

STRATEGIC PLANNING IN A SMALL BUSINESS ENVIRONMENT:
SEARCHING FOR A LONG VIEW

By

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BA Trent University 1991

A thesis submitted in partial fulfillment of the requirements for the degree of

MASTERS OF ARTS

In

LEADERSHIP AND TRAINING

We accept this thesis as conforming to the required standard

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Royal Roads University
April 1999

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0-612-41800-6

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TABLE OF CONTENTS

Table of Contents	i
Chapter 1: Study Background.....	1
The Problem:.....	1
History.....	2
Staffing Structure	3
Figure 1: The Organization’s Organization Chart	3
Planning.....	4
Impact and Significance of the Problem	6
Potential Causes of the Problem.....	7
Potential Solutions to the Problem	7
Chapter 2: Literature Review.....	9
Literature Review: Organizational Information Review	9
Marketing Documentation	9
Procedural Documentation.....	9
Organizational Planning Documentation.....	10
Literature Review: Supporting Literature	11
Strategic Planning, Leadership and Change.....	11
Strategic Planning and Systems Theory	12
Strategic Planning - Models	13
The Rationalistic Paradigm	13
The Evolutionary Paradigm	14
The Processual Paradigm.....	15
Strategic Planning and Small Business	16

Chapter 3: Conduct of Research Study	18
Study Methodology:	18
Participants and Informed Consent.....	19
Study Conduct:.....	19
Meeting #1.....	20
Meeting #2.....	22
Meeting #3.....	22
Meeting #4.....	25
Meeting #5.....	26
Meeting #6.....	27
Meeting #7.....	28
Meeting #8.....	29
Meeting #9.....	30
Meeting #10.....	31
Meeting #11.....	33
Meeting #12.....	34
Meeting #13.....	35
Chapter 4: Research Study Results.....	38
Finding 1: Non-Robust Top Management Support:	39
Conclusion 1: Process Not Sufficiently Relevant to Owner	39
Recommendation 1: Explore Alternative Planning Methods in Conjunction With the Owner	40
Finding 2: Difficulty Identifying Financial Targets for Year-Round Viability	41
Conclusion 2: Inappropriate Financial Control Tools	42
Recommendation 2: Develop Appropriate Reporting Systems	43

Chapter 5: Research Implications	44
Recommendation 1: Explore Alternative Planning Methods.....	44
Figure 2: The Necessity for Top Management Support	45
Recommendation 2: Develop Appropriate Reporting Systems	46
Figure 3 The Need for More Sophisticated Measurement Tools.	47
Possible Future Research:	47
Implication of the Research on Existing Body of Knowledge:	48
Chapter 6: Lessons Learned.....	49
To the Non-Specialist in a Similar Position:	49
References.....	53
Appendix A: Notes From 1997 Visioning Retreat.....	A-1
Appendix B: Planned Methodology and Time Frame	B-1
Appendix C: The Final Draft Strategic Plan.....	C-1
Appendix D: Supporting Documents For Chapter 3	D-1

CHAPTER 1: STUDY BACKGROUND

The Problem:

“Scenario planning succeeds when an organisation manages to adapt itself such that it ‘gains the high ground’, i.e. maximises its chances of achieving its purpose, in whatever environment it finds itself, through a process of organisational learning. ...the basic organisational purpose is the double objective of survival and self-development. In order to make the right decisions the organisation needs to understand itself, as well as its environment.” (Van der Heijden 1996, p. 53)

Van der Heijden’s premise is fundamental to the logic of this project: that an organization that engages in a planning process is engaging in behavior that is self-determining in nature and that proactively seeks to ensure long-term viability.

Thus, if it can be said that strategic planning is an essential process within a corpus of effective managerial and leadership behavior that functions to ensure an organization’s success and viability, it follows that organizations engaging in regular, ongoing planning processes are taking proactive measures to ensure prolonged success and viability.

Pragmatically, a strategic plan’s effectiveness is revealed in its implementation; an impeccably crafted plan will have little impact if it is not effectively implemented. Most organizations do not realize change simply as a result of discussing it; they must make focussed, concerted efforts to effect change (Kotter, 1996). Desired change in any form occurs as an organization takes steps toward achieving predetermined goals which have been identified in the course of a planning process. Although a well crafted strategic plan does not in itself guarantee that an organization will achieve its stated goals, it is critical to the success of the implementation process.

Within this context lies the problem being addressed. To follow the foregoing logic, the Organization’s future viability is better assured by the existence - rather than the absence of - a cyclical, rigorous planning and implementation process. At various stages in its history, the subject organization (herein referred to as “the Organization”) has demonstrated strong tendencies toward planning its future. However it has been less successful in formally implementing the plans and measuring their success.

This project is responding to this problem as an opportunity to work in conjunction with the Organization to develop a sound, executable three year strategic plan. A desired outcome of this project is to foster within the management culture of the Organization a commitment to ongoing planning.

It is important to note that the researcher is also the Assistant Manager of the Organization. From a planning perspective, being an internal member of the organization brings with it unique advantages and challenges. Advantages, for example, include a great familiarity with the issues that influence the problem, and a developed level of trust with the various stakeholders. As a result the researcher spent less time becoming oriented to the issues and building the trust necessary for executing the planning process.

As an internal member of the organization, the researcher also shared the mental models of the other members of the Organization. De Geus (1988) argues that planning is a process of renewing and changing the mental models that dominate the organization. Thus the internal researcher/planner confronts the challenge of leading a shift in the Organization's mental models while concurrently changing his own.

History

The Organization began in 1981 as a small owner-operated retail store selling kayaks and an assortment of outdoor gear in a 200 sq. foot space. The purpose of the venture was to provide the owner with an income and flexibility that suited his lifestyle and recreational objectives.

Growth continued over the following 15 years. As a retailer it now occupies over 3000 sq. feet with annual sales in nearing \$2 million. As a kayaking school the Organization is recognized across North America as being a key location for tours and programs in the Pacific Northwest for approximately 5000 participants annually.

The organization has grown to be recognized as a specialty outdoor retailer with a specific focus on paddlesports (kayaking and canoeing). There are five other specialty outdoor retailers all within a two kilometer radius of the Organization. Although the Organization is unique in the depth and focus of its paddling programs, there is enough overlap in other product lines (e.g. footwear, clothing, camping accessories) that competition in the immediate geographical vicinity is strong.

Staffing Structure

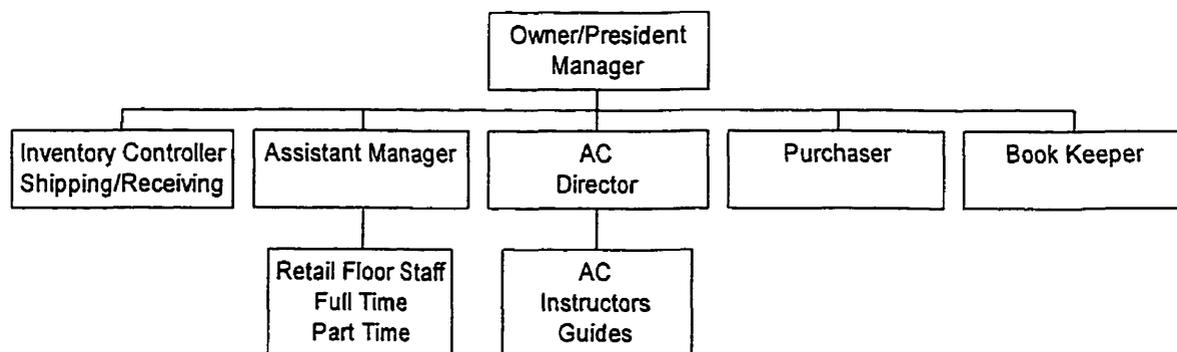
The organization's staffing structure is flexible; numbers, responsibilities and activities will vary depending on the time year. Because the majority of the Organization's business is conducted between March and October, staffing levels will drop during the winter months. The responsibilities of retail floor staff will range from sales/service to visual merchandising, and purchasing.

Equally important to the Organization's identity and success are the many instructors and guides who staff the programming. Instructional and guiding work is not steady. Therefore most instructors and guides are technically part-time staff. In total there could be as many as 15 guides and instructors working for the Organization at any time of the year.

The Organization's management structure is relatively flat (see Figure 1); overall operations are managed by the owner. Reporting to the owner is an assistant manager (AM), a director of courses and tours (ACD - course/tour operations are referred to as AC), a purchaser, an inventory controller (IC), and a book keeper (BK). All retail floor staff report to the AM; all instructors and guides report to the ACD.

Since November 1995, 18 full-time retail floor staff have circulated through the Organization. The average full-time staff complement is eight. Therefore, over the course of three years, the Organization has averaged a retail floor staff turnover rate of 75%. AC staffing figures are more difficult to determine due to the nature of the hiring contracts. It is estimated however that among guides and instructors who work nearly full-time, similar turnover rates are experienced.

Figure 1: The Organization's Organization Chart



Planning

The organization does not yet engage in a rigorous, cyclical planning and implementation process. This is *not* to say that planning does not occur at the Organization. Historically, planning at the Organization has occurred along two distinct lines of inquiry: forecasting and identity development.

Sales forecasting serves as a goal-setting tool that spans a 12 month period. Twelve monthly sales performance objectives are set at the beginning of each fiscal year. Typically the owner sets these targets based on past performance and a sense of what is possible in the upcoming year.

Over the course of the Organization's existence different initiatives have been implemented that seek to define the Organization's identity, competitive uniqueness and purpose. Approximately seven years ago a steering committee was assembled by the owner. This committee, comprised of stakeholders and trusted associates of the Organization, functioned to identify and critique the Organization's uniqueness and purpose.

One enduring outcome of these meetings was a decision to frame the Organization as a kayaking school that retails (as opposed to a retailer that also runs courses and tours). This decision informed subsequent actions which eventually lead to the growth of the AC.

Approximately three years ago an external consultant worked with the staff of the Organization to develop, for the first time, a formal set of organizational values. Shortly thereafter, management and staff developed a formal mission statement.

[The organization's] Organizational Values

At [the Organization], we are committed to:

- communicating constructively, effectively, and assertively;
- having a positive impact on each other and on the lives of those around us;
- acknowledging our mistakes and taking action to rectify them;
- demonstrating integrity in all our actions;
- approaching all interactions with honesty and openness;

(unpublished organizational document, 1998)

[The organization's] Mission Statement

[The organization] is a [Home City] based, Canadian owned kayak instructional centre. We retail medium to high end paddlesports and outdoor equipment with balanced sales advice and prompt and fair after sales support.

The organization will “get you out there” by providing information resources, safe and exciting skill development, and “fun and unique” adventure destinations.

We will operate in a financially viable manner with strong environmental ethics as we strive to be the outdoor, paddlesports, and kayak learning centre of choice.

(unpublished organizational document, 1998)

It is possible that there was a shared general sense of mission and values before these statements were formally articulated. Evidenced by the fact that the Organization once carried ski equipment and rock climbing equipment, it is possible that if a shared sense of vision existed, it differed from the formally articulated vision.

In this way, the generation of both the mission statement and the organizational values statement served as powerful lenses that focussed the Organization's sense of identity. The generation of the mission statement corresponded in time roughly with a decision to eliminate expedition backpacks from the product line. This move, coupled with an earlier decision to eliminate rock climbing equipment from the product line represented an increasing focus on paddlesports. Although the events may not be causal, they do correlate in time.

The most recent formal act of planning occurred in 1997 at a three day retreat during which management (comprised of the Owner, purchaser, ACD, AM, and former BK) met to discuss the future and generate a three year vision (see transcribed notes in Appendix A). This retreat was significant in that it was the first undertaking of its type in the Organization's history.

The retreat generated many ideas and served as a forum for management to articulate their ambitions and desires for the company. Overall, compelling new goals were generated. In the end, some significant changes occurred and others did not. The strength of that particular process was in the visioning. It could have benefited further from an equally developed implementation plan.

Impact and Significance of the Problem

Planning and implementation is one mode of organizational learning (De Geus 1988). As a way of learning, it engages members in a dialectic of goal setting, and self assessment. Through the process of planning, an organization is required to study and evaluate the internal and external environments in which it operates. In doing so it observes and monitors the various forces that influence, both positively and negatively, its viability. In turn, members generate insights necessary for making the required adjustments to strategies that ultimately serve to achieve their organizational goals.

The importance of this process cannot be overstated. Organizations must not only acknowledge but act on the understanding that they exist within a context of a larger environment, and that their survival is dependent on operating in concert with their understanding of that environment. Morgan (1986) points out that organizations who fail to recognize their interdependence with the larger environment

“...draw boundaries around a narrow definition of themselves, and attempt to advance the self-interest of their narrow domain. In the process, they truncate and distort their understanding of the wider context in which they operate, and surrender their future to the way the context evolves. Because of their truncated and distorted understanding, they cannot be proactive in a systemic sense. Their fate thus often rests in ‘seeing what happens’ rather than in attempting to shape what happens.” (p.g. 244)

Planning and implementation serve the pragmatic function of steering a company toward desired objectives in a structured and potentially efficient manner. Although some of the goals identified in the Organization’s 1997 visioning retreat were achieved, others were not. The time and effort put into generating the 1997 vision could have lead to greater gains had a more focused and concerted implementation occurred. A well crafted plan with a clearly defined implementation strategy can help to capitalize on the efforts put into the visioning process.

As a result of the planning process, an organization is required to assess itself from many perspectives. Planning and implementation can lead to a heightened sense of organizational self-knowledge. This type of self-knowledge can be intangible yet critical to an organization’s ability to flourish. It has been described as a cyclical process that augments an organization’s ability to make necessary changes to its structure as a means of achieving its stated objectives (Senge et al, 1994). Although planning is likely not the only path to organizational self-knowledge, it is one path.

The Organization has experienced periods of high staff turn-over. Historically the reasons for this turn-over have not been known. The Organization

has experienced periods of moderate, sometimes significant downturns in sales without a clear explanation for the events. Although the Organization caters to paddling enthusiasts as its core customer, it has not formally defined this particular customer profile; similarly the Organization is unsure as to what percentage of overall sales are attributed to this customer profile.

For the Organization, adopting an ongoing planning process could engender an ability to effectively explore its strengths and weaknesses. As Senge et al. (1994) suggests, an organization's developed ability to continuously assess its strengths and weaknesses and learn from them is a skill necessary for survival. Conversely, it is reasonable to conclude that the inability to assess and learn from strengths and weaknesses may ultimately lead to failure.

By neglecting to engage in rigorous, cyclical planning processes, the Organization is not functioning as proactively as it could in the determination of its future. By not being as proactive as possible in designing its future, the Organization is exposing itself more than necessary to whims of a dynamic, indiscriminate environment to which its success is inextricably linked. Further, the Organization has the potential to have a greater ability to learn from its strengths and weaknesses.

Potential Causes of the Problem

Greiner (1998) identifies five observable phases of an organization's growth process. Not until the fourth phase, argues Greiner, does an organization formally focus on planning as a process integral to the successful operation of a business. In the very least, this suggests that the conscious process of detailed planning and implementation is adopted at a later date; not something that is integral to the operations of a business from its inception.

The spectrum of problems faced by an entrepreneur in the process of launching a new business is broad (Bhide, 1996). Even though sound strategy is fundamental to the success of a young company, many entrepreneurs neglect to engage in thorough planning processes likely because of a perception that other, more immediate problems pose a greater threat to a young organization's viability (Bhide, 1996). As a result perhaps, planning is not introduced as a part of the Organization's culture until later in its development. Arguably, this pattern applies to the development of the Organization.

Potential Solutions to the Problem

The problem is defined as a weakness on the part of the Organization to rigorously implement its vision of a desired future. The Organization has

demonstrated strengths in its ability to envision a desired future; historically it has been less successful at creating clear courses of action that lead to its achievement. The proposed solution is to engage the Organization in a formal strategic planning process that will culminate in the creation of a functional, implementable three year strategic plan.

It is recognized that a well crafted strategic plan is only one step in a whole strategic planning, implementation and management system (Haines, 1995a). Given this, and the nature of the problem as defined, the better solution could be to focus on coaching the Organization through the implementation process. However, before an implementation process can be developed, a sound strategic plan must be generated. Given the scope of this project, both activities were not feasible. As a result, the decision was to focus on the plan.

For an organization to benefit from strategic planning, it must be able to hold itself accountable to the goals and objectives generated as a result of the planning process. Although the primary objective of this project was to generate a well crafted strategic plan that reflects the Organization's ambitions and desires; the primary hope is that this plan serves to initiate an ongoing system of strategic planning, implementation, and management.

CHAPTER 2: LITERATURE REVIEW

Literature Review: Organizational Information Review

The Organization's documentation can be divided into two general categories: marketing material distributed to the public, and procedural documentation distributed to staff. For reasons of confidentiality, examples of this documentation are not provided.

Marketing Documentation

The Organization produces an annual brochure that details the courses, tours, and other special events offered by the Organization. This is an extensive, highly professional brochure that is distributed via a mailing list and as a free hand-out. Similarly, the Organization produces four newsletters every year. These documents are distributed in the same way as the annual brochure. The newsletters carry information on new products and services, and outline upcoming events.

Another marketing "document" is the Organization's website. This is an extensive, highly visible website that contains detailed information on the AC's courses and tours. It also contains detailed information on nearly all of the watercraft carried by the Organization, and to a lesser extent, accessories. This website has a secure page for on-line ordering and registration.

Procedural Documentation

The Organization makes available to its employees a set of manuals that outline employment policies and procedures. Both the retail operation and the AC publishes its own set of documents. The purpose of these documents is to formalize and make known uniform rules of conduct and performance expectations. They are readily available to any staff member.

Organizational Planning Documentation

Attached as appendices are copies of the 1997 visioning retreat/strategic plan (Appendix A) and the strategic plan generated as a result of this study (Appendix C). In comparing these two documents similarities can be observed in the way in which the respective visions are described. Common to both documents are the articulated desires to position the Organization as a leader in its industry, to locate the Organization on the water, to bolster the Organization's profitability, and to offer AC programming that is recognized and respected throughout North America.

