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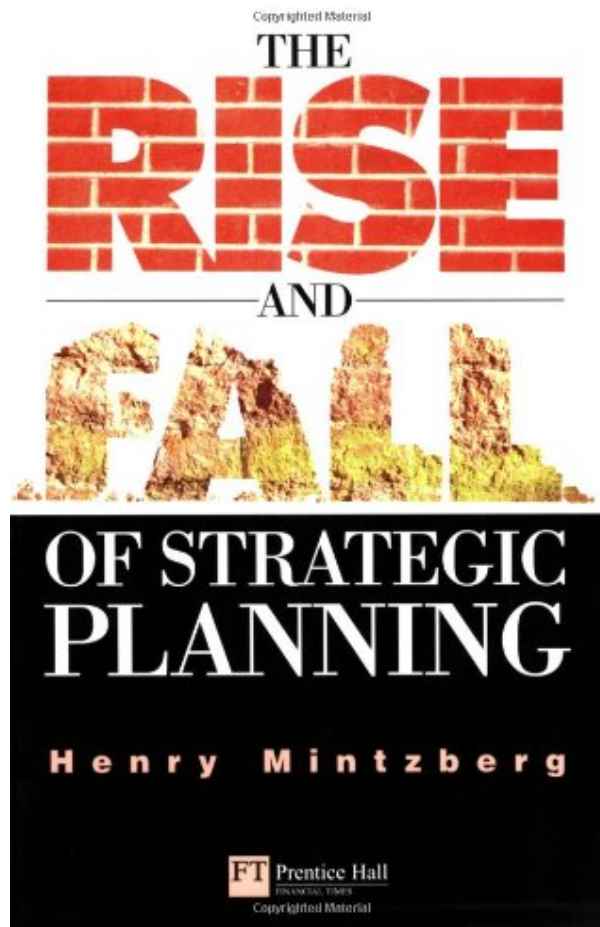
THE RISE AND FALL OF STRATEGIC PLANNING

Henry Mintzberg

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From Booklist
It is with intended irony that Mintzberg, former president of the Strategic Management Society, proclaims the fall of strategic planning. Author of the seminal The Nature of Managerial Work (1973), Mintzberg traces the rise of strategic planning from 1965, noting the fervor with which it came to be embraced, and analyzes its origins and history. His main thesis is that planning and strategy making are mutually exclusive activities. While acknowledging a vital role for planning, he claims that the process can straitjacket an organization by stifling innovation and commitment. On the other hand, strategy making is a fluid, informal process requiring adaptability. Mintzberg includes an impressive amount of research in this scholarly, readable treatise, and he suggests how strategy making and planning can be implemented to complement each other. This should prove to be an important work. David Rouse

About the Author
Henry Mintzberg is a visiting professor at INSEAD in France and a two-time winner of the prestigious McKinsey Award for the best Harvard Business Review article. A fellow of the Royal Society of Canada -- the first fellow elected from a management faculty -- he is the author of several seminal books including Mintzberg on Management (Free Press, 1989).

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Chapter 1: Planning and Strategy

What is the relationship between planning and strategy? Is strategy making simply a process of planning, as the proponents of planning have so vigorously insisted? Or, at the other extreme, is strategic planning simply another oxymoron, like progressive conservative or jumbo shrimp (or civil engineer?). In other words, should strategy always be planned, never be planned, or sometimes be planned? Or should it relate to planning in some other way?

Barely anything written about planning or strategy provides considered answers to these questions. This book seeks to do so. We begin in this chapter by addressing some other basic questions. First we ask, "What is planning anyway?" After considering a variety of popular answers, we narrow them down to a definition

of our own. Next we ask, "Why plan?" and provide the answers according to planners. (Our own answers come later.) Finally we ask, "And what is strategy?" and answer in a way that is opposite to planning by insisting on the need for several definitions. Then, after considering briefly planning, plans, and planners, we conclude this opening chapter with the plan for the rest of the book.

What Is Planning Anyway?

This may seem like a strange question to ask as the twentieth century draws to a close, given the long popularity of planning, especially (ironically) in both Corporate America and Communist Europe. Largely a budget exercise in the America of the 1950s, it began to spread quickly, having become firmly installed in most large corporations by the mid-1960s (Gilmore, 1970:16; Chamberlain, 1968:151). At that point the notion of strategic planning took hold, to become within a decade a virtual obsession among American corporations (and in American government, in the form of the Planning-Programming-Budgeting System, or PPBS).

In fact, however, the concept dates much farther back. There is even a reference to a "Director of Strategic Planning" in Sun Tzu's The Art of War (1971:146), originally written about 2,400 years ago (although a Chinese student of mine considers this title too loose a translation from the Chinese). But there is no doubt about the translation of Henri Fayol's work. Writing of his experiences as a French mining chief executive in the last century, he noted the existence of "ten-yearly forecasts...revised every five years" (1949:47). Despite all this attention, the fact remains that the question, "What is planning anyway?", has never been properly answered -- indeed, seldom seriously addressed -- in planning's own literature.

In 1967, in what remains one of the few carefully reasoned articles on the subject, Loasby wrote that "the word 'planning' is currently used in so many and various senses that it is in some danger of degenerating into an emotive noise" (1967:300). At about the same time, one of the more impressive assemblages of planning people took place at Bellagio, Italy, (Jantsch, 1969) under the auspices of the OECD. Jay Forrester's "reflection" on the conference included the comment that "efforts to define the terms [planning and long-range forecasting] failed" (1969a:503). They have failed ever since.

Aaron Wildavsky, a political scientist well-known for his criticisms of planning, concluded that in trying to be everything, planning became nothing:

Planning protrudes in so many directions, the planner can no longer discern its shape. He may be economist, political scientist, sociologist, architect or scientist. Yet the essence of his calling-planning -- escapes him. He finds it everywhere in general and nowhere in particular. Why is planning so elusive? (1973:127)

"Planning" may be so elusive because its proponents have been more concerned with promoting vague ideals than achieving viable positions, more concerned with what planning might be than what it actually became. As a result, planning has lacked a clear definition of its own place in organizations and in the state. Yet it is our belief that planning has, nevertheless, carved out a viable niche for itself, through its own successes and failures. The need, therefore, is not to create a place for planning so much as to recognize the place it already does occupy.

This book seeks to describe that place with regard to strategy-in effect, to develop an operational definition of planning in the context of strategy making. But we do not begin with the assumption that planning is whatever people called planners happen to do, or that planning is any process that generates formal plans. People called planners can sometimes do strange things, just as strategies can sometimes result from strange processes. We need to delineate the word carefully if it is not to be eventually dropped from the management literature as hopelessly contaminated. We begin here by considering formal definitions of planning; the rest of this book is about the operational definition.

To some people (1) planning is future thinking, simply taking the future into account. "Planning denotes thinking about the future," wrote Bolan (1974:15). Or in the more poetic words of Sawyer, "Planning is action laid out in advance" (1983:1).

The problem with this definition is that it cannot be bounded. What organizational activity, no matter how short-term or reactive, does not take the future into account? Newman acknowledged the problem back in 1951 when he quoted Dennison that "Almost all work, in order to be done at all, must be planned, at the least informally and a few minutes ahead" (1951:56). By this definition, planning includes ordering a sandwich for lunch as much as establishing a division to flood the market with sandwiches. In fact, Fayol understood this breadth of the term back in 1916 when he wrote that:

The maxim, "managing means looking ahead," gives some idea of the importance attached to planning in the business world, and it is true that if foresight is not the whole of management at least it is an essential part of it. (1949:43, published in French in 1916)

But if this is true if, as Dror put it more baldly, "planning, in a word, is management" (1971:105) -- why bother to use the word "planning" when "management" works just fine?

To others, (2) planning is controlling the future, not just thinking about it but acting on it, or as Weick (1979) is fond of saying, enacting it. "Planning is the design of a desired future and of effective ways of bringing it about," Ackoff wrote (1970:1). Others expressed the same thought when they defined the purpose of planning as "to create controlled change in the environment" (Ozbekhan, 1969:152), or, more pointedly, "the design of social systems" (Forrester, 1969b:237). In this regard, John Kenneth Galbraith argued in his book, The New Industrial State, that big business engages in planning to "replace the market," to "exercise control over what is sold...[and] what is supplied" (1967:24).

But this second definition of planning, really just the other side of the coin from the first, suffers from the same problem of excessive breadth. By associating planning with free will, it becomes synonymous again with popular uses of the word management and so loses distinctive meaning.

Since practically all actions with future consequences are planned actions, planning is everything, and nonplanning can hardly be said to exist. Nonplanning only exists when people have no objectives, when their actions are random and not goal-directed. If everybody plans (well, almost) it is not possible to distinguish planned from unplanned actions. (Wildavsky, 1973:130)

Schumacher (1974) provides some conceptual help here. By distinguishing the past from the future, acts from events, and certainty from uncertainty, eight possible cases are constructed:

1. act-past-certain
2. act-future-certain
3. act-past-uncertain
4. act-future-uncertain
5. event-past-certain
6. event-future-certain
7. event-past-uncertain
8. event-future-uncertain (188-189)

This approach is used to clarify such words as "plan," "forecast," and "estimate," and we can use it here to help position planning. The first two definitions in the list appear to place planning in cases 2 and 4 -- how to act in the future, whether certain or uncertain, or how to make it certain by enacting it. Anything to do with events -- things that "simply happen" -- is outside of the realm of planning: "to apply the word 'planning' to

matters outside the planner's control is absurd," although that can be a part of "forecasting" (189). Thus planning is precluded, for example, from cases 5 and 8, the given past and the uncertain, uncontrollable future, although the author noted the frequency with which case 8 forecasts are "presented as if they were plans" (189). Alternately, "'estimates' are put forward which upon inspection turn out to be plans" (190). As for the past (e.g., case 1), planning would hardly seem to have a role to play here, although, as we shall see near the end of this book, planners themselves may have roles in that studies of past behavior can influence future events (cases 2 and 4).

Still, we need a definition of planning that tells us not that we have to think about the future, not even that we should try to control it, but how these things are done. In other words, planning has to be defined by the process it represents. In this regard, a number of writers have proposed, sometimes inadvertently, that (3) planning is decision making. As far back as 1949, Goetz defined planning as "fundamentally choosing" (in Steiner, 1979:346), and in 1958 Koontz defined it as "the conscious determination of courses of action designed to accomplish purposes. Planning is, then, deciding" (1958:48). Likewise, Snyder and Glueck, without labeling it decision making, defined planning as "those activities which are concerned specifically with determining in advance what actions and/or human and physical resources are required to reach a goal. It includes identifying alternatives, analyzing each one, and selecting the best ones" (1980:73). Similarly, in certain literature of the public sector (so-called public planning), the term planning has been used as a virtual synonym for decision making and project management (see, for example, the various writings of Nutt [e.g., 1983, 1984]). Others tried to nuance this definition: Drucker, for example, by discussing the "futurity of present decisions" (1959:239), and Ozbekhan, by describing the "future directed decision process" (1969:151).

But unless anyone can think of a decision process that is not future-directed, these nuances are of little help. Assuming that decision means commitment to action (see Mintzberg, Raisinghani, and Théorêt, 1976), every decision takes the future into consideration by a vow to act, whether it be to market a product in ten years or ship one in ten minutes. Rice recognized this when he argued that "all decisions are made with forethought," that every decision maker has "a reason for making his decision," which amounts to a "plan" (1983:60).

Thus, this third definition really reduces to the first and, because commitment is an act of free will, to the second as well. Accordingly, planning again becomes synonymous with everything managers do, "part of the intellectual process the policy maker employs to reach his decision," even if "informal, unstructured" (Cooper, 1975:229). In fact, to make their case that managers do indeed plan, Snyder and Glueck used the example of a school superintendent dealing with the efforts of a councilman to disrupt school board meetings and discredit him. But if planning is reacting to such pressures in the short term, then what isn't planning? Indeed, these authors quoted George (1972) that:

Planning, of course, is not a separate, recognizable act....Every managerial act, mental or physical is inexorably intertwined with planning. It is as much a part of every managerial act as breathing is to the living human. (1980:75, italics in original)

But if that is true, why describe what organizations do as planning, any more than describe what people do as breathing? In other words, who needs the planning label when decision making or even managing does the job? As Sayles noted, planning (presumably by any of these first definitions) and decision making "are inextricably bound up in the warp and woof of the [manager's] interaction pattern, and it is a false abstraction to separate them" (1964:2087).

Let us, therefore, begin to consider more bounded definitions of planning as a process. (4) Planning is integrated decision making. To Schwendiman, it is an "integrated decision structure" (1973:32). To van Gunsteren, it "means fitting together of ongoing activities into a meaningful whole" (1976:2): "Planning

implies getting somewhat more organized....It means making a feasible commitment around which already available courses of action get organized".

The last definition may seem close to the preceding one. But because it is concerned not so much with the making of decisions as with the conscious attempt to integrate different ones, it is fundamentally different and begins to identify a position for planning. Consider the words of Ackoff:

Planning is required when the future state that we desire involves a set of interdependent decisions; that is, a system of decisions....the principal complexity in planning derives from the interrelatedness of the decisions rather than from the decisions themselves....(1970:2, 3)

This view of planning finally takes us into the realm of strategy making, since that process also deals with the interrelationships among decisions (important ones) in an organization. But because this normally has to take place over time, such coordination among decisions is rendered difficult. Planning as integrated decision making imposes a particularly stringent requirement, however: that the decisions in question be batched -- be drawn together periodically into a single, tightly coupled process so that they can all be made (or at least approved) at a single point in time. As Ozbekhan noted of the result, "'Plan' refers to an integrative hierarchically organized action constraint in which various kinds of decisions are functionally ordered" (1969:153).

It is this requirement that may help to explain why planning is sometimes treated as synonymous with decision making. If different decisions have to be batched, they may come to resemble a single decision. Hence planning writers have tended to confuse decision making with strategy making by assuming that the latter necessarily involves the selection of a single course of action -- the choice of an integrated strategy at one point in time. Normann, in fact, made this point about Igor Ansoff's well-known writings on planning:

Ansoff regards the choice of strategy and the formulation of policy chiefly as a decision process: first, goals are established, after which (using a series of analytical techniques) alternatives are evolved and (still using analytical techniques) a choice made among them, possibly after some adjustments in the original goals. (1977:8-9)

But since, as we shall see, there are other ways in which to make strategy, notably dynamically over time, the process of integrating decisions at a point in time becomes, not strategy making, but simply planning's approach to strategy making, the situation to which it restricts itself. Thus its position becomes clearer. However, it is still not clear enough. Visionary leaders likewise integrate decisions, in their cases informally, or, if you prefer, intuitively. Yet to encompass their behavior under the planning label would again seem to broaden it beyond reasonable (and current) usage. (Indeed, as we shall see, some of the most influential writers in this field pit planning process against managerial intuition.) Thus something more is needed to identify planning.

That something, in our view, is the key to understanding planning -- formalization. (5) Planning is a formalized procedure to produce an articulated result, in the form of an integrated system of decisions. What to us captures the notion of planning above all -- most clearly distinguishes its literature and differentiates its practice from other processes -- is its emphasis on formalization, the systemization of the phenomenon to which planning is meant to apply. Thus Bryson referred to strategic planning as a "disciplined effort," in fact, "simply a set of concepts, procedures and tests" (1988:512), while in some of the research literature the term FSP was substituted for strategic planning, with the f for formal (e.g., Pearce et al., 1987).

Formalization here would seem to mean three things, especially (a) to decompose, (b) to articulate, and especially (c) to rationalize the processes by which decisions are made and integrated in organizations.

An emphasis on formal rationality permeates the literature of planning. Denning contrasted the "systematic" with the "haphazard" (1973:26-27), while Steiner argued that "Plans can and should be to the fullest possible extent objective, factual, logical, and realistic in establishing objectives and devising means to obtain them" (1969:20). Similarly, Dror claimed that in the public sector "planning is at present the most structured and professionalized mode of policy making," given its "explicit attention to internal consistency" and its "effort to supply structured rationality" (1971:93).

