



Agile Strategic Planning: Concepts and Methods for Success

Featuring *Linda Parker Gates and Suzanne Miller*

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Suzanne Miller: Hello. I am [Suzanne Miller](#). I am a principal researcher here at the Software Engineering Institute, Software Solutions Division [SSD], and I am here with my friend and colleague, [Linda Parker Gates](#), and today we are going to be talking about Agile strategic planning. Three words you don't always see put together, but that's what we're going to talk about today. [Linda has been writing about this](#). She and I have been talking about it, and so we're going to have a conversation today. Welcome, Linda.

Linda Parker Gates: Thank you, Suzie.

Suzanne: Before we get into things, we usually ask people a little bit about why are you here. What is it that brings you into the SEI and this topic? What is it about this topic that draws you in? So why don't you go ahead and start with that?

Linda: Sure. I lead the Software Acquisition Pathways initiative in SSD, and my team is working to inform and articulate acquisition modernization, and we have our hands in other kinds of software engineering problems as well. My personal focus is on planning and strategy and some of the socio-technical kinds of things that surround software, so that includes things like performance excellence, technology transition, change management, things like that, things I know you know a lot about as well, SuZ. So, I have been on the Board of Examiners for the [Baldrige National Quality Award](#) five times, and I am currently the co-lead for the [Association for Strategic Planning's Government Community of Practice](#). When [I first wrote about Agile strategy back in 2012](#), and in the decade that has...

Suzanne: Almost a decade, yes!



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Linda: It is hard to believe. Agility is really pervasive now, and not just in software but in business. The concepts are being applied well beyond software, and obviously they have taken root in software, so agility is not only the present but the future of software and business and the reason for that is because we are in this fast-paced, very complex world and the Agile principles really serve quite well in that kind of environment.

Suzanne: What I bring to this is some of the same background as Linda. We have worked on and off for over 20 years together, transition management, organizational change, strategic planning. We went to some of the same classes together in strategic planning, but I also am one of the leads in our Agile practice in the SEI Agile in Government practice, Agile transformation. I come at it from the viewpoint of bringing Agile into the enterprise through lots of different channels, and strategic planning fits into that, because anytime we can get people to think with an Agile mindset for Agile for X, it's a win in my vote, because it gets their mindset shifted to iterative, incremental, collaborative.

If you go back to the [Agile Manifesto](#)—individuals and interactions over processes and tools, working software over comprehensive documentation, customer collaboration over contract negotiation, responding to change over following a plan. Those are all things that if we adopt those, they really inform how we do strategic planning and other kinds of planning, not just how we do software, and I think that is the magic of the manifesto in that respect. We actually have a slide in our training now that says *Agile is everywhere*, and I have like book covers from *Agile Human Resources* and *Agile Marketing*. So, the fact that this has come into the strategic-planning realm is a natural follow-on in my mind. I think you see that too. That is why we are going to talk about this today. Linda, you have written a lot about strategic planning, and I want our viewers to know we will include [links to those blogs in our transcript](#), but why do you pair it with Agile? I talked a little bit about how I see it being an evolution, but what are some of the things that you would say are related to the origin of Agile and strategic planning getting merged together?

Linda: That is an interesting question. I have a three-part blog series, and [it starts really suggesting the use of Agile practices outside of software](#). I think we are well beyond that now. Then, the second article lays out some [steps for Agile strategic planning](#), and the third one really focuses on [execution](#). I will talk more about why that is so important. Strategic planning has typically been this kind of...First of all, what it is is just an organization's approach for how it is going to achieve its mission. In its simplest form, that is what a strategy is. But it has typically been this kind of top-down, roughly annual exercise that maybe mistakenly leads an organization to think that they are planning what they are going to be doing for the next five years or ten years or something, and that is not really practical anymore. That decomposition mindset where you lay out a high-level goal, a mission or vision, and you decompose, and then you execute, and then you hope you get somewhere in some number of years, is not practical



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anymore for some of the reasons we have already talked about. That decomposition mindset is not really helping us work in a world where we have to embrace the big picture and the details at the same time. It calls for a different kind of thinking.

