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Strategic Visioning

Processes to Facilitate Decision Making within Complex Social Systems

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Introduction

As part of a strategic management process, every organization should develop a strategic vision to provide a general direction of where their organization wants to be in about a ten-year period. Some organizations go out more than 20 years, and some even more, but usually, a vision statement will describe a period in about a decade, something about where the world is going in that time frame and the role that the organization will play in that future. Full-scale visioning processes can take several weeks or even months of expert research to create and execute. But an abbreviated visioning process can approximate a full process, when time and resources are limited. This chapter describes a process that can be used to develop such a vision while also preparing an organization to embark upon a strategic management process, as well.

Basic Data

Instructional Objectives

There are three major instructional objectives when teaching an organization or a group of graduate students in a strategy course how to go through a process such as that outlined in this chapter:

1. Develop a strategic vision for an organization of any size in business or government, or for a group of students
2. Experience how a vision is developed
3. Enable the participants to experience a future and how the strategic vision "fits" into that future.

Target Audience

The target audience for this exercise can be a group of planners or policymakers in an organization, company, or government agency or department. The process

can also be used in a classroom with students who are learning to develop strategic visions within the context of a strategic management course.

Playing Time

The strategic visioning exercise described in this paper can usually be completed within a two-to four-hour time slot—or can be spread out over one or two classes if it is being used within a strategic management course depending on the length of the class.

Debriefing Time

Because there is no "game" as such, there is no need to debrief the process, though it helps to show the agenda and explain the process.

Number of Players Required

These processes can be developed using any number of people. Traditional class sizes of 20–30 students are ideal in an educational setting, but the lead author of this article has facilitated this process using as few as 3–10 people or as many as 60–80 in a planning unit of an agency or department of government or within a company setting.

Requirements Such as Computers and Facilities

The only requirement that is essential is drawing paper and markers that can be seen in a group environment. This process does not require sophisticated electronics, though sometimes it is helpful to project the agenda of the exercise using PowerPoint slides.

Facilitators Guide

Pre-simulation Briefing

The process should begin by briefing the group on an agenda of all the steps in the strategic visioning process. Then, the broader group is divided up into groups of four to six for the remainder of the steps. Groups should be seated at work tables with large poster paper and markers available on each table to "draw" the system and its components.

Descriptions of the Steps with an Estimation of the Time Required for Each Step

When that happens, organizations can use the short process to approximate the larger version so that some benefits can be gained. The following steps describe the process, as illustrated in figure 12.1.