Rationality of this formal kind is, of course, rooted in analysis, not synthesis. Above all, planning is characterized by the decompositional nature of analysis -- reducing states and processes to their component parts. Thus the process is formally reductionist in nature. This may seem curious, given that the intention of planning is to integrate decisions. But the performance of planning has been curious too and for this very reason, as we shall see. Here, in any event, we seek to characterize planning by the nature of its process, not by its intended results. In fact, the key, if implicit, assumption underlying strategic planning is that analysis will produces synthesis: decomposition of the process of strategy making into a series of articulated steps, each to be carried out as specified in sequence, will produce integrated strategies. This, in fact and not incidentally, is the old "machine" assumption, the one that underlies the design of the manufacturing assembly line -- itself a kind of machine of human steps. If every component is produced by the machine as specified and assembled in the order prescribed, an integrated product will appear at the end of the line. Indeed, as we shall see, this analogy underlies some of the most important thinking in the field of planning, and has proved to be patently false. Organizational strategies cannot be created by the logic used to assemble automobiles.

Along with rationality and decomposition, articulation is the third key component of formalization. The product of planning-the plans themselves -- after being carefully decomposed into strategies and substrategies, programs, budgets, and objectives, must be clearly and explicitly labeled -- by words and, preferably, numbers on sheets of paper. Thus Zan, in a carefully reasoned paper called "What Is Left for Formal Planning?," concluded that "the common characteristic" of various planning systems is "the process of rendering things explicit," in terms of both processes and their consequences (1987:193). George Steiner, probably the most prolific of the business planning writers, noted that the word planning comes from the Latin planum, "meaning flat surface" (1969:5). Leaving aside the prophetic powers of the Romans with regard to a literature that was to follow in two millennia, Steiner went on to note that the word "entered the English language in the Seventeenth Century, referring principally to forms, such as maps or blueprints, that were drawn on flat surfaces" (1969:5-6). Thus, the word has long been associated with formalized documents.

So now we seem to have a more operational definition of planning, since the word can be identified with two observable phenomenon in organizations -- the use of formalized procedure and the existence of articulated result, specifically concerning an integrated system of decisions.

This may seem to some people an unnecessarily restricted definition of the term. We think not. This book's introduction suggested that planning is one proposed approach to strategy making among several that are possible. It certainly does not encompass the whole process. The theoreticians of planning may have intended a broader definition of the word, but the reality of planning -- its actual practice, let alone its tangible accomplishments -- tell a much different story. Our claim, which we believe to be demonstrated in the rest of this book, is that the definition proposed here is, by virtue of planners' own behaviors, closest to the one that planning has created for itself, and, indeed, has chosen for itself, however implicitly. In other words, in this book planning is defined by what it is (and that, it should be noted parenthetically in a departure from Wildavsky, is something!).

To some people, when corporate executives go off to a mountain retreat to discuss strategy, that is planning.

To others, adapting to external pressures informally over time is also planning. In principle, there is no problem with this. In practice, however, it creates all kinds of confusion. For example, the planners may not understand why the executives at the retreat did not structure their discussions more systematically. Had they simply called their retreat "strategic thinking," this would not happen. Because the word planning, implicitly when not explicitly, is associated with formalization, use of it presupposes the requisite decomposition, articulation, and rationalization. But for those readers who are still not persuaded by our use of the term, we suggest that every time we write planning, you read formal planning. Eventually you will probably drop the adjective, because, we hope, you begin to agree with us rather than out of just plain weariness.

Obviously, formalization is a relative, not an absolute, term. And obviously, planners carry out a range of activities, some more, some less formal. But as a process, we argue here that planning sits toward the formal end of the continuum of organizational behavior. (We shall specify this in the last chapter.) It must be seen, not as decision making, not as strategy making, and certainly not as management, or as the preferred way of doing any of these things, but simply as the effort to formalize parts of them -- through decomposition, articulation, and rationalization.

Why Plan (According to Planners)?

Given that this is planning, the question then becomes -- why do it? In a word, why formalize? And correspondingly, why decompose, why articulate, and why rationalize? The answer must extend throughout our discussion: in a sense, that is what this book is about -- why and why not do these things. But at this point, it is appropriate to consider how planners themselves have answered the question.

We shall discuss these answers in the form of imperatives, for this is how they tend to be found in so much of the literature of planning. To many of its writers, planning became not just an approach to managing the organization's future but the only conceivable one, at the limit a virtual religion to be promulgated with the fervor of missionaries. "If you say, 'Is every part of GE planned strategically?' I have to say no," commented one man who headed this function in what was once known as America's most planning-oriented company. He concluded, "Some SBUs [Strategic Business Units] do not have good strategies"! (Rothschild in Cohen, 1982:8) In a legacy -- and a phrase -- inherited from Frederick Taylor, who developed the initial practice of "scientific management," and honed through half a century of increasingly rationalistic approaches to management, planning anointed itself as the "one best way."

1. Organizations must plan to coordinate their activities. "Coordinate," "integrate," and "comprehensive" are words generously used in the vocabulary of planning. A major argument in favor of planning, as suggested in the third definition presented earlier, is that decisions made together formally in a single process will ensure that the efforts of the organization are properly coordinated. Thus Porter claimed in the Introduction to his book, Competitive Strategy:

The emphasis being placed on strategic planning today in firms in the United States and abroad reflects the proposition that there are significant benefits to gain through an explicit process of formulating strategy, to insure that at least the policies (if not the actions) of functional departments are coordinated and directed at some common set of goals. (1980:xiii, italics in original)

When the different activities of an organization take place at cross-purposes -- the salespeople have sold but the factory cannot produce, or the office tower built yesterday is too small today -- the problem is usually attributed to the lack of (effective) planning. By decomposing a strategy, or its consequences, into intentions attributable to each part of the organization, we ensure that the overall job will get done -- so long, of course, as each carries out (that is, "implements") his, her, or its plan. Here, again, we have that old machine assumption.

Moreover, the articulation of plans provides a mechanism of communication that promotes coordination across the different parts of the organization. Sawyer, for example, wrote of "the need [through planning] to bring the management process of the organization out of the individual minds of one or a few leaders and into a forum amongst a management group" (1983:5), where it can be shared and discussed, perhaps, as Zan suggested, helping to create consensus (1987:192). Some writers, in fact, have claimed that planning is of value in and of itself ("it's the process that counts") because of its capacity to enhance communication in the organization, for example, by "enriching [people's] common understanding of corporate objectives and businesses" (Hax and Majluf, 1984:66). Fayol even claimed that "The Plan...builds unity, and mutual confidence," and that it "leads to...a broadened outlook" (1949:xi).

There can be little doubt that plans and planning can serve as important mechanisms to knit disparate activities together. But to consider this an imperative or, as Weick characterized the underlying assumption, that "organizations are rational arrangements of people and props which are held together by plans" (1969:101), is another matter. Coordination can be effected in other ways too -- through informal communication among different actors (called "mutual adjustment"), through the sharing of the norms and beliefs of a common culture, also through the direct supervision by a single leader (see Mintzberg, 1979a:2-7). And even when plans do serve in a coordinating role, it cannot be assumed that planning (that is, formalized procedure) has created those plans. As for the claim that the planning process naturally enhances communication, well, meetings held for any purpose can do that!

2. Organizations must plan to ensure that the future is taken into account. "The first reason for looking at the future in a systematic way is to understand the future implications of present decisions," also "the present implications of future events" (Loasby, 1967:301). What planning does specifically in this regard is to introduce "a discipline for long-term thinking in the firm" (Hax and Majluf, 1984:66, italics added).

The future can be taken into account in three basic ways (paraphrasing Starr, 1971:315):

1. preparing for the inevitable
2. preempting the undesirable
3. controlling the controllable

Clearly, no self-respecting manager would be caught avoiding any of these things. There is good reason to try to take the future into account. But need that be done systematically and formally, that is, through planning? In many cases, no doubt, it should be. But always? The future can be taken into account in other ways too, for example, informally, by an insightful individual, indeed, even by instinct. The squirrel gathering nuts for the winter certainly takes the future into account. Indeed, it does all three things on the above list concurrently, since winter is inevitable, hunger is undesirable, and nuts are controllable! Are we to conclude, therefore, that squirrels are more sophisticated than we might have thought, or planning is less so?

An obvious response to this -- common in the literature is that managers (unlike squirrels, perhaps) have so many things on their minds that they risk forgetting about the long-term future. Planning can at least be "a means for getting topics on the agenda" (Loasby, 1967:303). As March and Simon claimed in their "'Gresham's Law' of Planning": "Daily routine drives out planning" (1958:185), or, as they restated it, highly programmed tasks tend to take precedence over highly unprogrammed ones. Planning thus becomes a means to program the unprogrammed: in the words of one General Electric planner, it "program[s] an executive's time" (Hekhuis, 1979:242). But does that resolve the problem: does forcing formal recognition of the future, let alone formalizing how it is dealt with, necessarily mean the future is properly taken into account?

3. Organizations must plan to be "rational." The prime reason put forth for engaging in planning is that it is simply a superior form of management: formalized decision making is better than nonformalized decision

making. In Schwendiman's words, it "force[s] deeper thinking" (1973:64). "Strategic thinking rarely occurs spontaneously," claimed Michael Porter in The Economist (1987:17). Setting aside the fact that no evidence was offered for this astonishing statement, is there likewise any evidence that strategic thinking is promoted by strategic planning? "Without guidelines," Porter went on, "few managers knew what constituted strategic thinking" (17). Was he really claiming that with such guidelines they suddenly knew what it was? Was it that easy? Did the managers really need planners to tell them about strategic thinking? Again Wildavsky captured the sentiment well.

Planning is not really defended for what it does but for what it symbolizes. Planning, identified with reason, is conceived to be the way in which intelligence is applied to social problems. The efforts of planners are presumably better than other people's because they result in policy proposals that are systematic, efficient, coordinated, consistent, and rational. It is words like these that convey the superiority of planning. The virtue of planning is that it embodies universal norms of rational choice. (1973:141)

The literature has been quick to point out what is gained by formalizing behavior, though seldom with supporting evidence. But it almost never addressed what might be lost. Typical was a comment by Charles Hitch, to justify one of the greatest planning efforts (and failures) of all time, his installation of PPBS in the U.S. military and later the rest of the government in the 1960s. Hitch's point was that managers are not only busy but also overwhelmed with information and so cannot make decisions effectively without the aid of formal analysis.

Almost never do we find one person who has an intuitive grasp of all the fields of knowledge that are relevant to a major defense problem....in general, and especially when the choice is not between two but among many alternatives, systematic analysis is essential....And wherever the relevant factors are diverse and complex, as they usually are in defense problems, unaided intuition is incapable of weighing them and reaching a sound decision. (1965:56)

But is "systematic analysis" capable of so doing? To what extent does it not aid intuition but impede it? Even if it were true that planning focuses "on the right set of issues," as claimed by two well-known writers in the field (Lorange and Vancil: 1977:x), again without supporting evidence, could we be sure that it focuses on them in the right way? Indeed, is there evidence that the "attention-direction, pace setting mechanism" called planning (Yavitz and Newman, 1982:109) really does encourage thinking about the long term? And, above all, do we improve unprogrammed thinking by programming it? The evidence we shall cite later in this book, including that of the failure of Hitch's PPBS exercise (see Chapter 3), will throw into question the inclination of the planning literature to assume consistently favorable responses to all of these questions.

4. Organizations must plan to control. Using planning to control is a touchy subject in this literature, because planning is also claimed to motivate, to encourage participation, and to facilitate consensus. Yet the purpose of planning in order to effect control (the two words are often used concurrently, if not interchangeably as in "planning and control systems"), is never far below the surface, and often right on it. "Planning is an activity by which man in society endeavors to gain mastery over himself and to shape his collective future by power of his reason" (Dror, 1971:105).

Control through planning extends itself in all directions, as is evident in the reasons for planning given earlier. To be sure, planning is meant to control others in the organization, namely those whose work is "coordinated." Thus among the "primary responsibilities" of the planning staff, Schwendiman lists:

1. The corporate planning staff should be responsible for planning the "system" and seeing that the steps are carried out in the proper sequence.

2. The staff should ensure quality, accuracy, and completeness in the planning done by others.

3. The staff should be responsible for coordinating the overall planning effort and pulling the individual pieces together. (1973:50)

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2. The staff should ensure quality, accuracy, and completeness in the planning done by others.

3. The staff should be responsible for coordinating the overall planning effort and pulling the individual pieces together. (1973:50)

Note that it is not only those down in the hierarchy whose work is controlled; if planning formalizes strategy making, it controls some of the work of top management as well. But control in planning does not stop there. Planning is also meant to control the future of the organization and, therefore, the environment outside the organization. "If the market is unreliable," as John Kenneth Galbraith wrote, the firm "cannot plan." Therefore, "much of what the firm regards as planning consists in minimizing or getting rid of market influences" (1967:26). Indeed, as in the quotation from Dror about "mastery over himself," planning even controls the planners, whose intuitive inclinations are preempted by their rational procedures. And when Zan wrote of planning "as a means of reducing external complexity to 'manageable' forms" (1987:192), he meant conceptual control -- rendering the world simple enough to comprehend. Thus Lorange, in a paper entitled "Roles of the C.E.O. in Strategic Planning and Control Processes," noted that while the chief executive "typically cannot carry out the implementation of the design issues himself, he has to be sufficiently involved so as to control the processes" (1980b:1), which, of course, he must do through planning. "He might even in fact conclude that this...is his only realistic option for managing a large, complex organization" (2). Perhaps Lorange should have called it "remote control"!

Jelinek's Case for Planning

In her book, Institutionalizing Innovation, Mariann Jelinek presented one of the few carefully reasoned arguments in favor of strategic planning. Tackling the issue head-on, Jelinek sought to make the case for formalization per se, rooting her argument in the historical development of management science, or, more precisely, scientific management, as that term was coined early in this century for the work of Frederick Taylor.

As Jelinek pointed out, Taylor's contribution in his famous experiments in the formal study and routinization of manual work was not only to vastly improve procedures but to initiate a true revolution in the way that work was organized -- "the codification of routine tasks." Taylor "for the first time made possible the large-scale coordination of details -- planning and policy-level thinking, above and beyond the details of the task itself" (1979:136). This led to a fundamental division of labor -- between the performance of the task and its coordination. And this in turn enabled management to be "abstracted," removed from the day-to-day operations, so that it "could concentrate on exceptions" (137).

Jelinek went on to point out that Taylor's efforts were extended into the administration function by

Alexander Hamilton Church, in the area of cost accounting, "provid[ing] the means for abstracting management by making possible the description and monitoring of performance" (138). Then the work was extended to the most senior level of management through the introduction of the divisionalized form of structure, initially in Du Pont and then in General Motors. This innovation formalized the separation between operating a business and developing a corporate strategy.

[This] made possible for the first time concerted coordination...and true policy for such organizations. So long as management is overwhelmed by the details of task performance, planning and policy will not occur...That is, until what is routine is systematized and performance replicable without extensive management attention, management attention will necessarily focus on the routine. By the time of Du Pont and General Motors, the specification of task had moved from codifying workers' routine activities to codifying managers' routine activities. (138-139)

This led Jelinek to her basic point: The revolution that Taylor initiated in the factory was in the process of being repeated at the apex of the hierarchy, and it would be fundamentally no different. And the motor for this new revolution -- the equivalent of Taylor's work-study methods although on a higher level of abstraction-was that set of formal systems of strategic planning and control: "It is through administrative systems that planning and policy are made possible, because the systems capture knowledge about the task..." (139). Such systems "create a shared pattern of thought, with focus explicitly shifted to the pattern, rather than the specific content"; they "generalize knowledge far beyond its original discoverer or discovery situation"; and "in generalizing the insights they codify, also make them accessible to change and refinement." Thus "true management by exception, and true policy direction are now possible, solely because management is no longer wholly immersed in the details of the task itself" (139, italics in original).

