horizontal dynamic process instead of a hierarchical vertical discrete process. While there must be input from top management, it should be tempered with reality. As Singer (2008) points out "It is more important than ever to remember that strategy operates at a systemic level and that the intellectual framework for strategic thinking flows from a holistic perspective that is more art than analysis."

References

1. Abraham, S C, 2006, *Strategic Planning, A Practical Guide for Competitive Success*, Thomson South-Western, Mason, Ohio.

2. Brown, S L & Eisenhardt, K M 1998, *Competing on the edge, strategy as structured chaos*, Harvard Business School Press, Boston, Massachusetts.

3. Chandler, A D Jr. 1977, *The Visible Hand, The Managerial Revolution in American Business*, The Belknap Press of Harvard University Press, Cambridge, Massachusetts.

4. Dess, G G, Lumpkin, G T, & Eisner, A B 2008, *Strategic Management, Text and Cases* (Fourth Edition), McGraw-Hill Irwin, Boston.

5. Drucker, P F 1994, *Managing for Results; economic tasks and risk-taking decisions*, Harper & Row, New York.

6. Drucker, P F 1969, *The Age of Discontinuity, Guidelines to our Changing Society*, Harper and Row, New York,

7. Eskew, M 2007, ‘Stick with your vision’, *Harvard Business Review*, vol. 85, no. 7,8, pp. 56-57.

8. Gunn, R & Williams, W 2007, ‘Strategic tools: an empirical investigation into strategy in practice in the UK’, *Strategic Change*, vol. 16, pp. 201-216.

9. Huy, Q N & Mintzberg, H 2003, ‘The rhythm of change’, *Sloan Management Review*, vol. 44, no. 4, pp. 79-84.

10. Kaplan, R S & Norton, D P 2008, ‘Mastering the management system’, *Harvard Business Review*, vol. 86, no. 1, pp. 63-77.

11. Lengnick-Hall, C A & Wolff, J A 1998, ‘Achieving consistency of purpose’, *Strategy and Leadership*, vol. 26, no. 2, pp. 32-37.

12. Levy, M 2007, ‘Look to your front line for the future’, *Harvard Business Review*, vol. 85, no. 7,8, pp. 55-56.

13. Meers, K A & Robertson, C 2007, ‘Strategic planning practices in profitable small firms in the United States’, *The Business Review*, vol. 7, no. 1, pp. 302-307.

14. Mintzberg, H & Waters, JA 1985, ‘Of strategies, deliberate and emergent’, *Strategic Management Journal*, vol. 6, no. 3, pp. 257-272.

15. Mintzberg, H 1993, *The Rise and Fall of Strategic Planning, Reconceiving Roles for Planning, Plans, Planners*, The Free Press, New York.

16. Nonoka, I & Toyama, R 2007, ‘Strategic management as distributed practical wisdom (phronesis)’, *Industrial and Corporate Change*, vol. 16, no. 3, pp. 371-394.

17. Quinn, J B, Mintzberg, H & James, R M 1998, *The Strategy Process, Concepts, Contexts, and Cases*, Prentice Hall, Englewood Cliffs, New Jersey.

18. Rockart, J F 1979, ‘Chief executives define their own data needs’, *Harvard Business Review*, vol. 57, no. 2, pp. 81-93.

19. Schwatz, B 2004, *The Paradox of Choice, Why More is Less,* Harper Collins, New York.

20. Simon, H A 1997, *Administrative Behavior: A Study of Decision Making Processes in Administrative Organizations* (Fourth Edition), The Free Press, New York.

21. Singer, J G 2008, ‘What strategy is not’, *Sloan Management Review*, vol. 49, no. 2, p. 96.

We've discovered that evolution strategies (ES), an optimization technique that's been known for decades, rivals the performance of standard reinforcement learning (RL) techniques on modern RL benchmarks (e.g. Atari/MuJoCo), while overcoming many of RL's inconveniences. In particular, ES is simpler to implement (there is no need for backpropagation), it is easier to scale in a distributed setting, it does not suffer in settings with sparse rewards, and has fewer hyperparameters.Â However, the mathematical details are so heavily abstracted away from biological evolution that it is best to think of ES as simply a class of black-box stochastic optimization techniques. Black-box optimization. 3. Understanding Planning and strategic Planning. Figure 2: Concepts of Planning. Figure 3: Planning Process. Figure 4: Weather Forecast.Â Unfortunately, growth company leaders are often blinded-sided by this predictable speed bump. Once the reality of the S-curve becomes apparent, it may be too late to design the next growth strategy. The time to innovate--â€the innovation windowâ€ is when the first growth curve hits an inflection point. How do you know when youâ€™re hitting the inflection point? By the 1970s, strategic management started evolving on a more serious note, extending beyond the budgetary planning and control, and corporate planning, to include positioning companies in relation to competitors. Corporations tried to jockey for power and focused on selecting particular market segments and positioning for leadership.Â Companies attempted to diversify and expand through entry into the global arena during this period. To align structure with strategy, companies started slowly moving toward hybrid and matrix structures. By the late 1980s through 1990s, the growth of strategic management as a separate discipline started taking its own shape. This can be seen in terms of companies attempting to secure competitive advantage. Strategic planning can help to assess your companyâ€™s strengths and build a better future. Learn to create and execute a strong strategic plan.Â This guide unpacks the core concepts of strategic planning, including its potential benefits and possible risks. Youâ€™ll learn if and when strategic planning makes sense for your business and how to effectively engage your team in the process. From there, weâ€™ll present four specific phases of strategic planning, from preparation to execution to constructive evaluation. In exploring the evolution of strategic planning we ï¬rst deï¬ne the term, as its meaning and usage. varies widely in both the academic literature and in strategy practice. Developing a consistent deï¬ni-. tion of strategic planning is important for our efforts to study its history and evolution because, as we. will see in the case of GE, organizations may engage in strategy development and planning without. labeling these activities as such. While language and labels are important in organizing, we believe.Â at an accommodation between the compulsions of politics and the realities of war, exercises control over. military operations, and allocates the means necessary to support them.â€™ According to the ofï¬cial War.