The goal of the 1997 retreat was "...to gain a short and long term vision for the Organization" (Appendix A, p A-1). To facilitate this process, the participating individuals focussed on seven different interest areas with respect to developing vision: developing the AC, cultivating financial viability, partnering with suppliers as a means of fostering economic growth, establishing alliances as a means of developing the AC, exploring external expansion possibilities, exploring internal growth possibilities, and orienting the Organization's identity toward that of a multi-faceted resource centre.

As evidenced by this document, the members participating in this retreat demonstrated an ability to envision and conceptualize compelling and ambitious goals for the Organization. Since the 1997 retreat, some of the described goals have been achieved to varying degrees such as developing strategic alliances with other organizations, enhancing training programs for AC staff, developing a performance-paddling orientation, offering "pro-series" kayak instruction, upgrading the computer/point of sale system, and rewriting introductory staff procedure manuals (researcher's observations, 1999).

Certain goals were not achieved such as building a corporate development program, and developing a mid-coast base camp. Other goals were not stated in specific, measurable ways or in association with specific timelines and strategies. As a result it was difficult to gauge what steps have been initiated towards achieving these goals and whether these goals have been achieved.

For example two goals were stated as "we will run tours to unique places" and "we will run highly successful instructional leadership courses" (Appendix A, p.A-3). Definitions for key concepts such as "unique", "highly successful", and "instructional leadership" could have facilitated the process of achieving these goals. Further, by specifying what is meant by these key terms, the participants would have been better able to identify strategies and timelines for achieving these goals.

Some benefits of the focussed visioning that occurred at the 1997 visioning retreat were offset by the absence of overtly stated follow-through procedures. That certain goals were achieved demonstrates an ability to achieve objectives in the absence of formally articulated strategies. Presumably a higher percentage of the

stated goals would have been achieved had these goals been defined more succinctly and overt strategies for achieving them described.

Literature Review: Supporting Literature

Strategic planning has many faces and forms. It has been argued that planning is a process that encourages proactive change as a means of avoiding crisis (De Geus 1988). Conversely it has also been argued that planning is, by definition, an attempt to replace change with stasis (Mintzberg 1994c). To the would-be planner, the greatest challenge is perhaps identifying a planning paradigm that not only makes sense to the planner, but more importantly, makes sense to the organizational context. This focussed review of concepts surrounding strategic planning and strategic management is informed by a specific bias: that strategic planning and management is a systems approach to leading and managing change in the organizational environment.

Strategic Planning, Leadership and Change

“...there are only two kinds of companies – those that are changing, and those that are going out of business.” (Augustine 1998, p.162)

Kotter (1998) argues that companies must either engage in conscious organizational transformations or risk being compromised by a constantly changing operational environment. Patterns observed by Kotter (1998) indicate that more organizations suffer than prosper in times of great change. De Geus (1988) suggests that planning is a conscious process of effecting proactive organizational change as a means of avoiding crisis resulting from a reactive response to a changing environment.

Ackerman-Anderson (1995) identifies reactive transformational change, and conscious transformational change as two of four types of change that can be encountered by an organization. Ackerman-Anderson argues that reactive transformational change is experienced when organizational leaders deny, rather than embrace the need for radical change. Alternatively, she suggests that conscious transformational change is driven by a leadership mindset that is oriented toward evolving the mental models of the organization’s members.

Similarities exist between some definitions of leadership and what Ackerman-Anderson describes as the leaders role in conscious transformational change. Yukl (1994) states that leaders are innovators and that the effectiveness of a leader is measured in the organization’s ability to achieve its stated objectives. Kouzes and Posner define leadership as “...the art of mobilizing others to want to struggle for shared aspirations” (1995, p. 30). Effective leaders demonstrate five

practices; the exemplary leader challenges the process, inspires a shared vision, enables others to act, models the way, and encourages the heart (Kouzes and Posner 1995). Both definitions describe leadership as a proactive behavior focussed on enabling others to change or improve the current organizational state.

If it can be accepted that effective strategic planning is a conscious, proactive process committed to producing positive organizational change; and that effective leadership is the act of fostering change by rallying people toward a shared vision, then it is reasonable to suggest that effective strategic planning is driven by effective leadership behaviors.

Strategic Planning and Systems Theory

The history and development of systems theory, is well documented by Lilienfeld (1978) and Checkland (1981). Systems theory is at once a tool and a paradigm. Senge et al. (1994) state that systems theory

“...encompasses a large and fairly amorphous body of methods, tools, and principles, all oriented to looking at the interrelatedness of forces, and seeing them as part of a common process”. (p.g. 89)

Modern systems theory provides powerful and compelling tools for application in organizational analysis.

As a tool in the context of human organization, it serves to aid in the identification, assessment and resolution of misunderstanding and dysfunction. The tools of systems theory are exemplified by works of Barry Oshry (1996), Peter Senge (1990), and Peter Senge et al (1994).

As a paradigm, systems theory encourages thinkers to view wholes instead of components. Systems are composed of emergent properties. By definition, emergent properties cannot be understood by knowing their building blocks. Thus any given system -- a team, a department, or an organization -- must be understood as a whole entity that responds to inputs originating from both inside and outside the system. At no point is any one variable or input controlling the function of a system (Morgan, 1986).

Systems perspectives are indicated in the roots of organizational strategy development in the early 1960's. Some recognize Kenneth R Andrews and C. Roland Christiansen as pioneers of early strategic theory (Montgomery & Porter, 1991). These two thinkers, from the Harvard Business School, reasoned toward a “holistic” outlook on enterprises. Not only is it important to understand and develop an organization on a micro/departmental level, it is equally important to understand how the various components comprise the whole organization (Montgomery & Porter, 1991).

Henderson (1991) draws parallels between organizational survival and natural selection. Henderson suggests, that like two identical organisms, two identical organizations cannot co-exist if they make their living in the identical way. He argues that ecosystems and trade/commerce systems are subject to the same random process of natural selection; it is strategy – made possible by human imagination and rationality – that provides humans (and in this context, business) with the tools to determine and shape future without existing entirely at the mercy of natural selection.

Strategic Planning - Models

A well crafted strategic plan builds on an organization's unique purpose (van der Heijden, 1996). Henderson (1991) argues that success lies in being different from other species in your territory. He states that "...strategy is a deliberate search for a plan of action that will develop a business' competitive advantage and compound it." (Henderson, 1991, p.g. 5) Van der Heijden refers to this as the *business idea* (1996). Similarly Porter (1991), and Ghemawat (1991) discuss competitive advantage and market profile as a means of recognizing and establishing distinctiveness.

Van der Heijden (1996) offers a useful model for examining the various schools of strategic planning. He cites three general planning paradigms:

- The rationalistic paradigm
- The evolutionary paradigm
- The processual paradigm

The Rationalistic Paradigm

What van der Heijden terms the rationalistic paradigm is a highly structured approach to strategic planning. It is the best term to describe the planning methodology used in this study. Examples of this approach to planning are found in work by Beamish (1996), Thompson (1996), and Haines (1995a and 1995b).

The process is typified by discrete stages that lead in a logical and rational direction to a thorough strategic plan. These steps may be exemplified by the following:

- set vision/mission
- develop key success indicators/objectives
- analyze the present reality for strengths, weaknesses, opportunities and threats

- develop strategies for bridging the gap between the present and the identified objectives
- implement the strategies
- evaluate their effectiveness
- make necessary modifications
- repeat process...

This style of planning is formalized and structured. Mintzberg (1994b) likens it to scientific management as described by Frederick Taylor. For this reason it was the chosen model for this study. Its structure provided a functional and reliable framework for the researcher who, at the onset of the study, was extremely new to the process of strategic planning.

It is suggested however that its strength is also its greatest weakness (Van der Heijden 1996, Mintzberg 1994a, 1994b and 1994c, Liedtka 1998). These thinkers suggest that the rationalist paradigm, if followed too closely, limits an organization's ability to *think* strategically. It is the process of strategic thinking that enables rapid "in-flight corrections" that are necessary for dealing with the unforeseen. No matter how thorough a plan is, it cannot control the future.

"The failure of [the rationalist paradigm] is the failure of formalization – of systems to do better than or even nearly as well as flesh and blood people. It is the failure of forecasting to predict discontinuities, of programming to provide creativity, of hard data to substitute for soft, of scheduling to handle the dynamics." (Mintzberg, 1994c, p.g. 19)

The weakness of this paradigm in its purest form is the assumption that there is only one best strategy solution to a given problem, and that everyone in the organization, if thinking rationally, will come to the same conclusion.

The Evolutionary Paradigm

The rationalist school is criticized for not accurately representing what really occurs in the strategy development process (Mintzberg 1994c); that is what was planned, and what actually happened are two different things. As already stated, the formal strategic plan, although logical on paper, sometimes does not translate functionally into the real world. Instead non-planned organizational behaviors are observed responding to unforeseen threats and crisis's. These serendipitous "behaviors" are the hallmark of the evolutionary paradigm (van der Heijden 1996).

Mintzberg (1985) identifies a similar phenomenon as emergent strategy. It is an idea that seems to overlap with the more general notion of self-organizing systems. Morgan (1986) explores different aspects of self-organizing systems as they relate to organizations adapting to new conditions. Wheatley (1994) explores commonalities between self-organizing systems observed in quantum mechanics

and leadership. Gleick (1987) explores self-organizing systems as manifest in the natural world.

Evidence of self-organization can be seen in the Organization's behavior following the 1997 visioning retreat. The Organization was able to achieve certain goals identified during the 1997 visioning retreat without formally articulating a plan of action. This seems to support the idea that an organization is capable of organizing itself such that it can achieve formal goals without formally identifying strategies for doing so. Mintzberg (1994b) attributes this phenomenon to the application of strategic thinking. Mintzberg goes on to suggest that the ability to apply a balance of formal strategic planning skills (as typified by the rationalistic paradigm) and strategic thinking skills (as typified by the evolutionary paradigm) in the leadership of an organization is the key to effective strategic management.

The Processual Paradigm

In general, the processual paradigm is a synthesis of the two aforementioned approaches. It attempts to blend the structure of the rationalist paradigm with the in-action behaviors of strategic thinking.

Mintzberg (1994b, 1994c) has argued that the very weakness of formal strategic planning is that it does not encourage strategic thinking. What Mintzberg (1994a) refers to as "realized strategy" could be seen as the output of the processual paradigm. Realized strategy is the strategy that, by fate, design or both, is what has occurred. Mintzberg (1994a) goes on to argue that no planner or manager can control every outcome in the process of implementing strategy. Therefore realized strategy is a synthesis – of no determined proportion – of deliberate strategy (that which happened by design), unrealized strategy (that which failed entirely), and emergent strategy (patterns of strategic behavior that developed by chance over time).

In scenario planning emphasis is placed on thinking, acting, and operating strategically. De Geus (1988) argues that scenario planning is organizational learning in action. By De Geus' definition scenario planning is the process of re-shaping the mental models that inform organizational decision making.

The process of scenario planning is well documented as a tool employed by the Royal Dutch/Shell planning team during the early 1980's (De Geus 1988). In a scenario planning process, a planning team considers possible scenarios that would represent a fundamental shift in their current operating environment. Typically these scenarios are structured around a negative change in a variable fundamental to the organization's viability. For each scenario, alternative courses of action are developed and documented.

For example, the Organization is fundamentally dependent on the popularity of recreational kayaking. A typical scenario planning exercise would involve planning a response to a sudden unforeseeable demise of this popularity. Alternatively, as the Organization is unique in its immediate geographical area; there are no other paddlesports specialists in their operating city. A scenario planning exercise could be oriented around the possibility of a “clone” organization establishing itself in close geographical proximity. The full scenario planning process would engage the planning team in developing courses of action that would address the threat posed by such possibilities.

Scenario planning is rational in that it possesses a distinct structure. It is also evolutionary in that it cultivates ongoing strategic thinking (Wack 1985, De Geus 1988, Schwartz 1996, van der Heijden 1996).

Strategic Planning and Small Business

A robust body of knowledge exists that focuses on strategic planning and the small business. Robinson and Pearce (1984a) have summarized the work by identifying 4 major thrusts in this research:

1. to empirically confirm the presence or absence of strategic planning in small firms
2. to provide empirical evidence of the value of strategic planning
3. to examine directly or indirectly the appropriateness of specific features of the planning process
4. to examine empirically the content of strategies in small firms

In general, evidence points to a fact that small businesses that engage in strategic planning realize financial and other performance benefits (Aram and Cowen, 1990; Jones, 1982; Robinson et al, 1984b; Bracker et al, 1988; Schwenk and Shrader, 1993; Berman and Gordon, 1997; Rue and Ibrahim, 1998; Orpen, 1985; Unni, 1981; and Ackelsberg, 1985). For example both Rue and Ibrahim (1998) and Berman and Gordon (1997) determined that increased sophistication of planning techniques were positively correlated with better business performance. In general, both studies defined sophistication as the degree to which the process was formalized and consistent with recommended planning practices.

Similarly, Orpen (1985) concluded that an increase in the “quality” of the planning (again measured in terms of formality) correlated positively with small business performance. However Ackelsberg (1985) suggested that for small business formalization is less important to success than setting sound goals and having a clear sense of self identity.

Although a causal link between planning and success has not been established, these sources favor strategic planning as a tool to build success for

small business. Additionally there is little consensus on what constitutes effective planning for small business.

CHAPTER 3: CONDUCT OF RESEARCH STUDY

Study Methodology:

This methodology falls best into the rationalist paradigm. It was built primarily from techniques outlined by Haines (1995a). The reasons for selecting this model of planning were primarily informed by the researcher's lack of expertise in the field of strategic planning. At the onset of this study the researcher had no prior experience with conducting a strategic planning process. The format and structure of this model was well suited to rapid adaptation and application.

The primary purpose of this project was to facilitate a strategic planning process for the Organization. The intended and desired outcome of the project was to produce a functional strategic plan, and create the interest and capacity for ongoing strategic planning and implementation within the Organization.

Stringer (1996) states that:

“...[a]ction research is based on the assumption that the mere recording of events and formulation of explanations by an uninvolved researcher is inadequate in and of itself. A further assumption is that those who have previously been designated as ‘subjects’ should participate directly in research processes and that those processes should be applied in ways that benefit all participants directly.” (p.g. 7)

Regarding the role of the “researcher”, Stringer (1996) goes on to say that in action research

“...the role of the researcher is not that of an expert who *does* research, but that of a resource person. He or she becomes a facilitator or consultant who acts as a catalyst to assist stakeholders in defining their problems clearly and to support them as they work toward effective solutions to the issues that concern them.” (p.g. 22)

As the nature of this project is oriented toward helping an organization reach solutions to specific problems, the role of “researcher” as described above was employed in this project.

This project did not employ empirical data collection or manipulation methods. Data was collected in the form of written notation and distributed as required to the stakeholders. Data relevant to this project's outcomes are attached as appendices.

Participants and Informed Consent

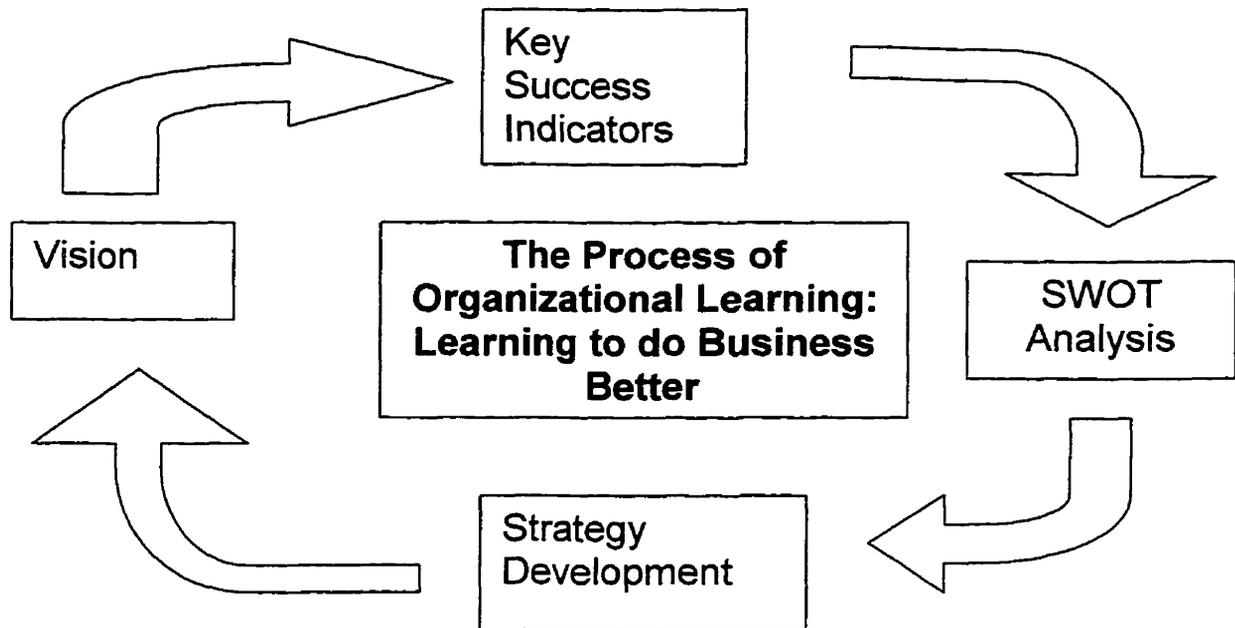
The planning group was comprised of the Owner, the Purchaser, the Assistant Manager (AM)/researcher, the AC Director (ACD), the Inventory Controller (IC) and the Book Keeper (BK). One particular meeting was attended by a representation of retail floor staff and AC staff.

With each group, free and informed consent was granted verbally. The researcher identified the fact that people were participating in a planning project that served the dual purpose of generating a strategic plan for the organization, while also providing data for the researcher's MALT thesis. Participants were informed that anonymity would be assured by not identifying the individuals or the Organization by name in the final report. Further, individuals were informed that participation was not mandatory and their decision to participate or not bore in no way implications with regards to their employment with the Organization. Those choosing to participant were encouraged to participate only to a degree with which they were comfortable.

Study Conduct:

The study/planning process was conducted over the course of 13 meetings spanning 6 months. Ultimately, the actual methodology differed from the intended methodology (see Appendix B for a detail of the intended methodology). This occurred as a necessary response to changes and developments which affected the conduct of the study/planning process. A final copy of the completed strategic plan is located in Appendix C.