Jelinek's book is about a system called OST (Objectives, Strategies and Tactics) developed at the Texas Instruments company in the early 1960s and constituting, in her view, another step in the century-old sequence, this one "concerned with a higher logical level":

Rather than coordinating multiple routine tasks, the OST is focused on generating new tasks which may eventually themselves become routine....As a system, the OST generalizes a procedure for acquiring the requisite new knowledge, creating a shared pattern of thought regarding innovation....The OST specifies how to proceed, monitor, and evaluate. (141)

Thus, Jelinek highlighted some central premises that underlie the practice of strategic planning: the management of strategy can be sharply separated from the management of operations, and the strategy formation process itself can be programmed -- in her words, "institutionalized" -- by the use of formal systems; indeed, only through such institutionalization does that separation become possible. What Taylor accomplished in the factory, planning systems could now accomplish by extrapolation in the executive suite. By virtue of its powers of formalization, planning becomes the means to create as well as to operationalize strategy. In other words, strategic planning is strategy formation, at least in best practice. Hence the common tendency to use the two terms interchangeably.

Jelinek's argument is a fundamental one, perhaps the boldest one in the literature and certainly among the most sophisticated. It exposes the key premises that, if true, provide the basis for supporting planning, and if false, undermine some of its most active efforts. We shall, therefore, return to her arguments (as well as her own later views) at a key point in our discussion. At this point, by asking one last question, we wish to begin consideration of the premise that strategic planning and strategy formation are synonymous, at least in best practice.

And What Is Strategy?

Ask anyone, planner or otherwise, What is strategy? and you will almost certainly be told that (a) strategy is a plan, or something equivalent -- a direction, a guide or course of action into the future, a path to get from here to there, etc. Then ask that person to describe the strategy that their organization or a competitive one has actually pursued over the past five years, and you will find that most people are perfectly happy to answer that question, oblivious to the fact that it violates their very own definition of the term.

It turns out that strategy is one of those words that we inevitably define in one way yet often use in another. (b) Strategy is also a pattern, that is, consistency in behavior over time. A company that perpetually markets the most expensive products in its industry pursues what is commonly called a high-end strategy, just as a person who always accepts the most challenging of jobs may be described as pursuing a high-risk strategy.

Now, both definitions seem to be valid -- organizations develop plans for the future and they also evolve patterns out of their past. We can call one intended strategy and the other realized strategy. The important question thus becomes: must realized strategies always be intended?

There is a simple way to find out: Just ask those people who happily described their (realized) strategies over the past five years what their intended strategies were five years earlier. A few may claim that their intentions were realized perfectly. Suspect their honesty. A few others may claim that their realizations had nothing to do with their intentions. Suspect their behavior. Most, we propose, will give an answer that falls between these two extremes. For, after all, perfect realization implies brilliant foresight, not to mention inflexibility, while no realization implies mindlessness. The real world inevitably involves some thinking ahead of time as well as some adaptation en route.

As shown in Figure 1-1, intentions that are fully realized can be called deliberate strategies. Those that are not realized at all can be called unrealized strategies. The literature of planning recognizes both cases, with an obvious preference for the former. What it does not recognize is the third case, which we call emergent strategy -- where a realized pattern was not expressly intended. Actions were taken, one by one, which converged in time in some sort of consistency or pattern. For example, rather than pursuing a strategy (read plan) of diversification, a company simply makes diversification decisions one by one, in effect testing the market. First it buys an urban hotel, next a restaurant, then a resort hotel, then another urban hotel with restaurant, and then another of these, etc., until the strategy (pattern) of diversifying into urban hotels with restaurants finally emerges.

As implied earlier, few, if any, strategies can be purely deliberate, and few can be purely emergent. One suggests no learning, the other, no control. All real-world strategies need to mix these in some way -- to attempt to control without stopping the learning process. Organizations, for example, often pursue what may be called umbrella strategies: the broad outlines are deliberate while the details are allowed to emerge within them. Thus emergent strategies are not necessarily bad and deliberate ones good; effective strategies mix these characteristics in ways that reflect the conditions at hand, notably the ability to predict as well as the need to react to unexpected events.

Yet the literature of planning, including that book by Jelinek, considers effective strategy making a fully deliberate process, to the virtual exclusion of emergent elements. There is talk occasionally about flexible planning, but as with a pregnant virgin, the obvious contradiction is seldom addressed -- except, of course, by those who believe in planning as immaculate conception.

Walter Kiechel of Fortune magazine once polled consultants who claimed that less than ten percent of strategies are successfully implemented; Tom Peters referred to that figure as "wildly inflated"! (in Kiechel, 1984:8). Often, when a strategy fails, those at the top of the hierarchy blame it on implementation lower down: "If only you dumbbells appreciated the brilliance of the strategy we formulated..."Well, those

dumbbells down below might well respond: "If you're so smart, why didn't you take into account the fact that we are dumbbells?" In other words, every failure of implementation is, by definition, also a failure of formulation. If there is to be a separation between the two, so that one side thinks before the other side acts, then clearly, the capacity to act has to be taken into consideration in the thinking process.

But how smart can any thinker be? In other words, might the real problem not so much be in either poor implementation or weak formulation as in forcing an artificial separation between the two? If the formulators get closer to their implementation (which is typical for entrepreneurs), or the implementers have greater influence over formulation (which is what intrapreneurship means), perhaps there can be greater successes in strategy making. Deliberate strategy relies on this artificial separation, while emergent strategy does not. Indeed, in the case of emergent strategy, the term formulation has to be replaced by formation because here strategies can form without being formulated. Thus, we shall use the term strategy formation in the rest of this book, not because strategies have to be purely emergent but simply to allow for the fact that they can be, or, more realistically, almost inevitably partially are.

There is another important implication of emergent strategy, also slighted in most of the planning literature. Strategies need not emanate from a center. Implicit in deliberate strategy is the belief that strategy derives all at once from some central place -- namely general management (or else the planning department). In the popular metaphors, the head thinks and the body acts, or the architect designs (on paper) so that the builders can construct with bricks and mortar. But in the case of emergent strategy, because big strategies can grow from little ideas (initiatives), and in strange places, not to mention at unexpected times, almost anyone in the organization can prove to be a strategist. All he or she needs is a good idea and the freedom and resources required to pursue it. Indeed, even the pervasion of a strategic initiative throughout the entire organization (to become a broadly-based strategy) need not be centrally controlled, let alone centrally planned, in some formal process on some formal schedule. For example, a salesperson may have an idea to sell an existing product to some new customers. As other salespeople realize what that person is doing, they begin to do so too, and one day, months later, management discovers that the company has entered a new market. The new pattern certainly was not planned. Rather, to introduce a distinction we shall make much of in this book, it was learned, in a collective process. But is that bad? Sometimes yes, sometimes no, just as is true of behaviors that are carefully planned.

One final implication of emergent strategy: In the planning literature there is a long tradition, inherited from the military, of distinguishing strategies from tactics. That is a convenient distinction for a literature that likes to decompose and determine the importance of things a priori. Strategies refer to the important things, tactics to the mere details. But the very meaning of emergent strategy is that one can never be sure in advance which will prove to be which. In other words, mere details can eventually prove to be strategic. After all, as was pointed out in that old nursery rhyme, the war could well have been lost all for want of a nail in the shoe of a horse. Care must therefore be taken not to leap into labeling things as intrinsically tactical or strategic. (The company in the earlier diversification example may have bought its first urban hotel inadvertently.) To quote Richard Rumelt, "one person's strategy is another's tactics -- that what is strategic depends on where you sit" (1979a:197). It also depends on when you sit, because what seemed tactical yesterday might prove strategic tomorrow. Thus, the term tactical will not be used in this book, while strategic will be used as an adjective to mean relatively consequential, in patterns after actions are taken as well as in intentions that precede them.

We are not yet finished with definitions of strategies, for alongside plan and pattern, we can add at least two more "p" words. Some years ago, McDonald's introduced a new product called Egg McMuffin -- the American breakfast in a bun. This was to encourage the use of the restaurant facilities in the morning. If you ask a group of managers whether Egg McMuffin was a strategic change for McDonald's, you will inevitably hear two answers: "Yes, of course; it brought them into the breakfast market," and "Aw, come on, it's the

same old stuff -- the McDonald's way -- just in a different package." In our view, these managers differ not so much as to whether this was a strategic change but in how they implicitly define the content of strategy in the first place.

To some people, notably Porter (1980, 1985) and his followers, (c) strategy is position, namely the determination of particular products in particular markets. To others, however, (d) strategy is perspective, namely an organization's way of doing things, in Peter Drucker's phrase, its concept of the business. As position, strategy looks down -- to the "x" that marks the spot where the product meets the customer -- and it looks out -- to the external marketplace. As perspective, in contrast, strategy looks in -- inside the organization, indeed, inside the head of the collective strategists -- but it also looks up -- to the grand vision of the enterprise (that forest seen above the trees, or is it the clouds that are being perceived?!).

As we shall see, the tendency in the planning literature has been to favor position over perspective. Claims notwithstanding, as soon as the practicalities of formalizing things come into play, strategy inevitably reduces to a set of positions. All those "x's" can be marked easily -- identified and articulated -- while perspective does not lend itself easily to decomposition.

Again, however, we need both definitions. McDonald's introduced Egg McMuffin successfully because the new position was consistent with the existing perspective. The executives of McDonald's seemed to understand well (though not necessarily in these terms) that one does not casually ignore perspective. (Anyone for McDuckling &$224; l'Orange?) Changing position within perspective may be easy; changing perspective, even while maintaining position, is not. (Just ask the Swiss watchmakers about the introduction of quartz technology.) Figure 1-2 illustrates examples of this. Clearly, organizations have to consider both positions and perspective in their strategy formation. A literature that favors one over the other does a disservice to that process.

But the literature of planning does exactly that, as does it favor plan over pattern. Our conclusion is that "strategic planning" cannot be synonymous with strategy formation, which encompasses all of these, and certainly not with effectiveness in that process. The implication of this is that planning may have less to do with strategy making than is often claimed, but also that planners probably have more work to do than they sometimes realize!

Planners, Plans, and Planning

Many writers on business planning discuss the importance of top management in strategy formation, the fact that the chief executive is the foremost planner. But much else that is written reveals quite a different point of view. If intuition really is haphazard and unreliable, as is often claimed in this literature (as we shall see), then the role of managers must be circumscribed; if, as is also claimed, managers really are too busy to plan, then they cannot play the key role in the process of planning; if formal systems really should be used to make strategy, then perhaps managers should not; and if strategy really must be separated from operations, through the use of systems like OST and PPBS, then perhaps planning should also be separated from management.

In an early report published by the Boston Consulting Group and entitled "The Impact of Strategic Planning on Executive Behavior," Robert Mainer contrasted "the work of planning...with the work of managing a business that is traditional to the organization":

The crux of the matter is that the behavioral requirements of pla

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"My favourite management book of the last 25 years? No contest. The Rise & Fall of Strategic Planning by Henry Mintzberg." Tom Peters In this definitive and revealing history, Henry Mintzberg unmasks the process that has mesmerized so many organisations since 1965: strategic planning. One of the original management thinkers, Mintzberg concludes that strategy cannot be planned because planning is about analysis and strategy is about synthesis. That is why, he asserts, the process has failed so often and dramatically. Mintzberg traces the origin and history of strategic planning through its prominence and subsequent fall. He argues that we must reconcieve the process by which strategies are created by emphasizing informal learning and personal vision. Mintzberg proposes new definitions of planning and strategy, and examines in unusual ways the various models of strategic planning and the evidence of why they failed. Reviewing the so-called 'pitfalls' of planning, he shows how the process itself can destroy commitment, narrow a company's vision, discourage change and breed an atmosphere of politics. In a harsh critique of many sacred cows, he describes three basic fallacies of the process - in that discontinuities can be predicted, that strategists can be detached from the operations of the organisation, and that the process of strategy-making itself can be formalized. Mintzberg devotes a substantial section to the new role of planning, plans and planners, not inside the strategy-making process, but around it, in support of it, providing some of its inputs and sometimes programming its outputs, as well as encouraging strategic thinking in general. This book is essential reading for anyone in an organization who is influenced by the planning or strategy-making process. It is also suitable for undergraduate and postgraduate students undertaking corporate strategy, strategic management and business policy courses. Henry Mintzberg is Professor of Strategy and Organization and the John Cleghorn Professor of Management Studies at McGill University, Canada, and visiting Professor ar INSEAD, France. He is a two time winner of the prestigious McKinsey Award for best Harvard Business Review articles; a fellow of the Royal Society of Canada - the first elected from a management faculty - and past president of the Strategic Management Society, the worldwide association of practitioners and scholars in the field. He is the author of several seminal books including The Strategy Process, Structure in Fives and The Structuring of Organisations.

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It is with intended irony that Mintzberg, former president of the Strategic Management Society, proclaims the fall of strategic planning. Author of the seminal The Nature of Managerial Work (1973), Mintzberg traces the rise of strategic planning from 1965, noting the fervor with which it came to be embraced, and analyzes its origins and history. His main thesis is that planning and strategy making are mutually exclusive activities. While acknowledging a vital role for planning, he claims that the process can straitjacket an

organization by stifling innovation and commitment. On the other hand, strategy making is a fluid, informal process requiring adaptability. Mintzberg includes an impressive amount of research in this scholarly, readable treatise, and he suggests how strategy making and planning can be implemented to complement each other. This should prove to be an important work. David Rouse

About the Author
Henry Mintzberg is a visiting professor at INSEAD in France and a two-time winner of the prestigious McKinsey Award for the best Harvard Business Review article. A fellow of the Royal Society of Canada -- the first fellow elected from a management faculty -- he is the author of several seminal books including Mintzberg on Management (Free Press, 1989).

Chapter 1: Planning and Strategy

What is the relationship between planning and strategy? Is strategy making simply a process of planning, as the proponents of planning have so vigorously insisted? Or, at the other extreme, is strategic planning simply another oxymoron, like progressive conservative or jumbo shrimp (or civil engineer?). In other words, should strategy always be planned, never be planned, or sometimes be planned? Or should it relate to planning in some other way?

Barely anything written about planning or strategy provides considered answers to these questions. This book seeks to do so. We begin in this chapter by addressing some other basic questions. First we ask, "What is planning anyway?" After considering a variety of popular answers, we narrow them down to a definition of our own. Next we ask, "Why plan?" and provide the answers according to planners. (Our own answers come later.) Finally we ask, "And what is strategy?" and answer in a way that is opposite to planning by insisting on the need for several definitions. Then, after considering briefly planning, plans, and planners, we conclude this opening chapter with the plan for the rest of the book.

What Is Planning Anyway?

This may seem like a strange question to ask as the twentieth century draws to a close, given the long popularity of planning, especially (ironically) in both Corporate America and Communist Europe. Largely a budget exercise in the America of the 1950s, it began to spread quickly, having become firmly installed in most large corporations by the mid-1960s (Gilmore, 1970:16; Chamberlain, 1968:151). At that point the notion of strategic planning took hold, to become within a decade a virtual obsession among American corporations (and in American government, in the form of the Planning-Programming-Budgeting System, or PPBS).

In fact, however, the concept dates much farther back. There is even a reference to a "Director of Strategic Planning" in Sun Tzu's The Art of War (1971:146), originally written about 2,400 years ago (although a Chinese student of mine considers this title too loose a translation from the Chinese). But there is no doubt about the translation of Henri Fayol's work. Writing of his experiences as a French mining chief executive in the last century, he noted the existence of "ten-yearly forecasts...revised every five years" (1949:47). Despite all this attention, the fact remains that the question, "What is planning anyway?", has never been properly answered -- indeed, seldom seriously addressed -- in planning's own literature.

