

# Strategic Planning In A Supportive Organizational Culture

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From its Greek military roots<sup>1</sup> to the present day, strategic planning focuses on the long-range outcomes of an organization. During the last one hundred years, several approaches to strategic planning have been offered, each involving versions of some or all of the following elements: an organizational vision; a mission statement; short and long range goals; program objectives, action plans; and outcome and performance measures.

Generally, strategic planning starts with top managers who develop the plan and communicate it to employees. Most approaches note the importance of the organizational culture. However, most don't go far enough in embedding the strategic plan in that culture.

*To be successful, a strategic plan must be a holistic intervention, involving every individual employee at every level in the organization.*

## 1. OVERVIEW

It is not my intent in this brief paper to review and critique the different approaches to strategic planning. Rather, I wish to present an integrated model of strategic planning—a straightforward, three-step process that is implemented in sync with a set of actions designed to promote an organizational culture to support the strategic plan.

I will begin by describing the philosophy that underlies my approach. It is a rationale based on many years of experience working with a diversity of public and private organizations.

I will then present my model of strategic planning, based on that philosophy.

Next, I will describe the three basic steps I use to develop a strategic plan:

- ◆ Develop a vision based on the organization's core values
- ◆ Create a mission statement that translates that vision into a superordinate organizational goal
- ◆ Specify the strategies, goals, and objectives needed to actualize the mission statement and develop measurable, performance based-action plans.

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<sup>1</sup> *History of Strategic Planning* by Phillip Blackerby, Armed Forces Comptroller magazine, vol. 39, no. 1 (Winter 1994), pp. 23-24

I will then describe three strategies for developing an organizational culture to support the strategic plan by focusing on three characteristics of a supportive culture:

- ◆ Promote an Empowering Culture
- ◆ Build a Problem-Solving Culture
- ◆ Cultivate an Interdependent Culture

I will conclude by emphasizing that implementing a successful strategic plan is a holistic process that fully engages the people throughout the organization.

## **2. UNDERLYING PHILOSOPHY: *THE REAL BOTTOM LINE***

I view organizations as living organisms. They are born, they grow, and they die. They have good times and they have bad times. They dream, they plan, and they reinvent themselves. They succeed and they fail. Sometimes they open themselves up to introspection. At other times they are closed and repressive.

When they are in trouble, they often ask for help. Sometimes they simply need feedback from the outside or a little inspiration, a motivational push. At other times, the problem is more serious and they need to pull themselves together and totally rework their processes.

I have assisted both public and private sector organizations, large and small, for over 30 years. I have utilized a variety of approaches and techniques including: strategic planning; process improvement; training and coaching managers; building teamwork; and conducting employee and customer surveys, customer focus groups, training needs analyses, and workshops tailored to an organization's specific needs.

Gradually, over the years, I came to realize that my work is guided by a general philosophy which underlies everything I do. I call it *The Real Bottom Line*.

People in both public and private sector organizations talk about the bottom line. Private organizations talk about it in terms of profit and loss. Public organizations talk about it in terms of staying within the budget and cutting costs.

Unfortunately, this constant emphasis on the *financial* bottom line in both types of organizations frequently leads people to put less focus on the *real bottom line*:

### ***Creating Customer Value***

—this means delivering customer-valued services and products—

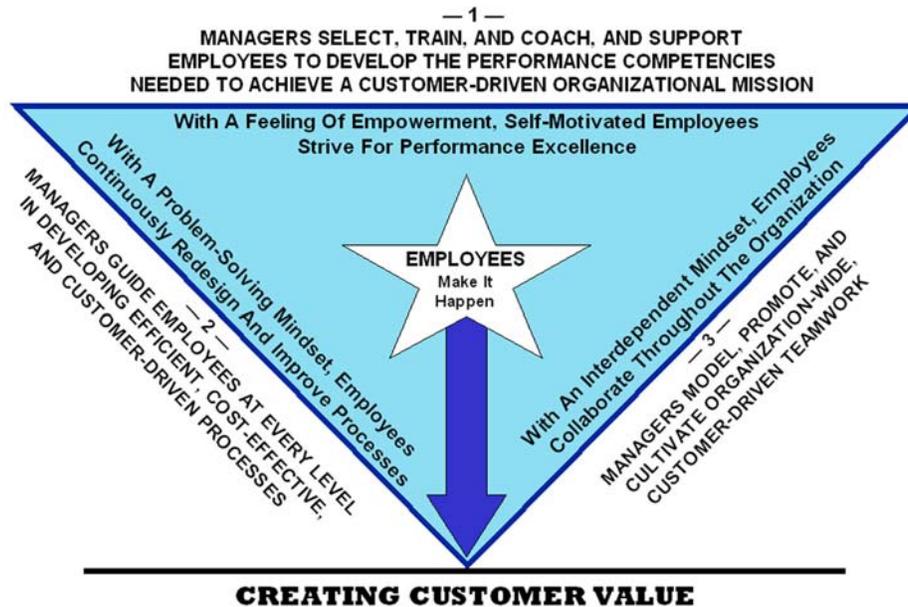
More importantly, too much emphasis on the financial bottom line also leads people to pay less attention to the *drivers* of the *real bottom line*:

### ***Individual Employees***

—individual employees are the organization's most valuable resource—

The *real bottom line* philosophy underlying my approach and the major strategies it implies are shown in Figure One.