You know that strategic plans have failed for some reasons that we now know how to move past. They haven't been well aligned with action plans. They haven't been executed to produce measurable results. There hasn't been the kind of feedback loops that you need in order to make changes and effectively assign resources, things like that. Again, agility and Agile concepts bring things like flexibility and speed and collaboration to the table, which are big pluses for strategists.

Suzanne: I think that coming from this Agile-implementation viewpoint, bringing Agile into strategic planning gives the people that are doing Agile down in the trenches, as it were, it gives them more of a voice. They already know—if you are working in an organization that has Agile software developers, Agile engineers—when you say, *We are going to do strategic planning a la Agile*, then they actually know what that means. They understand that it means that, *We are going to iterate, and we are going to be allowed to iterate and that we are going to deliver things incrementally and that we are going to collaborate. It is not just going to be this top-down flow from the very top of the hill.* Those things allow them to be more active, and I think that serves most of our enterprises when the people that are doing the work can be more active in having a voice in what is the vision for the work and what is the plan for the work. So, there is a top-down aspect of it and there is a bottom-up aspect of it that. I think both contribute to Agile strategic planning being something that can be useful to organizations, especially ones that are already of the mindset that they either are or are going to adopt Agile.

So, let's get a little deeper. You have talked about both planning and execution. Why don't we just talk about what are the steps that are involved in Agile strategic planning, and how does it look different from traditional strategic planning? That is one of the things I think our viewers are going to want to ask, is well, how does this look different? So let's talk about that.

Linda: OK, yes. What is kind of funny is when you start down this road of Agile strategic planning, it doesn't look very different at first. Because you still have to take stock and understand your context and know what your broader environment looks like, your competitive scans, and things like that. You still have to have some kind of vision or rallying point, something that people can get around. You can't just be churning and doing small, short-cycle things. You have to know where you are trying to go in the bigger picture, and you have to go build a roadmap. So that involves doing some selecting of a subset of goals or picking some things that you want to work on that you think are going to advance your position. Where it starts to get different is when you get into this idea of continual execution of your strategic plan and these short-cycle loops. I want to talk about what I mean by short-cycle strategic planning.

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What you are really doing is shrinking the time between the divergent exploratory kind of thinking that you do and the convergent, actionable doing.

The thinking and the doing—and there is always a healthy tension between those things if you are doing things effectively—but you are really shrinking that cycle down, so that you are being creative, and then you are coming together and making progress in very short cycles. So, the continual execution piece is pretty important, and it is characterized by launching and executing action plans really frequently, and then—and this is really important—measuring what you are doing and looking at the data that you are generating. I think the other really important piece is having a governance rhythm that keeps all of this at the forefront, so that leadership and operational units are looking at progress and progress against the big picture regularly. And by that, I mean monthly at least or something like that. What all that does is allows you to make adjustments; so not just following a path and hoping that at the end of some number of years, you land where you want to—meanwhile, the world is changing all around you. Instead, you are able to make adjustments along the way.

Suzanne: That brings me again to the Agile balance with this. The short cycles in Agile are learning cycles. I didn't hear you say that explicitly, but that was implied by what you were saying is that we are using these shorter cycles to learn, so that we can adjust the big picture. I mean, can you imagine if I had done my strategic planning for any organization in February of 2020, and I wasn't going to do it again until February of 2021? Holy cow, you know? Talk about a world change.

Linda: I remember when we had 2020 strategic plans in 2010, and...

Suzanne: Yes, I don't think we predicted that, did we?

Linda: No.