The entire planning process was intended to model a planning cycle as a way of learning to conduct business more effectively. This cycle begins with visioning, translating the vision into specific key success indicators, assessing present and existing internal strengths and weaknesses, and external opportunities and threats in relation to the vision, designing strategies for closing the gap between the two, and engaging in reflection and visioning again. To reinforce this cycle, the following diagram was frequently used:



Meeting #1

Date: August 21 1998

Duration: 2 hours

Venue: A meeting room

Participants: ACD, Purchaser, Owner

Tools: Flipchart, whiteboard.

Objective:

To introduce the strategic planning process and to generate a rough outline for a 3 year strategic vision.

Method:

Although a one day, off-site meeting with the Sr. Staff group (a group formally comprised of the above people and, in addition, the book-keeper and the inventory controller) would likely be the best, most concentrated way to generate the 3 year strategic vision, schedules did not allow it. In an attempt to accommodate

the various schedules of the key Sr. Staff the decision was made to meet with parts of the group in two separate meetings.

In this meeting the overall planning process was described using a circular diagram (see Appendix D). At this time, the overall planning process with timeline was introduced.

Following the overview the focus was shifted to a discussion on generating a 3 year vision. The discussion was concentrated on one question: By September 1 2001, what kind of organization should the Organization be?

This process was brainstorming of a sort in that ideas could be discussed and refined and ultimately accepted or dismissed. Critical to this process was keeping the group focussed on the “ends” (i.e. what the vision is to be) as opposed to “means” (i.e. how to achieve the vision). For the remaining time, discussion revolved around this question. As salient issues developed they were placed on the flipchart.

Outcomes and Actions:

Broad, general ideas were developed at this meeting. It was agreed that the AC and the retail operations should remain housed within the same facility. Also reinforced was the idea that the Organization is a kayaking school that also retails (as opposed to the other way around).

Specific to the AC were the following proposed vision elements:

- the AC should be located on the water;
- there should be an outpost that would function as a base of operations for more distant trips;
- the AC should pursue, whenever feasible, strategic alliances with other organizations as a means of achieving its objectives.

Specific to the retail operations were the following proposed vision elements:

- focusing on developing the one store before expanding to more than one permanent location;
- maximize productivity of key product areas;
- developing World Wide Web sales presence.

The following was generated as an over-arching concept: the Organization should be a leader in paddlesports retailing, instruction and tours.

Meeting #2

Date: August 25 1998

Duration: 1hr

Venue: Meeting room

Participants: ACD, Owner, Purchaser, Book-keeper(BK), Inventory Controller (IC)

Tools: Flipchart, and whiteboard

Objective: To further generate the Sr. Staff's concept of a 3 year strategic vision through input from the BK and the IC.

Method:

As with Meeting #1, the group was convened in the meeting room. Relevant flip-chart pages from the previous meeting were hung on the wall. As the IC and the BK had not yet been formally introduced to the planning process, this procedure was outlined.

A brainstorming session was conducted to further develop the existing thoughts. Notable during these visioning sessions (and it would prove to be the case in later sessions) was the fact most participants gravitated toward discussing methods and strategies for achieving certain goals. The reason for this is open to speculation and, perhaps, ultimately irrelevant. Important is the fact that, if left unchecked, these conversations would quickly spiral into unfocussed debates. Great care was required to focus the group's energy on future possibilities as opposed to premature explorations of the ways and means of achieving them.

As these meetings were being conducted during the hours of business in perhaps the busiest season, interruptions were difficult to avoid. As a result this particular meeting was cut short to approximately one hour. However, within an hour, consensus was reached that the existing outline accurately reflected everyone's hopes and aspirations.

Outcomes and Actions

The outcomes were two-fold: The entire Sr. Staff group had been formally introduced to the planning process ; the entire Sr. Staff group had reached the same place in the planning process. At this point it was possible to approach non-Sr. Staff members for input equipped with the direction desired by the Sr. Staff group.

Meeting #3

Date: September 11 1998

Duration: 3 hours

Venue: the store after hours

Participants: Eleven staff members representing all aspects of the Organization's business: retail, instruction, and tours

Tools: Flip charts

Objective: To further develop the 3 year strategic vision by soliciting thoughts and aspirations from non-Sr. Staff members.

Method:

A general request for participation was issued approximately one week before the meeting. Any interested member of the Organization was welcome to attend.

The meeting began with an overview of strategic planning. Emphasis was placed on the role that planning takes in designing the future of an organization; further it was emphasized that everyone's involvement in the design of the vision was critical to the success of the plan's ultimate implementation. Finally it was explained that although every idea generated will be considered seriously, not every idea can be incorporated. It was explained that for this reason the task ultimately sits with Sr. Staff to blend all the thoughts and inputs in order to come to a vision statement that would function to guide actions and decisions over the 3 year time horizon.

Next, the actual process of planning was explained as an ongoing process of learning and improvement. The process was explained in terms of 4 activities:

- Visioning
- Assessing internal strengths and weakness, and external opportunities and threats (SWOT Analysis)
- Strategy Development
- Implementing and Evaluating

In an effort to assist people in reifying the process, the following analogy was used from the world of ocean kayaking. The process of strategic planning and implementation is analogous to negotiating a strong tidal current when crossing an open channel in a kayak.

Visioning and Success Indicators:

Establishing a strategic vision complete with specific success indicators is similar to selecting a geographical formation on the opposite shore to serve as a destination objective.

SWOT Analysis:

When a business performs a SWOT analysis, it is going through a process similar to what a kayaker goes through when preparing for a crossing. The kayaker assesses possessed internal variables that will influence the crossings outcomes such as fitness, experience, appropriateness of equipment, etc. Similarly, the kayaker assesses the external environment for variables that will influence the crossing such as current speed, helpful or hazardous geographical features, etc.

All of this is conducted before leaving the relative safety of the near shore.

Strategy Development:

Equipped with vision and its success indicators, and the information gleaned from the SWOT Analysis, a business is ready to develop strategies for achieving its goal. Similarly, the kayaker estimates and anticipates, among other things, the amount power and angle required to complete the crossing.

Implementing and Evaluating:

As a business sets off on a given strategy, it must expect the unforeseen and be able to make the necessary adaptations so that these variables do not compromise the chances of achieving the objective. Similarly, the kayaker may reach the middle of the channel and realize that the current is much stronger than anticipated; or that the shore is farther than originally thought and be able to make the necessary corrections so that the objective is reached.

Critical to this project was stressing immediately the importance of viewing planning as part of a learning cycle that includes reflection, evaluation and recalibration; that the planning process will be successful if it is employed as an ongoing process of learning.

The next stage of this meeting involved re-examining our mission statement and values statement. It was explained that it is important that these statements are congruent with the Organization's actions. If not, then the necessary changes are either made to the statements, or made to the Organization's actions.

To accomplish this examination, each statement was deconstructed into its discrete elements. An open discussion was facilitated around these statements focussing on exploring the degree to which the Organization's actions were consistent with the statements. After some discussion it was concluded that these statements were in fact accurate reflections of the Organization's intentions and actions.

The next step was to begin brainstorming on possible futures for the Organization. To accomplish this, the group was divided into 2 sub-groups and asked to develop ideas that would later be presented. People were encouraged to focus on objectives or ends, not ways and means. Further, people were reminded to be supportive of the process by supporting the development of each others ideas.

After approximately 45 minutes of brainstorming the greater group was reassembled and their thoughts were shared. See Appendix D for a complete list of these ideas.

After each group had presented their findings, the salient points of the meeting were summarized and the meeting adjourned.

Outcomes and Actions:

The primary outcome of this meeting was the generation of the greater staff-group's thoughts and aspirations. A related outcome was that this meeting served as a team building exercise: many in attendance commented on how excited they were about the future as a result of the meeting. People felt very committed to making the best of this process.

Meeting #4

Date: September 11 1999

Duration: 2 hours

Venue: Store after hours

Participants: The Researcher

Tools: Flipchart, markers

Objective:

To synthesize the inputs from all meetings to date and produce a focussed three year strategic vision from which the KSI and SWOT analysis can be conducted.

Method:

Using the notes from all meetings to date, the researcher grouped thoughts into two categories: tactical ideas and conceptual ideas.

Tactical ideas were those that could be initiated immediately. They require little to no development or research and are quite specific. Also, the implementation of tactical ideas would not preclude a certain strategy; most tactical ideas could be implemented immediately and contribute to the primary objective (mission) of the Organization: being a viable paddlesports business. The tactical ideas shared common themes. These themes were grouped into like camps for the purposes of development into strategy.

The thoughts categorized here as "strategic" ideas were loftier, broad-brushstroke thoughts that have longer time horizons and in most cases imply a certain strategic direction. These strategic ideas are means as opposed to ends. They are a way of achieving certain implied outcomes, objectives or goals. As strategic planning is a process founded on formulating complementary strategies that function to achieve a stated vision, the implicit goals or visions must be distilled in order to make these ideas relevant to the visioning process.

Outcome and Actions:

Listed here are the strategic, vision-oriented ideas summarized from the thoughts generated at this meeting. To achieve this list, the researcher induced from the

specific ideas, shared themes and concepts that possessed elements of future visions.

General Operations:

- high performing engaged staff
- state of the art buying techniques, tools, skills, and knowledge
- cutting edge information technology usage as it applies to outdoor retail

AC Operations:

- being a hub; being central to adventure travel in BC and Canada
- having the A/C blaze the trail of the organization's identity
- having a unique meeting place/info centre for paddlers and customers

Retail Operations:

- being complete in our product spread
- thinking and acting large-scale and professionally
- a merchandising approach that represents value-oriented products through to high-end products without sacrificing quality and integrity.

Meeting #5

Date: September 15/98

Duration: 1 hour

Venue: Office

Participants: The Researcher

Tools: Paper, pen

Objective:

To formulate a working three year vision from the information and input gathered thus far, necessary for the next step of building KSI's.

Method:

Findings to date were laid out and sorted into 4 common areas of pursuit.

Outcomes and Actions:

Although a formal Vision Statement was not formalized until later in the process, a clearly articulated “working vision” evolved representing four distinct elements of the Organization’s operations. This format functioned effectively for four months as a working template for the strategic plan development process. The three year vision was articulated as follows:

By September 1, 2001, The Organization will:

1. Be a recognized leader in the paddlesports industry
2. Have an on-water location
3. Be viable year-round
4. Have a vibrant organizational culture

Meeting #6

Date: September 22/98

Duration: 1.5 hours

Venue: Off-site breakfast meeting

Participants: Owner, Purchaser, ACD, BK, IC

Tools: Note paper

Objective:

To present and gain consensus on the working vision; to introduce and define the function of KSI’s; and to begin generating KSI’s for the working vision.

Method:

The theory of the planning cycle was described (see Appendix D); emphasis was placed on ensuring that the KSI’s were specific and measurable.

The metaphor of a “Wandering Beagle” was used to describe an organization comprised of skilled people with no unifying vision: The beagle’s greatest strength – its keen olfactory sense – can be its greatest weakness. If left to its own devices, an untrained beagle could wander for days following one scent after another unable to discriminate between relevant and irrelevant leads. A trained beagle however once given an objective, can discriminate between tracks that will lead to the objective and tracks (no matter how alluring otherwise) that will not. The problem with the Wandering Beagle is that it will eventually find itself lost with no ability to find its way home.

An organization of skilled people with no unifying vision tend toward the same behavior. The various departments or individuals pursue leads that they believe are in the best interest of the Organization. Yet without a unifying vision and strategies for achieving that vision, the pursuits of the departments or individuals can function harmoniously, yet lead in unstructured directions.

Outcome and Actions:

The primary intention of this meeting – to generate KSI's – was not achieved; this was due to unforeseen events which cut the meeting short.

However there was value in revisiting the planning process. The Wandering Beagle metaphor (as corny as it may be) served to illustrate and reinforce the purpose of the process; as neither the researcher nor the Organization in question have been through this process before, the importance of reinforcing the process can not be overstated.

Meeting #7

Date: October 9/98

Duration: 2 hours

Venue: Offsite; breakfast meeting

Participants: Owner, Purchaser, ACD, IC, Bookkeeper

Tools: Notepaper; worksheet (see below)

Objective:

To develop KSI's for the working vision.

Method:

At this point in the planning process, four bullet statements were being used to refer to each of the four aspects of the working vision. Each of these statements had become "short-hand" references to their respective aspect of the vision. Although the statements themselves did not accurately encompass the meaning of each aspect; they functioned as a form of verbal shorthand used by the planning team in developing the overall strategic plan. These four statements were (in no particular order):

- Paddlesports Leader
- On-Water Location
- Year-Round Viability
- Vibrant Organizational Culture

The researcher developed a worksheet to be used for generating KSI's (see Appendix D for an example). On this worksheet were 4 boxes. In each box, one bullet statement was used as a heading. Beneath each bullet statement was anywhere from 1 to 5 qualifying ideas that supported the respective bullet statement (these qualifying ideas were salient themes drawn from various visioning sessions). Lastly the statement "What will this look like in 2001?" was printed at the bottom of the list, somewhere around the middle of the box. Each participant was asked to generate specific, measurable definitions for each aspect of the working vision statement. This exercise occupied the remainder of this planning meeting.

Outcomes and Actions:

The objective of developing a firm set of KSI's for the strategic plan was not achieved. Nevertheless, critical first steps were taken in terms of achieving this objective. The relative newness of the process and related definitions functioned to slow the process considerably (for example, some people had difficulty conceptualizing KSI's and were therefore at first struggling to generate them).

Meeting #8

Date: October 21/98

Duration: 2 hours

Venue: Offsite; breakfast meeting

Participants: Purchaser, ACD, IC, Bookkeeper

Tools: Notepaper; worksheet (see below)

Objective:

There were 2 objectives to this meeting:

1. To regroup and redefine our goals in the absence of the owner
2. To further develop the KSI's for the working vision.

Method:

Two events had transpired that brought to question whether the planning process should continue. The organization had just begun a complete information systems renewal. The I.S. renewal, expected to run until mid November, promised to be extremely time consuming for all staff members. Secondly, the Owner had just departed on a eight week holiday. It needed to be determined whether the group planning time could be used constructively in his absence.

This was an issue of ethics. The primary driving force behind this project must continue to be the needs of the Organization; not the needs of the researcher's project. Within this context, the situation was explained to the planning group. The researcher questioned whether people believed the process to be valid given these new variables. Unanimously, people agreed that the process should continue.

The decision was made to frame the objectives in a different way. It was decided that instead of attempting to generate the ultimate strategic plan for the Organization, the planning group would work to develop a penultimate plan that could be modified as required upon the return of the Owner.

Once this had been established, the group moved on to further developing the KSI's for the working vision. To facilitate this process, worksheets similar to those introduced at the previous meeting were used.

Outcomes and Actions:

Beyond the agreement to continue the planning process, a rough set of KSI's were generated. These KSI's are presented here under their respective bullet statement headings:

Recognized leader in the paddle sports industry

- Possess an upscale merchandising image that is consistent with the value of the product that we carry; one that is easy to duplicate when the need to open a new space arises
- Be active in the paddling community by participating as board members, writing articles.
- Be a supplier to various outfitters and commercial organizations.

Located on the water

- Have at least the AC and rental facility on the water, in a location that balances the need for access with operating cost.

Year-round viability

- not losing money in October, November, January, and February.

A Vibrant Organizational Culture

- Measured sense of team cohesiveness, enthusiasm and engagement
- Optimal level of staff turnover
- Service culture measured by letters and survey results
- An organization that embraces learning as a way of being and improving

Meeting #9

Date: October 27/98

Duration: 2 hours

Venue: Offsite; breakfast meeting

Participants: Purchaser, ACD, IC, Bookkeeper

Tools: Notepaper.

Objective:

To begin generating a SWOT analysis for the working vision.

Method:

In order to conduct this session, the SWOT analysis needed definition. Of all of the aspects of this project thus far, making the SWOT analysis cogent and relevant was by far the most difficult.

Once the SWOT analysis had been explained, for the time remaining, the researcher facilitated an open discussion directed at generating the components of this analysis.

Outcomes and Actions:

In general the discussion generated unsatisfactory results. This was possibly due to the relative newness of the topic. The nature of the discussion at times indicated a poor understanding of the required outcomes. The process would need to be continued at the next meeting.

Meeting #10

Date: November 24/98

Duration: 2 hours

Venue: Offsite; breakfast meeting

Participants: Purchaser, ACD, IC, Bookkeeper

Tools: Notepaper, supporting documentation

Objective:

To summarize progress to date, review and refine the KSI's and further develop the SWOT analysis.

Method:

In preparing for this meeting, the researcher concluded that some of the KSI's required further refinement. In particular, the KSI's supporting the vision aspects "being leaders in the paddlesports industry" and "having a vibrant organizational culture" lacked specificity. These two aspects would be the focus of this discussion.

Review was an extremely important part of this process. Approximately 45 minutes were spent to thoroughly review the progress made and to answer questions that arose.

At this meeting the first incarnation of the vision statement was presented. The statement had been synthesized by the researcher. It read:

By September 2001, The Organization will be a recognized leader in the paddlesports industry, will be located on the water, will be viable year round, and be characterized by a vibrant organizational culture.

Ultimately this would not prove to be the final form of the official vision statement.

An information package was distributed (see Appendix D) for the purposes of the KSI discussion and the SWOT analysis.

The discussion began by revisiting the KSI's for "being leaders in the paddlesports industry". The researcher suggested that although the spirit of the KSI was critical to the development of the Organization, as worded, it would prove difficult to assess. The leading statement that had been used to generate the existing KSI's was worded "what must we do as an organization in order to be considered leaders in our industry?" This statement was problematic because in order to recognize achievement of the KSI's, the Organization must either pass that judgement upon itself (a highly subjective evaluation) or have an outside body make the evaluation (objective, yet likely time consuming and possibly expensive). Instead the researcher suggested that it may prove simpler to frame the leading statement as, "based on our experience, what traits and behaviors would be displayed by a leader in this industry?". This orientation functioned to yield specific KSI's for this aspect of the vision.

