

Why Plans Fail

By Will Phillips

THE SITUATION

More often than not plans fail. Strategic plans, created with great excitement and satisfaction begin to gather dust in a few months. Reengineering plans fail at a rate of over 70% estimates Michael Hammer, the founder of re-engineering. Top executives reported that the majority of Total Quality Management efforts in their organizations failed to produce value. Two research projects revealed that the planned benefits from merging businesses failed to appear in 85% of the cases. And these statistics come from businesses which hired the world's experts in change and which invested hundreds of thousands of dollars per month in their change process.

THE PARADOX

I believe every human being in the United States knows the value of planning. More management and personal development books and seminars have been written about setting goals and strategic planning than any other single topic. The god of planning would be pleased: we believe in you; we worship you; we pay homage to you in planning fees, retreats and three-ring binders and Day Timers[®].

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The problem is not having a plan, it is the way we created the plan. Planning and decision-making are too often evaluated on the quality of the plan or the elegance of the decision. What really counts, of course, is the quality of the implementation. Yet the quality of the implementation does not seem to bear any relationship to the quality of the plan. It does seem to be related to how the plan is created and how the plan is followed-up. By not addressing these two areas, we unconsciously design to fail. For it is in these two elements that the seeds of failure creep in to the plan.

THE REALITY

Well implemented plans achieve the desired results efficiently and on time without unintended side effects and policing. The secret of good implementation is simple and obvious. Implementation requires commitment from all who are needed to implement the plan. There is a higher success rate in poor plans with high commitment, than in good plans with low commitment. The reason is simple. People commit to what they create. Thus if the plan is not working they learn and correct it. When people are not committed, they watch as even the most beautiful plan slowly veers off course. And when it finally crashes, they may secretly smile.

Including the implementers, or the doers, early on in the planning is more critical than the deciders having efficiently created a "well-designed" plan. The doers input must be

Why Plans Fail

surfaced, accommodated and integrated DURING the design of the plan. Waiting until the plan is done and then strategizing on how to get their "buy in" is an indication that the plan may be doomed. Doomed because getting "buy in" usually means selling the plan to others, not listening seriously to their input.

Invariably if you listen seriously to the doers' input, the plan will require accommodation to that input. The deciders are usually not willing to change the plan--because it is finalized in their minds. Instead the deciders "explain" or "sell" the plan. Usually the doers--who were excluded from real participation in the design--realize their input is not going to be respected, and they acquiesce. The deciders may misinterpret this acquiescence as agreement and support.

Successful ventures benefit from good planning which is done in such a way that implementation is highly likely if not assured. Planners and decision-makers have a tendency to focus on the creation of the plan/decision without attending to the implementation up front. When the plan does work or does not work well, it is the doers who are blamed for not following our "brilliant" plan. Frequently the planners may have moved on to another job or have left town so they do not learn from the situation. Even when the planners are present it requires great humility to learn from planning failures rather than blaming the doers.

WHY PLANS FAIL

Twelve reasons for why plans fail are described below. As you read them you may wish to evaluate the two questions at the end of each section. This will help you make your plans work and not fail.

1. LACK OF VISION

Actual research has now shown how a vision contributes to success, and what makes up a rigorous vision. An effective vision has components which never change, which are long lasting, and which inspire commitment and focus action. An effective vision also has specific shorter-term goals. As these are achieved, they are discarded and new goals are formulated which are responsive to the unchanging part of the vision--purpose and values.

Powerful visions are driven by values and purpose not by projects or campaigns. For instance, a capital campaign for a new facility can inspire and focus, but only for a few years. And when the building is complete the vision is gone and the institution may not have sufficient agreement on the purpose and values to maintain sufficient commitment and to focus action.

You may wish to evaluate these two questions to help you improve your planning process so your plans work and do not fail.

A-Does this reason for why plans fail make sense to you? _____

B-Does this reason for why plans fail apply to your plan? _____

(Strongly Agree=5, Agree=4, Unsure=3, Disagree=2, Strongly Disagree=1)

Why Plans Fail

2. LACK OF INFORMATION

Plans and decisions rarely fail because the planners and decision-makers are poor planners or decisions-makers. They fail because the plan or decision was based on incomplete information. This is like having a competent house-builder construct your house on a foundation of sand. The house looks good--especially from the inside. In fact, from the inside it is hard to see the foundation of sand. You have to get outside the house to see that.

The information that is most likely to be missing is from outside the organization and includes:

- The size of the market.
- The strength of the market's need for your products and services.
- The willingness of the market to pay your price in dollars, time and accessibility.
- The impact of competitors, especially indirect ones who fill the same market need with a different product or service.
- The strength of donors', supporters' and funders' perceptions of your value to them.