**Figure One**  
**The Real Bottom Line:**  
**Creating Customer Value**



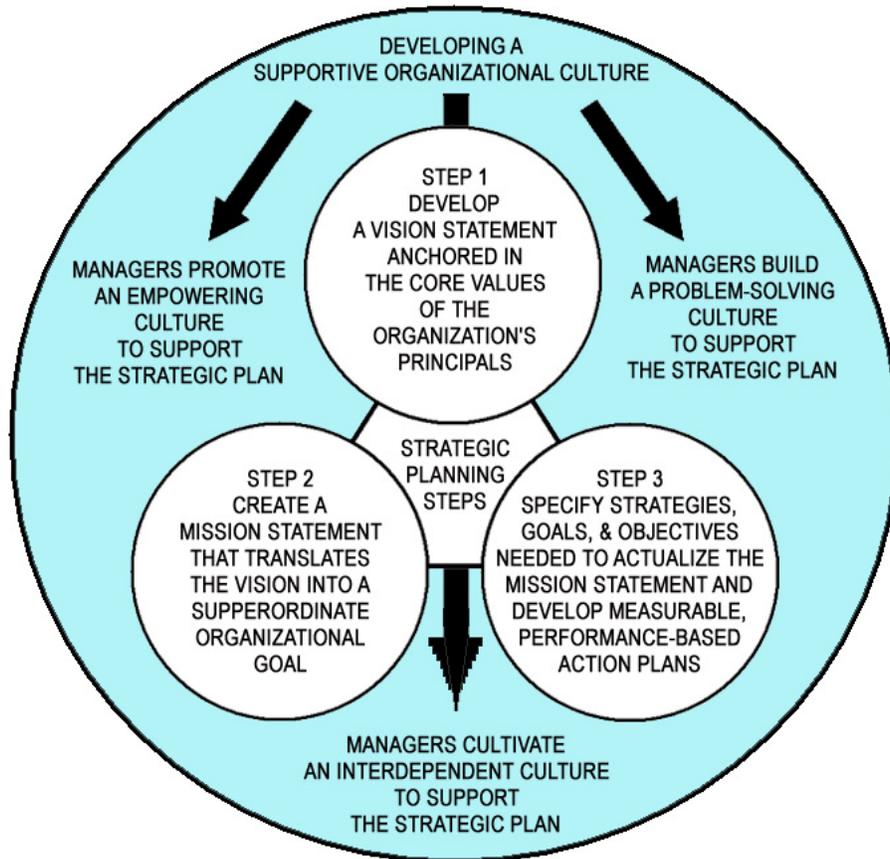
As shown in Figure One, creating customer value by delivering customer-valued services and products calls for three simultaneous sets of actions by managers:

- ◆ *Managers select, train, coach, and support employees to develop the performance competencies needed to achieve the organizational mission.* By anchoring performance to the organizational mission and helping and supporting employees in the development of the performance competencies required to achieve that mission, managers create an empowering culture in which self-motivated employees deliver customer-valued services and products.
- ◆ *Managers guide employees at every level in developing efficient, cost-effective, and customer driven processes.* By developing a system that actively promotes and encourages employees to submit ideas and then training and facilitating them in the application of process improvement techniques, managers create a problem solving culture in which employees continuously search for ways to redesign and improve the ways they deliver customer-valued services and products.
- ◆ *Managers model, promote, and cultivate organization-wide, customer-driven teamwork.* By training employees, demonstrating teamwork with their own behaviors, and encouraging employees to see their organization as “one whole team,” managers create an interdependent culture in which people see everyone as performing an important function as they all collaborate to deliver customer valued services and products.

### 3. STRATEGIC PLANNING AND THE ORGANIZATIONAL CULTURE

Guided by the *Real Bottom Line* philosophy, my approach embeds strategic planning in the organizational culture as shown in Figure Two.

*Figure Two*  
**Strategic Planning Embedded In The Organizational Culture**



Unfortunately, all too often, grand, long-range views and well-written mission statements are enthusiastically translated into goals, strategies, objectives, and action plans, while key elements of the organizational culture necessary for successful implementation are relatively neglected.

The behaviors of people in an organization both shape and are shaped by its culture. Organizational culture is virtually the “personality” of an organization—the values it lives by, its norms, its processes, and its communication systems. The elements of an organization’s culture will determine how much employees throughout an organization are aligned to the strategic plan, how much they support it with their actions, and thus the degree of its success.

As shown in Figure Two, at the same time I guide managers through the three strategic planning steps, I train them to develop an organizational culture that supports the strategic plan. The following sections describe my approach.

## 4. STRATEGIC PLANNING STEPS

### *Strategic Planning: Step One*

#### *Develop A Vision Based On The Core Values Of The Organization's Principals*

My first step in Strategic Planning is to assist the organization in developing a Vision Statement. To accomplish this, I begin by interviewing those organization principals responsible for creating and or sustaining the organization, such as Board members and top management, to determine their perceptions of why the organization exists. I also review customer data to learn what *they* expect from the organization. If such customer data is sparse or non-existent, I conduct customer focus groups and/or customer surveys.

Then I bring top managers together. Over the course of several meetings, I use facilitative techniques to help them uncover their individual values—the principles that guide their behavior in the organization. Together, we build a consensus of what Collins and Portas refer to as *core values*—“the essential and enduring tenets of an organization.”<sup>2</sup> They act as guidelines for day-to-day behaviors for everyone in the organization.

Using these core values, I help managers articulate a value-driven philosophy—a set of beliefs that will frame their decisions and actions. I facilitate them in arriving at an organizational Vision Statement—a statement of the organization's hopes for the future—based on their value-driven philosophy,

I use several guidelines in helping them shape that statement. The Vision describes what customers can expect of the organization. It should inspire members of the organization to draw together in a common direction. And it should be concrete enough to serve as a foundation or guideline for the next steps in the strategic planning process.

Throughout these first few activities, I encourage managers to meet with employees in their work areas to share what they are thinking, as well as to seek employee views of values, philosophy, and visions of the future as input to their own thinking.

### *Strategic Planning: Step Two*

#### *Create A Mission Statement That Translates The Vision Into A Superordinate Organizational Goal*

My next step in strategic planning is to assist the principals in bringing their Vision into reality by setting their sights on a “superordinate organizational goal”—the Mission Statement—which is a broad, long-term overall goal for the organization, a kind of umbrella-goal for the operational goals that will be developed in Step Three.

I then help people in the organization turn the Mission Statement into a truly living statement by getting *everyone* in the organization involved—the Mission Statement is a wonderful opportunity to align people in the same direction.