In 1967, in what remains one of the few carefully reasoned articles on the subject, Loasby wrote that "the word 'planning' is currently used in so many and various senses that it is in some danger of degenerating into an emotive noise" (1967:300). At about the same time, one of the more impressive assemblages of planning people took place at Bellagio, Italy, (Jantsch, 1969) under the auspices of the OECD. Jay Forrester's

"reflection" on the conference included the comment that "efforts to define the terms [planning and long-range forecasting] failed" (1969a:503). They have failed ever since.

Aaron Wildavsky, a political scientist well-known for his criticisms of planning, concluded that in trying to be everything, planning became nothing:

Planning protrudes in so many directions, the planner can no longer discern its shape. He may be economist, political scientist, sociologist, architect or scientist. Yet the essence of his calling-planning -- escapes him. He finds it everywhere in general and nowhere in particular. Why is planning so elusive? (1973:127)

"Planning" may be so elusive because its proponents have been more concerned with promoting vague ideals than achieving viable positions, more concerned with what planning might be than what it actually became. As a result, planning has lacked a clear definition of its own place in organizations and in the state. Yet it is our belief that planning has, nevertheless, carved out a viable niche for itself, through its own successes and failures. The need, therefore, is not to create a place for planning so much as to recognize the place it already does occupy.

This book seeks to describe that place with regard to strategy-in effect, to develop an operational definition of planning in the context of strategy making. But we do not begin with the assumption that planning is whatever people called planners happen to do, or that planning is any process that generates formal plans. People called planners can sometimes do strange things, just as strategies can sometimes result from strange processes. We need to delineate the word carefully if it is not to be eventually dropped from the management literature as hopelessly contaminated. We begin here by considering formal definitions of planning; the rest of this book is about the operational definition.

To some people (1) planning is future thinking, simply taking the future into account. "Planning denotes thinking about the future," wrote Bolan (1974:15). Or in the more poetic words of Sawyer, "Planning is action laid out in advance" (1983:1).

The problem with this definition is that it cannot be bounded. What organizational activity, no matter how short-term or reactive, does not take the future into account? Newman acknowledged the problem back in 1951 when he quoted Dennison that "Almost all work, in order to be done at all, must be planned, at the least informally and a few minutes ahead" (1951:56). By this definition, planning includes ordering a sandwich for lunch as much as establishing a division to flood the market with sandwiches. In fact, Fayol understood this breadth of the term back in 1916 when he wrote that:

The maxim, "managing means looking ahead," gives some idea of the importance attached to planning in the business world, and it is true that if foresight is not the whole of management at least it is an essential part of it. (1949:43, published in French in 1916)

But if this is true if, as Dror put it more baldly, "planning, in a word, is management" (1971:105) -- why bother to use the word "planning" when "management" works just fine?

To others, (2) planning is controlling the future, not just thinking about it but acting on it, or as Weick (1979) is fond of saying, enacting it. "Planning is the design of a desired future and of effective ways of bringing it about," Ackoff wrote (1970:1). Others expressed the same thought when they defined the purpose of planning as "to create controlled change in the environment" (Ozbekhan, 1969:152), or, more pointedly, "the design of social systems" (Forrester, 1969b:237). In this regard, John Kenneth Galbraith argued in his book, The New Industrial State, that big business engages in planning to "replace the market," to "exercise control over what is sold...[and] what is supplied" (1967:24).

But this second definition of planning, really just the other side of the coin from the first, suffers from the same problem of excessive breadth. By associating planning with free will, it becomes synonymous again with popular uses of the word management and so loses distinctive meaning.

Since practically all actions with future consequences are planned actions, planning is everything, and nonplanning can hardly be said to exist. Nonplanning only exists when people have no objectives, when their actions are random and not goal-directed. If everybody plans (well, almost) it is not possible to distinguish planned from unplanned actions. (Wildavsky, 1973:130)

Schumacher (1974) provides some conceptual help here. By distinguishing the past from the future, acts from events, and certainty from uncertainty, eight possible cases are constructed:

1. act-past-certain
2. act-future-certain
3. act-past-uncertain
4. act-future-uncertain
5. event-past-certain
6. event-future-certain
7. event-past-uncertain
8. event-future-uncertain (188-189)

This approach is used to clarify such words as "plan," "forecast," and "estimate," and we can use it here to help position planning. The first two definitions in the list appear to place planning in cases 2 and 4 -- how to act in the future, whether certain or uncertain, or how to make it certain by enacting it. Anything to do with events -- things that "simply happen" -- is outside of the realm of planning: "to apply the word 'planning' to matters outside the planner's control is absurd," although that can be a part of "forecasting" (189). Thus planning is precluded, for example, from cases 5 and 8, the given past and the uncertain, uncontrollable future, although the author noted the frequency with which case 8 forecasts are "presented as if they were plans" (189). Alternately, "'estimates' are put forward which upon inspection turn out to be plans" (190). As for the past (e.g., case 1), planning would hardly seem to have a role to play here, although, as we shall see near the end of this book, planners themselves may have roles in that studies of past behavior can influence future events (cases 2 and 4).

Still, we need a definition of planning that tells us not that we have to think about the future, not even that we should try to control it, but how these things are done. In other words, planning has to be defined by the process it represents. In this regard, a number of writers have proposed, sometimes inadvertently, that (3) planning is decision making. As far back as 1949, Goetz defined planning as "fundamentally choosing" (in Steiner, 1979:346), and in 1958 Koontz defined it as "the conscious determination of courses of action designed to accomplish purposes. Planning is, then, deciding" (1958:48). Likewise, Snyder and Glueck, without labeling it decision making, defined planning as "those activities which are concerned specifically with determining in advance what actions and/or human and physical resources are required to reach a goal. It includes identifying alternatives, analyzing each one, and selecting the best ones" (1980:73). Similarly, in certain literature of the public sector (so-called public planning), the term planning has been used as a virtual synonym for decision making and project management (see, for example, the various writings of Nutt [e.g., 1983, 1984]). Others tried to nuance this definition: Drucker, for example, by discussing the "futurity of present decisions" (1959:239), and Ozbekhan, by describing the "future directed decision process" (1969:151).

But unless anyone can think of a decision process that is not future-directed, these nuances are of little help. Assuming that decision means commitment to action (see Mintzberg, Raisinghani, and Théorêt, 1976), every

decision takes the future into consideration by a vow to act, whether it be to market a product in ten years or ship one in ten minutes. Rice recognized this when he argued that "all decisions are made with forethought," that every decision maker has "a reason for making his decision," which amounts to a "plan" (1983:60).

Thus, this third definition really reduces to the first and, because commitment is an act of free will, to the second as well. Accordingly, planning again becomes synonymous with everything managers do, "part of the intellectual process the policy maker employs to reach his decision," even if "informal, unstructured" (Cooper, 1975:229). In fact, to make their case that managers do indeed plan, Snyder and Glueck used the example of a school superintendent dealing with the efforts of a councilman to disrupt school board meetings and discredit him. But if planning is reacting to such pressures in the short term, then what isn't planning? Indeed, these authors quoted George (1972) that:

Planning, of course, is not a separate, recognizable act....Every managerial act, mental or physical is inexorably intertwined with planning. It is as much a part of every managerial act as breathing is to the living human. (1980:75, italics in original)

But if that is true, why describe what organizations do as planning, any more than describe what people do as breathing? In other words, who needs the planning label when decision making or even managing does the job? As Sayles noted, planning (presumably by any of these first definitions) and decision making "are inextricably bound up in the warp and woof of the [manager's] interaction pattern, and it is a false abstraction to separate them" (1964:2087).

Let us, therefore, begin to consider more bounded definitions of planning as a process. (4) Planning is integrated decision making. To Schwendiman, it is an "integrated decision structure" (1973:32). To van Gunsteren, it "means fitting together of ongoing activities into a meaningful whole" (1976:2): "Planning implies getting somewhat more organized....It means making a feasible commitment around which already available courses of action get organized".

The last definition may seem close to the preceding one. But because it is concerned not so much with the making of decisions as with the conscious attempt to integrate different ones, it is fundamentally different and begins to identify a position for planning. Consider the words of Ackoff:

Planning is required when the future state that we desire involves a set of interdependent decisions; that is, a system of decisions....the principal complexity in planning derives from the interrelatedness of the decisions rather than from the decisions themselves....(1970:2, 3)

This view of planning finally takes us into the realm of strategy making, since that process also deals with the interrelationships among decisions (important ones) in an organization. But because this normally has to take place over time, such coordination among decisions is rendered difficult. Planning as integrated decision making imposes a particularly stringent requirement, however: that the decisions in question be batched -- be drawn together periodically into a single, tightly coupled process so that they can all be made (or at least approved) at a single point in time. As Ozbekhan noted of the result, "'Plan' refers to an integrative hierarchically organized action constraint in which various kinds of decisions are functionally ordered" (1969:153).

It is this requirement that may help to explain why planning is sometimes treated as synonymous with decision making. If different decisions have to be batched, they may come to resemble a single decision. Hence planning writers have tended to confuse decision making with strategy making by assuming that the latter necessarily involves the selection of a single course of action -- the choice of an integrated strategy at one point in time. Normann, in fact, made this point about Igor Ansoff's well-known writings on planning:

Ansoff regards the choice of strategy and the formulation of policy chiefly as a decision process: first, goals are established, after which (using a series of analytical techniques) alternatives are evolved and (still using analytical techniques) a choice made among them, possibly after some adjustments in the original goals. (1977:8-9)

But since, as we shall see, there are other ways in which to make strategy, notably dynamically over time, the process of integrating decisions at a point in time becomes, not strategy making, but simply planning's approach to strategy making, the situation to which it restricts itself. Thus its position becomes clearer. However, it is still not clear enough. Visionary leaders likewise integrate decisions, in their cases informally, or, if you prefer, intuitively. Yet to encompass their behavior under the planning label would again seem to broaden it beyond reasonable (and current) usage. (Indeed, as we shall see, some of the most influential writers in this field pit planning process against managerial intuition.) Thus something more is needed to identify planning.

That something, in our view, is the key to understanding planning -- formalization. (5) Planning is a formalized procedure to produce an articulated result, in the form of an integrated system of decisions. What to us captures the notion of planning above all -- most clearly distinguishes its literature and differentiates its practice from other processes -- is its emphasis on formalization, the systemization of the phenomenon to which planning is meant to apply. Thus Bryson referred to strategic planning as a "disciplined effort," in fact, "simply a set of concepts, procedures and tests" (1988:512), while in some of the research literature the term FSP was substituted for strategic planning, with the f for formal (e.g., Pearce et al., 1987).

Formalization here would seem to mean three things, especially (a) to decompose, (b) to articulate, and especially (c) to rationalize the processes by which decisions are made and integrated in organizations.

An emphasis on formal rationality permeates the literature of planning. Denning contrasted the "systematic" with the "haphazard" (1973:26-27), while Steiner argued that "Plans can and should be to the fullest possible extent objective, factual, logical, and realistic in establishing objectives and devising means to obtain them" (1969:20). Similarly, Dror claimed that in the public sector "planning is at present the most structured and professionalized mode of policy making," given its "explicit attention to internal consistency" and its "effort to supply structured rationality" (1971:93).

Rationality of this formal kind is, of course, rooted in analysis, not synthesis. Above all, planning is characterized by the decompositional nature of analysis -- reducing states and processes to their component parts. Thus the process is formally reductionist in nature. This may seem curious, given that the intention of planning is to integrate decisions. But the performance of planning has been curious too and for this very reason, as we shall see. Here, in any event, we seek to characterize planning by the nature of its process, not by its intended results. In fact, the key, if implicit, assumption underlying strategic planning is that analysis will produces synthesis: decomposition of the process of strategy making into a series of articulated steps, each to be carried out as specified in sequence, will produce integrated strategies. This, in fact and not incidentally, is the old "machine" assumption, the one that underlies the design of the manufacturing assembly line -- itself a kind of machine of human steps. If every component is produced by the machine as specified and assembled in the order prescribed, an integrated product will appear at the end of the line. Indeed, as we shall see, this analogy underlies some of the most important thinking in the field of planning, and has proved to be patently false. Organizational strategies cannot be created by the logic used to assemble automobiles.

Along with rationality and decomposition, articulation is the third key component of formalization. The product of planning-the plans themselves -- after being carefully decomposed into strategies and substrategies, programs, budgets, and objectives, must be clearly and explicitly labeled -- by words and,

preferably, numbers on sheets of paper. Thus Zan, in a carefully reasoned paper called "What Is Left for Formal Planning?," concluded that "the common characteristic" of various planning systems is "the process of rendering things explicit," in terms of both processes and their consequences (1987:193). George Steiner, probably the most prolific of the business planning writers, noted that the word planning comes from the Latin planum, "meaning flat surface" (1969:5). Leaving aside the prophetic powers of the Romans with regard to a literature that was to follow in two millennia, Steiner went on to note that the word "entered the English language in the Seventeenth Century, referring principally to forms, such as maps or blueprints, that were drawn on flat surfaces" (1969:5-6). Thus, the word has long been associated with formalized documents.

So now we seem to have a more operational definition of planning, since the word can be identified with two observable phenomenon in organizations -- the use of formalized procedure and the existence of articulated result, specifically concerning an integrated system of decisions.

This may seem to some people an unnecessarily restricted definition of the term. We think not. This book's introduction suggested that planning is one proposed approach to strategy making among several that are possible. It certainly does not encompass the whole process. The theoreticians of planning may have intended a broader definition of the word, but the reality of planning -- its actual practice, let alone its tangible accomplishments -- tell a much different story. Our claim, which we believe to be demonstrated in the rest of this book, is that the definition proposed here is, by virtue of planners' own behaviors, closest to the one that planning has created for itself, and, indeed, has chosen for itself, however implicitly. In other words, in this book planning is defined by what it is (and that, it should be noted parenthetically in a departure from Wildavsky, is something!).

To some people, when corporate executives go off to a mountain retreat to discuss strategy, that is planning. To others, adapting to external pressures informally over time is also planning. In principle, there is no problem with this. In practice, however, it creates all kinds of confusion. For example, the planners may not understand why the executives at the retreat did not structure their discussions more systematically. Had they simply called their retreat "strategic thinking," this would not happen. Because the word planning, implicitly when not explicitly, is associated with formalization, use of it presupposes the requisite decomposition, articulation, and rationalization. But for those readers who are still not persuaded by our use of the term, we suggest that every time we write planning, you read formal planning. Eventually you will probably drop the adjective, because, we hope, you begin to agree with us rather than out of just plain weariness.

Obviously, formalization is a relative, not an absolute, term. And obviously, planners carry out a range of activities, some more, some less formal. But as a process, we argue here that planning sits toward the formal end of the continuum of organizational behavior. (We shall specify this in the last chapter.) It must be seen, not as decision making, not as strategy making, and certainly not as management, or as the preferred way of doing any of these things, but simply as the effort to formalize parts of them -- through decomposition, articulation, and rationalization.

Why Plan (According to Planners)?

Given that this is planning, the question then becomes -- why do it? In a word, why formalize? And correspondingly, why decompose, why articulate, and why rationalize? The answer must extend throughout our discussion: in a sense, that is what this book is about -- why and why not do these things. But at this point, it is appropriate to consider how planners themselves have answered the question.

We shall discuss these answers in the form of imperatives, for this is how they tend to be found in so much of the literature of planning. To many of its writers, planning became not just an approach to managing the

organization's future but the only conceivable one, at the limit a virtual religion to be promulgated with the fervor of missionaries. "If you say, 'Is every part of GE planned strategically?' I have to say no," commented one man who headed this function in what was once known as America's most planning-oriented company. He concluded, "Some SBUs [Strategic Business Units] do not have good strategies"! (Rothschild in Cohen, 1982:8) In a legacy -- and a phrase -- inherited from Frederick Taylor, who developed the initial practice of "scientific management," and honed through half a century of increasingly rationalistic approaches to management, planning anointed itself as the "one best way."

