



THE POWER OF STRATEGIC LEADERSHIP

EMBRACING THE NEW TOOLS
OF STRATEGIC PLANNING



June 1, 2018
Designed and Presented by E4
e4exchange.com

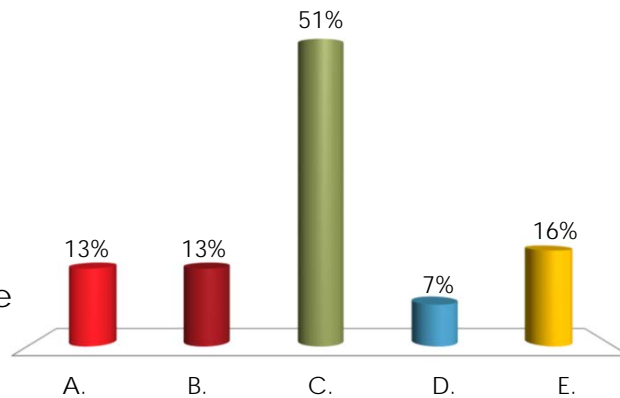
AGENDA

- A. Shifts in Strategic Planning
- B. Create Your Future – Position not Predict
- C. Importance of Environmental Scanning: PESTEL
- D. Scenario Planning – A New Tool
- E. Wrap Up



SELECT THE ITEM THAT IS **NOT** TRUE ABOUT PORTSMOUTH

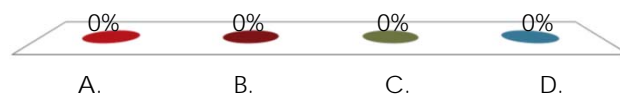
- A. The "bad boy" literary genre originated in Portsmouth
- B. The voice of Cinderella in the 1950 Disney film was born in Portsmouth
- C. Portsmouth was named after its founder John Mason
- D. Portsmouth expressed its wealth in fine architecture
- E. The treaty ending the Russo-Japanese War was hosted in Portsmouth



3

ARE YOU FROM...

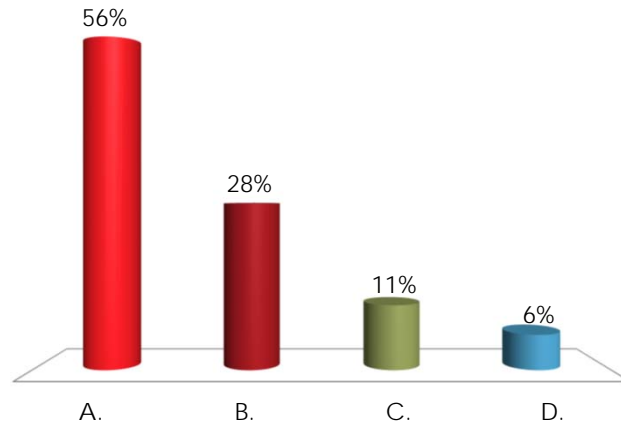
- A. LeadingAge Massachusetts
- B. LeadingAge Maine & New Hampshire
- C. LeadingAge Connecticut
- D. Other



4

SELECT THE PHRASE THAT BEST DESCRIBES YOUR POSITION

- A. Member
- B. Board director/Trustee
- C. Member of LeadingAge association staff
- D. Other



5

The logo consists of the letters 'E' and '4' in a stylized, serif font, with the '4' being smaller and positioned to the right of the 'E'. A vertical red line is positioned to the left of the logo.

STRATEGIC PLANNING SHIFTS

SHIFTS

- ❑ Boards' mindsets must evolve
- ❑ Organization leaders must understand the impact of culture on planning and the ability to change
- ❑ New planning tools are being applied based on the fast-changing, unpredictable environment and world
- ❑ Strategic plans must provide both focus and flexibility

7



POSITION NOT PREDICT

- ❑ It is impossible to predict your organization's future
- ❑ The best that can be done is to attempt to create it and to position your organization for success
- ❑ There is not enough time, knowledge, or data to eliminate risk – the goal must be to factor in risk, account for it, and minimize it (PESTEL & Scenario Planning)
- ❑ Boards need to rethink "do no harm" and their primary finance focus
- ❑ There are no guarantees only options

9

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MINDSET SHOULD EVOLVE

- ❑ Think, thought leader, strategic thinker, provocateur
- ❑ Think, assume calculated risk (instead of "do no harm")

10

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IMPACT OF CULTURE

- ❑ Culture eats strategy for lunch
- ❑ Leading with culture may be among the few sources of sustainable competitive advantage left to organizations today.
- ❑ A strong culture can be a significant liability when it is misaligned with strategy.
- ❑ When aligned with strategy and leadership, a strong culture drives positive organizational outcomes.

Harvard Business Review, January-February 2018/Boris Gorysberg, Jeremiah Lee, Jesse Price, J. Yo-Jud Cheng

11



CULTURE & RESPONSE TO CHANGE

Some cultures *emphasize stability*—prioritizing consistency, predictability, and maintenance of the status quo.

Those that favor stability tend to follow rules, use control structures such as seniority-based staffing, reinforce hierarchy, and strive for efficiency.

Other cultures *emphasize flexibility, adaptability, and receptiveness to change.*

Those that favor flexibility tend to prioritize innovation, openness, diversity, and a longer-term orientation.