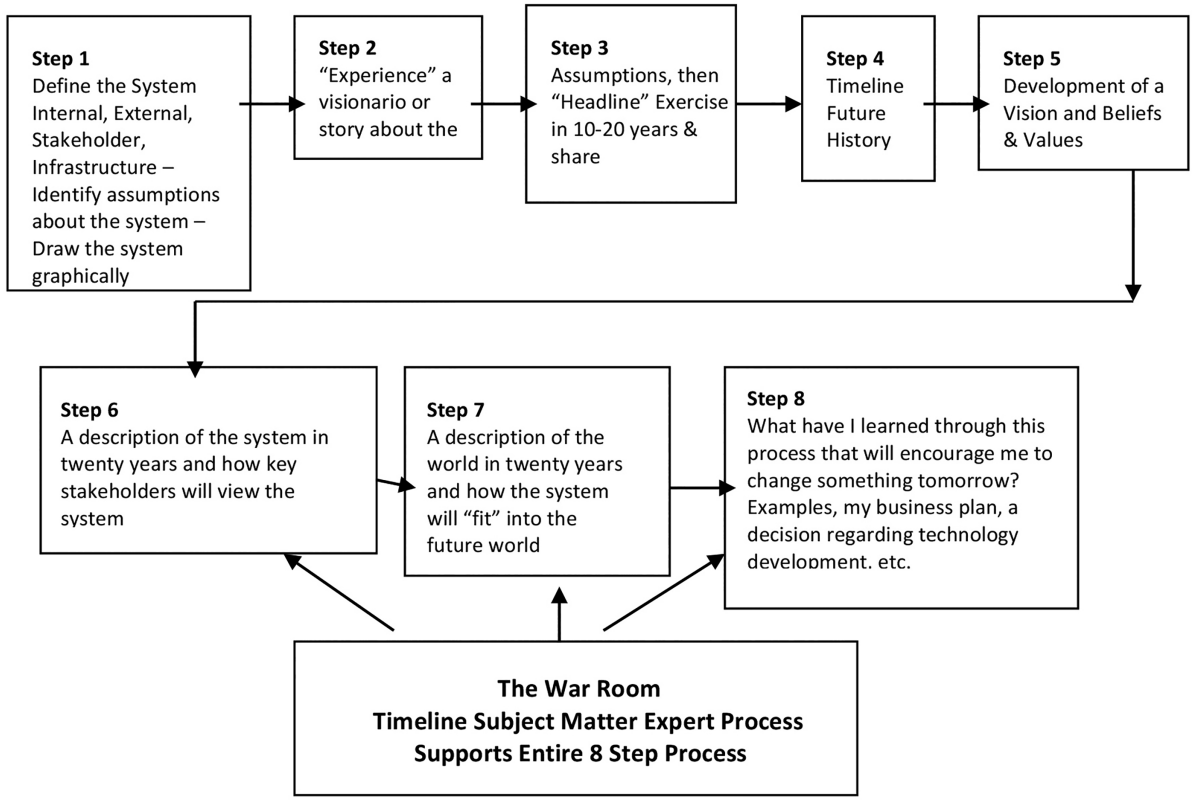

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FIGURE 12.1

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Step 1. Define the System

The short process begins by asking each participant to state his or her top three assumptions about the current "system." The system is usually defined as that organization or suborganization for which the process is being developed. The current "system" is then defined in its entirety. This includes the external environment, or the forces on the system such as political, economic, sociological, technological, or environmental; the internal environment, such as people and organizational culture, resource allocation, processes to accomplish work; and the stakeholder environment including groups with a stake in the organization, such as employees, suppliers customers, communities where the organization resides, and so forth. It is essential that the definition capture the identity of the system as it currently exists, not how it could be in the future. Normally, it is helpful to have the participants draw their system out and identify the external, internal, and stakeholder environments on the paper. This exercise works best when a group of participants is broken up into groups of four to six.

External Environment

The external environment consists of those conditions in which the system operates. It includes the major political, military, governmental, economic, sociological, cultural, religious, technological, and competitive forces in the world.

The more effectively an organization understands these forces, the more likely they can anticipate the changes that will affect them. The identification and elaboration of these elements constitutes an effective external environmental scan. A scan is a process to identify important elements of the world or the organization and learn about them.

Stakeholder Environment

The stakeholder environment includes those groups or individuals who have a stake in the organization. The most important stakeholder for a business is the customer. Equally important is the employee. Without either stakeholder, there is no company. Regardless of the organization, there are customers who can be identified. They represent the users of the output from the organization, inside or outside. For example, in a consumer business, the buying public is the customer. Inside a manufacturing environment, there are multiple customers. They can range from the next person who receives the output of a process to a dealer network that receives a product for distribution to the ultimate buyer of the product.

Other major stakeholders of organizations include suppliers, communities that benefit from the organization and its work, governments that are affected by or must regulate the organization, unions that represent a workforce, competitors who are affected by the organization, and other strategic "partners." A major stakeholder in most corporations include stockholders and the financial, investment communities. In government organizations, the stakeholders will include elected officials, such as Congress and the White House as well as the people of the United States in this country, on whose behalf they are working.

The more global an organization is, the more complex its stakeholder environment. Governments around the world become stakeholders, and their laws and regulations are essential to understand. It is one of the areas of overlap

between the stakeholder and external environments. Every organization needs to understand its stakeholders and at any given point in time, how to communicate effectively with them.

