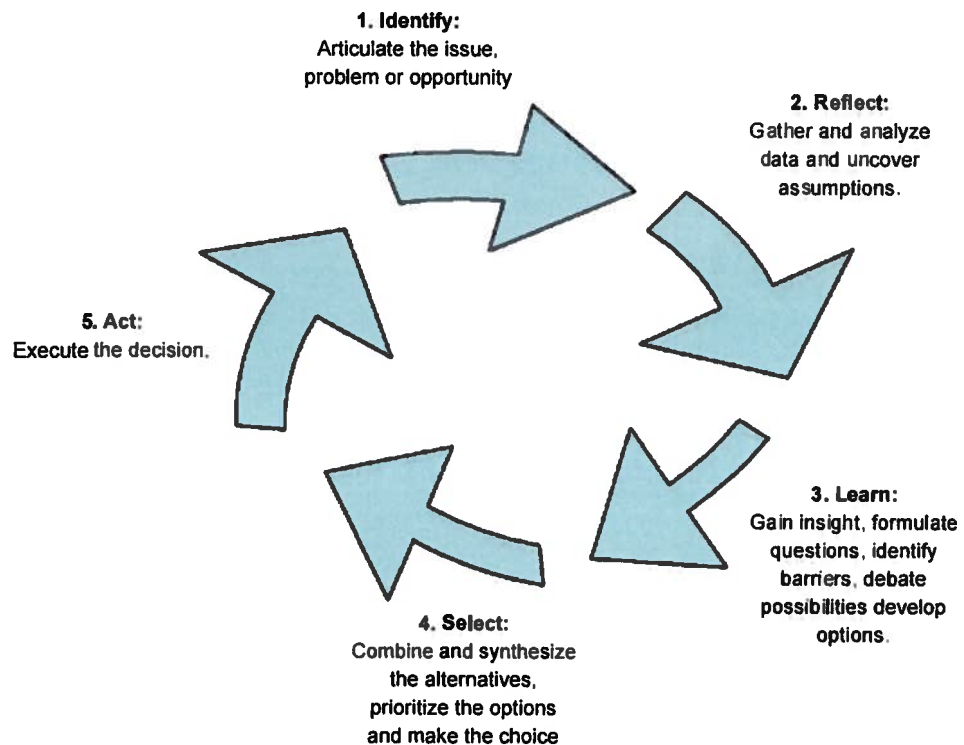


Make the Right Strategic Choice

Sound familiar? There is a strategic issue that needs a solution, but discussion is bogged down with minutiae. People can't come to consensus. Someone finally suggests an action and everyone, with great relief, agrees. A few months later the implications of the decision come to light and people second guess the decision.

This rigorous, but simple strategic decision-making process can be used by the leadership team to address issues and opportunities as they emerge. At a time when organizations need to be nimble, this process will ensure you make the right choice.

“At a time when organizations need to be nimble, this process will ensure you make the right choice.”



To illustrate how it works, find following the process as applied to a strategic decision about a major cut in funds.

Call Linda
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strategic
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Stage 1: Identify

Start by ensuring that the issue is strategic, not operational. If the outcome requires a significant change or will have a big impact on stakeholders, then it is likely strategic. Also, consider whether the organizational culture hinders the process. A culture that values flexibility, promotes debate, insists on transparency and believes in inclusiveness will help with success. Then clearly articulate the issue or opportunity without letting people skip to the solution. Be sure everyone agrees with it.

Case: *The issue that requires a strategic decision is how to address a 10% shortfall in funds. Don't let participants preempt the process by describing the issue as a solution, such as the need to make cuts to programs and services.*

Stage 2: Reflect

Gather information about the issue or opportunity. Don't allow biases about solutions to influence the selection. Draw from a variety of sources; sometimes perceptions are as important as hard data. Review the information and make observations, without arriving at decisions about how to proceed. Also, uncover any Board or staff assumptions that can influence the solution. If necessary, reframe the issue or opportunity based on what has been learned.

Case: *Collect information such as a description of which programs are tied to restricted funds; analysis of cash flow; review of the core services that must be protected and key performance information; projection on revenue with assumptions; and breakout of direct and indirect costs of programs. Uncover assumptions such as a belief that a program can't be offloaded to another organization or funders aren't flexible about deliverables or staff members are not prepared to reduce hours.*

Stage 3: Learn

This is the creative stage. Draw from what has been learned in the reflection stage and formulate questions, identify barriers or challenges, draw insights, debate possibilities and come up with a wide range of options. Be sure to encourage different perspectives, promote debate and challenge the status quo.

Case: *Consider how you can increase revenue to make up the difference; what options are feasible for making cuts; whether the program could be offloaded to another organization; whether programs could be integrated to save costs; and how resources could be reallocated.*

Stage 4: Select

Now make the choice. Combine and synthesize the options and then prioritize them using agreed to criteria. Think about the implications of the prioritized choices on resources, processes and programs. Once the choice is made, ensure that there is consensus and that people are prepared to be held accountable for it. Assign key metrics that need to be monitored to ensure success.

Case: *The set of criteria for making a choice might be that it will not jeopardize the core business; effect our relationships with funders; diminish the quality of programs; harm those who are in the most need; and misalign with values. A decision is made to re-allocate funds from a non-core program while focusing on increasing revenues. The key metrics to be watched might include: the effect on clients; the real cost savings; and monthly increases in revenues.*

Stage 5: Act

The final stage focuses on the execution of the decision – how will it be achieved, who is responsible, what are the timelines and how will it be evaluated. These now become operational decisions.