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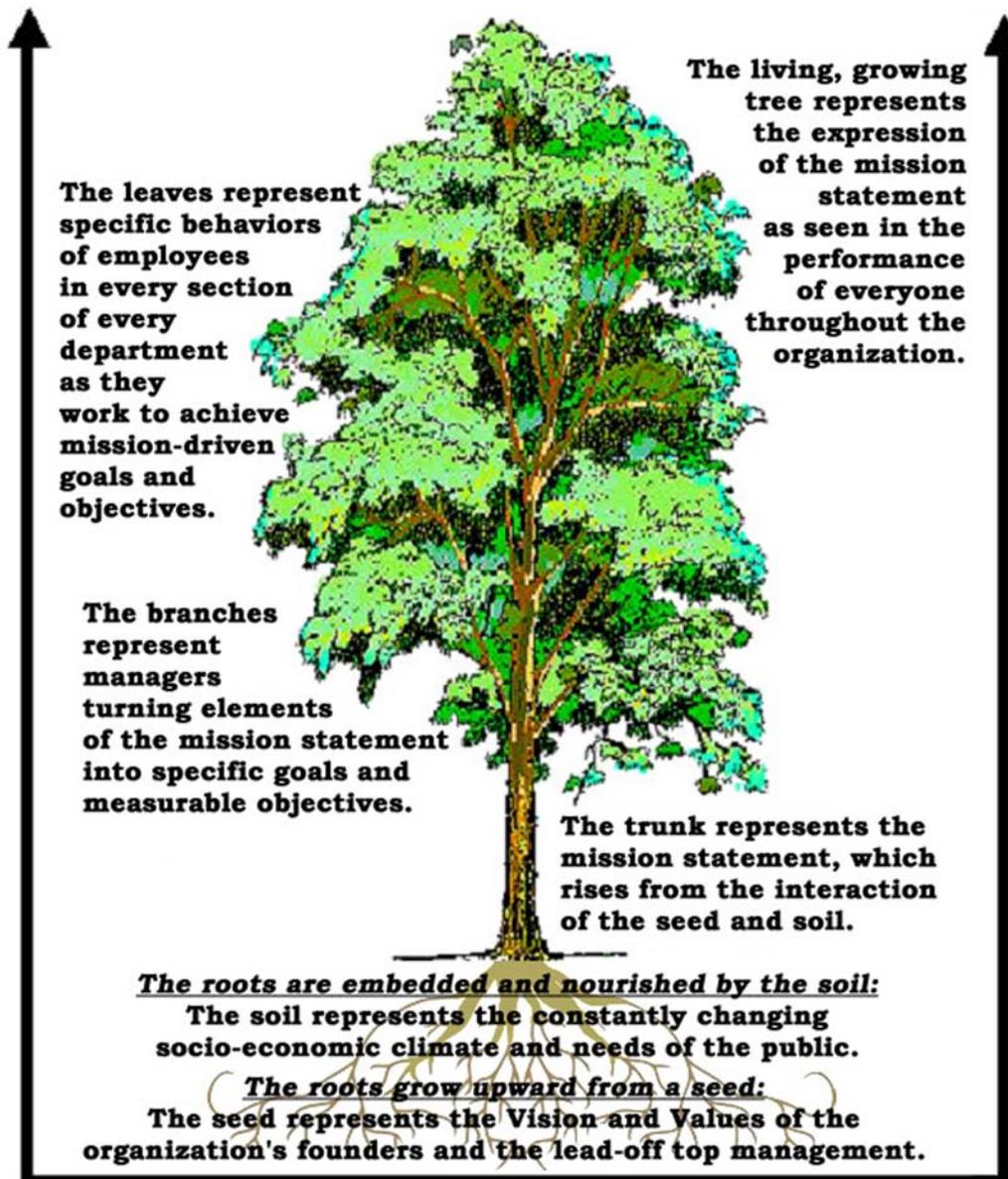
<sup>2</sup> See *Building Your Company Vision* by James C. Collins and Jerry I. Portas in the *Harvard Business Review*, September-October, 1996.

I do this by facilitating managers and employees in translating every piece of the Mission Statement into “supportive behaviors”—very specific, ongoing behaviors that would be observed if people were being guided and driven by the organization’s mission.

In some organizations, these specific behaviors are written as “pledges” from managers to employees, employees to managers, and employees to one another. In other instances, these specific behaviors become actual performance measures.

In this manner, we turn the Mission Statement into a dynamic force for the organization. Figure Three is a graphic portrayal of this process. (Read the figure from the bottom up.)

**Figure Three**  
**Turning a Mission Statement into a Dynamic Force**



### Strategic Planning: Step Three

#### ***Specify Strategies, Goals & Objectives Needed To Actualize The Mission Statement And Develop Measurable, Performance-Based Action Plans***

As I described earlier, the Mission Statement is a long-term superordinate goal. To move toward achieving this broad goal, I help managers translate it into more detailed sub goals and articulate the strategies designed to attain them. I then facilitate managers in the identification of specific objectives and the construction of the measurable, performance-based Action Plans needed to attain those objectives.

As portrayed in the Figure Four, I help the organization move from more general goals to more specific steps and measurable performance targets.

These goals are relevant to everyone in the organization—even though they focus on a variety of different areas such as financial effectiveness, service excellence, employee competence, etc. Supporting each goal are one or more strategies, each directed toward specific objectives.

Here's where the work gets more detailed. In order to achieve an objective, an Action Plan must be developed—the specification of the series of steps needed to attain an objective.

As “roadmaps” for achieving objectives, Action Plans can be directed at one or a combination of organizational, department, section, or workgroup levels. Each step in an Action Plan involves one or more work processes. Sometimes a step requires modifying a process. At other times, new processes must be developed.

To implement Action Plans, I assist managers in forming Action Teams and selecting someone to oversee each team, to be accountable for implementation. I train team leaders in the facilitation and meeting techniques that will aid them expedite the full implementation of an Action Plan.

I help Action Teams identify appropriate and measurable performance targets linked to realistic timeframes. These may include measures of individual or group behaviors, measures of customer satisfaction, measures of financial performance, etc., depending on the nature of the objective. I assist them in using those measures to collect baseline data. I also train them how to monitor the progress of their Action Plans and how to modify them where necessary.