1. Organizations must plan to coordinate their activities. "Coordinate," "integrate," and "comprehensive" are words generously used in the vocabulary of planning. A major argument in favor of planning, as suggested in the third definition presented earlier, is that decisions made together formally in a single process will ensure that the efforts of the organization are properly coordinated. Thus Porter claimed in the Introduction to his book, Competitive Strategy:

The emphasis being placed on strategic planning today in firms in the United States and abroad reflects the proposition that there are significant benefits to gain through an explicit process of formulating strategy, to insure that at least the policies (if not the actions) of functional departments are coordinated and directed at some common set of goals. (1980:xiii, italics in original)

When the different activities of an organization take place at cross-purposes -- the salespeople have sold but the factory cannot produce, or the office tower built yesterday is too small today -- the problem is usually attributed to the lack of (effective) planning. By decomposing a strategy, or its consequences, into intentions attributable to each part of the organization, we ensure that the overall job will get done -- so long, of course, as each carries out (that is, "implements") his, her, or its plan. Here, again, we have that old machine assumption.

Moreover, the articulation of plans provides a mechanism of communication that promotes coordination across the different parts of the organization. Sawyer, for example, wrote of "the need [through planning] to bring the management process of the organization out of the individual minds of one or a few leaders and into a forum amongst a management group" (1983:5), where it can be shared and discussed, perhaps, as Zan suggested, helping to create consensus (1987:192). Some writers, in fact, have claimed that planning is of value in and of itself ("it's the process that counts") because of its capacity to enhance communication in the organization, for example, by "enriching [people's] common understanding of corporate objectives and businesses" (Hax and Majluf, 1984:66). Fayol even claimed that "The Plan...builds unity, and mutual confidence," and that it "leads to...a broadened outlook" (1949:xi).

There can be little doubt that plans and planning can serve as important mechanisms to knit disparate activities together. But to consider this an imperative or, as Weick characterized the underlying assumption, that "organizations are rational arrangements of people and props which are held together by plans" (1969:101), is another matter. Coordination can be effected in other ways too -- through informal communication among different actors (called "mutual adjustment"), through the sharing of the norms and beliefs of a common culture, also through the direct supervision by a single leader (see Mintzberg, 1979a:2-7). And even when plans do serve in a coordinating role, it cannot be assumed that planning (that is, formalized procedure) has created those plans. As for the claim that the planning process naturally enhances communication, well, meetings held for any purpose can do that!

2. Organizations must plan to ensure that the future is taken into account. "The first reason for looking at the future in a systematic way is to understand the future implications of present decisions," also "the present implications of future events" (Loasby, 1967:301). What planning does specifically in this regard is to introduce "a discipline for long-term thinking in the firm" (Hax and Majluf, 1984:66, italics added).

The future can be taken into account in three basic ways (paraphrasing Starr, 1971:315):

1. preparing for the inevitable
2. preempting the undesirable
3. controlling the controllable

Clearly, no self-respecting manager would be caught avoiding any of these things. There is good reason to try to take the future into account. But need that be done systematically and formally, that is, through planning? In many cases, no doubt, it should be. But always? The future can be taken into account in other ways too, for example, informally, by an insightful individual, indeed, even by instinct. The squirrel gathering nuts for the winter certainly takes the future into account. Indeed, it does all three things on the above list concurrently, since winter is inevitable, hunger is undesirable, and nuts are controllable! Are we to conclude, therefore, that squirrels are more sophisticated than we might have thought, or planning is less so?

An obvious response to this -- common in the literature is that managers (unlike squirrels, perhaps) have so many things on their minds that they risk forgetting about the long-term future. Planning can at least be "a means for getting topics on the agenda" (Loasby, 1967:303). As March and Simon claimed in their "'Gresham's Law' of Planning": "Daily routine drives out planning" (1958:185), or, as they restated it, highly programmed tasks tend to take precedence over highly unprogrammed ones. Planning thus becomes a means to program the unprogrammed: in the words of one General Electric planner, it "program[s] an executive's time" (Hekhuis, 1979:242). But does that resolve the problem: does forcing formal recognition of the future, let alone formalizing how it is dealt with, necessarily mean the future is properly taken into account?

3. Organizations must plan to be "rational." The prime reason put forth for engaging in planning is that it is simply a superior form of management: formalized decision making is better than nonformalized decision making. In Schwendiman's words, it "force[s] deeper thinking" (1973:64). "Strategic thinking rarely occurs spontaneously," claimed Michael Porter in The Economist (1987:17). Setting aside the fact that no evidence was offered for this astonishing statement, is there likewise any evidence that strategic thinking is promoted by strategic planning? "Without guidelines," Porter went on, "few managers knew what constituted strategic thinking" (17). Was he really claiming that with such guidelines they suddenly knew what it was? Was it that easy? Did the managers really need planners to tell them about strategic thinking? Again Wildavsky captured the sentiment well.

Planning is not really defended for what it does but for what it symbolizes. Planning, identified with reason, is conceived to be the way in which intelligence is applied to social problems. The efforts of planners are presumably better than other people's because they result in policy proposals that are systematic, efficient, coordinated, consistent, and rational. It is words like these that convey the superiority of planning. The virtue of planning is that it embodies universal norms of rational choice. (1973:141)

The literature has been quick to point out what is gained by formalizing behavior, though seldom with supporting evidence. But it almost never addressed what might be lost. Typical was a comment by Charles Hitch, to justify one of the greatest planning efforts (and failures) of all time, his installation of PPBS in the U.S. military and later the rest of the government in the 1960s. Hitch's point was that managers are not only busy but also overwhelmed with information and so cannot make decisions effectively without the aid of formal analysis.

Almost never do we find one person who has an intuitive grasp of all the fields of knowledge that are relevant to a major defense problem....in general, and especially when the choice is not between two but among many alternatives, systematic analysis is essential....And wherever the relevant factors are diverse and complex, as they usually are in defense problems, unaided intuition is incapable of weighing them and

reaching a sound decision. (1965:56)

But is "systematic analysis" capable of so doing? To what extent does it not aid intuition but impede it? Even if it were true that planning focuses "on the right set of issues," as claimed by two well-known writers in the field (Lorange and Vancil: 1977:x), again without supporting evidence, could we be sure that it focuses on them in the right way? Indeed, is there evidence that the "attention-direction, pace setting mechanism" called planning (Yavitz and Newman, 1982:109) really does encourage thinking about the long term? And, above all, do we improve unprogrammed thinking by programming it? The evidence we shall cite later in this book, including that of the failure of Hitch's PPBS exercise (see Chapter 3), will throw into question the inclination of the planning literature to assume consistently favorable responses to all of these questions.

4. Organizations must plan to control. Using planning to control is a touchy subject in this literature, because planning is also claimed to motivate, to encourage participation, and to facilitate consensus. Yet the purpose of planning in order to effect control (the two words are often used concurrently, if not interchangeably as in "planning and control systems"), is never far below the surface, and often right on it. "Planning is an activity by which man in society endeavors to gain mastery over himself and to shape his collective future by power of his reason" (Dror, 1971:105).

Control through planning extends itself in all directions, as is evident in the reasons for planning given earlier. To be sure, planning is meant to control others in the organization, namely those whose work is "coordinated." Thus among the "primary responsibilities" of the planning staff, Schwendiman lists:

1. The corporate planning staff should be responsible for planning the "system" and seeing that the steps are carried out in the proper sequence.

2. The staff should ensure quality, accuracy, and completeness in the planning done by others.

3. The staff should be responsible for coordinating the overall planning effort and pulling the individual pieces together. (1973:50)

Note that it is not only those down in the hierarchy whose work is controlled; if planning formalizes strategy making, it controls some of the work of top management as well. But control in planning does not stop there. Planning is also meant to control the future of the organization and, therefore, the environment outside the organization. "If the market is unreliable," as John Kenneth Galbraith wrote, the firm "cannot plan." Therefore, "much of what the firm regards as planning consists in minimizing or getting rid of market

influences" (1967:26). Indeed, as in the quotation from Dror about "mastery over himself," planning even controls the planners, whose intuitive inclinations are preempted by their rational procedures. And when Zan wrote of planning "as a means of reducing external complexity to 'manageable' forms" (1987:192), he meant conceptual control -- rendering the world simple enough to comprehend. Thus Lorange, in a paper entitled "Roles of the C.E.O. in Strategic Planning and Control Processes," noted that while the chief executive "typically cannot carry out the implementation of the design issues himself, he has to be sufficiently involved so as to control the processes" (1980b:1), which, of course, he must do through planning. "He might even in fact conclude that this...is his only realistic option for managing a large, complex organization" (2). Perhaps Lorange should have called it "remote control"!

Jelinek's Case for Planning

In her book, Institutionalizing Innovation, Mariann Jelinek presented one of the few carefully reasoned arguments in favor of strategic planning. Tackling the issue head-on, Jelinek sought to make the case for formalization per se, rooting her argument in the historical development of management science, or, more precisely, scientific management, as that term was coined early in this century for the work of Frederick Taylor.

As Jelinek pointed out, Taylor's contribution in his famous experiments in the formal study and routinization of manual work was not only to vastly improve procedures but to initiate a true revolution in the way that work was organized -- "the codification of routine tasks." Taylor "for the first time made possible the large-scale coordination of details -- planning and policy-level thinking, above and beyond the details of the task itself" (1979:136). This led to a fundamental division of labor -- between the performance of the task and its coordination. And this in turn enabled management to be "abstracted," removed from the day-to-day operations, so that it "could concentrate on exceptions" (137).

Jelinek went on to point out that Taylor's efforts were extended into the administration function by Alexander Hamilton Church, in the area of cost accounting, "provid[ing] the means for abstracting management by making possible the description and monitoring of performance" (138). Then the work was extended to the most senior level of management through the introduction of the divisionalized form of structure, initially in Du Pont and then in General Motors. This innovation formalized the separation between operating a business and developing a corporate strategy.

[This] made possible for the first time concerted coordination...and true policy for such organizations. So long as management is overwhelmed by the details of task performance, planning and policy will not occur...That is, until what is routine is systematized and performance replicable without extensive management attention, management attention will necessarily focus on the routine. By the time of Du Pont and General Motors, the specification of task had moved from codifying workers' routine activities to codifying managers' routine activities. (138-139)

This led Jelinek to her basic point: The revolution that Taylor initiated in the factory was in the process of being repeated at the apex of the hierarchy, and it would be fundamentally no different. And the motor for this new revolution -- the equivalent of Taylor's work-study methods although on a higher level of abstraction-was that set of formal systems of strategic planning and control: "It is through administrative systems that planning and policy are made possible, because the systems capture knowledge about the task..." (139). Such systems "create a shared pattern of thought, with focus explicitly shifted to the pattern, rather than the specific content"; they "generalize knowledge far beyond its original discoverer or discovery situation"; and "in generalizing the insights they codify, also make them accessible to change and refinement." Thus "true management by exception, and true policy direction are now possible, solely because management is no longer wholly immersed in the details of the task itself" (139, italics in original).

Jelinek's book is about a system called OST (Objectives, Strategies and Tactics) developed at the Texas Instruments company in the early 1960s and constituting, in her view, another step in the century-old sequence, this one "concerned with a higher logical level":

Rather than coordinating multiple routine tasks, the OST is focused on generating new tasks which may eventually themselves become routine....As a system, the OST generalizes a procedure for acquiring the requisite new knowledge, creating a shared pattern of thought regarding innovation....The OST specifies how to proceed, monitor, and evaluate. (141)

Thus, Jelinek highlighted some central premises that underlie the practice of strategic planning: the management of strategy can be sharply separated from the management of operations, and the strategy formation process itself can be programmed -- in her words, "institutionalized" -- by the use of formal systems; indeed, only through such institutionalization does that separation become possible. What Taylor accomplished in the factory, planning systems could now accomplish by extrapolation in the executive suite. By virtue of its powers of formalization, planning becomes the means to create as well as to operationalize strategy. In other words, strategic planning is strategy formation, at least in best practice. Hence the common tendency to use the two terms interchangeably.

Jelinek's argument is a fundamental one, perhaps the boldest one in the literature and certainly among the most sophisticated. It exposes the key premises that, if true, provide the basis for supporting planning, and if false, undermine some of its most active efforts. We shall, therefore, return to her arguments (as well as her own later views) at a key point in our discussion. At this point, by asking one last question, we wish to begin consideration of the premise that strategic planning and strategy formation are synonymous, at least in best practice.

And What Is Strategy?

Ask anyone, planner or otherwise, What is strategy? and you will almost certainly be told that (a) strategy is a plan, or something equivalent -- a direction, a guide or course of action into the future, a path to get from here to there, etc. Then ask that person to describe the strategy that their organization or a competitive one has actually pursued over the past five years, and you will find that most people are perfectly happy to answer that question, oblivious to the fact that it violates their very own definition of the term.

It turns out that strategy is one of those words that we inevitably define in one way yet often use in another. (b) Strategy is also a pattern, that is, consistency in behavior over time. A company that perpetually markets the most expensive products in its industry pursues what is commonly called a high-end strategy, just as a person who always accepts the most challenging of jobs may be described as pursuing a high-risk strategy.

Now, both definitions seem to be valid -- organizations develop plans for the future and they also evolve patterns out of their past. We can call one intended strategy and the other realized strategy. The important question thus becomes: must realized strategies always be intended?

There is a simple way to find out: Just ask those people who happily described their (realized) strategies over the past five years what their intended strategies were five years earlier. A few may claim that their intentions were realized perfectly. Suspect their honesty. A few others may claim that their realizations had nothing to do with their intentions. Suspect their behavior. Most, we propose, will give an answer that falls between these two extremes. For, after all, perfect realization implies brilliant foresight, not to mention inflexibility, while no realization implies mindlessness. The real world inevitably involves some thinking ahead of time as well as some adaptation en route.

As shown in Figure 1-1, intentions that are fully realized can be called deliberate strategies. Those that are

not realized at all can be called unrealized strategies. The literature of planning recognizes both cases, with an obvious preference for the former. What it does not recognize is the third case, which we call emergent strategy -- where a realized pattern was not expressly intended. Actions were taken, one by one, which converged in time in some sort of consistency or pattern. For example, rather than pursuing a strategy (read plan) of diversification, a company simply makes diversification decisions one by one, in effect testing the market. First it buys an urban hotel, next a restaurant, then a resort hotel, then another urban hotel with restaurant, and then another of these, etc., until the strategy (pattern) of diversifying into urban hotels with restaurants finally emerges.

As implied earlier, few, if any, strategies can be purely deliberate, and few can be purely emergent. One suggests no learning, the other, no control. All real-world strategies need to mix these in some way -- to attempt to control without stopping the learning process. Organizations, for example, often pursue what may be called umbrella strategies: the broad outlines are deliberate while the details are allowed to emerge within them. Thus emergent strategies are not necessarily bad and deliberate ones good; effective strategies mix these characteristics in ways that reflect the conditions at hand, notably the ability to predict as well as the need to react to unexpected events.

Yet the literature of planning, including that book by Jelinek, considers effective strategy making a fully deliberate process, to the virtual exclusion of emergent elements. There is talk occasionally about flexible planning, but as with a pregnant virgin, the obvious contradiction is seldom addressed -- except, of course, by those who believe in planning as immaculate conception.

Walter Kiechel of Fortune magazine once polled consultants who claimed that less than ten percent of strategies are successfully implemented; Tom Peters referred to that figure as "wildly inflated"! (in Kiechel, 1984:8). Often, when a strategy fails, those at the top of the hierarchy blame it on implementation lower down: "If only you dumbbells appreciated the brilliance of the strategy we formulated..."Well, those dumbbells down below might well respond: "If you're so smart, why didn't you take into account the fact that we are dumbbells?" In other words, every failure of implementation is, by definition, also a failure of formulation. If there is to be a separation between the two, so that one side thinks before the other side acts, then clearly, the capacity to act has to be taken into consideration in the thinking process.