Suzanne: So, that idea that we are allowed to and encouraged to continue that environmental scanning, which we do intensely kind of on a once-a-year basis, but in my experience, most organizations let go of that. *Well, we are going to our environmental scan again in a year.* And that environmental scanning is one of the things that gives you that pivot learning of, *Wait a minute, we have a pandemic. We're not going to be able to do things exactly the way we planned.* Or, *Wait a minute, we've got cybersecurity threats of a different nature.* That kind of mindset is a very natural mindset within the Agile framework that brings in. One of the things you talked about in your [November 2020 blog](#) was bringing in the idea—and I sort of alluded to it a little bit earlier—of role-based involvement across the enterprise. So, why don't you talk a little bit about how that plays explicitly into the Agile strategic planning?

Linda: Sure, yes. And you did tee that up really well, thank you. You also mentioned the Agile



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preference for individuals and interactions over large processes and things like that. So, with a role-based enterprise-wide capability, what that means is that everybody, according to their role in the organization, is involved in setting strategy and executing strategy. For example leadership, rather than directing strategy is really framing goals, then getting inputs from across the organization, and then linking organizational assets to the opportunities that are uncovered by the people who understand the work and who are doing the work.

And so it makes strategy and decision making no longer a black-box activity. It is accessible to everybody. Leaders set these visionary targets, but then employees are empowered to find innovative ways to solve problems and contribute to the vision that everybody understands. And you can also bring customers in more frequently. Voice of the customer is a tenet of strategic planning, but it tends to be occasional and suffer some of the problems we have already talked about. So, if you have execution as part of your operational rhythms, you can bring your customers into the conversation too to let them help you set strategy, learn with you, and monitor for changes in course that might be necessary.

Suzanne: When you talk about the Agile Manifesto, customer collaboration is a big thing, and so that idea of enlarging the scope of stakeholders to include the customer is one of the ways you improve collaboration with them when we're doing Agile things with the customer, developing their products and whatnot, as well as allowing them to inform some of our strategic planning going along. You mentioned also, measurement is one of the things that everybody kind of cringes at—*Oh, I am being measured against my goals*. One of the things that we found in Agile implementations for product development is that those short cycle times really mean you have lots more opportunities for measurement, but the measurements are more granular and they are not the, *Oh my gosh, you missed it by 50 percent*. It is now more like, *Well, we are 10 percent out of bed with where we thought we were going to be, do we need to correct or not?* We can actually use data for decision making. So I want to compare, how does Agile strategic planning use organizational data in an Agile way?

Linda: Right. The short-cycle planning and execution that I am talking about is, in its essence, about responding to change. Those responses need to be data driven. So without getting into things like future scenarios, which you and I have worked with quite a bit, you need to find ways to figure out which direction things are going as you execute your plan. Are you making progress? and how is the world changing? ...so that you understand if your progress is still relevant or desired. So in order to monitor progress and understand how to make decisions, you need reliable data. The thing that is cool about data is it can be scary, but it also can be kind of relieving, because it can help you take the emotion out of decision making. Then, if you have got transparent criteria for understanding your plans and evaluating them and understanding if you are making progress, then data becomes a way to help you make decisions, and course correction is sort of a non-threatening tool that you have to be able to work more effectively. So



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measurement can be your friend, but it is hard. I will give you that.

Suzanne: I also want to highlight a term that you used there which is *transparent criteria*. I think one of the things that makes measurement scary, especially in terms of goal performance, is if there isn't a transparent set of criteria, ideally one that the person or organization being measured actually agrees to, then you feel like, *I am being measured against something that I don't understand*. Another aspect of Agile is the measurement is of transparent action, not as a black-box action that is bringing that into strategic planning. I think a lot of organizations I have worked with in the past would have benefited just from that alone, of having more transparent criteria that we know we are being measured against, so that is another connection.

So, in the [2020 post](#), you also wrote about mapping strategy to action and results, which is one of the things we are talking about. It is one of the toughest problems in strategic planning, and I definitely agree with that. What are some of the challenges related to that, and what are some of the other challenges you have seen organizations face? How does Agile strategic planning... We have gotten into it a little bit, but what are some things we haven't talked about that Agile strategic planning would help that are typical issues in traditional strategic planning?