Outcomes and Actions:

Due to an overrun in time, the group was unable to address the remaining KSI's and the SWOT analysis. Nevertheless, important steps had been made in generating a set of specific and measurable KSI's for the "leadership" aspect of the vision, as presented below:

To Be a Recognized Leader in the Paddle Sports Industry

We will achieve this by demonstrating behaviors which we believe to be characteristic of leaders in our field.

By September 1 2001 The AC:

- Will offer courses for intermediate and advanced paddlers taught by high-profile, recognized members of the paddling community. These courses will meet their fill-rate objectives and draw local participants and participants from all over North America.
- Will offer recognized outdoor leadership development courses. These courses will meet their fill-rate objectives and draw local participants and participants from all over North America.
- Will be playing a direct roll in developing provincially recognized instructor and guide certification criteria for use in British Columbia.

By September 1 2001, the Retail Operations

- Will be generating an average of 15% annual growth.
- Will have or have access to the newest, most cutting-edge paddling products available on the market.
- Will set and achieve specific turn rates for the top 5 departments.
- Will have a second line of touring kayaks.

- Will conduct business in a manner consistent with sound retail practices. Specifically:
 - We will have a consistent merchandising formula that we can consider “upscale”; it must complement and enhance the value of the products that we carry; it must be easily duplicated for the purposes of expanding to different locations.
 - We will have an exceptional staff group (like the one we have now) that is well trained, enthusiastic, able to make sales while making people feel comfortable, and keen to get out and paddle.
- We will develop our data base so that:
 - We know how much of our business comes from repeat customers
 - We have a firm understanding of our customer demographics measured by age, average amount spent, and place of residence.

Meeting #11

Date: December 1/98

Duration: 1.5 hours

Venue: Offsite; breakfast meeting

Participants: Purchaser, ACD, IC, Bookkeeper

Tools: Notepaper, supporting documentation

Objective:

To review the KSI's generated to date and to refine the SWOT analysis.

Method:

Again, supporting documentation was provided to facilitate the thought process. Since the last meeting, the researcher refined the KSI's relating to “vibrant organizational culture”. The new KSI's, although not significantly more specific and measurable than the first incarnation, read as follows:

By September 1 2001:

- The organization will continue to attract and retain enthusiastic paddlers who actively create a retail team committed to sales and service excellence, and an instructional team committed to on-water excellence. As a group we will function in a manner consistent with our values and our mission. We will take an active role in determining our future through ongoing, and regular planning.

This wording was put forward for use until the final strategy meeting when more specific measurables were assigned to this aspect of the vision. As the group

was beginning to demonstrate signs of impatience with the process, it was decided that it would be best to move on to the SWOT analysis.

In developing the SWOT analysis, leading statements and worksheets were used (see Appendix D). Some participants were still having difficulty distinguishing between strengths and opportunities, and weaknesses and threats. It was hoped that the leading statements would diminish the ambiguity that surrounded this exercise. To begin the process, everyone was instructed to use the worksheets individually. After 30 minutes, everyone shared and discussed their findings.

The SWOT analysis in particular was the most difficult component of this planning process. At the end of this meeting, the researcher collected everyone's thoughts for the purposes of summarizing them and presenting them at the next meeting.

Outcomes and Actions:

The SWOT analysis: see Appendix D for first incarnation of the SWOT analysis.

Meeting #12

Date: December 8/98

Duration: 1.5 hours

Venue: Offsite breakfast meeting

Participants: Purchaser, ACD, IC, Bookkeeper

Tools: Notepaper, supporting documentation

Objective:

To review the SWOT analysis and begin the process of generating strategies for achieving the stated vision.

Method:

The meeting began with the review of the SWOT analysis and an overall progress report. A handout was used to illustrate the planning process and our progress to date (see planning diagram in Appendix D).

Developing strategies was pursued by means of an open conversation. Unfortunately the absence of the owner, and the inappropriateness of the venue challenged the process to the point of ineffectiveness. For approximately one hour, the group discussed various means of achieving the stated goals before adjourning.

Outcomes and Actions:

Again, due to specific challenges, nothing concrete was produced at this session.

Meeting #13

Date: February 3/99

Duration: 6 hours

Venue: Offsite day-long meeting

Participants: Owner, Purchaser, ACD, IC, Bookkeeper

Tools: Notepaper, supporting documentation, flipcharts

Objective:

To summarize work done to date on the planning process and to generate strategies with timelines and accountabilities for each aspect of the vision.

Method:

Once again, the planning process was described. The concept of the planning cycle as an ongoing process was emphasized; that although this particular planning cycle is nearing completion, successful strategic planning is an ongoing process of strategic thinking and acting.

Hand-outs were provided that summarized the KSI's and the SWOT analysis. The owner recommended a significant change to the "year-round viability" KSI's. The suggestion was that instead of defining year-round viability as generating profit in the slowest months, it should be defined as a 12 month whole, wherein efforts are made to increase business during the busy months so as to offset the softer winter months. The group agreed that the prospect of enhancing business over the busy months was more attainable than significantly enhancing business over the slow months.

Beyond this, the researcher facilitated a discussion focussing on the development of timelines, tasks and responsibilities all aimed at achieving the vision by the designated time and satisfying the KSI's.

Outcomes and Actions:

Regarding Leadership in the paddlesports Industry:

Task:

Preliminary merchandising plan for upcoming 12 month period to be completed.

Leaders: Purchaser

Deadline: March 1 1999

Task:

Finalize database architecture so that staff can be trained on the process.

Leaders: ACD and The researcher

Deadline: April 15/99

Task:

Conduct an external safety audit on the AC functions.

Leaders: ACD

Deadline Aug 15/99

Task:

Examine options and present findings for youth programming for summer 2000.

Leader: ACD

Deadline: September 1 1999

Task:

Presentation made on the future of the paddlesports industry.

Leader: ACD

Deadline: November 1 1999

Task:

Begin target marketing test oriented toward high-end clientele

Leader: ACD

Deadline: December 1 1999

Task:

Introduce high-end trips and tour packages

Leader: ACD

Deadline: May 1 2000

Task:

Guide training program designed and ready for implementation; worked in conjunction with Alliance and Association.

Leader: ACD

Deadline: November 1 2000

Task:

Implement guide training certification

Leader: ACD

Deadline: May 1 2001

Regarding Year-Round Viability

This particular element caught people by surprise. It was realized that if this objective were to be pursued in a rigorous, rational manner, then a great deal of learning needs to occur especially around the area of retail mathematics. To begin the process, only one task has been identified to date:

Task:

Examine and evaluate turn rates and gross margins for top 5 departments. Set these findings in relation to desired objectives.

Leader: Purchaser
Deadline March 15 1999

Regarding Having a Vibrant Organizational Culture:

Task:

To determine in conjunction with all stakeholders, optimal payscale, hiring procedures, incentives and cultural paybacks, and conduct something like an Occupational Health Inventory.

Leader: The researcher
Deadline: April 15 1999

Task:

Begin to implement whatever changes were recommended.

Leader: The researcher
Deadline: May 1 1999

Task:

Evaluate outcomes, improve processes and re-implement findings

Leader: The researcher
Deadline: December 1 1999

Regarding Having an On-Water Location.

Task:

To finalize decision on desired location and site characteristics.

Leader: The Owner
Deadline: May 1 1999

Task:

To have located, identified and solidified site arrangements

Leader: The Owner
Deadline: Jan 1 2000

Task:

To have moved into the new location.

Leader: The Owner
Deadline: February 1 2001.

CHAPTER 4: RESEARCH STUDY RESULTS

According to Morgan (1986) a whole organization system is composed of five overlapping subsystems: strategic, technological, human-cultural, structural, and managerial. Each of these subsystems functions interdependently and with the external environment in which the Organization operates; these subsystems work as a collective informing the actions and behaviors of the whole organization.

In this way, any discussion that purports to draw conclusions on an organization's overall fitness through the analysis of its strategy alone is incomplete and misleading. This study does not intend to venture conclusions on the overall fitness of the Organization. Instead, the planning process is examined and weaknesses specific to the planning process are isolated. Every attempt is made to account for and describe these weaknesses in terms of the history of the Organization, the manner in which the conduct of the planning process informs organizational responses, and the manner in which the existing body of knowledge informs the observations.

The 2001 plan describes the Organization's three year vision as comprised of four elements: being a leader in its industry, being located on the water, being viable year-round, and operating with a vibrant organizational culture. The plan describes in detail definitions for each element of the three year vision. Further, it describes the Organization's strengths and weaknesses with respect to each element of the vision; it also identifies external opportunities that the Organization can exploit and threats that it should monitor. Lastly, it outlines strategies to be pursued as a means of achieving the stated vision in the identified period of time.

This document represents a potentially implementable plan. Because it identifies and defines the desired future in relation to the current state and describes strategies for bridging the gap between the two, it is consistent with Haines' (1995a) framework for effective strategic planning. In this manner the 2001 strategic plan generated as a result of this study attempts to improve on the procedures employed at the 1997 retreat by creating a foundation for a complete strategic planning and implementation cycle.

In general, the Organization succeeded to generating a 3-year strategic plan that improved upon the clarity of the 1997 visioning retreat. Furthermore, an organizational commitment was made to engage in regular, ongoing planning processes.

As a result of this process two findings were identified that risk handicapping future planning initiatives if not addressed.

1. organization-wide support: in general, cultural support for the planning process is mixed: staff at nearly every level are willing and able to learn to plan and to engage in ongoing planning, however senior level (i.e. the Owner) support for the planning process was not as robust;

2. difficulty was encountered developing the vision aspect of “Year Round Viability” including KSI’s and analysis of current status through SWOT analysis.

Finding 1: Non-Robust Top Management Support:

Top management did not demonstrate robust support for this project as evidenced by two implemented decisions that functioned to complicate the planning process: the Owner’s absence scheduled during the peak of the planning schedule, and an information systems upgrade which took place beginning mid September 1998 running through to mid November 1998.

Indeed, the needs of the planning process would have been best served by delaying the IS upgrade and by the Owner’s presence throughout. However sound reasoning drove these decisions. Financially the timing of the IS upgrade was optimal; the travel opportunity that the owner took advantage of was fortuitous and rare. Thus what is being termed here as “non-robust support” in no way speaks to *intent*. By all measures, the owner firmly believes in planning as a sound business practice.

It must be underscored that planning does increase an organization’s chances of success, and that planning must be driven by top management (Aram and Cowen, 1990). For this reason, the Owner’s robust support of the process is critical to its continuation and long term efficacy.

Conclusion 1: Process Not Sufficiently Relevant to Owner

It is possible that the planning process as introduced was not sufficiently relevant to the Owner to inspire robust support. One reason may be that the project was instigated largely by the researcher and not the Owner. Had the Owner instigated the planning process, he may have possessed a greater sense of ownership over it.

Another reason could be attributed to the timing of the implementation. The timing was constrained in part by the fact that the researcher had to meet specific deadlines. Had this not been the case, an appropriate time to implement this project would have been between January and March when business is slowest. It is possible that during this time, the Owner’s attention would have been less divided between other commitments.

The chosen methodology may not have been sufficiently relevant to the Owner so as to inspire more support. Kotey (1997) concludes that personal values impact chosen business strategies among owners and managers. Given this, it is

reasonable to suggest that the relevance of a planning methodology could also be impacted by personal values and preferences.

Senior level support is critical to the success of a planning initiative and its ultimate implementation; conversely, a lack of support can derail such a process (Aram and Cowen, 1990). Mintzberg (1994c) states that there are two commonly identified pitfalls in the strategic planning process: lack of top management support and an organizational climate that is not conducive to planning. The corollary suggests the problem does not lie with structure of the planning process, but with the people participating in the planning process. In other words, “the systems would have worked fine if it weren’t for all those darn people” (Mintzberg, 1994c p.g.12 - 13). This, Mintzberg (1994b) suggests, is a natural extension of the traditional strategic planning process that places a great deal of emphasis on a highly structured, rational approach to planning; an approach which best describes the method employed by the researcher in this study.

Van der Heijden (1996) describes a spectrum of strategic planning styles. At one end of the spectrum there is an approach that places great emphasis on data gathering and rational analysis. At the other end of the spectrum is an approach that favors a more heuristic approach to achieving the organizational objective through ongoing conversation and creative, yet rigorous exploration of possible alternative futures.

Mintzberg (1994b) encourages embracing the various planning styles in this spectrum. Depending on the nature of the manager or owner, one style may be more effective than another. In this way, senior management may not be fully engaged in the process because the chosen approach may be inappropriate to the organizational context. This idea is echoed by Aram and Cowen (1990). The onus rests with the planner to ensure that the chosen procedure resonates with senior management.

The Organization’s achievements realized after the 1997 visioning retreat are consistent with behaviors typified by the evolutionary planning paradigm. Originally the researcher’s submission, drawing from the rationalist model, suggested that mores successes could be realized if a more structured implementation and follow-up process was in place. It is possible that a synthesis of these styles is required. Van der Heijden (1996), De Geus (1998), Wack (1985), and Schwartz (1991) would identify this synthesis as scenario planning; Mintzberg (1994a) would identify it as strategic management.

Recommendation 1: Explore Alternative Planning Methods in Conjunction With the Owner

Top management support is integral to planning becoming a long-term organizational procedure. In order for top management to support and champion

the planning process, the planning method must seem relevant and necessary. Therefore a planning method that is at once effective and relevant to the organization's reality, as understood by top management, must be identified and applied. A thorough "planning to plan" phase conducted by an experienced planner would function to identify these bias' (Haines, 1995a).

Finding 2: Difficulty Identifying Financial Targets for Year-Round Viability

The organization's overall success is founded on the mutual success of the AC and the retail operations. The AC and retail operations, although housed under the same roof and considered to be one in the same organizationally and culturally, are two very separate operations. Even so, they are intrinsically interdependent. They share human, equipment, financial, and marketing resources; the success of one is directly dependent on the success of the other.

The three year vision as articulated covers four areas of development:

- Being leaders in the paddlesports industry
- Being located on the water
- Having a vibrant organizational culture
- Being viable year round

All four elements of the final vision were relevant, to greater or lesser degrees, to both the AC and the retail operations. Even so, certain elements of the vision spoke more to one aspect of the Organization than the other.

These four areas are interdependent to varying degrees. For example, being located on the water would augment the development of leadership in the paddlesports industry; year-round viability would augment the process of moving to an on-water location; an on-water location may make for a more vibrant organizational culture, etc.

However, given the current structure of the Organization, year round viability is perhaps the element of this vision that stands to exert the most leverage over the success of the strategic plan. Without year-round financial viability, the other aspects will be considerably more difficult to achieve. Further, given that the retail operation is responsible for a large majority of the Organization's total revenue, it is reasonable to suggest that this task of fueling this viability falls mostly under the umbrella of retail operations.

The key success indicator used to define year round viability is succinct: to be generating a minimum 5 % profit at the end of the 2001 fiscal year while generating 15% annual growth in sales revenue. However, the planning team struggled with generating an equally succinct SWOT analysis for this element of the vision and a strategy for achieving the identified KSI.

Conclusion 2: Inappropriate Financial Control Tools

The organization currently uses (among others) two primary performance indicators to forecast retail performance: total annual sales, and a projected gross profit margin. Total annual sales are broken further into monthly targets. The annual budget is designed such that if annual sales and gross margin targets are achieved, and expenses are kept on target, then the budgeted annual profit will be achieved.

The group was unable to design a complete strategy for achieving the identified KSI of generating a 5% profit with revenue growth of 15%. This possibly underscores the newness of this type of planning process to the Organization. The forecasting tools described above were developed to address a specific need (to develop a 12 month revenue forecast) at a specific time in the Organization's development (as a younger, smaller business). As a tool, it is well suited to that application. However, it is possibly not as well suited to forecasting over a 24 month (or more) period; similarly, the Organization has grown considerably and in the process become more complex.

It could be argued that the ability to plan is informed by the tools one is accustomed to using. A carpenter who has only ever known a hammer and a handsaw would likely have a more difficult time conceiving the construction of an apartment building than the carpenter accustomed to using poured concrete and a nail gun. Therefore the source of the problem may rest as much with the tools as it does the skills to use the tools.

Van der Heijden (1996) argues that in looking into the future, predictability decreases as uncertainty increases. In the short-term forecasting is the most appropriate form of planning; as uncertainty increases over longer timelines, effective planning should focus on strategy and less on forecasting. Aram and Cowen (1990) state that one important precondition for sound planning is "...the existence of satisfactory internal and external financial reporting systems" (p.g. 65). In retail, such reporting systems concern inventory analysis and management in addition to sales, costs and net profits.

In systems theory, the principle of requisite variety states that

"...the internal regulatory mechanisms of a system must be as diverse as the environment with which it is trying to deal. Only by incorporating required variety into internal controls can a system deal with the variety and challenge posed by its environment" (Morgan, 1986, p.g. 47).

Arguably, the complexity of the Organization's financial/inventory reporting systems have not grown relative to the complexity of the "environment" they are used to monitor.

Recommendation 2: Develop Appropriate Reporting Systems

Identifying a process for bridging the gap between a desired future objective and a present state is the foundation of strategic planning (Haines 1995a). Ongoing organizational learning is based on a similar process; organizations engage in continuous improvement through a process of planning, acting, reflecting and evaluating (van der Heijden 1996). In this way, planning is a process of organizational learning (De Geus 1988).

In the evaluation stage, an organization must be equipped to measure performance in different ways. Effective, ongoing reporting systems would provide the Organization with the tracking tools necessary for closing the gap between the desired state and the current state of operations. The planning team struggled with developing a strategy for achieving the KSI of year round viability. This suggests that satisfactory financial/inventory reporting systems are not yet in place to enable the Organization to map a process for achieving this goal. The recommendation therefore is to examine the Organization's needs with regards to such systems; assess what needs are being met and which are not, and develop appropriate reporting systems.

CHAPTER 5: RESEARCH IMPLICATIONS

Recommendation 1: Explore Alternative Planning Methods

The issue being addressed here is non-robust total top management support for the planning process. This is not to suggest that top management did not support the process; indeed there was interest and support. It is being examined because top management support is critical to the long term efficacy of a planning process. In order for strategic planning to become a cultural institution within an organization, it must eventually be championed by top management. Therefore, what must be explored are the elements of the planning process that contributed to this phenomenon, and given this, what is required to enhance top level commitment.