## 5. DEVELOPING A SUPPORTIVE ORGANIZATIONAL CULTURE

Concurrent with the strategic planning steps, I show managers how to create an organizational culture that will support the strategic plan. I focus my training on three characteristics of a supportive culture: (a) a supportive culture empowers people; (b) a supportive culture fosters a problem-solving mindset; and (c) a supportive culture cultivates an interdependent mindset. The following sections describe the training I use to develop a culture that supports the strategic plan.

### A. Managers Promote An Empowering Culture To Support The Strategic Plan

I train managers how to empower people, promoting a culture in which people assume ownership and feel responsible for the work they do in support of the strategic plan. This training is a very important part of my approach because the behaviors of managers toward employees can make or break any strategic plan!

The styles of too many managers today are still rooted in the outdated style of Frederick Winslow Taylor who was hired by Henry Ford to smooth out his mass production of automobiles. Taylor saw complex organizations through the eyes of an engineer looking at a machine. For him, employees were equivalent to machine parts. Taylor viewed an organization as a machine composed of cheap, interchangeable parts with each part having one specific function. The job of managers was to think. The job of employees was to do.

This view of management was profoundly influential for the better part of the 20<sup>th</sup> century. Managers believed that their primary job was to make sure that employees get the work done. They were focused on carrying out orders from above and passing them on to those below in order to make things happen. They saw their job as making decisions. The job of their employees was to implement those decisions.

Unfortunately, many managers today still hold this view. One result of this management style is an organizational culture in which employees end up protecting themselves when making mistakes, instead of viewing those mistakes as opportunities to learn and improve. I call this *a survival culture*.

Charged with ensuring that employees successfully accomplish their work, the primary role of the 21<sup>st</sup> century manager is that of a *facilitator* or *catalyst* who is supportive of his or her employees, who brings out their best and helps them unleash their talents and develop their skills. Managers train, mentor, and coach their employees, and provide a supportive working environment.

The 21<sup>st</sup> century manager promotes continuous learning and collaborative problem solving. Employees are encouraged to contribute their ideas for improving work processes. Managers behaving this way cultivate *an empowering culture*, which greatly enhances the potential success of implementing a strategic plan..

Managers, many of whom came up through the ranks and still use the old Taylor style of management, must be trained as 21<sup>st</sup> century managers to develop an empowering

culture. Some of the key ideas behind such training that I give to managers are shown in Table One.

**Table One**  
**Managers Are Key To Promoting**  
**An Empowering Culture To Support Strategic Planning**

<b><i>In A Survival Culture,</i></b> People are unaware of how their jobs fit into the organization's mission	<b><i>In An Empowering Culture,</i></b> People know what each must do to achieve the organization's mission	<b><i>Managers:</i></b> Involve everyone in shaping and owning the organization's mission
<b><i>In A Survival Culture,</i></b> People do only what their job descriptions say they should do	<b><i>In An Empowering Culture,</i></b> People go beyond their job descriptions to help others	<b><i>Managers:</i></b> Focus people on outcomes rather than rigid job descriptions
<b><i>In A Survival Culture,</i></b> People obediently follow procedures, no matter how ineffective they are	<b><i>In An Empowering Culture,</i></b> People, together, continuously strive to improve work processes	<b><i>Managers:</i></b> Foster and reinforce an customer-driven problem-solving mindset
<b><i>In A Survival Culture,</i></b> People self-protectively keep their opinions and ideas to themselves	<b><i>In An Empowering Culture,</i></b> People, unafraid, freely and openly express their opinions and ideas	<b><i>Managers:</i></b> Support diverse opinions and never belittle those who disagree
<b><i>In A Survival Culture,</i></b> People are out for themselves and their own departments	<b><i>In An Empowering Culture,</i></b> People are aware of their interdependence throughout the organization	<b><i>Managers:</i></b> Model, demonstrate, and teach interdependence

The training sessions also provide managers with current information and techniques on a variety of topics, such as strategic planning, leadership, coaching and facilitating, team management, motivation, process improvement, meeting effectiveness, etc.—all focused on building an empowering culture.

Two elements of this empowering training are of particular importance.

The first is training directed at establishing what Robinson and Schroeder<sup>3</sup> call an “idea system.” This is an organized system, supported at every level of the organization, that encourages, promotes, and processes ideas submitted by individual employees. The more employees see their ideas being valued by the organization, the more they feel empowered. I accomplish this by using what I call *Strike Teams*, which are teams formed

<sup>3</sup> See *Ideas Are Free* by Alan G. Robinson and Dean M. Schroeder, (San Francisco: Barrett-Koehler Publishers, Inc.), 2004.

by employees who come up with ideas for improving processes to be more customer-responsive, efficient, and cost-effective, and to make their work easier, I will describe this training in more detail in Section 5B on pages 11 and 12.

The second element of my empowerment training is directed at the one-on-one relationships between managers and employees. I train managers to use the five-step process shown in Figure Five.

In the first step, a manager ties an employee's work to the organizational mission. This is accomplished by first discussing the specific strategies, objectives, Action Plan outcomes, and processes that involve the employee. During that discussion, they talk about how the organizational mission translates into specific employee behaviors (as described earlier).

In the second step (given those behaviors), I assist managers in reaching a mutual clarification of manager and employee expectations for employee performance. One useful technique is the *Top Ten Planner*.<sup>4</sup>

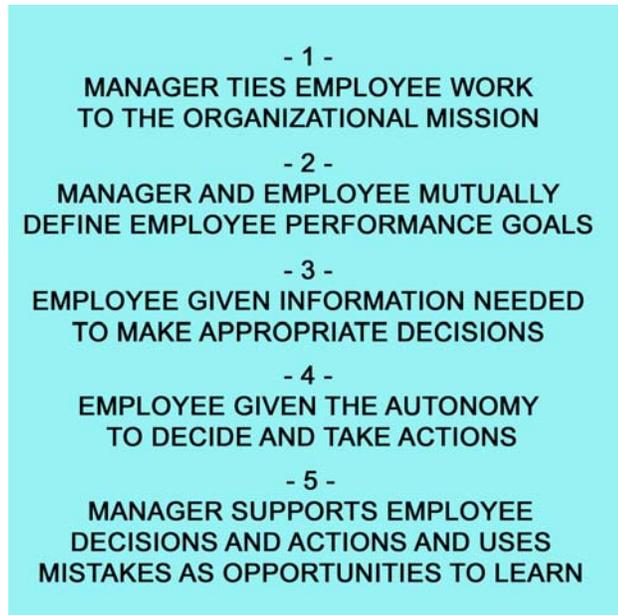
The manager lists the top ten expectations he or she has for a particular employee and then asks the employee to do the same. The two of them compare lists and arrive at a mutual agreement about expectations. These actually become guidelines for ongoing performance feedback.