Linda: Yes, and we have already talked about why execution is so hard, but the rate of change in the world today, it is a huge challenge. It almost feels like we are nearing this state of constant revolution. I would still put my money on Agile practices as the best way to handle these rapid rates of change, but one of the things I am noticing is that we are starting to see this massive need for collaboration. It is becoming naïve to think that an organization can set a vision and achieve it on their own. I think one of the problems for strategists that is on the horizon is going to be the idea of the organization itself. It might not make sense to...

Suzanne: What is the boundary of *organization*?

Linda: Exactly. I think that boundary is not nearly as rigid as it used to be, and so it might not make sense to assume that firm boundary around organizational strategy and be able to approach strategy problems that way. We might need to think about interorganizational strategies, and I will tell you, I don't have the answers to that yet. I think that is a really new problem that we are going to have to put our minds to. But, like I said, I think agility is still going to be part of the solutions and that's because of the greater rate of change. But as collaboration really takes off, I think it's going to challenge the notion of the organization itself, and we are going to have to rethink the way we strategize with our partners and our suppliers and everybody.

Suzanne: So, interesting, because as I am listening, I am reflecting on the fact that right now, I am involved in two different collaborative activities that are multiprogram, multiorganization, that are trying to set visions for a particular topic. It is exactly what you are talking about. They have got to manage the expectations across multiple organizations. Really, they are dealing with



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an entire ecosystem, not with just one element of the ecosystem now, so all that [system-of-systems work](#) we did in the 2000s is probably going to come back. *What is old is new again.*

Linda: Right.

Suzanne: There you go. There is next blog post, is system of systems in strategic planning. But, that is really what you are saying, and that is a challenge. The other challenge I think that I am seeing in strategic planning is bringing it into organizations that are in transition from a mindset viewpoint. I work with a lot of organizations that are coming out of traditional acquisition. They are large programs and have been around a while. They are trying to move to this ongoing delivery-of-capability mindset. As they do that, they still have mindsets for strategic planning, for systems engineering, for production, for sustainment that are not iterative and incremental, that are big-batch, *Nothing is done until everything is done.* And that is the other challenge is that, when I try to bring Agile into the strategic-planning realm, I am dealing with all the same baggage that I had to deal with in implementation, but there is this sense of, *Oh no, that's different. Agile is over there in software, but I am in strategic planning, so I don't have to pay attention to that.* And what we are saying and what you are writing about is, *Uh, no, not really,* you know? We all have to think this way if we are going to thrive in this new environment.

Linda: Right.

Suzanne: So, OK. Other connections that we need to draw that we haven't talked about already, I have talked about some of the manifesto things. We have talked about collaboration, which is... You and I are both really very big on that side. Measurement... I am trying to think of anything else. We may have gotten through the main things.

Linda: I have got one.

Suzanne: OK, good.

Linda: I think you brought this up to me but the concept, the [Lean](#) concept of value streams and value-stream mapping.

Suzanne: Oh, yes. Absolutely.

Linda: And those are concepts, as you know, that come from manufacturing, but one of the key concepts is flow. Our colleague, Nanette Brown, just wrote a blog very recently. It is called [Taking DevSecOps to the Next Level With Value Stream Mapping](#), so I recommend folks check that out.

Suzanne: We will make sure that is in the transcript.

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Linda: Right. One of the key concepts in value streams is flow, which is about reducing time that it takes to deliver value to a customer and also removing waste in the value streams so that you are not doing things that are not directly contributing to the value, and you increase the efficient delivery of whatever you are doing. I spoke with Nanette about this recently, and we agreed that flow optimization is kind of implicit in Agile's focus on the incremental delivery of value.

Suzanne: Right.