As stated in Chapter 4, there exists a spectrum of planning styles ranging from the highly rational, and scientific to relatively unstructured, heuristic approaches. The method employed in this study could best be described as belonging in the rationalist camp. Mintzberg (1994b) suggests that an over-reliance on this style of planning has caused many organizations to engage in ineffective planning processes. That style of planning, as practiced in the most traditional way (i.e. the “rationalist camp”) typically involves removing an organization’s key decision makers from the context of the business’ operating environment to design a rigorous plan. The suggestion is that this process encourages strategic *planning* at the expense of strategic *thinking* (Mintzberg 1994c). Many thinkers (Mintzberg 1994b; Liedtka 1998; De Geus 1988; van der Heijden 1996) reason that cultivating an organization of strategic thinkers is vastly more important than a carefully designed strategic plan.

Planning processes such as scenario planning emphasize strategic thinking over traditional strategic planning. Characteristically, “planning” processes that emphasize strategic thinking are quite action oriented. They typically occur in many different venues, not always at the off-site retreat associated with highly structured planning processes. Additionally, a traditional planning process which does involve extended off-site meetings may not appeal to action-oriented entrepreneurs. Arguably, in this case the Owner is quite action oriented and may not have been enchanted by the chosen approach to planning. As a result, support was not as high as it might have otherwise been.

The recommended approach to addressing this situation begins with one-on-one discussions with the Owner. These discussions would focus on what he perceives as the strengths and weaknesses of the current process. Strengths can be reinforced and weaknesses can be bolstered. Ultimately the objective would be to co-operatively generate a template for planning that meets the needs of the Organization while also having relevance in the mind of the Owner.

The next step would be to equip the Owner with the tools necessary to at least understand the mechanics of the process if not to be able to carrying it out himself. This learning process could be nurtured through expert intervention. The key of course is to enable the Owner to develop an expertise in the chosen approach to planning.

An organization this size does not require a full-time planner. If the role of part-time planner is to be assigned to a senior manager, successful planning will hinge on that individual's ability to harmonize the process with the wishes of the owner. Regardless of who ultimately drives the process, it must receive the Owner's endorsement and active involvement.

As an alternative to traditional strategic planning models, a recommended approach would begin with scenario planning. Both Liedtka (1998) and van der Heijden (1996) argue that this type of planning, when executed effectively, balance the structure of traditional planning with the action focus of strategic thinking.

An organization that fails to actively engage in some form of planning risks operating without focus, and without a sense of the environmental risks to which they are exposed. Within smaller owner-operated businesses such as the focus of this project, failure to gain the Owner's support of the planning process ultimately threatens the viability of the Organization (see Figure 2).

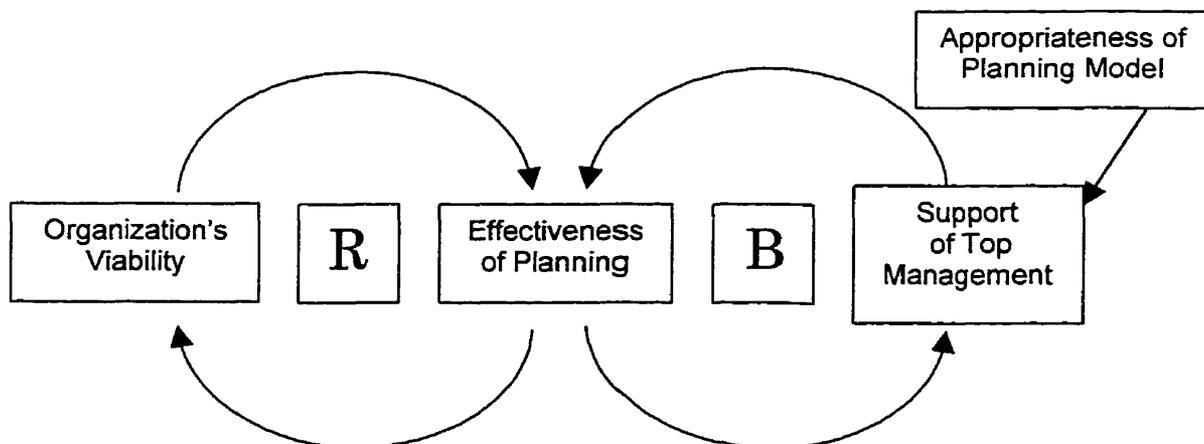


Figure 2: The Necessity for Top Management Support

Top management support is critical to the success of ongoing planning processes. Without this support, organizational viability may suffer. Planners must acknowledge that top management support can be encouraged if an appropriate planning model is employed.

This diagram is based on the Limits to Growth systems archetype identified by Senge et al (1994). The "R" represents a reinforcing loop and the "B" represents a balancing loop.

Certainly the process can be driven from within in the absence of total top level support. However, the risk to this is the same as in any situation wherein the systems and processes of an organization are not aligned: the initiative will eventually be overcome by the competing demands of other internal forces.

Recommendation 2: Develop Appropriate Reporting Systems

Also identified as a finding was the risk posed by inappropriate financial/inventory reporting tools. This finding was illuminated by the difficulties encountered in developing a strategy for achieving the success indicator to demonstrate year round viability.

The conclusion drawn was that the tools normally applied to forecasting annual financial and inventory performance do not provide details sufficient for mapping a strategy to the identified goal of 5% profit and 15% annual growth in 2.5 years. Therefore existing tools must be modified or new tools must be designed. These tools must be able to answer specific questions such as the following:

- based on historical performance, what must annual sales be for fiscal years 1999, 2000, and 2001 to sustain 15% growth?
- based on these sales forecasts, and balancing gross profit margins and expense levels what spending targets and gross margin targets are necessary to achieve the 5% profit target?
- based on historical trends, are these targets realistic?
- if not, what adjustments are necessary?
- assuming the targets are realistic, what sales and gross margin targets must be set for the top 5 departments in order to achieve this goal?
- based on the desired ROI what is the optimal inventory turn rate target for each department?
- what types of monitoring and control mechanisms will be in place to best ensure that these targets are achieved and sustained over the planning horizon?
- what purchasing strategies will be employed to best ensure that these targets are achieved and sustained over the planning horizon?

In general, appropriate tools function to convert concrete experience into observable and measurable data. These data are the critical building blocks for key success indicators that describe an organization's envisioned future state and its current state. A planning process may be derailed if a planning group is unable to identify key success indicators for an organization's current state assessment and its envisioned future (Haines 1995a).

If the Organization does not implement the necessary changes, too little information will be available to management resulting in weak control and goal setting mechanisms. The potential result of this being ultimate failure of the business due to better competition, loss of customer base, etc (see Figure 3).

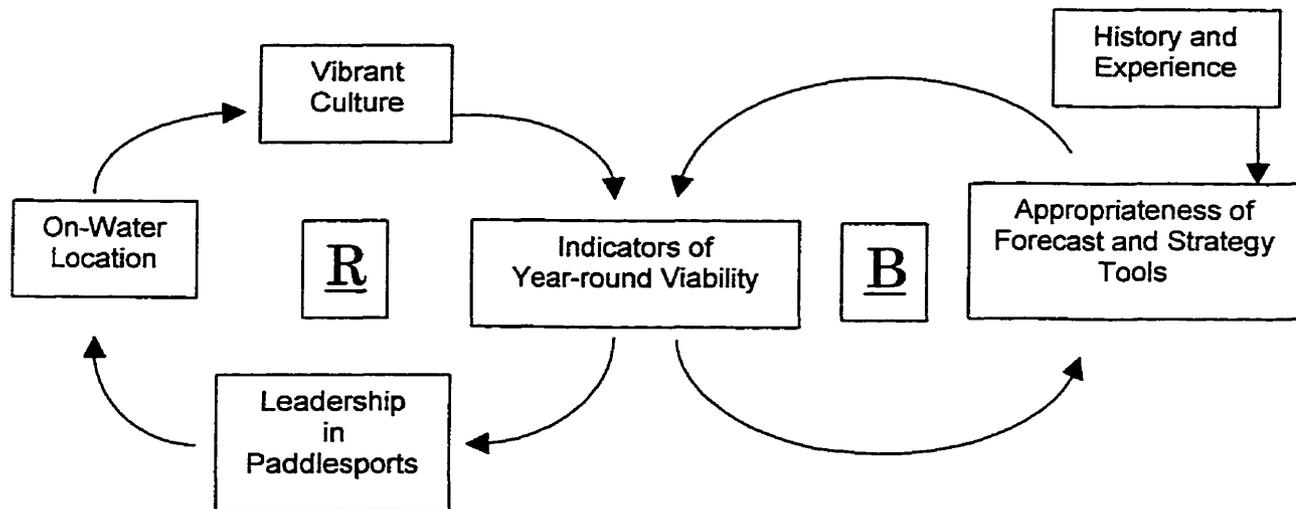


Figure 3 The Need for More Sophisticated Measurement Tools.

Although there is an interdependence between the four elements of the stated vision, in the absence of year-round viability, the other three elements will be proportionately more difficult to achieve. Designing a strategy to achieve year-round viability requires more sophisticated measurement tools than have been currently employed in the past.

This diagram is based on the Limits to Growth systems archetype identified by Senge et al (1994). The "R" represents a reinforcing loop and the "B" represents a balancing loop.

Possible Future Research:

As noted in chapter 2, the existing body of knowledge reviewed regarding strategic planning was focussed on techniques and methods which have been developed by planning specialists engaging large organizations. The body of knowledge also addressed the impact of strategic planning on small business. Specifically it was observed that small businesses who engage in formal planning procedures generally out-perform those that do not.

However, at least two areas of knowledge warrant further development. One of research that warrants further development explores the types of planning that best suit small business. Specifically it would be helpful to survey businesses that successfully engage in planning and catalogue the types of planning practices employed, and the organizational environment in which they function optimally (e.g. top management characteristics, type and size of business, nature of market environment, etc.).

As shown in chapter 2, strategic planning techniques can be categorized into three broad paradigms (i.e. the rationalist, evolutionary, and processualist paradigms). Proponents of the various schools argue that each technique possesses

its own virtues. The small business “planner” would benefit from knowing what planning approaches work well in what situations and how best to customize these approaches to various small business settings.

Another area of inquiry that warrants exploration concerns the development of planning tools and techniques that can be employed by non-experts tasked with heading a planning initiative in a small business. In the entrepreneurial environment of small business most people, including management, are expected to perform a variety of tasks in a relatively busy environment. Small businesses typically can't afford to hire or contract seasoned planners. The alternative is having someone on staff spearhead the project. If no one takes on this role, a vicious circle can exist in that organizations that could benefit most from planning don't have the time or resources to source or to create the expertise.

Planning for the small business is no more complex than any other aspect of running the business. A reasonably astute person should be able pick-up the skills and facilitate the process provided they had access to appropriate training tools. Most of the learning will occur as a result of the process, and as long as the Organization is committed to planning, the initial growing pains should be minimal. What is required in the planning literature is information geared specifically for this task. It must however transcend the boundaries of the rationalist paradigm and equip the would-be planner with the skills to develop strategic thinking, not just strategic planning.

Implication of the Research on Existing Body of Knowledge:

Without further longitudinal study, it is difficult to say whether the outcomes of this planning procedure will be in the form of enhanced organizational performance. If any of the studies functioned predictively, (which none of the authors claim), then it might be reasonable to expect that because this planning process was “sophisticated” as defined by Berman and Gordon (1997) that the business will benefit as a result.

As far as could be told, this form of action research planning documentation is uncommon in the body of knowledge. Arguably it is a valuable tool for other practitioners seeking to benefit from the experience of others. It is hoped that others in situations similar to this researcher will benefit from the results of this project with regards to structuring the planning process, and matching it to organizational needs.

CHAPTER 6: LESSONS LEARNED

Although there is more than one way to frame the lessons learned from this project, they are framed here so as to be instructive to individuals who do not specialize in planning but are interested in engaging a small business in a planning initiative.

To the Non-Specialist in a Similar Position:

This was a rich process in that the Organization has been introduced to a formal strategic planning process that, if desired, can be used indefinitely as a means of shaping and building future viability. From an action research standpoint, it was rich because the researcher began with no prior skills or experience in the field of strategic planning, and engaged in a significant amount of learning throughout the process. As a result, the researcher had the unique fortune of learning about this complex field of organizational development through a blend of study and experience.

However, what made this a rich experience for the researcher may be the very element that weakened it as a strategic planning process. As suggested in Chapter 5, the process did not generate the desired level of top management support. This was possibly due to the manner in which the project was conceived and the chosen methodology. Top management support is critical to the long-term survival of strategic planning; without long-term commitment, a plan risks not being implemented.

Two overarching recommendations are made here. First, if an individual is, unsolicited, proposing a planning initiative to top management the time must be taken up front to understand the degree to which top management supports the project in order to maximize its effectiveness. (Clearly a distinction must be made between weak support and resistance. A project such as this must never be implemented in the face of resistance.)

Second, the researcher must have a technical baseline competency with the tools required by the project. This competency must be developed to the degree that the researcher can clearly explain the process, its relevance, benefits and its outcomes to top management before the project begins.

Organizational change agents possess a primary specialization in identifying organizational problems, proposing and supporting the implementing of solutions. In some cases the solution requires the individual to rapidly acquire new skills required for implementation. The inherent risk is that the individual may overestimate the rate at which they can learn, and underestimate the complexity of the skills to be learned. The onus is on the change agent to ensure that a realistic assessment of the learning requirements has been made.

In this particular project, the researcher and the Organization could have benefited from a greater level of baseline technical expertise. Specifically, a greater baseline expertise in the field of strategic planning would have helped mollify the impacts of some of the challenges encountered. The challenges encountered throughout the implementation of this project can be broken into three general categories: (1) factors largely external to the project's format, (2) factors largely internal (or as a result of) the project's format, (3) factors inherent to the Organization's culture and the researcher's decisions.

1. External Factors.

As argued in Chapter 5, two possible causes for non-robust top management support were an inappropriate methodology, and the fact that the project was proposed to management by the researcher as opposed to the other way around. A highly structured traditional strategic planning methodology was employed. Aram and Cowen (1990) suggest that this style of planning is not as well suited to the small entrepreneurial environment as a methodology which is more action oriented.

Aram and Cowen (1990) encourage small business owners and managers to adapt planning to meet their specific needs. Similarly, scenario planning as described by van der Heijden (1996), De Geus (1988), and Schwartz (1991) may be of great value for small business planning as ways of putting into action strategic planning and strategic thinking. The structure of some traditional strategic planning processes require applied aspects to hold greater relevance to the small business owner/manager.

The second external factor that served to complicate the planning process was the near last minute decision to implement an information systems upgrade. Although the impetus for doing so had existed for some time, the decision to implement came as a surprise. This upgrade required a great deal of time and energy. As a result, the planning process became a second level priority for 6 weeks.

Because the researcher had not anticipated this competing priority, the response was necessarily reactionary as opposed to pro-active. Although it is impossible to anticipate every eventuality that will threaten to derail a project, the researcher could have kept himself better informed of these developments. The lesson here is even when immersed in the project, always watch the horizon. Events will crop up that will threaten the pace of the project. The researcher must make it his or her business to be abreast of these developments by keeping lines of communication open with all members of the Organization's management.

2. Internal Factors.

Because of the requirements of this project's schedule, this study had to take place in the fall. This was not an optimal time according to the Organization's

schedule. A better approach would have been to conduct the planning in the winter months. In an effort to fit the planning schedule with the Organization's seasonal requirements, the researcher decided to conduct planning meetings in one to two hour segments at breakfast meetings. This format was inefficient. Conversations and sessions were frequently interrupted mid-stream due to time constraints. By the next meeting, it would take roughly 45 to 60 minutes to recreate the context of the conversation to productively take it up from where it was left.

As a result (combined with other factors) nearly four and a half months were required to complete the strategic plan. Retrospectively, an organization of this size should be able to complete such a plan in less time. The thought of conducting two or three full day off site meeting was discussed but dismissed due to the constraints of other aspects of the business. In the future, it would be best to ensure that the initial planning meetings are conducted over concentrated periods of time in venues where there are few distractions.

Non-core planning staff could have been involved to a greater degree in this project. There was one open meeting where all members of the Organization were encouraged to attend. This was an extremely productive meeting. However there was little follow-up to inform participants as to how their thoughts and ideas were being used. This was a procedural error committed by the researcher. The researcher was engrossed with the core planning group to the degree that a larger, global perspective was sacrificed.

There is a great degree of trust within this organization and with the researcher who has been a member of the organization for three and one-half years. It is possible that this mitigated the impact of the lack of follow-up; but it is difficult to be sure. Nevertheless, the adage goes: "people support what they help create". Strategic planning is a process of creating an organization's future. The skillful involvement of as many people as possible is the best way to ensure success in implementation. However the involvement must be sincere and deep. By not continuing the dialogue with the larger organization, the researcher risked losing trust and creating skepticism.

More debriefing and reflection should have occurred during this planning process. This was another internal factor that conditioned the outcome of the planning process. As a result, the researcher operated with less feedback than necessary in conducting the planning. Additionally, the group was not provided with sufficient opportunity to influence and shape the process.

This was not done consciously. The reason for this may be grounded in the researcher's relative lack of expertise. The meetings, as scheduled, were tight for time. As a result, the priority was on conducting the planning apparently at the expense of feedback.

In general, the entire organization lacks experience in formal planning and plan implementation. As the process is repeated, skills will develop. As these skills develop, so will the effectiveness of the planning.

3. Cultural Factors.

Because the researcher was new to the procedures of strategic planning, a great degree of learning was required on the part of the researcher to lead the planning. Much of this learning occurred in parallel with the planning. As a result, a great degree of background work was required to execute the planning process.

Due to the nature of the researcher's relationship with the Organization, the work-ethic of the Organization, and personal decisions made by the researcher, little background work was conducted during business hours. Coupled with the fact that members of the planning group had regular business demands to attend to, the planning process stretched out over a 6 month period of time.

In situations where an individual's learning process is occurring in parallel with the process' implementation, a great deal of background research, reflection and preparation is required. The prospective planner must take this into consideration when planning the project so as to be realistic in making commitments to deadlines, and to be fair to the balances in his or her own life. Working a full week in conjunction with conducting projects like this can be draining even with realistic planning. The lesson here is to be as realistic as possible with timelines and deadlines. Nobody gains if the researcher is suffering from burn-out.