In the third step, the manager gives the employee all of the information needed for the employee to make appropriate decisions on a daily basis—for example, the latitude an employee has in making financial decisions or other decisions in response to customer requests.

In the fourth step, using the needed information as guidelines, the manager gives the employee the autonomy to make decisions and take actions on his or her own.

In the fifth step, I train managers to find ways they can support employee decisions and actions. This may involve training, equipment and materials, or assistance from other employees. I emphasize the importance of managers using mistaken employee decisions

**Figure Five**  
**A Five-Step Empowerment Process**



<sup>4</sup> Ken Blanchard, John P. Carlos, and Alan Randolph, *Empowerment Takes More Than A Minute* (San Francisco: Berret-Koehler Publishers), 1996, pp.45-49.

or actions as an opportunities to learn. A manager meets with his or her employee when a mistake is made and constructively critiques the employee's performance. Together, they brainstorm about what could have happened differently. This approach helps the manager become a coach for his or her employee, to move the employee toward performance excellence. It encourages managers to constantly give feedback to their employees instead of relying solely on annual performance reviews. Most importantly, given that expectations are anchored in the strategic plan, it empowers employees to actively support the plan.

### **B. Managers Build A Problem Solving Culture To Support The Strategic Plan**

At the heart of any strategic plan is *process change*, whether existing processes are being modified or new processes are being developed. I therefore focus managers on the second characteristic of a supportive culture: developing a problem solving mindset in employees that encourages them to continuously improve processes.

I spend considerable time training managers (and later, *everyone* in the organization) in process improvement methodologies and techniques. I introduce them to a variety of process improvement tools. I give them a short course in appropriate measurement and statistical approaches.

I then use *Strike Teams* to tweak processes. I call these teams “Strike Teams” to emphasize that they are small, short-lived process improvement teams, explicitly formed to strike quickly to improve one specific process. A Strike Team is *not* a standing committee that meets periodically over a long period. Rather, it is a more transient team—people come together to attack a specific process, continue meeting together until they have achieved a desired end, and then disband.

Different teams can be made up of different mixes of people throughout the organization—it is important that the people making up a Strike Team are people who are involved in the process being worked on. Further, they don't limit their meetings to just weekly meetings. They meet as many times as they want, over as long a time period as needed to effectively improve and/or develop the desired process. Some will find they can do so in just a few meetings, while others will find they have to meet many more times.

My use of Strike Teams is based on three assumptions.

First, the people with the most knowledge of how something is done (and what could be done to improve what is being done) are the people doing it. In fact, I have found that many managers do not really know how to actually perform the day-to-day jobs of at least some of their employees.

Second, when people make suggestions for improvement and see their suggestions being seriously considered and often implemented, they feel more valued in the organization. The more valued they feel, the more effective they will be at supporting the strategic plan.

Third, the more people are involved in the design of their own work processes, the more they will feel a sense of ownership in what they are doing and the more they will exercise self-responsibility for their work. The organization can only benefit.

I show Action Teams how to use the Strike Team approach when developing and implementing their Action Plans. Strike Teams can be used at any stage—in fact, during implementation of an Action Plan, the Action Team may use several Strike Teams to help them complete steps. This further reinforces a problem solving culture.

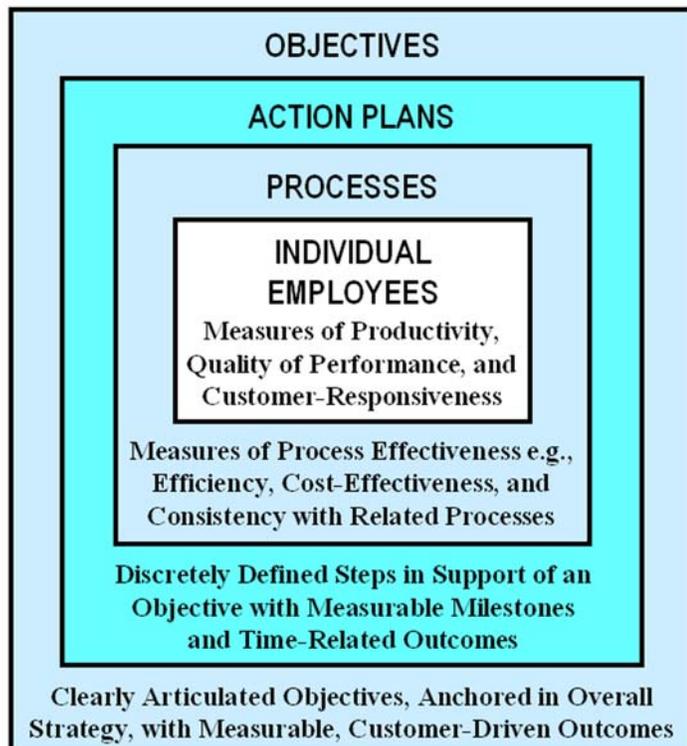
A critical component of a problem-solving culture is performance measurement—measuring the performance of an Action Team, a Strike Team, or an individual employee.

The development of specific performance measurements is very important to the long-range success of strategic planning. In keeping with my holistic approach, I view performance measurement as more than measuring an employee’s behaviors in his or her local work group. Each employee must be measured in the context of and be able to see how he or she contributes to the achievement of strategic organizational objectives.

I assist an organization in providing that context by facilitating a series of employee meetings designed to demonstrate how specific jobs are embedded in the multi-levels of measurement associated with the strategic plan, as shown in Figure Five.

Each measurement level has its own set of criteria. Objectives are measured with customer-driven outcomes. Action Plans are measured with milestones and time-related outcomes. Processes must be evaluated according to their efficiency, cost-effectiveness, and consistency with related processes. Employee performance involves measures of skill levels, productivity, quality, and customer-responsiveness.