Internal Environment

It is also important to regularly explore the internal environment of the organization. This includes the people of the organization and how well they work together, as a team, to accomplish the work of the organization. Is the organization structured effectively and efficiently to accomplish work, or is the structure a barrier? What are the functions of the organization? How well do they work together? What is the organization's overall process capability? Is it measurable? What about process integration, that is, how does the process of one function interface with the process of another?

A crucial element of the internal environment is the culture of the organization. How would it be characterized? Is it a positive force for change in the organization or a barrier to change? Are there formal, written statements of beliefs and values? What does the company stand for?

How are decisions made? What is the resource allocation process? How does the organization invest in its leadership for future generations? What is the infrastructure which supports the entire organization? What are the organization's unique core competencies that separate it from others?

Identification of all these elements and the answering of all these questions, constitutes the internal environmental scan. In addition, it is typical for an organization to regularly ask its employees a variety of confidential questions to ensure regular feedback.

The System Draw

After the environments have been scanned and the elements have been identified, it is useful to graphically draw the overall system and how the elements relate to one another. This is helpful, especially at the macro level.

The environmental scans and the system draw constitute defining the system.

Step 2. Experience a Vision

The next step in the visioning process is the presentation of an example of a vision. Ordinarily, this can be in written form to acquaint those developing the vision, or it can be described in oral form with or without visuals. What is most important is that those individuals who are developing a vision understand how comprehensive one can be. It frequently is helpful to go far into the future, to describe the vision. This enables the individuals to break out of their thought patterns, think "out of the box," and accept nontraditional ideas. Ordinarily, a story is written, set in the future that includes the organization involved in the visioning process.

Step 3. The Headline Exercise

After experiencing the example, individuals are then asked to write a story about the organization for a year, about 20 years into the future. Examples of headlines

referring to their organization are provided, and they can write the story behind the headline or they can make up their own headline in that time frame and write that story. This enables the individuals to create a future in their own minds. It also is a simple way to help people think creatively. This activity works well when people are grouped into twos or threes.

Individuals then share their stories with one another.

Step 4. Timeline Exercise

After the headline exercise is completed, groups are asked to put together a timeline from the present out to 20 years or so, and asked to choose two or three areas that they will explore into the future along a timeline. The groups try to think through how an area might evolve over the time period, and what assumptions could occur year by year, though usually groups think through the areas in five-year intervals. This helps the groups think through plausible ways a future might unfold.

The timelines are then shared with the groups.

Step 5. Development of a Vision, Beliefs, and Values

The groups are then asked to develop a set of assumptions that they have made about the year, 20 years out. These assumptions are then used by the groups to develop a vision statement. Normally, the facilitator develops a "straw man" statement which the groups then try to use as a starting point, and several versions are developed until a consensus is developed. A statement of beliefs and values are also usually developed.

Step 6. Description of the System in 20 Years

A description of what the system will look like in 20 years is now developed and how key stakeholders will view the organization in 20 years.

Step 7. Description of the World in 20 Years

A description of the state of the world in 20 years and how the "system" fits into the future world is then developed. Usually vision statements are descriptions of what an organizations *wants* to look like in 20 years: an ideal state.

Step 8. What Have I Learned?

The visioning process is not meant to be a prediction or a forecast, but a learning process for those engaged in it, to more effectively focus the organization and point it in the right direction in a proactive way. Decision makers should ask themselves, "What have I learned through this process that will encourage me to change something tomorrow? Examples include business plans, technology plans, and so forth.

Debriefing

Step 8 could be considered the debriefing process for the exercise. In a group setting, lessons learned are usually shared within the groups, and then the groups share their lessons learned with all the participants.

Conclusion

This exercise can be adapted in many ways to assist organizations in developing visions of the future and be better prepared. It can be scaled for use by any "system" level from the individual or family to the organizational, institutional, government, or national level.