But how smart can any thinker be? In other words, might the real problem not so much be in either poor implementation or weak formulation as in forcing an artificial separation between the two? If the formulators get closer to their implementation (which is typical for entrepreneurs), or the implementers have greater influence over formulation (which is what intrapreneurship means), perhaps there can be greater successes in strategy making. Deliberate strategy relies on this artificial separation, while emergent strategy does not. Indeed, in the case of emergent strategy, the term formulation has to be replaced by formation because here strategies can form without being formulated. Thus, we shall use the term strategy formation in the rest of this book, not because strategies have to be purely emergent but simply to allow for the fact that they can be, or, more realistically, almost inevitably partially are.

There is another important implication of emergent strategy, also slighted in most of the planning literature. Strategies need not emanate from a center. Implicit in deliberate strategy is the belief that strategy derives all at once from some central place -- namely general management (or else the planning department). In the popular metaphors, the head thinks and the body acts, or the architect designs (on paper) so that the builders can construct with bricks and mortar. But in the case of emergent strategy, because big strategies can grow from little ideas (initiatives), and in strange places, not to mention at unexpected times, almost anyone in the organization can prove to be a strategist. All he or she needs is a good idea and the freedom and resources required to pursue it. Indeed, even the pervasion of a strategic initiative throughout the entire organization (to become a broadly-based strategy) need not be centrally controlled, let alone centrally planned, in some

formal process on some formal schedule. For example, a salesperson may have an idea to sell an existing product to some new customers. As other salespeople realize what that person is doing, they begin to do so too, and one day, months later, management discovers that the company has entered a new market. The new pattern certainly was not planned. Rather, to introduce a distinction we shall make much of in this book, it was learned, in a collective process. But is that bad? Sometimes yes, sometimes no, just as is true of behaviors that are carefully planned.

One final implication of emergent strategy: In the planning literature there is a long tradition, inherited from the military, of distinguishing strategies from tactics. That is a convenient distinction for a literature that likes to decompose and determine the importance of things a priori. Strategies refer to the important things, tactics to the mere details. But the very meaning of emergent strategy is that one can never be sure in advance which will prove to be which. In other words, mere details can eventually prove to be strategic. After all, as was pointed out in that old nursery rhyme, the war could well have been lost all for want of a nail in the shoe of a horse. Care must therefore be taken not to leap into labeling things as intrinsically tactical or strategic. (The company in the earlier diversification example may have bought its first urban hotel inadvertently.) To quote Richard Rumelt, "one person's strategy is another's tactics -- that what is strategic depends on where you sit" (1979a:197). It also depends on when you sit, because what seemed tactical yesterday might prove strategic tomorrow. Thus, the term tactical will not be used in this book, while strategic will be used as an adjective to mean relatively consequential, in patterns after actions are taken as well as in intentions that precede them.

We are not yet finished with definitions of strategies, for alongside plan and pattern, we can add at least two more "p" words. Some years ago, McDonald's introduced a new product called Egg McMuffin -- the American breakfast in a bun. This was to encourage the use of the restaurant facilities in the morning. If you ask a group of managers whether Egg McMuffin was a strategic change for McDonald's, you will inevitably hear two answers: "Yes, of course; it brought them into the breakfast market," and "Aw, come on, it's the same old stuff -- the McDonald's way -- just in a different package." In our view, these managers differ not so much as to whether this was a strategic change but in how they implicitly define the content of strategy in the first place.

To some people, notably Porter (1980, 1985) and his followers, (c) strategy is position, namely the determination of particular products in particular markets. To others, however, (d) strategy is perspective, namely an organization's way of doing things, in Peter Drucker's phrase, its concept of the business. As position, strategy looks down -- to the "x" that marks the spot where the product meets the customer -- and it looks out -- to the external marketplace. As perspective, in contrast, strategy looks in -- inside the organization, indeed, inside the head of the collective strategists -- but it also looks up -- to the grand vision of the enterprise (that forest seen above the trees, or is it the clouds that are being perceived?!).

As we shall see, the tendency in the planning literature has been to favor position over perspective. Claims notwithstanding, as soon as the practicalities of formalizing things come into play, strategy inevitably reduces to a set of positions. All those "x's" can be marked easily -- identified and articulated -- while perspective does not lend itself easily to decomposition.

Again, however, we need both definitions. McDonald's introduced Egg McMuffin successfully because the new position was consistent with the existing perspective. The executives of McDonald's seemed to understand well (though not necessarily in these terms) that one does not casually ignore perspective. (Anyone for McDuckling &$224; l'Orange?) Changing position within perspective may be easy; changing perspective, even while maintaining position, is not. (Just ask the Swiss watchmakers about the introduction of quartz technology.) Figure 1-2 illustrates examples of this. Clearly, organizations have to consider both positions and perspective in their strategy formation. A literature that favors one over the other does a

disservice to that process.

But the literature of planning does exactly that, as does it favor plan over pattern. Our conclusion is that "strategic planning" cannot be synonymous with strategy formation, which encompasses all of these, and certainly not with effectiveness in that process. The implication of this is that planning may have less to do with strategy making than is often claimed, but also that planners probably have more work to do than they sometimes realize!

Planners, Plans, and Planning

Many writers on business planning discuss the importance of top management in strategy formation, the fact that the chief executive is the foremost planner. But much else that is written reveals quite a different point of view. If intuition really is haphazard and unreliable, as is often claimed in this literature (as we shall see), then the role of managers must be circumscribed; if, as is also claimed, managers really are too busy to plan, then they cannot play the key role in the process of planning; if formal systems really should be used to make strategy, then perhaps managers should not; and if strategy really must be separated from operations, through the use of systems like OST and PPBS, then perhaps planning should also be separated from management.

In an early report published by the Boston Consulting Group and entitled "The Impact of Strategic Planning on Executive Behavior," Robert Mainer contrasted "the work of planning...with the work of managing a business that is traditional to the organization":

The crux of the matter is that the behavioral requirements of pla

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Seminal Contribution to Strateigc Planning Literature
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Truly, Minztberg's work is one of those if you're interested in the history, evolution, and critique of strategic planning, you must read this. Mintzberg begins with identifying three schools of thought on strategy formation which are the subject of this book:
a) Design - sometimes called SWOT (strengths, weaknesses, opportunities, and threats);
b) Planning - process is informal and the chief executive (leader) is the key person; and
c) Positioning - focuses on content of strategies such as differentiation, diversification, etc.
His point/cynicism is that there must be other ways (than planning) to develop strategies (pp. 2-3).

Content:
1 Planning and Strategy
2 Models of the Strategic Planning Process (basic planning model; decomposing the basic model; sorting out the hierarchies of objectives, budgets, strategies, and programs)
3 Evidence on Planning
4 Pitfalls of Planning
5 Fallacies of strategic Planning
6 Planning, Plan, Planners

This is probably not the book for a practitioner interested in practical how to's related to strategic planning methods. It's about theory, critique, framework, and historical evolution of strategic planning. A must-read for a serious student of this topic.

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A classic

By Concerned Reader

This book was once described as "the final nail in the coffin of strategic planning"! It takes strategic planning, as envisioned about 15-20 years ago, and carefully cuts it apart, removing all its pretensions to being strategic in any real sense. But it is not a book that only bashes; it shows the way to make the most of the resources that 'strategic planning' can bring to the organization, while maintaining a jaundiced eye on potential shortcomings.

The critical issue is that planning is fundamentally analytical, while strategic thinking and strategy development is synthetic. As was discovered many years ago, you cannot use one to substitute for the other. Each has their place. But most strategic planning operations seem to have a black box for 'Develop Strategy,' and otherwise ignore it. This is like building a Formula 1 race car, but leaving a black box for the engine, and never discussing how it might be obtain or how it would fit.

Recommended if you have to deal with strategic plans, planning and planners.

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2. You will learn what it is planning,

3. You will learn the errors of planning,

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5. Because the world changes, but not the rules,

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About the Author
Henry Mintzberg is a visiting professor at INSEAD in France and a two-time winner of the prestigious McKinsey Award for the best Harvard Business Review article. A fellow of the Royal Society of Canada -- the first fellow elected from a management faculty -- he is the author of several seminal books including Mintzberg on Management (Free Press, 1989).

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Chapter 1: Planning and Strategy

What is the relationship between planning and strategy? Is strategy making simply a process of planning, as the proponents of planning have so vigorously insisted? Or, at the other extreme, is strategic planning simply another oxymoron, like progressive conservative or jumbo shrimp (or civil engineer?). In other words, should strategy always be planned, never be planned, or sometimes be planned? Or should it relate to planning in some other way?

Barely anything written about planning or strategy provides considered answers to these questions. This book seeks to do so. We begin in this chapter by addressing some other basic questions. First we ask, "What is planning anyway?" After considering a variety of popular answers, we narrow them down to a definition of our own. Next we ask, "Why plan?" and provide the answers according to planners. (Our own answers come later.) Finally we ask, "And what is strategy?" and answer in a way that is opposite to planning by insisting on the need for several definitions. Then, after considering briefly planning, plans, and planners, we conclude this opening chapter with the plan for the rest of the book.

What Is Planning Anyway?

This may seem like a strange question to ask as the twentieth century draws to a close, given the long popularity of planning, especially (ironically) in both Corporate America and Communist Europe. Largely a budget exercise in the America of the 1950s, it began to spread quickly, having become firmly installed in most large corporations by the mid-1960s (Gilmore, 1970:16; Chamberlain, 1968:151). At that point the notion of strategic planning took hold, to become within a decade a virtual obsession among American corporations (and in American government, in the form of the Planning-Programming-Budgeting System, or PPBS).

In fact, however, the concept dates much farther back. There is even a reference to a "Director of Strategic Planning" in Sun Tzu's The Art of War (1971:146), originally written about 2,400 years ago (although a Chinese student of mine considers this title too loose a translation from the Chinese). But there is no doubt about the translation of Henri Fayol's work. Writing of his experiences as a French mining chief executive in the last century, he noted the existence of "ten-yearly forecasts...revised every five years" (1949:47). Despite all this attention, the fact remains that the question, "What is planning anyway?", has never been properly answered -- indeed, seldom seriously addressed -- in planning's own literature.

In 1967, in what remains one of the few carefully reasoned articles on the subject, Loasby wrote that "the word 'planning' is currently used in so many and various senses that it is in some danger of degenerating into an emotive noise" (1967:300). At about the same time, one of the more impressive assemblages of planning people took place at Bellagio, Italy, (Jantsch, 1969) under the auspices of the OECD. Jay Forrester's "reflection" on the conference included the comment that "efforts to define the terms [planning and long-range forecasting] failed" (1969a:503). They have failed ever since.

Aaron Wildavsky, a political scientist well-known for his criticisms of planning, concluded that in trying to be everything, planning became nothing:

Planning protrudes in so many directions, the planner can no longer discern its shape. He may be economist, political scientist, sociologist, architect or scientist. Yet the essence of his calling-planning -- escapes him. He finds it everywhere in general and nowhere in particular. Why is planning so elusive? (1973:127)

"Planning" may be so elusive because its proponents have been more concerned with promoting vague ideals than achieving viable positions, more concerned with what planning might be than what it actually became. As a result, planning has lacked a clear definition of its own place in organizations and in the state. Yet it is our belief that planning has, nevertheless, carved out a viable niche for itself, through its own successes and failures. The need, therefore, is not to create a place for planning so much as to recognize the place it already does occupy.

This book seeks to describe that place with regard to strategy-in effect, to develop an operational definition of planning in the context of strategy making. But we do not begin with the assumption that planning is whatever people called planners happen to do, or that planning is any process that generates formal plans. People called planners can sometimes do strange things, just as strategies can sometimes result from strange processes. We need to delineate the word carefully if it is not to be eventually dropped from the management literature as hopelessly contaminated. We begin here by considering formal definitions of planning; the rest of this book is about the operational definition.

To some people (1) planning is future thinking, simply taking the future into account. "Planning denotes thinking about the future," wrote Bolan (1974:15). Or in the more poetic words of Sawyer, "Planning is action laid out in advance" (1983:1).

The problem with this definition is that it cannot be bounded. What organizational activity, no matter how short-term or reactive, does not take the future into account? Newman acknowledged the problem back in

1951 when he quoted Dennison that "Almost all work, in order to be done at all, must be planned, at the least informally and a few minutes ahead" (1951:56). By this definition, planning includes ordering a sandwich for lunch as much as establishing a division to flood the market with sandwiches. In fact, Fayol understood this breadth of the term back in 1916 when he wrote that:

The maxim, "managing means looking ahead," gives some idea of the importance attached to planning in the business world, and it is true that if foresight is not the whole of management at least it is an essential part of it. (1949:43, published in French in 1916)

But if this is true if, as Dror put it more baldly, "planning, in a word, is management" (1971:105) -- why bother to use the word "planning" when "management" works just fine?

To others, (2) planning is controlling the future, not just thinking about it but acting on it, or as Weick (1979) is fond of saying, enacting it. "Planning is the design of a desired future and of effective ways of bringing it about," Ackoff wrote (1970:1). Others expressed the same thought when they defined the purpose of planning as "to create controlled change in the environment" (Ozbekhan, 1969:152), or, more pointedly, "the design of social systems" (Forrester, 1969b:237). In this regard, John Kenneth Galbraith argued in his book, The New Industrial State, that big business engages in planning to "replace the market," to "exercise control over what is sold...[and] what is supplied" (1967:24).

But this second definition of planning, really just the other side of the coin from the first, suffers from the same problem of excessive breadth. By associating planning with free will, it becomes synonymous again with popular uses of the word management and so loses distinctive meaning.

Since practically all actions with future consequences are planned actions, planning is everything, and nonplanning can hardly be said to exist. Nonplanning only exists when people have no objectives, when their actions are random and not goal-directed. If everybody plans (well, almost) it is not possible to distinguish planned from unplanned actions. (Wildavsky, 1973:130)

Schumacher (1974) provides some conceptual help here. By distinguishing the past from the future, acts from events, and certainty from uncertainty, eight possible cases are constructed:

1. act-past-certain
2. act-future-certain
3. act-past-uncertain
4. act-future-uncertain
5. event-past-certain
6. event-future-certain
7. event-past-uncertain
8. event-future-uncertain (188-189)

This approach is used to clarify such words as "plan," "forecast," and "estimate," and we can use it here to help position planning. The first two definitions in the list appear to place planning in cases 2 and 4 -- how to act in the future, whether certain or uncertain, or how to make it certain by enacting it. Anything to do with events -- things that "simply happen" -- is outside of the realm of planning: "to apply the word 'planning' to matters outside the planner's control is absurd," although that can be a part of "forecasting" (189). Thus planning is precluded, for example, from cases 5 and 8, the given past and the uncertain, uncontrollable future, although the author noted the frequency with which case 8 forecasts are "presented as if they were plans" (189). Alternately, "'estimates' are put forward which upon inspection turn out to be plans" (190). As for the past (e.g., case 1), planning would hardly seem to have a role to play here, although, as we shall see near the end of this book, planners themselves may have roles in that studies of past behavior can influence

future events (cases 2 and 4).

Still, we need a definition of planning that tells us not that we have to think about the future, not even that we should try to control it, but how these things are done. In other words, planning has to be defined by the process it represents. In this regard, a number of writers have proposed, sometimes inadvertently, that (3) planning is decision making. As far back as 1949, Goetz defined planning as "fundamentally choosing" (in Steiner, 1979:346), and in 1958 Koontz defined it as "the conscious determination of courses of action designed to accomplish purposes. Planning is, then, deciding" (1958:48). Likewise, Snyder and Glueck, without labeling it decision making, defined planning as "those activities which are concerned specifically with determining in advance what actions and/or human and physical resources are required to reach a goal. It includes identifying alternatives, analyzing each one, and selecting the best ones" (1980:73). Similarly, in certain literature of the public sector (so-called public planning), the term planning has been used as a virtual synonym for decision making and project management (see, for example, the various writings of Nutt [e.g., 1983, 1984]). Others tried to nuance this definition: Drucker, for example, by discussing the "futurity of present decisions" (1959:239), and Ozbekhan, by describing the "future directed decision process" (1969:151).