**Figure Six**  
**Levels of Measurement**



No matter the level of measurement, I guide organizations in the development of performance measures that share several key characteristics as shown in Table Two on the next page.

**Table Two**  
**Characteristics of Good Performance Measures**

CHARACTERISTIC	DEFINITION
<i>Well-Defined</i>	<b>The measure must be expressed clearly so that everyone understands it.</b>
<i>Valid</i>	<b>The measure must really measure what it is supposed to be measuring.</b>
<i>Reliable</i>	<b>The measure must be consistent and dependable, so that repeated measurements yield the same results.</b>
<i>Verifiable</i>	<b>The measure must stand up to confirmation by someone else applying the same documentation and procedures.</b>
<i>Responsive</i>	<b>The measure must be responsive to and capable of reflecting change.</b>
<i>Timely</i>	<b>The measure must be reportable in a timely manner so it can be used to suggest modifications.</b>

An organization may use a large variety of performance measures, depending on the objectives, Action Plans, and processes, and the kinds of employee skills required to implement a strategy. Outcome measures for objectives, for example, may be concerned with time, efficiency, customer behaviors, cost, quality, quantity, facilities, etc. Identifying which measures to use is a key step in performance measurement. Using the characteristics listed in Table Two above, I help organizations select the most practical measurements.

I train people to look beyond the use of a measure simply as a “success” measure—it can also be used to identify what needs to be changed.

For example, suppose the objective of an Action Plan is: “By May 15, 2005, the Accounting Department will cut the time it takes to process a customer request by 50%.” Success would be achieving a 50% reduction of time by May 15. But reaching only 20% reduction by May 15 (unsuccessful achievement of the objective) raises the question: “why did we not achieve our objective?”

In other words, measures can also stimulate us to look for factors that, when changed, will lead to improvement in the systems we are measuring.

I realize that this last point is one of those “of course, everybody knows *that!*” kind of thoughts. However, in my experience, particularly in the private sector, “success numbers” become so paramount that they often are used as opportunities to punish rather than as opportunities to improve.

### **C. Managers Create An Interdependent Culture To Support The Strategic Plan**

The third characteristic of a culture that supports the strategic plan is *interdependence*—people collaborate with an interdependent mindset.

Given my philosophy that the real bottom line in any private or public organization is the creation of customer value by delivering customer-valued services and products, I cultivate an interdependent mindset by focusing everyone in the organization on the customer.

Organizations exist because of customers. Whether they are public or private sector organizations, they exist because someone needs their services and/or products. Thus it is important that every single employee is constantly aware of the fact that he or she plays an important role somewhere in the chain of organizational activities that end up with a service or product for a customer.

Creating an interdependent culture by focusing on the cultivation of customer-driven behaviors includes several actions:

1. Provide customer relations training focused on developing an interdependent mindset in every employee in the organization.
2. Develop internal customer satisfaction which then benefits external customers.
3. Determine what customers want and establish an ongoing measurement system to assess whether they are getting what they want.
4. Design and fine-tune processes to give customers what they want.

Each of these actions is described more fully in the following sections.

— 1 —

#### ***Provide Customer Relations Training Focused On Developing An Interdependent Mindset In Every Employee In The Organization***

Based on my experience with a variety of public and private sector organizations over the years, I've concluded that several factors inhibit quality customer service:

1. Employees do not see the *Big Picture*—how they are all interdependent.
2. Organizational policies and procedures are not customer-driven .
3. There is no adequate system in place for ongoing use of customer feedback to improve processes.
4. Managers are not empowering people to make decisions and take actions with customers.
5. Employees are not sufficiently reinforced for quality service or quality effort.
6. People are inadequately trained in interpersonal and telephone people skills.
7. There is too much turf protection—territorial behavior of individual sections.

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8. Inadequate communication exists among sections of an organization.
9. There is a lack of inter-section support among sections.

I've already addressed the first factor, *employees do not see the Big Picture—how they all are interdependent*, several times in this document—I talked about helping organizations turn the mission statement into specific behaviors and I described the training I deliver to managers to create a team culture—an interdependent culture. Also, I introduced the technique of Strike Teams and the employee hiring and orientation processes—which enhance perceptions of interdependence—and organization-wide training on the characteristics of a successful organization-wide team.

The second factor, *organizational policies and procedures are not customer-driven*, is a direct outgrowth of the first factor. In the pursuit of all of the activities described in the last paragraph, I am constantly facilitating managers to hold customer-valued services and products foremost in their articulation of policies and procedures, again stressing interdependence.

On pages 17 and 18, I will address the third factor, *there is no system in place for ongoing use of customer feedback to improve processes*, by describing how I set up customer feedback measurements and establish a system for utilizing the information obtained to improve processes that yield appropriate customer-valued services and products.

Earlier I also discussed the fourth factor, *managers not empowering people to make decisions and take actions with customers*, when I described training managers in a five-step empowering process on pages 10 and 11 above. Steps 3 and 4 in Figure Five on page 10 empower employees to make decisions and take actions that benefit customers.

I address the fifth factor, *employees are not sufficiently reinforced for quality service or quality effort*, with training that teaches managers strategies for incentivizing behavior and stimulating internal motivation and emphasizing teamwork.

For the sixth factor, *people are inadequately trained in interpersonal and telephone people skills*, I deliver a series of all-employee training sessions focused on: Interpersonal Communication, Active Listening, The Influence of Mental Filters, Dealing with Difficult People, Conflict Resolution, and Competence and Personal Responsibility.

The seventh, eighth, and ninth factors listed on the last page (*there is too much turf protection—territorial behavior of individual sections, inadequate communication exists among sections of an organization, and there is a lack of inter-section support among sections*) are all addressed below in the section, “Develop Internal Customer Satisfaction To Benefit External Customers.”

In all of this training, I constantly emphasize that creating customer value calls collaboration and teamwork throughout the organization.