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APPENDIX A: NOTES FROM 1997 VISIONING RETREAT

Dates: Feb. 12 & 13th 1997

Location: Offsite Location

Attending:

- Owner
- Purchaser
- ACD
- BK
- Researcher/Assistant Manager (AM)

Notes Prepared By:

- The Owner

Goal:

The goal of the two day retreat was to gain a short and long term vision for the Organization.

Discussion of the Organization's Mission Statement.

It was agreed that it was appropriate and because the complete group helped form the statement, there was a good buy in to it. It was informally adopted.

Vision

- does it need to be realistic?
- dreams can be achieved.
- we are only limited by our own imagination.

The Owner's vision is simple and clear

The organization should be financially and spiritually healthy and it should create opportunity for the owners, managers and employees.

Individual Desires and Aspirations

The Owner wants the Organization to :

- Be respected
- Be financially healthy
- Be fun
- Grow and expanding
- Be pro Active
- Be quick to react
- Have strong strategic alliances

- Have a strong management and employee team

The Purchaser wants the Organization to:

- Be successful
- Pay a good living wage
- Be challenging
- Be pro active
- Streamline what we do to do it better

ACD wants the Organization to:

- Pay a good living wage
- Continue to instruct
- Build business in guiding
- Become a more expanded Outdoors Centre doing: exploratories, hiking, kayaking, leadership programs
- Become a Pan Pacific broad company

BK wants the Organization to:

- Be fun
- Have good people working there (like now)
- Create better systems for the future
- A larger network with more outlets
- A larger corporate group to work with to create more opportunities

AM wants the Organization to:

- Pay a good living wage
- Give him the lifestyle he wants (pursuing outdoor pursuits)
- Create opportunity for him to be involved in leadership training (problem solving, team building etc.)
- Become extremely efficient and systematized
- Grow to allow more focus on management of the employees

Because of the complexity of the Organization's operations we brainstormed to come up with 7 areas of interest for us to achieve some vision.

1. Maturing of the AC to a full outdoors Centre.
2. Financial Health
3. Partnering (with suppliers, outfitters) for the economic growth of the Organization.
4. Alliances (as they relate to the AC to expand and enhance business)
5. External expansion possibilities (physical expansion - retail related)
6. Internal growth (growing business within our existing structure)
7. Resource Centre (to become a hub)

Maturing of the AC to a full outdoors Centre.

To be successful we will:

- Ensure that the core programs are tremendous - get high fill rate and quality programs.
- Grow the business in private kayak instruction and tour requests.
- Create new programs such as canoeing and inner harbor tours in 97.
- Work toward building a Corporate Development Program. (team building and leadership training)
- Work toward a base camp for future tours and courses to fun from. (property, or a float home camp)
- Look into a full kayak-paddling centre - possibly using performance kayaking as the foundation.

In 3 years we will:

- be considered leaders in the industry - you can come to the Organization for the very best kayak instruction, tours or training
- add performance kayaking to the Organization's programs
- have a pro series of kayak instruction where celebrity instructors would teach the Organization's courses
- run highly successful instructional leadership courses
- run tours to unique places
- have a base camp to operate from (possibly in the mid B.C. coast)
- start to diversify programs with paddle/hike/cycle type programs

In 5 years we will:

- have our own kayak centre on the water
- be a world renowned kayak centre that people will travel great distances to visit
- run Pan Pacific tours of various types
- offer instructor certification
- be a leader in corporate leadership training using the outdoor environment

AC Action plan.

- Core programs are of utmost importance.
- Promotion, staffing, and training
- Instructor involvement in sales at the Organization
- Training to keep the instructional staff understanding and actively helping the store.
- Strategic alliances
- Create connections and utilize them to run better tours, get our courses and tours sold, and to get new customers.
- Create paddling opportunities for the Organization's customers.
- Where do we go from here? After clients have taken a course or tour they need a next step. Networking and creating some of these next steps.

Financial health of the Organization.

- the Organization has been through a difficult time over the past year. Financial performance has been poor.
- A more pro-active approach has been taken and sales are expected to increase approx. 10% for next year.
- It was determined that the Organization is in control of its expenses. No expenses seem to be running away. We had the additional overhead of the downstairs this year.
- Our wages have increased from 23% of gross sales in 94 & 95 to 26% in 96.
- Our rent has increased from 5% of gross sales in 94 & 95 to 7% in 96.
- We hope to increase sales and keep expenses at this year's level.
- The goal is to reach or exceed our sales forecast for 97 and hold our expenses to 1996 level.

Partnering (with suppliers, outfitters) for the economic growth of the Organization.

- Partnering was discussed and the Purchaser is already quite active in working closely with suppliers and anyone else who may wish to work closely with the Organization.
- We will keep looking for partners in business. These contacts will grow over time but we need to stay open to any possibilities.
- Alliances (as they relate to the AC to expand and enhance business)
- ACD is already starting to work with a number of companies who we may be able to work closely with.
- These types of alliances could open up new and unique opportunities.
- External expansion possibilities (physical expansion - retail related)
- It was decided that expansion within the next three years would not be wise.
- The exception may be an expansion into a paddling centre and small retail outlet to support the aerobic aspect of paddling. This would be a removed location.

Internal growth (growing business within our existing structure)

- We will work very hard for the Organization to grow the business at our existing location. Every effort will be made to expand our business within our existing budget by simply getting more out of what we have.
- We plan to expand our business by making more customers through expanded promotion to get more people out there. The hope is that expanded business at the AC will result in expanded business at the Organization's retail operation.

Resource Centre (to become a hub)

- The key to becoming the hub of paddling and the outdoor scene is to be actively involved and have all staff at the Organization involved. We will work to get more staff active and highly informed.
- Exploratories for staff (AM & ACD)

- Get staff to popular destinations (AM & ACD)
- Have fully informed staff (ongoing)
- Management must “Get out there” (the Purchaser)
- Guide Book (BK will do format for write-ups)
- Staff travel -getting the information from staff- where have they been (the Purchaser)
- Books and Videos (staff to do list of videos - the Purchaser and BK to do Book list)
- Formalize systems to solicit feedback from staff and customers about products (the Purchaser)

Systems

- A key component of the Organization’s future is in being able to identify and understand our customers. Compiling a good mailing list that we can track and understand will help us promote to the right people.
- We need to determine exactly what the Organization needs in a POS system so that BK can research the different ones out there.
- BK will spearhead the research project on upgrading our systems.

Manuals

- The Introductory Procedure manual is now nearly finished with only a few small changes to happen. AM will complete it ASAP by AM and release it to the staff.
- AM will be working on further training manuals.
- Sales floor job descriptions have been done and an accountability package started. AM is in charge of this and is progressing well.
- Regarding AC, ACD will use the same intro and procedure manual and add training specifics as another manual.
- ACD will be doing job descriptions of AC staff.

APPENDIX B: PLANNED METHODOLOGY AND TIME FRAME

The methodology outlined here draws almost exclusively on Stephen Haines' Successful Strategic Planning (1995a). In order for the methodology to meet the Organizational demands of the Organization, significant modification was required. Following Haines' method would require a significant amount of time in meetings with key members of the Organization's staff. The demands of daily business make doing this difficult and impractical. As a result I have re-structured the process so that meeting-time is broken into smaller segments.

Meeting #1: Visioning Part 1

Date: August 21 1998

Duration: 2 hours

Venue: A meeting room

Participants: Owner, Purchaser and ACD

Objective:

To put into motion the visioning process; at the end of this meeting participants will have a clear idea of what is required in a well articulated vision

Method:

- Meeting with all three individuals and brainstorm on the question: "It is September 1 2001, as you look around, what does the Organization look like; what does it do; and what is it known for?"
- Introduce and enforce brainstorming ground rules: Ideas can be presented but not debated; engender a creatively safe environment.

Meeting #2: Visioning Part 2

Date: August 25 1998

Duration: 2 hours

Venue: A meeting room

Participants: Owner, Purchaser, ACD, BK, IC

Objective:

To generate a penultimate vision, based on the same question that can be taken to the general staff for discussion and modification.

Method:

- Meet with all 5 and build on the existing visioning work by brainstorming further on what the Organization will be in September 2001

Meeting #3: Visioning Part 3

Date: September 1 1998

Duration: 3 hours

Venue: the store

Participants: open invitation to all staff

Objective:

To further develop the vision through the input of front-line staff.

Method:

- begin by introducing and explaining the process of strategic planning and providing some historical context (e.g. the retreat) for the process.
- explain to the staff what their role is and that although everything that comes from this meeting will not necessarily be used, all ideas will be carefully considered.
- present the Values and Mission Statement; discuss whether staff still feel that they, as written, are relevant to the way business is conducted; if the need for significant change to either or both is expressed then time must be spent to gain clarity on this issue; the Organization's values and mission must be relevant to the staff if the visioning process is to be successful.
- split the group in two and have them brainstorm for 30 minute on this question: "It is September 1 2001, as you look around, what does the Organization look like; what does it do; and what is it known for?"
- regroup and have each group present its findings to the other.
- present the ideas that management has developed so far and explore similarities
- wrap-up by explaining how the remainder of the process will unfold and when they can expect to see some results.

Meeting #4: Final form of vision development

Date: September 1-8 1998

Duration: as required

Venue: as required

Participants: the researcher

Objective:

To craft into a sentence or two the vision as articulated by all staff members.

Method:

- on my own, I will reflect on the notes and generate a vision statement that can be presented to management for discussion, modification if necessary, and ratification.

Meeting #5: Ratification of the Vision and Generate KSI's

Date: September 8 1998

Duration: 4 hours

Venue: off-site meeting room

Participants: Owner, Purchaser, ACD, BK, IC

Objective:

To articulate a vision statement and develop KSI's for the vision.

Method:

- meeting with the management team, I will present the working draft of the vision statement and open it up to modification;
- I will introduce the process of KSI's generation; I will remind people that this is a discussion focussed on generating evidence of the *ends*, not the *means*.
- utilizing leading statements (e.g. "I will be satisfied that we have achieved this aspect of our vision when...") I will facilitate the generation of Key Success Indicators for the vision.

Meeting #6: SWOT analysis with management group

Date: September 15 1998

Duration: 4 hours

Venue: an off-site meeting room

Participants: Owner, Purchaser, ACD, BK, and IC

Objective:

To generate a list of strengths, weakness, opportunities, and threats possessed by and facing the Organization in the process of achieving its vision.

Method:

- meeting with the management team I will facilitate a SWOT analysis.
- time will be spent in the introduction clarifying the parameters of what constitutes strengths, weaknesses, opportunities and threats within the context of this analysis;
- leading statements will be used as tool for the generation of these statements

Meeting #7: SWOT analysis with front line staff

Date: September 22 1998

Duration: 3 hours

Venue: the store

Participants: open invitation to all staff

Objective:

To generate input regarding the SWOT analysis from staff.

Method:

- similar to the management group's meeting, I will describe the process of generating a SWOT analysis and provide some leading statements that can be used as tools.
- if group size warrants, 2 groups will be created for the purposes of brainstorming
- groups will be assembled after 1 hour and findings will be shared and consolidated

Meeting #8: Consolidation of SWOT analysis

Date: October 6 1998

Duration: 3 hours

Venue: an off-site meeting room

Participants: Owner, Purchaser, ACD, BK, and IC

Objective:

Management team to consolidate the SWOT analysis and begin consideration of possible strategies.

Method:

- there will be 2 stages to this meeting: the first will be to review the SWOT analysis and the KSI's; the second will be to begin generating possible strategies for bridging the gap between the two.
- if there are a number of possible strategies, the list will be pared down to a maximum of 3 strategies

Meeting #9: Finalize strategies and detail an action plan

Date: October 20 1998

Duration: 3 hours

Venue: an off-site meeting room

Participants: Owner, Purchaser, ACD, BK and IC

Objective:

To ratify a maximum of 3 strategies to be implemented over the next 3 years and to begin detailing an action plan for each.

Method:

- a discussion will be facilitated that will explore the details of each strategy
- the overall management of each strategy will be assigned to one person
- each "strategy manager" will be responsible for detailing an action plan with identified milestones at 3 month intervals

- each strategy manager will be expected to present their action plan to the management group in 2 weeks

Meeting #10: Summarize strategies and review action plans

Date: November 3 1998

Duration: 3 hours

Venue: an off-site meeting room

Participants: Owner, Purchaser, ACD, BK, and IC

Objective:

To present the strategic action plan and formally assign roles and responsibilities for each strategy.

Method:

- strategy managers will present their action plans to the management group;
- opportunity for input and modification will be presented
- once consensus is reached, individuals will be assigned tasks and timelines by strategy managers
- a strategy meeting schedule cycling at 3 month intervals will be drafted and agreed upon by management

Presentation of Strategic Planning Document:

Date: December 15 1998

Method:

Strategic Planning Document complete with vision, KSI's, SWOT analysis, strategies, timelines and accountabilities will be completed and presented to the Organization.

APPENDIX C: THE FINAL DRAFT STRATEGIC PLAN

2001 Strategic Plan

The Organization's Vision:

At the Organization, our objective is to be, beyond question, leaders in our industry. To achieve this, we will be required to set ambitious, realistic financial, cultural, and operational objectives:

By September 1 2001, the Organization will be a recognized leader in the paddlesports industry. Located on the water, we will be a viable, year-round operation with a vibrant organizational culture.

Key Success Indicators

Being Leaders in the Paddlesports Industry

Being a leader in the paddlesports industry requires that we act as leaders should. Based on our knowledge and experience thus far we believe that given the demonstration of the following we are acting as leaders in our industry.

By September 1 2001 The AC:

- Will offer courses for intermediate and advanced paddlers taught by high-profile, recognized members of the paddling community. These courses will meet their fill-rate objectives and draw local participants and participants from all over North America.
- Will offer recognized outdoor leadership development courses. These courses will meet their fill-rate objectives and draw local participants and participants from all over North America.
- Will be playing a direct roll in developing provincially recognized instructor and guide certification criteria for use in British Columbia.

By September 1 2001, the Retail Operations

- Will have or have access to the newest, most cutting-edge paddling products available on the market.
- Will be generating an average of 15% annual growth in product sales.
- Will measure, achieve, and maintain healthy inventory turns
- Will have a second line of touring kayaks.
- We will have a consistent merchandising formula that we can consider “upscale”; it must complement and enhance the value of the products that we carry; it must be easily duplicated for the purposes of expanding to different locations.
- We will have an exceptional staff group (like the one we have now) that is well trained, enthusiastic, able to make sales while making people feel comfortable, and keen to get out and pursue the activities we promote.
- We will develop our data base so that:
 - We know how much of our business comes from repeat customers
 - We have a firm understanding of our customer demographics measured by age, average amount spent, and place of residence.
 - We can target market to existing customers and strategically pursue new customers.
 - We can utilize electronic commerce opportunities more effectively.

Being Located on the Water:

We believe that the Organization’s strength is that we are a paddling school that also retails. Dividing these two core aspects of our organization would constitute a fundamental shift in our identity and arguably, our competitive advantage. Overall, we believe that to demonstrate leadership in this industry, we must be located on the water.

By September 1 2001:

- the Organization – AC and retail operation together – will be located in an on-water facility that balances the distinct needs of both aspects of our organization.

Being Viable Year Round

As is wise for any organization, we must learn to be viable 12 months of the year.

By September 1 2001:

- the Organization will achieve year-round viability by building on its strong seasons so that at the end of the fiscal year a 5% profit has been generated and revenue has grown by 15%

Having a Vibrant Organizational Culture

Quite literally, the Organization is nothing without the people within its walls. We are at our best when we are made-up of people functioning well as a team with the minimum required amount of hierarchy. attract and retain enthusiastic paddlers who actively create a retail team committed to sales and service excellence, and an instructional team committed to on-water excellence.

By September 1 2001:

- We will develop and clarify our recruiting criteria so that we can continue to attract effective team members who can be committed to our mission and culture.
- We will develop and clarify our pay scale and reward system so that we are able to retain long-term effective team members.
- We will source and implement an instrument that functions to measure job satisfaction; we will learn from this process such that we continually score high on this instrument.
- We will function in a manner consistent with our values and our mission.
- We will take an active role in determining our future through ongoing and regular planning at all levels of the Organization.

S.W.O.T Analysis

Being Leaders in the Paddlesports Industry

Strengths

- we are well networked in North America
- our staff are users and enthusiasts
- we have a good reputation in the industry
- our close relationship with our primary kayak supplier
- we are willing to learn to proactively determine our future through rigorous goal setting and follow-through (strategy planning and implementing)

Weaknesses

- we do not possess the necessary visual merchandising presence
- we do not yet possess a strong core of *guides*
- possible (must be confirmed) that we are viewed as exclusive and pricey

Opportunities

- a current state of confusion in the sea kayaking community re. standards etc.
- making use of our connectedness to have access to the latest and greatest in gear
- the paddle-fitness market

Threats

- lack of on-water standardization in the industry; we could be shut-out if not careful
- growing access issues
- high level of dependence on our primary kayak supplier means that we can suffer due to their problems in production, etc.
- our location is not central to the hot paddling locations on the island
- unforeseen competition

Being Located on the Water

Strengths

- we are thoroughly committed to the idea of having the store and AC located on the water – we are motivated!
- local support from city, harbor planner and community.

Weaknesses

- it could be costly
- we are unsure of the consequences associated with moving out of existing location and thus out of the main downtown core.

Opportunities

- key developments that are currently underway that are consistent with our market focus

Threats

- inner harbor developments and politics: is it feasible for us to be in the inner harbor? If not, where do we go?

Being Viable Year Round

Strengths:

- we're already profitable 9 months of the year
- good, strong staff group
- strong customer base

Weaknesses

- no identified "viable and unique" product line to carry us through the winter
- need to be stronger merchandisers

Opportunities

- building more business through our webpage
- seasonal mall store
- accessing markets previously served by falling competitors
- Canadian dollar attractive to US customers
- boat building(?)