Author's Note

The preceding is based on a chapter in *Timelines into the Future: Strategic Visioning Methods for Government, Business and Other Organizations.* Reprinted with permission of the publisher.

Appendix A

Examples

Working with the college of engineering of a major research university in the Midwest of the United States in the late 1990s, the following examples were developed to define the assumptions about the current system.

Assumptions about the Current System

- National rankings are important
- Functions of the university remain teaching, research and service
- Resource allocation to the college of engineering will remain about the same
- Reputation comes from research and graduate students
- Research contributes to the value of the undergraduate experience
- Partnerships with industry are very important
- We need to be comprehensive in disciplines.

Going Out to the Future

The group was then read a story, an example of a scenario in the year 2085. This was used to begin to get the groups in a different mindset that would be out of their usual planning time frame.

The following assumptions were identified as those in the year 2085:

- Mankind is going into space
- There will be more global cooperation

- There will be many fundamental breakthroughs
- Our "biology" will prevail
- There has been no massive war or annihilation
- New technologies have to be invented
- No encounters with alien people
- No other biological life forms
- People have bought into this as a future
- One small perturbation in any given year could give a completely different outcome
- Terra forming ruled illegal.

Coming Back from the Future—Headline Exercise

After going well into the future in the year 2085, the groups come back from the future to a more familiar time frame—the year 2020. Each group is asked to write a headline for their virtual magazine and a story behind the headline for the 2020 timed frame. The following are the stories that were written with a Generic University (GU) name written to ensure privacy.

GU Outreach Education Revenues

Surpass On-Campus Dollars

In the past two decades, GU, under the leadership of the College of Engineering, College of Business, and College of Education, have paralleled industry expansion into India and China, since now these two countries represent 50 percent of the world's population. The industry segments of transportation, environment, energy, and social system support now employ 30 percent of the US workforce and 20 percent of the workforce in China and India. GU partnerships with industry around key technologies have grown with this industry expansion both in research and outreach education.

Our revenues from workforce education activities in the United States, China, and India now employ 3,000 GU faculty and staff. Four-way interactive partnership models exist such that industry funding can move faculty expertise without country or institutional barriers.

This consortium has just succeeded in becoming the prime contractor for the new Lunar Base Technology University to open in 2025, funded by the UN Global Foundation.

FAA Certifies Fully Automated Airline

The administration of the FAA announced yesterday the certification of the Boeing 949 airliner which will be the first to operate without an aircrew. It remains to be seen whether the traveling public will access this development.

The supervision and control systems of the new airliner are based on artificial intelligence technology developed by the FAA Center of Excellence at the Ohio State University. The system includes four independent and redundant systems, each of which is capable of flying and landing the aircraft on its own. Technology for fully automated landing of the aircraft was first tested in Britain 40 years ago.

The Gore Commission of 1996 called for a reduction in aviation accidents by 80 percent leading to the establishment of the FAA Centers of Excellence including the one at GU responsible for this development. The Commission report motivated the move toward automated systems.

The administration pointed to the statistical reduction in aviation accidents that followed from the automation of cargo flights about ten years ago. He also emphasized the prevalence of pilot error in findings by the NTSB on the probable causes of accidents.

Nevertheless, development of the 949 has faced intense opposition from aircrew unions and politicians and others in the community who feel human oversight is essential when lives are at risk.

Assumptions about 2020

For the purposes of this process, the system was defined as "Generic University College of Engineering."

The following assumptions were identified during the process of writing the stories:

- Lay the groundwork in 2000
- Ranking is a way we value ourselves
- Still in business
- Stay as graduate and undergraduate institution
- Being a public university will continue
- The physical nature of the college will persist
- Relatively stable supply of undergraduates
- We will remain a part of a system of many public universities
- Departments won't be the same
- Diversity sensitivity is important
- Universities will need to cooperate.