I recognize that one additional factor may inhibit quality customer service: inadequate staffing. In Figure Three on page 6, I introduced the socio-economic climate as an

important consideration in shaping an organization's Mission Statement. The external socio-economic climate can constrain the hiring of staff and it is not directly in the span of control of the organization. To some extent, this problem can be overcome by generating funds to hire staff through improving processes that result in cost-savings. Also, designing processes that better serve customers will lead to a larger customer base, which, in turn, will generate additional funds.

Finally, depending on the organization, I design tailored training modules to meet more specific customer service needs.

— 2 —

### *Develop Internal Customer Satisfaction To Benefit External Customers*

I've repeatedly emphasized the importance of cultivating customer-driven employee behavior throughout the organization. In addition to those described previously, I use another technique I call *Inter-Section Problem-Solving*, which is designed to get people seeing other people in the organization as customers—*internal* customers—while keeping the focus on *external* customers.

In describing this technique, I am using the word “section” to refer to an organizational unit. It may be a department, a section, a workgroup, etc., depending on the structure of the organization. It could also be a manager or supervisor group vs. employee groups.

Relying on the key processes mapped during the process improvement training, I ask each section to form a “panel” that examines how their work is in any way made more difficult by something another section does. I ask them to come up with a series of recommendations to other sections about processes those sections could change that would render the panel section's work more effective.

After each section forms a panel and comes up with suggestions, I facilitate a series of “panel meetings” in which the panel shares their suggestions with people in other sections. These meetings gave each section an opportunity to develop and present for discussion their suggestions for changes that could be made by those other sections to help them make their own work more efficient and effective. During my facilitation, I keep those discussions focused on problem solving, rather than griping and faultfinding. Each panel meeting is transcribed and given back to *all* sections.

An example comes from the Building Inspectors in a county permitting department. They found that during final inspections in the field, customers would become upset because an Inspector could not find documentation that certain permits—such as an Environmental permit or a Well and Septic permit—had not been properly signed-off prior to the final inspection. This, of course, caused a delay in the final inspection because the customer had to go back to the permitting department to get the sign-off. The Building Inspector panel met, looked at processes, and came up with suggestions to improve the effectiveness of documented sign-offs in the processes of the relevant sections

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The *Inter-Section Problem-Solving* technique is very effective. Many inter-section problems get solved during the meeting. Many more are improved later as sections pour over the meeting transcriptions.

In using this technique, I have found that people come to see and appreciate what other people are contributing to the organization's success, highlighting their interdependence. They come to view the organization as a blend of many levels and many sections, working together to produce customer-valued products or services, i.e., they develop an interdependent mindset.

This can be pictured as a funnel, as shown in Figure Seven, using a county organization as an example. From the top level of the county to individual employees—throughout departments, sections, and work groups—processes are interconnected in an effort to produce customer-valued services at the end of the funnel.

I facilitate inter-section problem-solving panels to address issues and promote teamwork. I have found this approach to be one of the most useful methods to develop an interdependent organizational culture in support of the Strategic Plan. It provides people with a more comprehensive picture of the organization and the importance of everyone in it—and it aligns everyone toward *the real bottom line*.



In addition, as a side benefit, the panel meetings further reinforce problem solving mindsets. It doesn't take more than a few meetings for people to face a problem with the attitude "how can we fix it" rather than pointing fingers at someone to blame.

— 3 —

***Determine What Customers Want  
And Establish An Ongoing Measurement System  
To Assess Whether They Are Getting What They Want***

It is impossible to create an interdependent mindset focused on creating customer value without knowing what customers want and if they are getting it.

I use a number of different measurement approaches to make these determinations, depending on the nature and stage of development of the customer service or product being delivered.

— 17 —

If a *new* service or product is being offered I use exploratory methods, such as customer focus groups, questionnaires, surveys, and interviews. Focus groups allow me to explore the need for the service or product with in-depth group discussions, in which customers tell me what they really want. If similar services or products have been unsuccessfully offered to them in the past, they also describe why they didn't meet customer needs.

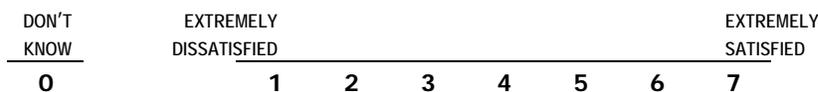
I design surveys or questionnaires tailored to an organization to give me important quantitative and qualitative information. Examples of quantitative information are satisfaction rating scales, prices, and delivery timelines. Examples of qualitative information are suggestions for service or product features and descriptions of the benefits associated with those services or products. I often use interviews in conjunction with surveys or questionnaires in order to more fully understand a customer's impressions or experiences, or learn more about his or her answers to a survey or questionnaire.

Once a new service or product is launched, I set up an ongoing measurement methodology for obtaining customer feedback, relying on exit questionnaires and periodic surveys.

Exit questionnaires are very brief—no more than ten questions asked of customers immediately after a service or product has been delivered. This provides timely information about processes and/or procedures that need to be modified.

Periodic surveys are a bit longer, tailored to the organization. They include both scaled questions and open-ended questions. For each of the scaled questions, I ask respondents to circle a number on a scale such as the one in Figure Eight to tell me their degree of their satisfaction.

**Figure Eight**  
**Sample Survey Scale**



This type of scale is based on the advice of experts such as Palmer Morrel-Samuels, who suggests, “Well-designed surveys ask respondents to select a numerical answer on a continuum between two well-understood word choices...The inclusion of a “don’t know” or “not applicable” option enhances response rates because people know they can provide a truthful answer rather than just fill in a meaningless one.”<sup>5</sup>

I use an odd number of choices to provide the respondent with an opportunity to check a “neutral” response. Also, after several years of using surveys with varying

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<sup>5</sup> *Getting the Truth Into Workplace Surveys* by Palmer Morrel-Samuels, Harvard Business Review, February, 2002, pp.111-118

numbers of choices (from three to twelve), I have settled on a seven-point scale. Too few options doesn't give people enough choices and too many options confuses them.

This survey is then administered on a periodic basis, the results analyzed, and a report delivered to the organization. When I administer such a survey (and exit questionnaire), I write my own statistical analysis programs so that the presentations of results are tailored to meet organizational needs.

