Planning: Navigating an Uncertain Landscape

I admit to being a big fan of planning, whether at a strategic or business level. I have been involved in formulating and implementing plans for my own businesses and activities, advising and supporting arts and creative organisations, assessing business plans and my attitude and opinion as to what planning is and isn't has changed over the last thirty odd years. One constant is that effective planning is vital to help us navigate an uncertain arts landscape and reduce the risk of organisational failure.

Planning is to a large extent a continual activity; it should not be confused with the end document(s) produced such as a business plan, budget or cash flow, these documents are merely capturing in words and numbers the results of some clear thinking and likely outcomes of our business journey.

One of the primary purposes of planning is to demonstrate that we have considered and have tried to understand the risks involved in our organisational journey, and that we have considered how we may deal with those risks –all with the primary objective of realising and ultimately achieving our aspirations.

Planning has to be based on solid foundations, solidity starts with our mission statement, which helps our raison d'être, our calling card to the outside world. The mission statement tells the world what are our aspirations are, how we hope to achieve them, and who will be benefit from this. A mission statement is not a bland promotional tool; it needs to be simple, concise and memorable. Shared mission, value & vision are the bedrock of arts organisations, work/business cultures create the environment in which behaviour - dysfunctional or otherwise is created. Organisations are just another example of the family that we see & experience in our personal lives

Our mission statement helps generate critical success factors (CSFs), CSFs are the cause of our success, those areas in which we need to perform best if we are to achieve overall success and ultimately achieve our objectives. For example, CSFs for a theatre company would typically be audience numbers, audience satisfaction, effective marketing to attract audiences and cost control. CSFs help us generate measures to monitor and manage the achievement of those CSFs; these measures are also referred to as Key Performance Indicators (KPIs). KPIs should normally be a blend of numbers (quantitative) and non-numbers (qualitative). Targets can be set for these KPIs, and progress measured against these targets, any variations against these targets prompts investigation and ultimately action taken to rectify the situation.

There is a general rule of management that you cannot manage what you cannot measure; we need clues/milestones to identify if we are progressing on our journey. Take the example of an individual who decides that their aspiration (mission) is to lead a healthier life style; one identified objective is to reduce their blood pressure to a certain level; a CSF is change of diet; a KPI to monitor this is blood pressure. If we measure blood pressure against a pre-set target and required blood pressure is not achieved then we can have a closer look at (say) life style and then hopefully put this right.

In the example of the retailer quoted above, appropriate KPIs may be levels of occupancy, ticket sales, customer feedback, repeat visits and spend against budget.

Within the planning process we need to consider the resources, both physical (tangible) and non-physical (intangible). The ability of any business to perform effectively is determined by the adequacy and suitability of those resources, whether those resources are physical, intangible, financial or intellectual. A resource analysis needs to consider how resources are managed, deployed and used. For example, the impact of an organisation having a good reputation is minimised if it lacks the skills and expertise to exploit them effectively.

There are many other aspects of planning not touched upon on in this article such as analytical tools, business stress tests, change management and implementation. A popular tool of the business planning tool kit is the SWOT analysis, which is sometimes misused and misunderstood.

The primary aim of the SWOT analysis is to identify the extent to which the current strengths and weaknesses are relevant to and capable of dealing with the changes taking place in the business environment. If the strategic capability of an organisation is to be understood the SWOT analysis is only considered useful if it is comparative, and not absolute to its "competitors" or other organisations, i.e. examining strengths, weaknesses, opportunities and threats relative to competitors.

Happy Planning!