But unless anyone can think of a decision process that is not future-directed, these nuances are of little help. Assuming that decision means commitment to action (see Mintzberg, Raisinghani, and Théorêt, 1976), every decision takes the future into consideration by a vow to act, whether it be to market a product in ten years or ship one in ten minutes. Rice recognized this when he argued that "all decisions are made with forethought," that every decision maker has "a reason for making his decision," which amounts to a "plan" (1983:60).

Thus, this third definition really reduces to the first and, because commitment is an act of free will, to the second as well. Accordingly, planning again becomes synonymous with everything managers do, "part of the intellectual process the policy maker employs to reach his decision," even if "informal, unstructured" (Cooper, 1975:229). In fact, to make their case that managers do indeed plan, Snyder and Glueck used the example of a school superintendent dealing with the efforts of a councilman to disrupt school board meetings and discredit him. But if planning is reacting to such pressures in the short term, then what isn't planning? Indeed, these authors quoted George (1972) that:

Planning, of course, is not a separate, recognizable act....Every managerial act, mental or physical is inexorably intertwined with planning. It is as much a part of every managerial act as breathing is to the living human. (1980:75, italics in original)

But if that is true, why describe what organizations do as planning, any more than describe what people do as breathing? In other words, who needs the planning label when decision making or even managing does the job? As Sayles noted, planning (presumably by any of these first definitions) and decision making "are inextricably bound up in the warp and woof of the [manager's] interaction pattern, and it is a false abstraction to separate them" (1964:2087).

Let us, therefore, begin to consider more bounded definitions of planning as a process. (4) Planning is integrated decision making. To Schwendiman, it is an "integrated decision structure" (1973:32). To van Gunsteren, it "means fitting together of ongoing activities into a meaningful whole" (1976:2): "Planning implies getting somewhat more organized....It means making a feasible commitment around which already available courses of action get organized".

The last definition may seem close to the preceding one. But because it is concerned not so much with the making of decisions as with the conscious attempt to integrate different ones, it is fundamentally different and begins to identify a position for planning. Consider the words of Ackoff:

Planning is required when the future state that we desire involves a set of interdependent decisions; that is, a system of decisions....the principal complexity in planning derives from the interrelatedness of the decisions rather than from the decisions themselves....(1970:2, 3)

This view of planning finally takes us into the realm of strategy making, since that process also deals with the interrelationships among decisions (important ones) in an organization. But because this normally has to take place over time, such coordination among decisions is rendered difficult. Planning as integrated decision making imposes a particularly stringent requirement, however: that the decisions in question be batched -- be drawn together periodically into a single, tightly coupled process so that they can all be made (or at least approved) at a single point in time. As Ozbekhan noted of the result, "'Plan' refers to an integrative hierarchically organized action constraint in which various kinds of decisions are functionally ordered" (1969:153).

It is this requirement that may help to explain why planning is sometimes treated as synonymous with decision making. If different decisions have to be batched, they may come to resemble a single decision. Hence planning writers have tended to confuse decision making with strategy making by assuming that the latter necessarily involves the selection of a single course of action -- the choice of an integrated strategy at one point in time. Normann, in fact, made this point about Igor Ansoff's well-known writings on planning:

Ansoff regards the choice of strategy and the formulation of policy chiefly as a decision process: first, goals are established, after which (using a series of analytical techniques) alternatives are evolved and (still using analytical techniques) a choice made among them, possibly after some adjustments in the original goals. (1977:8-9)

But since, as we shall see, there are other ways in which to make strategy, notably dynamically over time, the process of integrating decisions at a point in time becomes, not strategy making, but simply planning's approach to strategy making, the situation to which it restricts itself. Thus its position becomes clearer. However, it is still not clear enough. Visionary leaders likewise integrate decisions, in their cases informally, or, if you prefer, intuitively. Yet to encompass their behavior under the planning label would again seem to broaden it beyond reasonable (and current) usage. (Indeed, as we shall see, some of the most influential writers in this field pit planning process against managerial intuition.) Thus something more is needed to identify planning.

That something, in our view, is the key to understanding planning -- formalization. (5) Planning is a formalized procedure to produce an articulated result, in the form of an integrated system of decisions. What to us captures the notion of planning above all -- most clearly distinguishes its literature and differentiates its practice from other processes -- is its emphasis on formalization, the systemization of the phenomenon to which planning is meant to apply. Thus Bryson referred to strategic planning as a "disciplined effort," in fact, "simply a set of concepts, procedures and tests" (1988:512), while in some of the research literature the term FSP was substituted for strategic planning, with the f for formal (e.g., Pearce et al., 1987).

Formalization here would seem to mean three things, especially (a) to decompose, (b) to articulate, and especially (c) to rationalize the processes by which decisions are made and integrated in organizations.

An emphasis on formal rationality permeates the literature of planning. Denning contrasted the "systematic" with the "haphazard" (1973:26-27), while Steiner argued that "Plans can and should be to the fullest possible extent objective, factual, logical, and realistic in establishing objectives and devising means to obtain them" (1969:20). Similarly, Dror claimed that in the public sector "planning is at present the most structured and professionalized mode of policy making," given its "explicit attention to internal consistency" and its "effort to supply structured rationality" (1971:93).

Rationality of this formal kind is, of course, rooted in analysis, not synthesis. Above all, planning is characterized by the decompositional nature of analysis -- reducing states and processes to their component parts. Thus the process is formally reductionist in nature. This may seem curious, given that the intention of planning is to integrate decisions. But the performance of planning has been curious too and for this very reason, as we shall see. Here, in any event, we seek to characterize planning by the nature of its process, not by its intended results. In fact, the key, if implicit, assumption underlying strategic planning is that analysis will produces synthesis: decomposition of the process of strategy making into a series of articulated steps, each to be carried out as specified in sequence, will produce integrated strategies. This, in fact and not incidentally, is the old "machine" assumption, the one that underlies the design of the manufacturing assembly line -- itself a kind of machine of human steps. If every component is produced by the machine as specified and assembled in the order prescribed, an integrated product will appear at the end of the line. Indeed, as we shall see, this analogy underlies some of the most important thinking in the field of planning, and has proved to be patently false. Organizational strategies cannot be created by the logic used to assemble automobiles.

Along with rationality and decomposition, articulation is the third key component of formalization. The product of planning-the plans themselves -- after being carefully decomposed into strategies and substrategies, programs, budgets, and objectives, must be clearly and explicitly labeled -- by words and, preferably, numbers on sheets of paper. Thus Zan, in a carefully reasoned paper called "What Is Left for Formal Planning?," concluded that "the common characteristic" of various planning systems is "the process of rendering things explicit," in terms of both processes and their consequences (1987:193). George Steiner, probably the most prolific of the business planning writers, noted that the word planning comes from the Latin planum, "meaning flat surface" (1969:5). Leaving aside the prophetic powers of the Romans with regard to a literature that was to follow in two millennia, Steiner went on to note that the word "entered the English language in the Seventeenth Century, referring principally to forms, such as maps or blueprints, that were drawn on flat surfaces" (1969:5-6). Thus, the word has long been associated with formalized documents.

So now we seem to have a more operational definition of planning, since the word can be identified with two observable phenomenon in organizations -- the use of formalized procedure and the existence of articulated result, specifically concerning an integrated system of decisions.

This may seem to some people an unnecessarily restricted definition of the term. We think not. This book's introduction suggested that planning is one proposed approach to strategy making among several that are possible. It certainly does not encompass the whole process. The theoreticians of planning may have intended a broader definition of the word, but the reality of planning -- its actual practice, let alone its tangible accomplishments -- tell a much different story. Our claim, which we believe to be demonstrated in the rest of this book, is that the definition proposed here is, by virtue of planners' own behaviors, closest to the one that planning has created for itself, and, indeed, has chosen for itself, however implicitly. In other words, in this book planning is defined by what it is (and that, it should be noted parenthetically in a departure from Wildavsky, is something!).

To some people, when corporate executives go off to a mountain retreat to discuss strategy, that is planning. To others, adapting to external pressures informally over time is also planning. In principle, there is no problem with this. In practice, however, it creates all kinds of confusion. For example, the planners may not understand why the executives at the retreat did not structure their discussions more systematically. Had they simply called their retreat "strategic thinking," this would not happen. Because the word planning, implicitly when not explicitly, is associated with formalization, use of it presupposes the requisite decomposition, articulation, and rationalization. But for those readers who are still not persuaded by our use of the term, we suggest that every time we write planning, you read formal planning. Eventually you will probably drop the

adjective, because, we hope, you begin to agree with us rather than out of just plain weariness.

Obviously, formalization is a relative, not an absolute, term. And obviously, planners carry out a range of activities, some more, some less formal. But as a process, we argue here that planning sits toward the formal end of the continuum of organizational behavior. (We shall specify this in the last chapter.) It must be seen, not as decision making, not as strategy making, and certainly not as management, or as the preferred way of doing any of these things, but simply as the effort to formalize parts of them -- through decomposition, articulation, and rationalization.

Why Plan (According to Planners)?

Given that this is planning, the question then becomes -- why do it? In a word, why formalize? And correspondingly, why decompose, why articulate, and why rationalize? The answer must extend throughout our discussion: in a sense, that is what this book is about -- why and why not do these things. But at this point, it is appropriate to consider how planners themselves have answered the question.

We shall discuss these answers in the form of imperatives, for this is how they tend to be found in so much of the literature of planning. To many of its writers, planning became not just an approach to managing the organization's future but the only conceivable one, at the limit a virtual religion to be promulgated with the fervor of missionaries. "If you say, 'Is every part of GE planned strategically?' I have to say no," commented one man who headed this function in what was once known as America's most planning-oriented company. He concluded, "Some SBUs [Strategic Business Units] do not have good strategies"! (Rothschild in Cohen, 1982:8) In a legacy -- and a phrase -- inherited from Frederick Taylor, who developed the initial practice of "scientific management," and honed through half a century of increasingly rationalistic approaches to management, planning anointed itself as the "one best way."

1. Organizations must plan to coordinate their activities. "Coordinate," "integrate," and "comprehensive" are words generously used in the vocabulary of planning. A major argument in favor of planning, as suggested in the third definition presented earlier, is that decisions made together formally in a single process will ensure that the efforts of the organization are properly coordinated. Thus Porter claimed in the Introduction to his book, Competitive Strategy:

The emphasis being placed on strategic planning today in firms in the United States and abroad reflects the proposition that there are significant benefits to gain through an explicit process of formulating strategy, to insure that at least the policies (if not the actions) of functional departments are coordinated and directed at some common set of goals. (1980:xiii, italics in original)

When the different activities of an organization take place at cross-purposes -- the salespeople have sold but the factory cannot produce, or the office tower built yesterday is too small today -- the problem is usually attributed to the lack of (effective) planning. By decomposing a strategy, or its consequences, into intentions attributable to each part of the organization, we ensure that the overall job will get done -- so long, of course, as each carries out (that is, "implements") his, her, or its plan. Here, again, we have that old machine assumption.

Moreover, the articulation of plans provides a mechanism of communication that promotes coordination across the different parts of the organization. Sawyer, for example, wrote of "the need [through planning] to bring the management process of the organization out of the individual minds of one or a few leaders and into a forum amongst a management group" (1983:5), where it can be shared and discussed, perhaps, as Zan suggested, helping to create consensus (1987:192). Some writers, in fact, have claimed that planning is of value in and of itself ("it's the process that counts") because of its capacity to enhance communication in the organization, for example, by "enriching [people's] common understanding of corporate objectives and

businesses" (Hax and Majluf, 1984:66). Fayol even claimed that "The Plan...builds unity, and mutual confidence," and that it "leads to...a broadened outlook" (1949:xi).

There can be little doubt that plans and planning can serve as important mechanisms to knit disparate activities together. But to consider this an imperative or, as Weick characterized the underlying assumption, that "organizations are rational arrangements of people and props which are held together by plans" (1969:101), is another matter. Coordination can be effected in other ways too -- through informal communication among different actors (called "mutual adjustment"), through the sharing of the norms and beliefs of a common culture, also through the direct supervision by a single leader (see Mintzberg, 1979a:2-7). And even when plans do serve in a coordinating role, it cannot be assumed that planning (that is, formalized procedure) has created those plans. As for the claim that the planning process naturally enhances communication, well, meetings held for any purpose can do that!

2. Organizations must plan to ensure that the future is taken into account. "The first reason for looking at the future in a systematic way is to understand the future implications of present decisions," also "the present implications of future events" (Loasby, 1967:301). What planning does specifically in this regard is to introduce "a discipline for long-term thinking in the firm" (Hax and Majluf, 1984:66, italics added).

The future can be taken into account in three basic ways (paraphrasing Starr, 1971:315):

1. preparing for the inevitable
2. preempting the undesirable
3. controlling the controllable

Clearly, no self-respecting manager would be caught avoiding any of these things. There is good reason to try to take the future into account. But need that be done systematically and formally, that is, through planning? In many cases, no doubt, it should be. But always? The future can be taken into account in other ways too, for example, informally, by an insightful individual, indeed, even by instinct. The squirrel gathering nuts for the winter certainly takes the future into account. Indeed, it does all three things on the above list concurrently, since winter is inevitable, hunger is undesirable, and nuts are controllable! Are we to conclude, therefore, that squirrels are more sophisticated than we might have thought, or planning is less so?

An obvious response to this -- common in the literature is that managers (unlike squirrels, perhaps) have so many things on their minds that they risk forgetting about the long-term future. Planning can at least be "a means for getting topics on the agenda" (Loasby, 1967:303). As March and Simon claimed in their "'Gresham's Law' of Planning": "Daily routine drives out planning" (1958:185), or, as they restated it, highly programmed tasks tend to take precedence over highly unprogrammed ones. Planning thus becomes a means to program the unprogrammed: in the words of one General Electric planner, it "program[s] an executive's time" (Hekhuis, 1979:242). But does that resolve the problem: does forcing formal recognition of the future, let alone formalizing how it is dealt with, necessarily mean the future is properly taken into account?

3. Organizations must plan to be "rational." The prime reason put forth for engaging in planning is that it is simply a superior form of management: formalized decision making is better than nonformalized decision making. In Schwendiman's words, it "force[s] deeper thinking" (1973:64). "Strategic thinking rarely occurs spontaneously," claimed Michael Porter in The Economist (1987:17). Setting aside the fact that no evidence was offered for this astonishing statement, is there likewise any evidence that strategic thinking is promoted by strategic planning? "Without guidelines," Porter went on, "few managers knew what constituted strategic thinking" (17). Was he really claiming that with such guidelines they suddenly knew what it was? Was it that easy? Did the managers really need planners to tell them about strategic thinking? Again Wildavsky captured the sentiment well.

Planning is not really defended for what it does but for what it symbolizes. Planning, identified with reason, is conceived to be the way in which intelligence is applied to social problems. The efforts of planners are presumably better than other people's because they result in policy proposals that are systematic, efficient, coordinated, consistent, and rational. It is words like these that convey the superiority of planning. The virtue of planning is that it embodies universal norms of rational choice. (1973:141)

The literature has been quick to point out what is gained by formalizing behavior, though seldom with supporting evidence. But it almost never addressed what might be lost. Typical was a comment by Charles Hitch, to justify one of the greatest planning efforts (and failures) of all time, his installation of PPBS in the U.S. military and later the rest of the government in the 1960s. Hitch's point was that managers are not only busy but also overwhelmed with information and so cannot make decisions effectively without the aid of formal analysis.