Linda: But the application... Because again, it comes from the manufacturing world, the application of value streams, that kind of thinking of value-stream mapping, is relatively new to software, so it's still being explored and honed, but I think it's also very compatible with strategy. Value streams allow you to look more broadly at a whole enterprise. There is something called industrial DevSecOps or Industrial DevOps that also tries to do that. But if you are going to broaden the way you look at the flow of the valuable things that you are generating, then strategy should clearly be a part of that. That is kind of an obvious conclusion. So Nanette and I are trying to do some work with a client specifically on introducing the value-stream concept into a strategic-planning exercise that's already well underway, so stay tuned for more on that. Maybe we'll write something on it.

Suzanne: Yeah, and I think that the other thing that comes back to that is that ecosystem viewpoint. Value-stream mapping is a very useful technique for understanding the different streams that are contributing to value delivery, and that allows you to do things like bring in what is the customer operation and what are some of the supplier contributions, so it is a very systematic way of viewing those different elements, and when you are looking at strategy, having that frame as a way of saying, *Well, what about this and what about that*, that come out of the value stream, I think that would actually be... I think that would work really well. Stay tuned. See what happens when Nanette and Linda start playing on this stuff. Yeah, that'll be great.

I think we are coming to the idea that strategy, just like Agile in general, is about ongoing delivery of new thinking, right? It is ongoing delivery of validation of where we are at and pivoting to where we need to be next, but it is that whole mindset shift of, *Big-batch, nothing is done till everything is done to, We need to be looking at the environment, looking at what we are doing all the time*. That is my fundamental thing that I really talk to everyone about all the time, and they get tired of it, but it's okay.

Linda: One of the things Nanette talks about in her blog is how software is different from manufacturing in that you are talking about a somewhat intangible product and also a large discovery component, which of course to me sounds like strategic planning.

Suzanne: Strategy.

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Linda: Yes, so that is interesting too.

Suzanne: Excellent. Before we close, you and I both have a strong history of looking at things from the viewpoint of transition and adoption. We usually like to give our viewers some ideas about, if they want to learn more about this, what are some of the recommendations you have? Where should I start? And the resources obviously, all the SEI resources, but even in addition to that, what are some of things that people wanting to learn more about this should be taking a look at?

Linda: Yes, we have talked about our blogs quite a bit so all that, but I would also recommend the [Association for Strategic Planning](#). There are a lot of resources on that site about foundational material in strategic planning but also agility is a concept that is taking hold with strategic planners, so there is a lot of material there. There's also a book that I will suggest. I like it because it's got a lot of practical tools. It's called [Strategic Doing, 10 Skills for Agile Leadership](#) by Ed Morrison, and I think there is four other authors on that one. The book is from 2019 and it's really focused on both leadership and strategy development, but it gets to some of the topics that we talked about like collaboration where you have different roles that everybody in the organization can play in executing strategy. It is very practical and gives hands-on techniques and things like that, so I would recommend that one and that is available from your favorite bookshop, online retailer.

Suzanne: Virtual or otherwise.

Linda: Yep.

Suzanne: I do miss visiting bookstores. I have to say that, but we'll get back to it. All right. Linda, I really want to thank you. It is not quite like when we go out for coffee together but this is sort of in that same... We don't always get a chance to talk about these things, and I'm really happy that you've been writing about this because then I don't have to.

I think this is a direction that some of our customers are already there. A lot of customers and a lot of, I think, the outside world is just starting to come on to understanding that it is really Agile everything if we want to be part of the global economy as it is evolving. That means that we have got to do our strategic planning the way that we do all of our other execution. We are here to help them with that and you are here to help people understand that, so I really appreciate what you have done here. For the 10th time, I will say that we will have a transcript of this podcast, and all of the resources that we have spoken about will be linked into that transcript, so all of our viewers don't have to write things down right now. They can wait for the transcript and see what is there. That you all for joining us this afternoon. Thank you, Linda and we will talk to you next time.

Linda: Thank you very much, Suzie. This was fun. I enjoyed it.



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