Threats

- seasonal economy (tourism)
- ever increasing competition (specific examples)
- soft economy

Having a Vibrant Organizational Culture

Strengths

- we have a keen professional staff of users
- our environment (work and geographical) is conducive to generating excitement among staff
- we are not a highly "political" organization; we have a fairly healthy culture
- staff have access to exciting industry events and personnel

Weaknesses

- traditionally high turnover

Opportunities

- pick of the crop: we're an attractive place to work (geographically and industry-wise), we can have our choice of staff

Threats

- other organizations competing with us for the best staff

Strategies

Being Leaders in the Paddlesports Industry

Action:

- By the beginning of Mar 99, the Purchaser will be able to present a preliminary merchandising plan for the upcoming season
- Apr 15/99: ACD and AM will be able to present for discussion an architecture for the customer database
- Aug 1/99, ACD: Safety Audit complete
- Sept 1/99, ACD: Summary of options for youth programming will be complete
- Nov 1/99, ACD will make a presentation on the future of paddlesports
- Dec 1/99, ACD and Owner: begin target marketing test
- May 1/00, ACD: high-end trip introductory season
- Nov 1/00, ACD: Guide training program designed and ready for implementation; liaise with Association and Alliance
- May 1/01, ACD: Implement guide training/certification.

Being Located on the Water

Action:

- By May 1/99 the Owner will conduct a brainstorming session specifically aimed at assessing the retail requirements for this new facility, and overall characteristics
- By Jan 1/00 the new site will be identified
- By Feb 1/01 organization will be in new location

Being Viable Year Round

Action:

- By March 1 1999, BK and Purchaser will have targeted retail performance indicators necessary for mapping a strategy toward achieving year round viability
- these finding will be presented to Sr. Staff

Having a Vibrant Organizational Culture

Action:

- By April 15th, AM will be able to report on recommendations to the hiring process
- By April 15th AM and IC will be able to report on overall staff impressions and input
- By April 15th, an Occupational Health Inventory will be ready to be conducted.
- By May 15th targets will have been identified and an action plan for achieving the targets will be in place; the action plan must be a cyclical, ongoing process that can be implemented and used through to 2001.

APPENDIX D: SUPPORTING DOCUMENTS FOR CHAPTER 3

Supporting Notes for Meeting #3, September 11 1998

Strategically Oriented Ideas

- hardcore paddling shop
- on water site (the whole operation)
- take-over Janion building
- appeal to younger crowd
- organized, structured, systematic
- resource centre
- one floor/big-box retail space
- thoroughness
- adventure tourism hub (alliances, partnerships, world-web)
- travel agency
- outpost/ lodge
- low staff turnover
- energized culture, enthusiastic engaged fulfilled staff group

Tactically Oriented Ideas

Operations Ideas

- connect buying and merchandising
- bring more staff into buying
- more product knowledge training
- better signage
- monitor closely competition and observable trends in the local market
- reduce/eliminate out of stock situations
- tighter inventory control
- refine sign-up process
- speedier ordering systems

AC Ideas

- bring WW to the ocean kayaker
- pump-up surf kayaking
- inform course participants of entire program offerings (some participants are not familiar with our entire offering)
- warm winter paddling destinations
- detailed course posters in the store
- photos
- big screen TV
- in-class only courses (e.g. navigation)
- full outdoor tourism centre/lounge/coffee shop/info centre

- west coast surf centre
- expand [other location] programs
- tours with structured instructional components
- distant tours
- alliances
- club

Retail Ideas

- catalogue
- expand boat line-up (more manufacturers)
- mail order
- on line ordering
- second/other location
- hub for charts and books
- boutiques/supplier alliances
- full clothing lines for women and men
- improved tent availability
- house-labeled clothing
- WWW ordering
- commercial sales dept.

From each of the tactical categories, I did my best to distill “strategic” messages from the lists. In other words, I looked at the specifics and derived from them what I felt to be the overriding conceptual messages.

Under Operations:

- high performing engaged staff
- state of the art buying techniques, tools, skills, and knowledge
- cutting edge information technology usage as it applies to outdoor retail

Under AC:

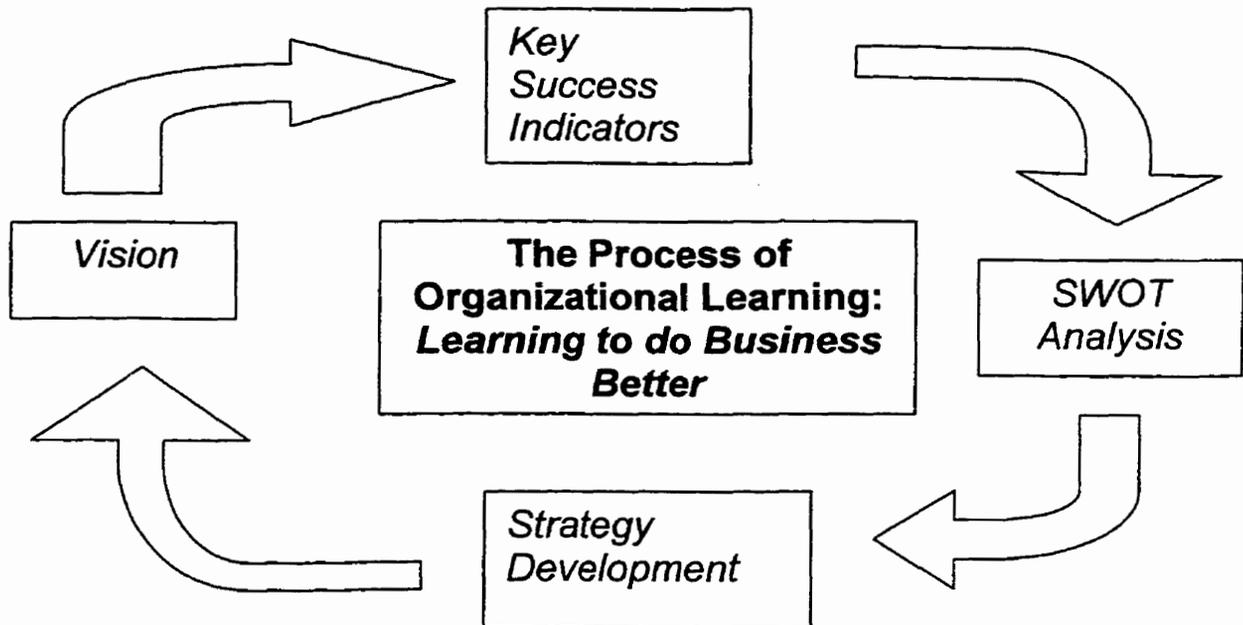
- being a hub; being central to adventure travel in BC and Canada
- having the AC blaze the trail of the Organization’s identity
- having a unique meeting place/info centre for paddlers and customers

Under retail:

- being complete in our product spread
- thinking and acting large-scale and professionally
- representing value through to high-end without sacrificing quality and integrity.

Supporting Notes for Meeting #6, September 22 1998

The Planning Cycle Diagram



Vision: Where do we want to be?

Key Success Indicators: What exactly do we mean by that?

SWOT Analysis: Where are we now?

Strategies: What do we do to get from here (SWOT) to there (Vision)

Supporting Notes for Meeting #7, October 9 1998

KSI Work Sheet

Paddle Sports Leader

- leading edge retailer
- leading edge instructional centre
- leading edge tour operator

What will this look like in 2001?

On-Water Location

- a unified A/C and retail operation

What will this look like in 2001?

Year-Round Viability

- continued growth and opportunity

What will this look like in 2001?

Vibrant Organizational Culture

- sales and service culture
- values driven (energized, positive)
- purposeful
 - commitment to ongoing planning
 - commitment to ongoing learning

What will this look like in 2001?

Supporting Notes for Meeting #9, November 24 1998

The Vision

By September 2001, the Organization will be a recognized leader in the paddle sports industry, will be located on the water, will be viable year round, and be characterized by a vibrant organizational culture.

Key Success Indicators

What needs to exist by September 2001 for us to be satisfied that we have indeed achieved our vision?

Recognized leader in the paddle sports industry

- Possess an upscale merchandising image that is consistent with the value of the product that we carry; one that is easy to duplicate when the need to open a new space arises
- Be active in the paddling community by participating as board members, writing articles.
- Be a supplier to various outfitters and commercial organizations.

Leading Statements:

- As leaders in the paddlesports industry, we will be recognized for achieving...
- Industry leaders are distinguished by certain characteristics. As leaders in the paddlesports industry, the Organization's distinguishing characteristics are...
- We can comfortably consider ourselves leaders in this industry when...

Located on the water

- Have at least the AC and rental facility on the water, in a location that balances the need for access with operating cost.

Leading Statements:

- The date is September 1 2001, in looking around our new on-water location we see...
- Our on-water location effectively serves our customers because...

Year-round viability

- not losing money in October, November, January, and February.

A Vibrant Organizational Culture

- Measured sense of team cohesiveness, enthusiasm and engagement
- Optimal level of staff turnover
- Service culture measured by letters and survey results
- An organization that embraces learning as a way of being and improving

Leading Statements

- When I think of a vibrant organizational culture, I think of...
- The Organization's vibrant organizational culture is characterized by...

The First SWOT Analysis

Strengths

- specialized paddlesports store
- relationship with supplier/Owner's profile
- current staff group
- A/C's promotional qualities
- A/C: depth and breadth of programs
- (learning to)listen to our customers
- quality of rental equipment
- strong service ethic
- strong sales culture

Weaknesses

- only one boat line
- relationship with CD/Brian's profile
- floor layout
- visual merchandising: fixtures and resources
- integration of A/C knowledge and culture with store retail
- do we walk our talk? (i.e. do we paddle as much as we should?)
- training for new staff

Opportunities

- former competitors' markets
- increased credibility of staff through their doing
- ground floor in developing provincial certification
- women's only store
- seasonal mall store
- school on water
- eliminate accidental out-of-stocks

Threats

- big box pressure
- good competition
- land access issues (aquaculture vs. recreation theory)
- lack of critical self-assessment; not consciously aware of future
- new local competition
- out-of-stock

SWOT Analysis In Relation to the 4 Elements of our Vision

Section 1: Recognized leaders in the Paddle Sports Industry

- Possess an upscale merchandising image that is consistent with the value of the product that we carry; one that is easy to duplicate when the need to open a new space arises
- Be active in the paddling community insofar as participating as board members, writing articles.
- Be a supplier to various outfitters and commercial organizations.

Strengths

Weaknesses

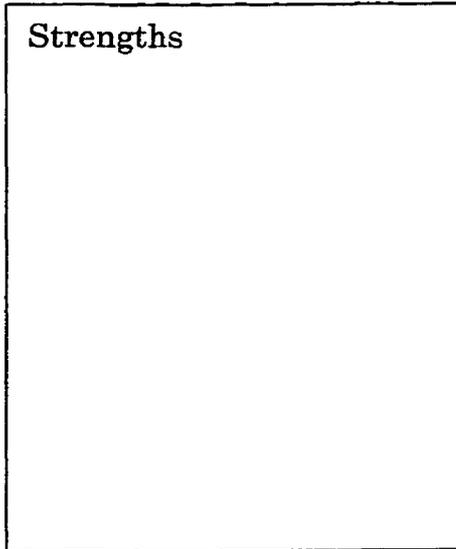
Opportunities

Threats

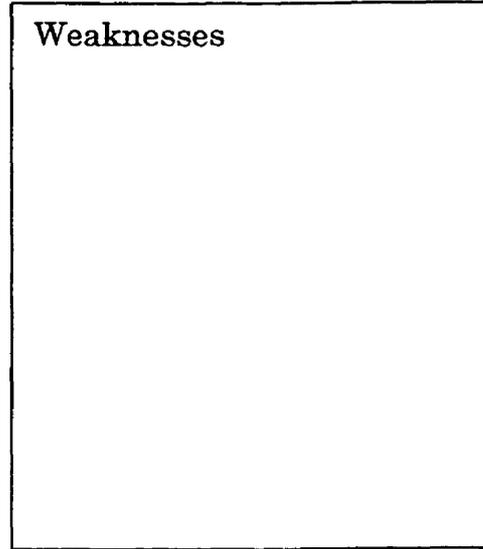
Section 2: Located on the water

- Have a facility on the water, in a location that balances the need for access with operating cost.

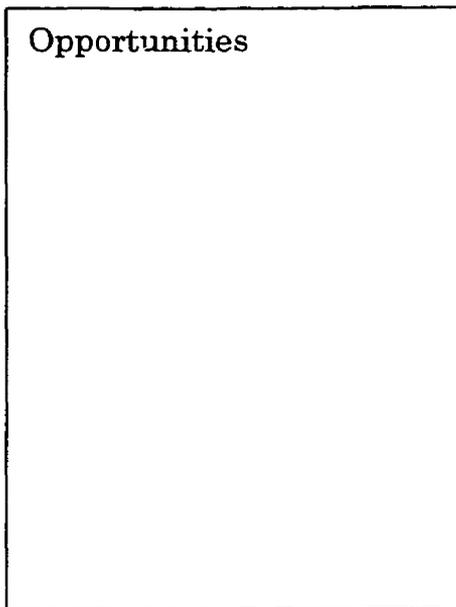
Strengths



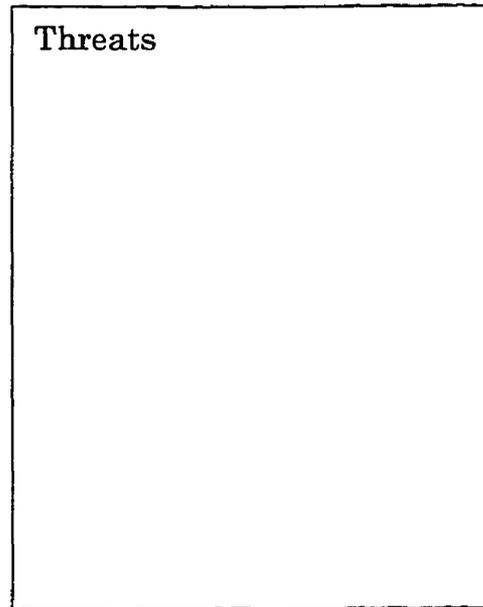
Weaknesses



Opportunities



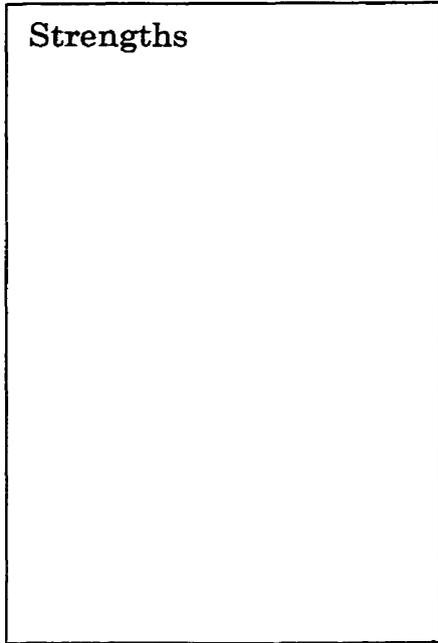
Threats



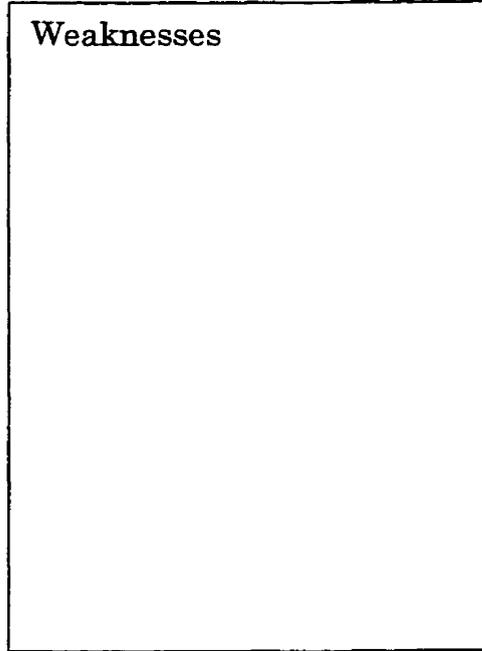
Section 3: Year-round viability

- Simple: not losing money in October, November, January, and February.