The type of information referred to here is accessible and available for the asking. Ask the right people the right questions, and you will receive the information. Market research and contribution feasibility studies can elicit this type of input, if the studies are well crafted and executed.

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3. LACK OF STRATEGY

Most strategic plans lack strategy. What you need is strategic thinking, not strategic planning. Strategic plans consist of long lists of goals, objectives, tasks and actions. Powerful strategy fits on a page or two. Plans fill pages and binders. The purpose of strategy is to define the organization in a unique niche. When this is not done, the organization competes for resources and customers with other similar organizations. Most organizations have plans--very few have any strategies.

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Why Plans Fail

4. LACK OF INCLUSION

The next most likely information to be missing is from inside the organization--particularly from the doers. For example:

- Banks that do not elicit input from tellers on new customer policies.
- Museums that do not elicit input from security guards on new visitor policies.
- Parents who do not elicit input from their kids on a decision which affects the children.

The FAA recently announced a new, multi-million dollar project to upgrade the air traffic control system. The current one is over 20 years old. When asked what had been learned from an earlier attempt to redesign the system--one that cost hundreds of thousands of dollars, the FAA spokesperson replied, "We learned how critical it is to include the users of the system in the design process."

These failures of inclusion often occur because of several beliefs:

- They have little to contribute.
- We can not involve too many people.
- We don't want to involve them until we have a better idea of where we are going.
- There would be too much disagreement.
- It would be too hard for them to deal with these issues.

Each of the above beliefs tends to limit inclusion. Fortunately, effective processes, structures and facilitators exist for including people successfully--even very large numbers of people. The key insight is that inclusion does not work well when it is sequential; its power comes from simultaneous inclusion. Lack of inclusion is the best predictor of poor implementation.

Inclusion means listening to input and understanding it. Inclusion does not have to mean voting to make decisions. The deciders still decide.

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Why Plans Fail

5. PARTICIPATION AS AN END

Involving lots of people because you believe in participation may create a hodgepodge plan. You pass the pot around and everyone throws in their favorite contribution. Even though many of the ideas are contradictory and inconsistent, they are all accumulated and packaged into a plan. Such plans have high agreement, little focus and require more resources than you could even hope for.

One museum estimated that if it implemented everything in its plan it would require a budget increase of 150% now.

This reason for why plans fail is the result of improper inclusion.

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6. LACK OF PRODUCTIVE CONFLICT

When people are included in the planning process, they will have different perspectives and different concerns. This conflict becomes valuable when it is surfaced. If it stays under the table and in the parking lot, it becomes destructive. The climate of the planning process must constantly encourage honest and complete input. There can be no retribution or even perception of negative consequences for speaking up, or it simply will not happen.

Once the conflict is on the table, it must be explored productively. When the participants strive to learn from the conflict, instead of smoothing it over or trying to win opponents over, the conflict is productive. This not only creates better plans, it builds bone-deep commitment.

For productive conflict to occur, the leaders must be open to learning. The leaders must do lots of listening and learning. Everyone must have the courage to stand the heat which may come with the conflict and not run from it.

Too often we avoid the conflict by using our authority or power.

“Don’t tell ’em, overwhelm ’em. Divide and conquer. Get the experts to tell ’em so they can’t possibly disagree. Remind them who is boss around here. Make sure they know their place. Don’t give ’em too much time to think about it. Remember the golden rule? He who has the gold rules!”

Why Plans Fail

Many of us prefer to be nice, polite and tactful. We never see the conflict because we bury it. We never resolve the conflict, because we don't see it. The conflict only surfaces when we try to implement the plan, and it stumbles.

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7. UNTESTED ASSUMPTIONS

Almost always the planners and deciders have information, decisions and plans which goes untested or unchallenged. It is accepted as it stands because no one even considered challenging it, or because the assumption supports our favorite position. Some favorite ones are:

"The public needs what we have."

"Build it, and they will come."

"Everyone in town says it is valuable to have good museums in our community. And ours is good."

"Our model policies on sexual harassment are effective,"

U.S. Army spokesperson. Nov. 1996.

Identifying and examining the critical assumptions in your plan is necessary if the plan is to be built on solid ground. It is equally important to include your assumptions in your implementation process. Much too often the plan fails because the assumptions have changed, and the plan was not updated.

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8. LACK OF COMMUNICATION and ACCOMMODATION

This is the failure to inform people who should be informed. The result is that those not informed feel surprised or left out. For example, the museum volunteer who hears from a friend that the museum is closing a gallery.