— 4 —

### *Fine-Tune Processes To Give Customers What They Want*

Using my Strike Team approach described earlier, I train employees how to use process improvement techniques to tweak their work processes toward the collaborative delivery of customer-valued service. By the completion of this training, not only have employees mapped every key organizational process in the organization, they also get an appreciation for how those processes are interrelated, i.e., *interdependent*.

While facilitating the *Inter-Section Problem-Solving* meetings I described on pages 16 and 17, I constantly emphasize the notion of interdependence. As shown in Figure Seven on page 17, customers are at the end of the chain. It requires collaborative work to deliver customer-valued services and products.

One key set of processes should be singled out for examination: processes that deal with the hiring and orientation of new employees. Selecting talented employees and orienting them to the organization's focus on creating customer value is an important part of delivering customer-valued services and products. I help organizations to redesign these processes with the eight-step method displayed in Table Three on the next page.

As seen in that table, from the initial selection guidelines, based on the organizational mission and values, through the orientation process, I stress the importance of customer-driven behavior.

Notice that I include "talent" as a selection factor in my approach. This is based on 25 years of research, and interviews with more than a million employees, conducted by the Gallup organization.<sup>6</sup> Gallup researchers asked employees hundreds of questions on every conceivable aspect of the workplace. After analyzing their data, they concluded that successful managers view *talent* as a critical attribute of excellent employees.

The Gallup researchers define talent as "any *recurring* patterns of behavior that can be productively applied." They argue that when organizations hire people, they typically rely on education, experience, references, etc. But they do not focus on talent, which is a critical driver of performance.

According to the Gallup research, *every* role, performed at excellence, requires talent, because *every* role, performed at excellence, requires certain *recurring* patterns of thought, feeling, or behavior.

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<sup>6</sup> *First, Break All The Rules* by Marcus Buckingham and Curt Coffman (New York: Simon and Schuster), 1999

The Gallup researchers argue that “Great nurses have talent. Great truck drivers have talent. Great teachers have talent. Great housekeepers have talent. Great flight attendants have talent. And so on.”<sup>7</sup>

**Table Three**  
**Mission and Customer Driven Hiring and Orientation Steps**

<b>BEFORE HIRING</b>	<b>AFTER HIRING</b>		
<p>— 1 —</p> <p><b>Determine The Kind Of Employee You Are Looking For</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;"> <p><u>Be Guided By:</u> Mission &amp; Values of the Organizational Culture</p> </td> <td style="width: 50%; padding: 5px;"> <p><u>Study Your Best:</u> Skills ♦ Knowledge Talent ♦ Experience</p> </td> </tr> </table> <p>Invite Candidates Guided By Above Information</p>	<p><u>Be Guided By:</u> Mission &amp; Values of the Organizational Culture</p>	<p><u>Study Your Best:</u> Skills ♦ Knowledge Talent ♦ Experience</p>	<p>— 5 —</p> <p><b>Implement An Effective Orientation Process</b></p> <p><i>Anchor Orientation in Mission, Values, &amp; Culture Provide Employee with Needed Information Assign Employee to a Mentor Involve Managers &amp; Include Tour of Organization</i></p>
<p><u>Be Guided By:</u> Mission &amp; Values of the Organizational Culture</p>	<p><u>Study Your Best:</u> Skills ♦ Knowledge Talent ♦ Experience</p>		
<p>— 2 —</p> <p><b>Use An Effective Screening Metric</b></p> <p><u>Key Questions About:</u> Skills ♦ Talent Knowledge ♦ Experience</p>	<p>— 6 —</p> <p><b>Implement An Effective Training Program</b></p> <p><i>Include Organizational Mission &amp; Values, Relevant Customer-Driven Work Processes, and Interpersonal Skills</i></p>		
<p>— 3 —</p> <p><b>Use Appropriate Interview Questions</b></p> <p><i>Direct Knowledge &amp; Skills Questions Follow-Up Experience Questions Open-Ended Questions for a Talent Interview</i></p>	<p>— 7 —</p> <p><b>Coach, Support, &amp; Track Performance During Probationary Period</b></p> <p><i>Use Performance-Based Tracking Method Department Meetings Include Team Support Manager and Mentor Coach Daily</i></p>		
<p>— 4 —</p> <p><b>Interview And Decide</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 5px;"> <p><i>Interviews for Non-Talent Attributes</i></p> </td> <td style="width: 50%; padding: 5px;"> <p><i>Interview for Talent Stands Alone</i></p> </td> </tr> </table> <p><i>Involve Other Employees in Interviews &amp; Hiring Decisions</i></p>	<p><i>Interviews for Non-Talent Attributes</i></p>	<p><i>Interview for Talent Stands Alone</i></p>	<p>— 8 —</p> <p><b>Facilitate Internal Motivation</b></p> <p><i>Identify Employee's Internal Needs Match Needs to Incentives Reward Long-Term Employment with Special Incentives</i></p>
<p><i>Interviews for Non-Talent Attributes</i></p>	<p><i>Interview for Talent Stands Alone</i></p>		

## 6. A FINAL NOTE

In this paper, I have presented a holistic approach to strategic planning—a straight-forward, three-step process that is implemented in sync with a set of actions designed to promote an empowering organizational culture.

<sup>7</sup> *Ibid*, page 71.

My approach is grounded in the belief that the *real bottom line* in any private or public organization is *creating customer value*, which is maximized by fully engaging the people who deliver that bottom line, *individual employees*.

Engaging employees to create customer value calls for the development of an empowering culture—a culture in which people *own* what they do and everyone is energized with three important mindsets: a problem-solving mindset, an interdependent mindset, and a customer-driven mindset.

The higher the value customers place on an organization's services and products, the more likely they will be loyal customers. The more customer loyalty created, the greater the likelihood of a large customer-base. The larger the customer-base, the better will be the financial bottom line: private sector organizations will see more profits and more investments from happy shareholders; public sector organizations will see more financial support from the public, more cost-effective operations, and, thus, larger and more stable budgets.

To sum it up: to successfully implement a strategic plan, organizations must develop a supportive culture that involves every individual employee at every level in the organization.

That is the intent of the holistic approach I've described in this paper.