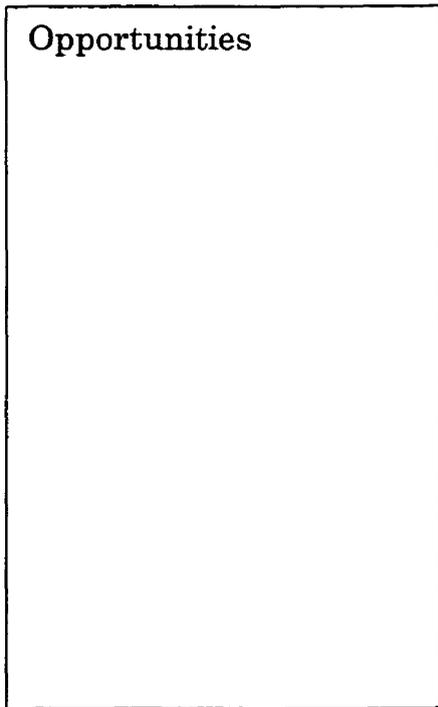
Strengths



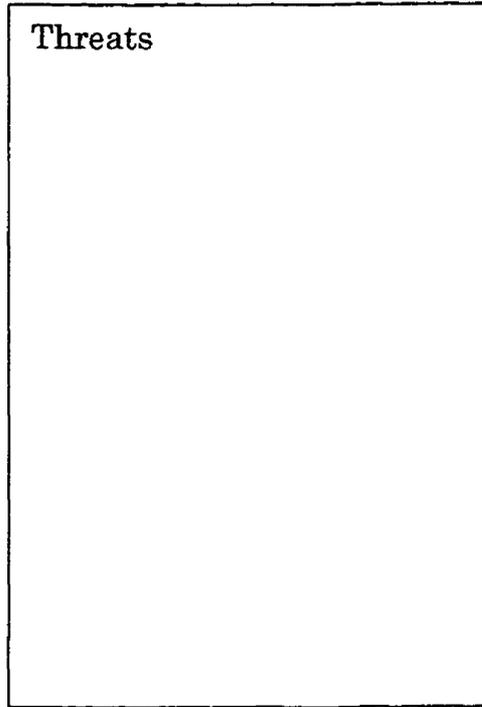
Weaknesses



Opportunities



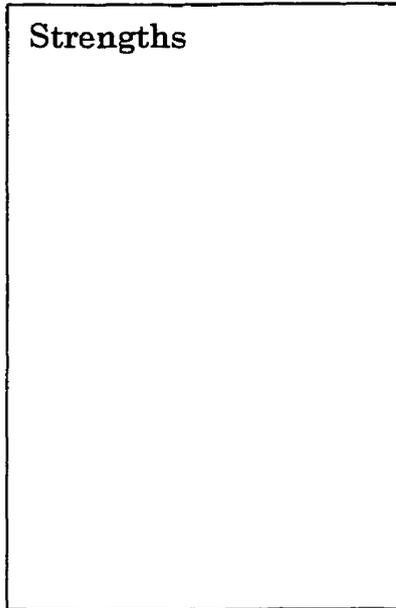
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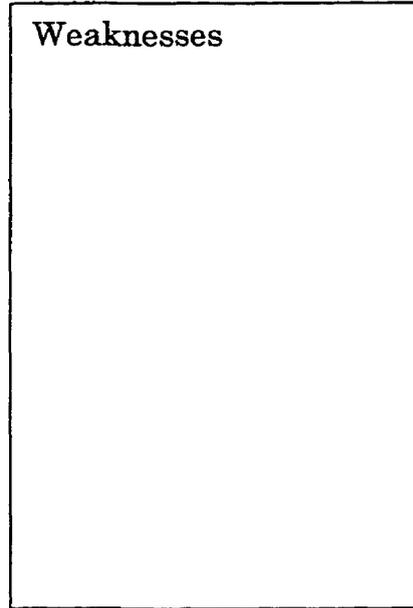
Section 4: A vibrant organizational culture

- Measured sense of team cohesiveness, enthusiasm and engagement
- Optimal (i.e. low) level of staff turnover
- Service culture measured by letters and survey results
- An organization that embraces learning as a way of being and improving
- Functioning in harmony with our values

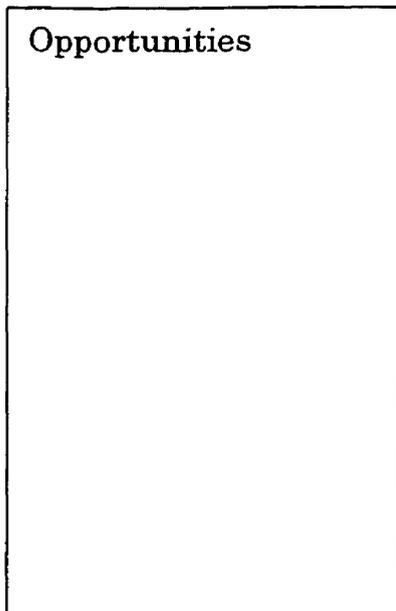
Strengths



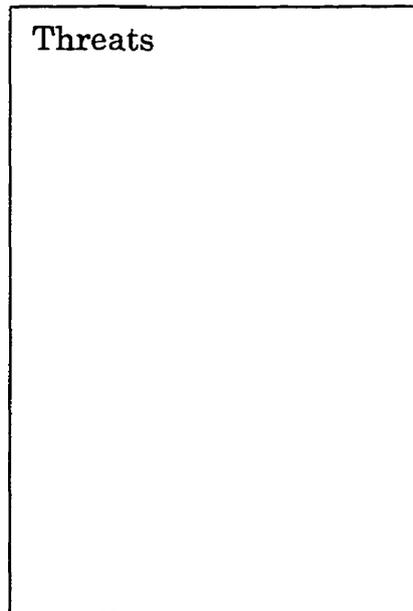
Weaknesses



Opportunities



Threats



Supporting Notes for Meeting #10, December 1 1998

Review of KSI's

To Be a Recognized Leader in the Paddle Sports Industry

We will achieve this by demonstrating behaviors which we believe to be characteristic of leaders in our field.

By September 1 2001 The AC:

- Will offer courses for intermediate and advanced paddlers taught by high-profile, recognized members of the paddling community. These courses will meet their fill-rate objectives and draw local participants and participants from all over North America.
- Will offer recognized outdoor leadership development courses. These courses will meet their fill-rate objectives and draw local participants and participants from all over North America.
- Will be playing a direct roll in developing provincially recognized instructor and guide certification criteria for use in British Columbia.

By September 1 2001, the Retail Operations

- Will have or have access to the newest, most cutting-edge paddling products available on the market.
- Will be generating an average of 15% annual growth.
- *Q: are we content with our merchandise turn performance?*
- *Q: are there specific markets that we should be entering? Such as boat building supplies?*
- Will have a second line of touring kayaks.
- Will conduct business in a manner consistent with sound retail practices. Specifically:
 - We will have a consistent merchandising formula that we can consider "upscale"; it must complement and enhance the value of the products that we carry; it must be easily duplicated for the purposes of expanding to different locations.
 - We will have an exceptional staff group (like the one we have now) that is well trained, enthusiastic, able to make sales while making people feel comfortable, and keen to get out and pursue the activities we promote
- We will develop our data base so that:
 - We know how much of our business comes from repeat customers
 - We have a firm understanding of our customer demographics measured by age, average amount spent, and place of residence.

Have an On-Water Location:

By September 1 2001:

Either the entirety of the Organization will be located in an on-water facility, or the just the AC and rental fleet. Either way, the Organization will have an on-water facility.

Year-Round Viability

By September 1 2001:

The Organization will achieve year-round viability. Throughout the 12 months of the operating year, the Organization will not loose money in any month (specifically November, January, and February).

Vibrant Organizational Culture:

By September 1 2001:

The Organization will continue to attract and retain enthusiastic paddlers who actively create a retail team committed to sales and service excellence, and an instructional team committed to on-water excellence. As a group we will function in a manner consistent with our values and our mission. We will take an active role in determining our future through ongoing, and regular planning.

SWOT Analysis

Leading Statements For Developing SWOT Analysis

Internal

Strengths:

The advantage we possess when it comes to achieving this KSI is that...

Weaknesses:

In order for us to achieve this KSI, we will need to get better at...

External

Opportunities:

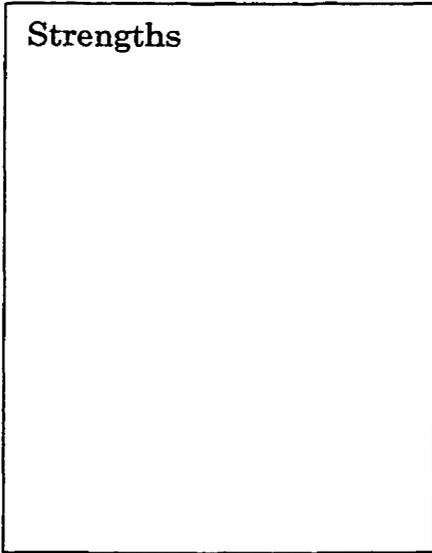
The existing opportunity that we can exploit to achieve this KSI is...

Threats:

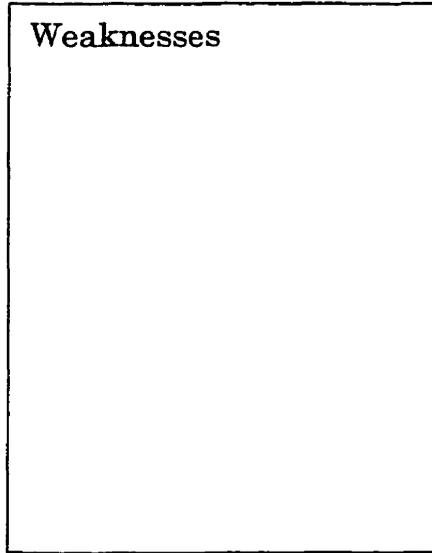
Achieving this KSI will be made more difficult than necessary if we are not wary of...

To Be a Recognized Leader in the Paddle Sports Industry

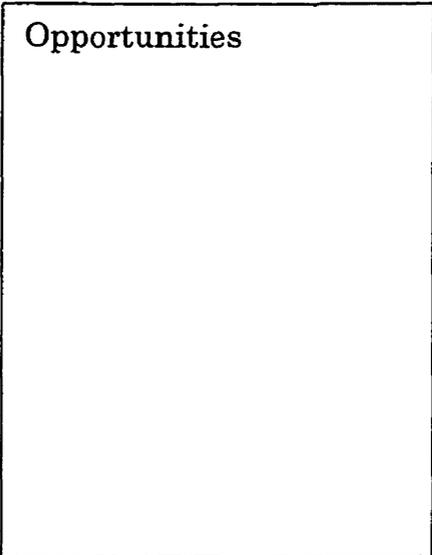
Strengths



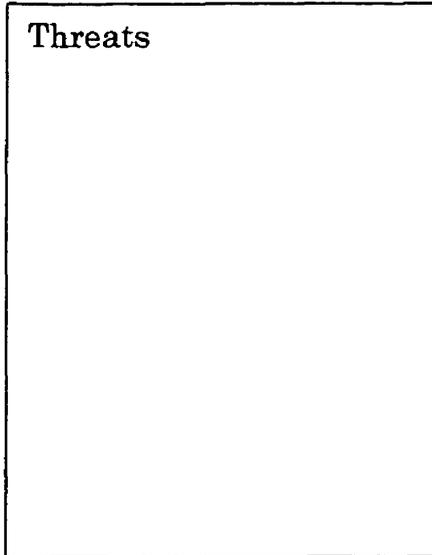
Weaknesses



Opportunities

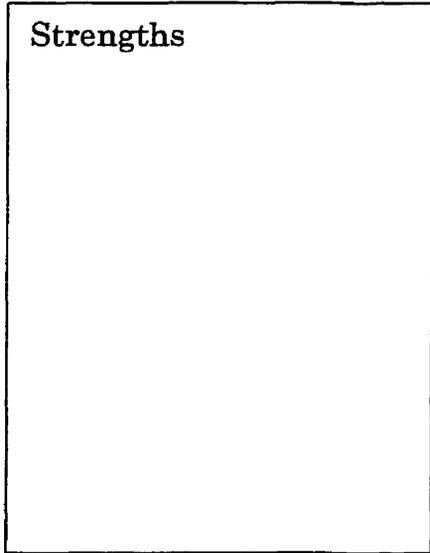


Threats

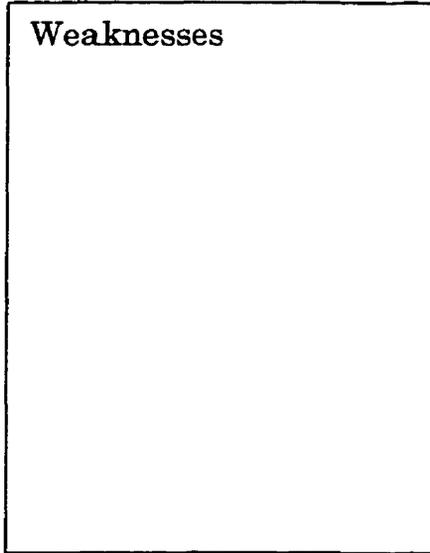


Have an On-Water Location:

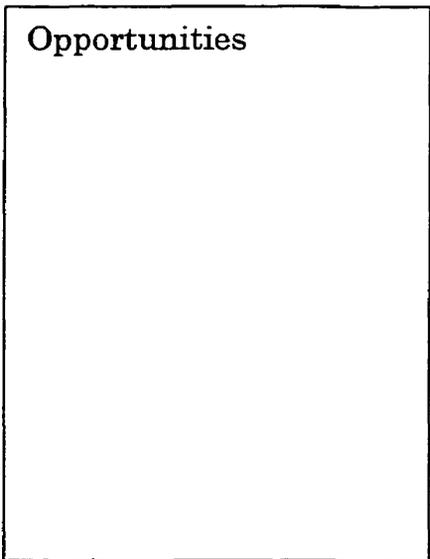
Strengths



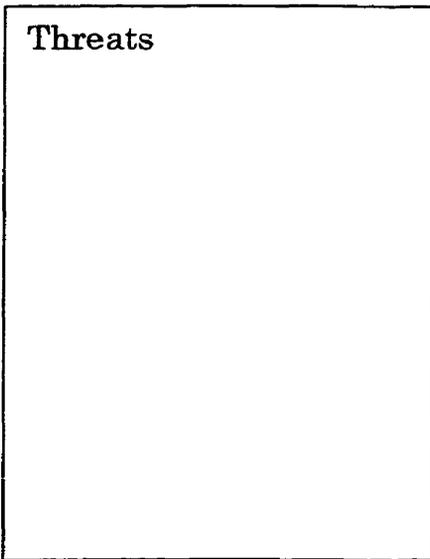
Weaknesses



Opportunities

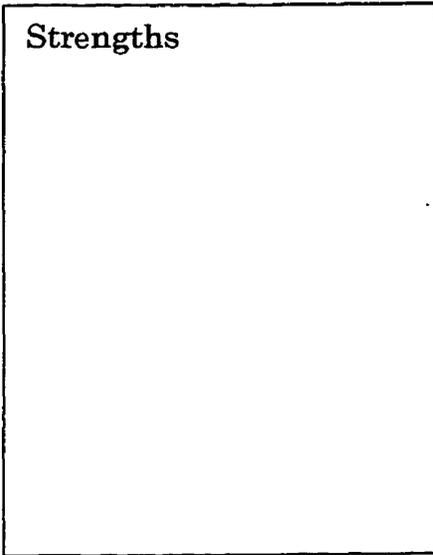


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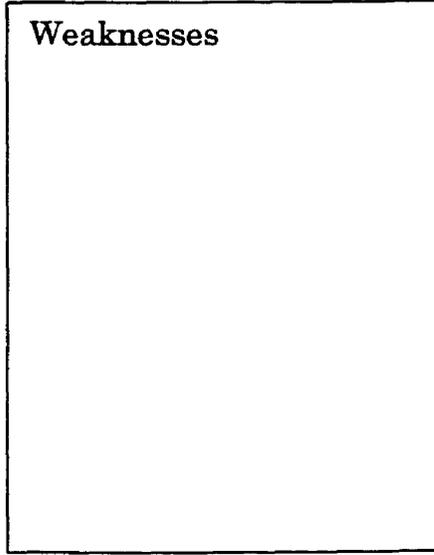


Year-Round Viability

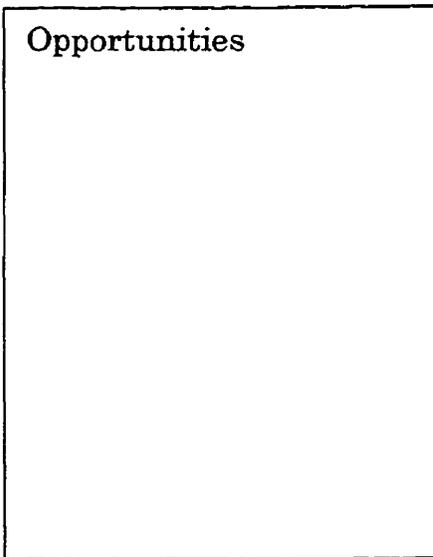
Strengths



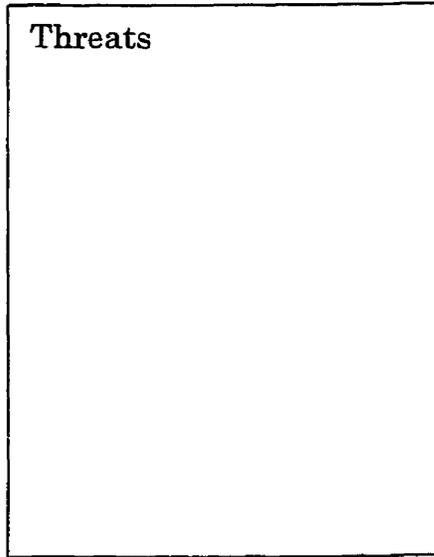
Weaknesses



Opportunities

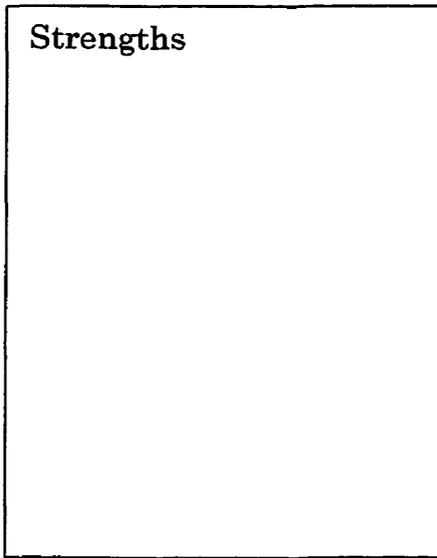


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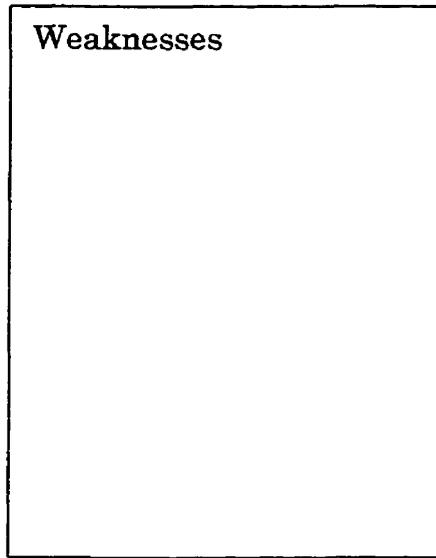


Vibrant Organizational Culture:

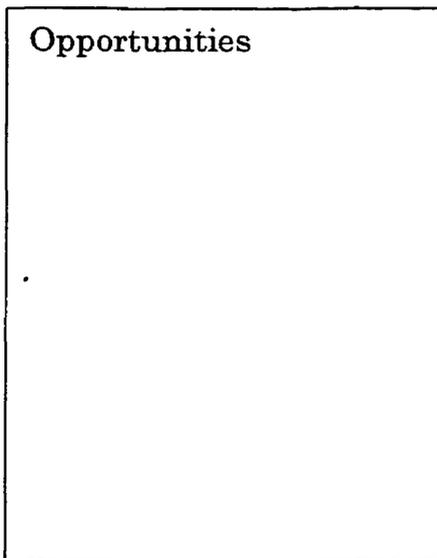
Strengths



Weaknesses



Opportunities



Threats