Almost never do we find one person who has an intuitive grasp of all the fields of knowledge that are relevant to a major defense problem....in general, and especially when the choice is not between two but among many alternatives, systematic analysis is essential....And wherever the relevant factors are diverse and complex, as they usually are in defense problems, unaided intuition is incapable of weighing them and reaching a sound decision. (1965:56)

But is "systematic analysis" capable of so doing? To what extent does it not aid intuition but impede it? Even if it were true that planning focuses "on the right set of issues," as claimed by two well-known writers in the field (Lorange and Vancil: 1977:x), again without supporting evidence, could we be sure that it focuses on them in the right way? Indeed, is there evidence that the "attention-direction, pace setting mechanism" called planning (Yavitz and Newman, 1982:109) really does encourage thinking about the long term? And, above all, do we improve unprogrammed thinking by programming it? The evidence we shall cite later in this book, including that of the failure of Hitch's PPBS exercise (see Chapter 3), will throw into question the inclination of the planning literature to assume consistently favorable responses to all of these questions.

4. Organizations must plan to control. Using planning to control is a touchy subject in this literature, because planning is also claimed to motivate, to encourage participation, and to facilitate consensus. Yet the purpose of planning in order to effect control (the two words are often used concurrently, if not interchangeably as in "planning and control systems"), is never far below the surface, and often right on it. "Planning is an activity by which man in society endeavors to gain mastery over himself and to shape his collective future by power of his reason" (Dror, 1971:105).

Control through planning extends itself in all directions, as is evident in the reasons for planning given earlier. To be sure, planning is meant to control others in the organization, namely those whose work is "coordinated." Thus among the "primary responsibilities" of the planning staff, Schwendiman lists:

1. The corporate planning staff should be responsible for planning the "system" and seeing that the steps are carried out in the proper sequence.

2. The staff should ensure quality, accuracy, and completeness in the planning done by others.

3. The staff should be responsible for coordinating the overall planning effort and pulling the individual pieces together. (1973:50)

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Note that it is not only those down in the hierarchy whose work is controlled; if planning formalizes strategy making, it controls some of the work of top management as well. But control in planning does not stop there. Planning is also meant to control the future of the organization and, therefore, the environment outside the organization. "If the market is unreliable," as John Kenneth Galbraith wrote, the firm "cannot plan." Therefore, "much of what the firm regards as planning consists in minimizing or getting rid of market influences" (1967:26). Indeed, as in the quotation from Dror about "mastery over himself," planning even controls the planners, whose intuitive inclinations are preempted by their rational procedures. And when Zan wrote of planning "as a means of reducing external complexity to 'manageable' forms" (1987:192), he meant conceptual control -- rendering the world simple enough to comprehend. Thus Lorange, in a paper entitled "Roles of the C.E.O. in Strategic Planning and Control Processes," noted that while the chief executive "typically cannot carry out the implementation of the design issues himself, he has to be sufficiently involved so as to control the processes" (1980b:1), which, of course, he must do through planning. "He might even in fact conclude that this...is his only realistic option for managing a large, complex organization" (2). Perhaps Lorange should have called it "remote control"!

Jelinek's Case for Planning

In her book, Institutionalizing Innovation, Mariann Jelinek presented one of the few carefully reasoned arguments in favor of strategic planning. Tackling the issue head-on, Jelinek sought to make the case for formalization per se, rooting her argument in the historical development of management science, or, more precisely, scientific management, as that term was coined early in this century for the work of Frederick Taylor.

As Jelinek pointed out, Taylor's contribution in his famous experiments in the formal study and routinization of manual work was not only to vastly improve procedures but to initiate a true revolution in the way that work was organized -- "the codification of routine tasks." Taylor "for the first time made possible the large-scale coordination of details -- planning and policy-level thinking, above and beyond the details of the task itself" (1979:136). This led to a fundamental division of labor -- between the performance of the task and its coordination. And this in turn enabled management to be "abstracted," removed from the day-to-day operations, so that it "could concentrate on exceptions" (137).

Jelinek went on to point out that Taylor's efforts were extended into the administration function by Alexander Hamilton Church, in the area of cost accounting, "provid[ing] the means for abstracting management by making possible the description and monitoring of performance" (138). Then the work was extended to the most senior level of management through the introduction of the divisionalized form of structure, initially in Du Pont and then in General Motors. This innovation formalized the separation between operating a business and developing a corporate strategy.

[This] made possible for the first time concerted coordination...and true policy for such organizations. So

long as management is overwhelmed by the details of task performance, planning and policy will not occur...That is, until what is routine is systematized and performance replicable without extensive management attention, management attention will necessarily focus on the routine. By the time of Du Pont and General Motors, the specification of task had moved from codifying workers' routine activities to codifying managers' routine activities. (138-139)

This led Jelinek to her basic point: The revolution that Taylor initiated in the factory was in the process of being repeated at the apex of the hierarchy, and it would be fundamentally no different. And the motor for this new revolution -- the equivalent of Taylor's work-study methods although on a higher level of abstraction-was that set of formal systems of strategic planning and control: "It is through administrative systems that planning and policy are made possible, because the systems capture knowledge about the task..." (139). Such systems "create a shared pattern of thought, with focus explicitly shifted to the pattern, rather than the specific content"; they "generalize knowledge far beyond its original discoverer or discovery situation"; and "in generalizing the insights they codify, also make them accessible to change and refinement." Thus "true management by exception, and true policy direction are now possible, solely because management is no longer wholly immersed in the details of the task itself" (139, italics in original).

Jelinek's book is about a system called OST (Objectives, Strategies and Tactics) developed at the Texas Instruments company in the early 1960s and constituting, in her view, another step in the century-old sequence, this one "concerned with a higher logical level":

Rather than coordinating multiple routine tasks, the OST is focused on generating new tasks which may eventually themselves become routine....As a system, the OST generalizes a procedure for acquiring the requisite new knowledge, creating a shared pattern of thought regarding innovation....The OST specifies how to proceed, monitor, and evaluate. (141)

Thus, Jelinek highlighted some central premises that underlie the practice of strategic planning: the management of strategy can be sharply separated from the management of operations, and the strategy formation process itself can be programmed -- in her words, "institutionalized" -- by the use of formal systems; indeed, only through such institutionalization does that separation become possible. What Taylor accomplished in the factory, planning systems could now accomplish by extrapolation in the executive suite. By virtue of its powers of formalization, planning becomes the means to create as well as to operationalize strategy. In other words, strategic planning is strategy formation, at least in best practice. Hence the common tendency to use the two terms interchangeably.

Jelinek's argument is a fundamental one, perhaps the boldest one in the literature and certainly among the most sophisticated. It exposes the key premises that, if true, provide the basis for supporting planning, and if false, undermine some of its most active efforts. We shall, therefore, return to her arguments (as well as her own later views) at a key point in our discussion. At this point, by asking one last question, we wish to begin consideration of the premise that strategic planning and strategy formation are synonymous, at least in best practice.

And What Is Strategy?

Ask anyone, planner or otherwise, What is strategy? and you will almost certainly be told that (a) strategy is a plan, or something equivalent -- a direction, a guide or course of action into the future, a path to get from here to there, etc. Then ask that person to describe the strategy that their organization or a competitive one has actually pursued over the past five years, and you will find that most people are perfectly happy to answer that question, oblivious to the fact that it violates their very own definition of the term.

It turns out that strategy is one of those words that we inevitably define in one way yet often use in another.

(b) Strategy is also a pattern, that is, consistency in behavior over time. A company that perpetually markets the most expensive products in its industry pursues what is commonly called a high-end strategy, just as a person who always accepts the most challenging of jobs may be described as pursuing a high-risk strategy.

Now, both definitions seem to be valid -- organizations develop plans for the future and they also evolve patterns out of their past. We can call one intended strategy and the other realized strategy. The important question thus becomes: must realized strategies always be intended?

There is a simple way to find out: Just ask those people who happily described their (realized) strategies over the past five years what their intended strategies were five years earlier. A few may claim that their intentions were realized perfectly. Suspect their honesty. A few others may claim that their realizations had nothing to do with their intentions. Suspect their behavior. Most, we propose, will give an answer that falls between these two extremes. For, after all, perfect realization implies brilliant foresight, not to mention inflexibility, while no realization implies mindlessness. The real world inevitably involves some thinking ahead of time as well as some adaptation en route.

As shown in Figure 1-1, intentions that are fully realized can be called deliberate strategies. Those that are not realized at all can be called unrealized strategies. The literature of planning recognizes both cases, with an obvious preference for the former. What it does not recognize is the third case, which we call emergent strategy -- where a realized pattern was not expressly intended. Actions were taken, one by one, which converged in time in some sort of consistency or pattern. For example, rather than pursuing a strategy (read plan) of diversification, a company simply makes diversification decisions one by one, in effect testing the market. First it buys an urban hotel, next a restaurant, then a resort hotel, then another urban hotel with restaurant, and then another of these, etc., until the strategy (pattern) of diversifying into urban hotels with restaurants finally emerges.

As implied earlier, few, if any, strategies can be purely deliberate, and few can be purely emergent. One suggests no learning, the other, no control. All real-world strategies need to mix these in some way -- to attempt to control without stopping the learning process. Organizations, for example, often pursue what may be called umbrella strategies: the broad outlines are deliberate while the details are allowed to emerge within them. Thus emergent strategies are not necessarily bad and deliberate ones good; effective strategies mix these characteristics in ways that reflect the conditions at hand, notably the ability to predict as well as the need to react to unexpected events.

Yet the literature of planning, including that book by Jelinek, considers effective strategy making a fully deliberate process, to the virtual exclusion of emergent elements. There is talk occasionally about flexible planning, but as with a pregnant virgin, the obvious contradiction is seldom addressed -- except, of course, by those who believe in planning as immaculate conception.

Walter Kiechel of Fortune magazine once polled consultants who claimed that less than ten percent of strategies are successfully implemented; Tom Peters referred to that figure as "wildly inflated"! (in Kiechel, 1984:8). Often, when a strategy fails, those at the top of the hierarchy blame it on implementation lower down: "If only you dumbbells appreciated the brilliance of the strategy we formulated..."Well, those dumbbells down below might well respond: "If you're so smart, why didn't you take into account the fact that we are dumbbells?" In other words, every failure of implementation is, by definition, also a failure of formulation. If there is to be a separation between the two, so that one side thinks before the other side acts, then clearly, the capacity to act has to be taken into consideration in the thinking process.

But how smart can any thinker be? In other words, might the real problem not so much be in either poor implementation or weak formulation as in forcing an artificial separation between the two? If the formulators

get closer to their implementation (which is typical for entrepreneurs), or the implementers have greater influence over formulation (which is what intrapreneurship means), perhaps there can be greater successes in strategy making. Deliberate strategy relies on this artificial separation, while emergent strategy does not. Indeed, in the case of emergent strategy, the term formulation has to be replaced by formation because here strategies can form without being formulated. Thus, we shall use the term strategy formation in the rest of this book, not because strategies have to be purely emergent but simply to allow for the fact that they can be, or, more realistically, almost inevitably partially are.

There is another important implication of emergent strategy, also slighted in most of the planning literature. Strategies need not emanate from a center. Implicit in deliberate strategy is the belief that strategy derives all at once from some central place -- namely general management (or else the planning department). In the popular metaphors, the head thinks and the body acts, or the architect designs (on paper) so that the builders can construct with bricks and mortar. But in the case of emergent strategy, because big strategies can grow from little ideas (initiatives), and in strange places, not to mention at unexpected times, almost anyone in the organization can prove to be a strategist. All he or she needs is a good idea and the freedom and resources required to pursue it. Indeed, even the pervasion of a strategic initiative throughout the entire organization (to become a broadly-based strategy) need not be centrally controlled, let alone centrally planned, in some formal process on some formal schedule. For example, a salesperson may have an idea to sell an existing product to some new customers. As other salespeople realize what that person is doing, they begin to do so too, and one day, months later, management discovers that the company has entered a new market. The new pattern certainly was not planned. Rather, to introduce a distinction we shall make much of in this book, it was learned, in a collective process. But is that bad? Sometimes yes, sometimes no, just as is true of behaviors that are carefully planned.

One final implication of emergent strategy: In the planning literature there is a long tradition, inherited from the military, of distinguishing strategies from tactics. That is a convenient distinction for a literature that likes to decompose and determine the importance of things a priori. Strategies refer to the important things, tactics to the mere details. But the very meaning of emergent strategy is that one can never be sure in advance which will prove to be which. In other words, mere details can eventually prove to be strategic. After all, as was pointed out in that old nursery rhyme, the war could well have been lost all for want of a nail in the shoe of a horse. Care must therefore be taken not to leap into labeling things as intrinsically tactical or strategic. (The company in the earlier diversification example may have bought its first urban hotel inadvertently.) To quote Richard Rumelt, "one person's strategy is another's tactics -- that what is strategic depends on where you sit" (1979a:197). It also depends on when you sit, because what seemed tactical yesterday might prove strategic tomorrow. Thus, the term tactical will not be used in this book, while strategic will be used as an adjective to mean relatively consequential, in patterns after actions are taken as well as in intentions that precede them.

We are not yet finished with definitions of strategies, for alongside plan and pattern, we can add at least two more "p" words. Some years ago, McDonald's introduced a new product called Egg McMuffin -- the American breakfast in a bun. This was to encourage the use of the restaurant facilities in the morning. If you ask a group of managers whether Egg McMuffin was a strategic change for McDonald's, you will inevitably hear two answers: "Yes, of course; it brought them into the breakfast market," and "Aw, come on, it's the same old stuff -- the McDonald's way -- just in a different package." In our view, these managers differ not so much as to whether this was a strategic change but in how they implicitly define the content of strategy in the first place.

To some people, notably Porter (1980, 1985) and his followers, (c) strategy is position, namely the determination of particular products in particular markets. To others, however, (d) strategy is perspective, namely an organization's way of doing things, in Peter Drucker's phrase, its concept of the business. As

position, strategy looks down -- to the "x" that marks the spot where the product meets the customer -- and it looks out -- to the external marketplace. As perspective, in contrast, strategy looks in -- inside the organization, indeed, inside the head of the collective strategists -- but it also looks up -- to the grand vision of the enterprise (that forest seen above the trees, or is it the clouds that are being perceived?!).

As we shall see, the tendency in the planning literature has been to favor position over perspective. Claims notwithstanding, as soon as the practicalities of formalizing things come into play, strategy inevitably reduces to a set of positions. All those "x's" can be marked easily -- identified and articulated -- while perspective does not lend itself easily to decomposition.

Again, however, we need both definitions. McDonald's introduced Egg McMuffin successfully because the new position was consistent with the existing perspective. The executives of McDonald's seemed to understand well (though not necessarily in these terms) that one does not casually ignore perspective. (Anyone for McDuckling &$224; l'Orange?) Changing position within perspective may be easy; changing perspective, even while maintaining position, is not. (Just ask the Swiss watchmakers about the introduction of quartz technology.) Figure 1-2 illustrates examples of this. Clearly, organizations have to consider both positions and perspective in their strategy formation. A literature that favors one over the other does a disservice to that process.

But the literature of planning does exactly that, as does it favor plan over pattern. Our conclusion is that "strategic planning" cannot be synonymous with strategy formation, which encompasses all of these, and certainly not with effectiveness in that process. The implication of this is that planning may have less to do with strategy making than is often claimed, but also that planners probably have more work to do than they sometimes realize!

Planners, Plans, and Planning

Many writers on business planning discuss the importance of top management in strategy formation, the fact that the chief executive is the foremost planner. But much else that is written reveals quite a different point of view. If intuition really is haphazard and unreliable, as is often claimed in this literature (as we shall see), then the role of managers must be circumscribed; if, as is also claimed, managers really are too busy to plan, then they cannot play the key role in the process of planning; if formal systems really should be used to make strategy, then perhaps managers should not; and if strategy really must be separated from operations, through the use of systems like OST and PPBS, then perhaps planning should also be separated from management.

In an early report published by the Boston Consulting Group and entitled "The Impact of Strategic Planning on Executive Behavior," Robert Mainer contrasted "the work of planning...with the work of managing a business that is traditional to the organization":

The crux of the matter is that the behavioral requirements of pla

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