You can not and should not include every stakeholder in the planning. You should include every stakeholder in the communication of the plan. In general, face-to-face communication is most effective. Memos, announcements, and articles help, but are

Why Plans Fail

often only marginally effective. Your job is not just to send out the communication, but to insure that it is received and understood.

Good communication of the plan will usually surface questions, additions, disagreements and doubts. These must be accommodated and not discarded. Accommodating means listening and exploring their implications. Accommodating means making room for questions and a willingness to modify the plan.

Usually by the time the plan is ready for communication to others, it is psychologically cemented into the planners' brains. They have finished the plan; it is done; complete. It is not open to change. Furthermore, planners feel it's their baby. They have created it and are proud of it. They thank God the labor is over. They don't want criticism of their newborn plan.

By not accommodating the plan, the plan loses commitment.

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9. LACK OF STRATEGIC ALIGNMENT

Plans are not sufficient in and of themselves to guide an organization or a project, particularly when the plan includes changes to what has been. An organization is like a super tanker. It has extraordinary momentum to keep going the way it has been going. Even if the captain comes to the bridge and spins the wheel to a new course, the auto pilots deep in the bowels of the ship will put it back on its old course.

Organizations have at least six strategic auto pilots. When a change is desired, all the auto pilots must be checked to see if they are in alignment with the new direction. The strategic auto pilots which must be diagnosed and aligned with the strategy include Culture, Structure, Control Systems, Resource Allocation, Staffing and Reward/Recognition¹.

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¹ "Strategic Score Cards," Management Brief #163 and "Strategic Alignment," Management Brief #219. Available from Qm²

Why Plans Fail

10. LACK OF STRATEGIC FOCUS

Most planning efforts create pages of new things to do and to hope for. When these are layered on top of already full work loads and stretched resources, it means that the human and dollar resources get spread even thinner. Thus, everything gets done worse.

Setting strategy means making the tough decisions on what not to do.

Thus, strategy gives focus. Invariably these decisions are tough for two reasons: first, each and every current activity has advocates; second, each and every activity has a good argument for being pursued. Most strategy formulators shy away from making such tough decisions. The result is an undermined strategy or no strategy at all. Participative management which attempts to please everyone by cutting nothing places strategy behind “niceness.”. No strategic plan is strategic unless it spells out what the organization will stop doing. This slow, ongoing accumulation of a growing list of priorities is a primary factor in the aging and bureaucratization of organizations.

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11. PLANS ARE NOT FINALIZED

Finalizing a plan consists of breaking the plan down into reasonably sized tasks, spelling out what result is to be produced for each task by what date, and who is designated as the champion for delivering the result on time. This is the person who is to be held accountable for the result.

Many tasks will require a team or group effort. Assigning accountability to a team only works when the team is functioning at a high enough level so that each member of the team will take 100% responsibility for the task. Too often a “team” assignment only means that no one takes responsibility. In this case it is better to assign responsibility to an individual who leads the team.

Plans not finalized drift in limbo while employees work on the tasks they now are assigned. Effectively assigning strategic tasks often means changing some peoples’ job descriptions and reallocating the necessary resources.

When an element of the plan does not spell out **WHAT RESULTS, BY WHOM, BY WHEN** and **WITH NEEDED RESOURCES**, the plan is not a plan but a wish.

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12. SPECIFYING RESULTS NOT ACTIVITIES

Many plans specify activities to be done such as improved coordination between x and y or launch training of all field personnel. These imply that coordination or training are the purpose of the organization. In most cases the coordination or training are intended to produce a result. Thus, a more complete plan would state improved coordination which leads to a reduction of duplicated work. Or training which leads to higher sales.

Not spelling out the result can mean that you get better coordination, but without reduction of duplicated services. If the real goal is higher sales, be sure to spell that out and be sure to hold people accountable for this result and not simply for setting up a training program.

Not specifying results is the precursor of irresponsible behavior.

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USING THE QUESTIONS TO IMPROVE YOUR PLANNING PROCESS

If you don't agree that this article has described 12 important reasons "Why Plans Fail" (i.e. your total score of the 12 "A" questions is 36 or less), you may still wish to improve your planning process. You can do this by rigorously analyzing why your past plans and decisions have not been well implemented and then creating your own reasons for why your plans fail.

If, on the other hand, the 12 "Why Plans Fail" reasons make sense to you, and if you felt they applied to your organization (score of 37 or higher on the 12 "B" questions above), you now have the raw material to re-design your planning and decision-making process.