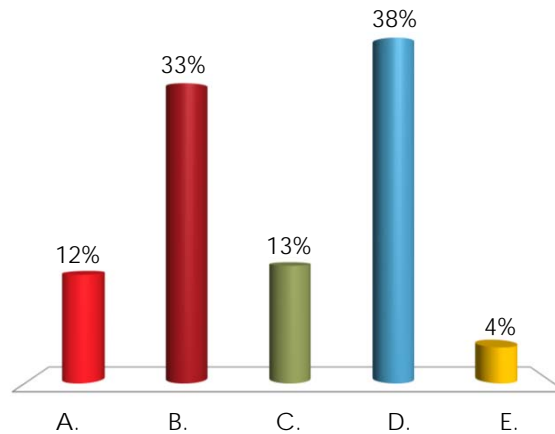
Harvard Business Review, January-February 2018/Boris Gorysberg, Jeremiah Lee, Jesse Price, J. Yo-Jud Cheng

12



WHAT DOES YOUR ORGANIZATION EMPHASIZE MOST?

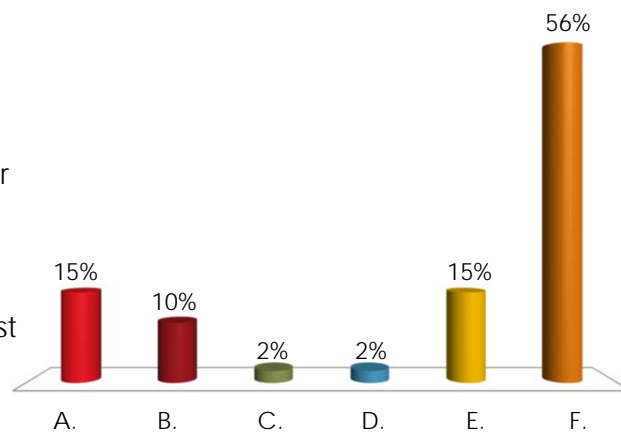
- A. Stability and maintenance of the status quo
- B. Adaptability and receptiveness to change
- C. Depends on the department or area
- D. Depends on whether it is leaders, managers, supervisors, or employees
- E. Uncertain



13

SELECT EACH SHIFT THAT YOUR ORGANIZATION IS ADDRESSING

- A. Board members are adjusting their mindset
- B. We understand the impact of culture and manage it
- C. We use PESTEL for environmental scanning
- D. We use Scenario Planning or What If Scenarios
- E. Our strategic plans provide strategic focus
- F. We understand that we must be prepared to modify our strategic plan



14



SWOT

- **S** = Strengths
- **W** = Weaknesses

These tend to focus on the **internal**

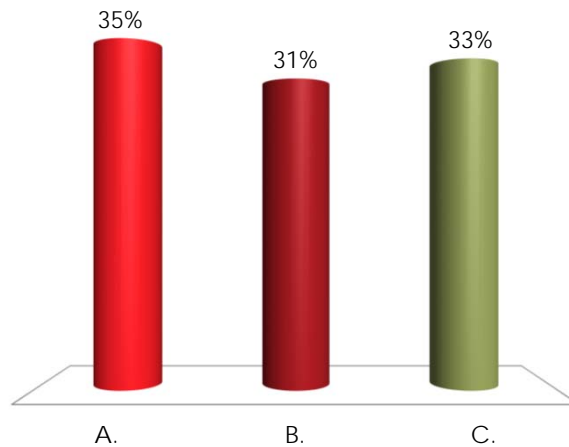
- **O** = Opportunities
- **T** = Threats

These tend to focus on the **external**

The right side of the slide features a vertical strip with the 'E₄' logo in a red serif font and an abstract background with yellow, blue, and black brushstrokes.

WHICH DO YOU FIND EASIER TO DISCUSS AND ANSWER...

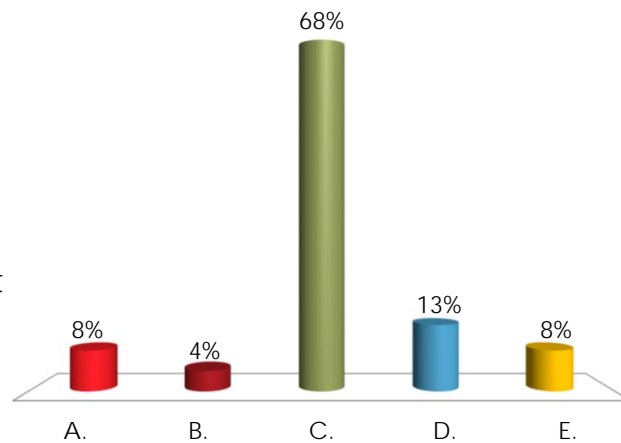
- A. Identifying **strengths and weaknesses**
- B. Identifying **opportunities and threats**
- C. I don't find one easier than the other



17

WHICH OF THE FOUR SWOT ELEMENTS IS MOST IMPORTANT?

- A. Strengths
- B. Weaknesses
- C. Opportunities
- D. Threats
- E. None are more important than any others



18

PESTEL ELEMENTS

- **P** = Political
- **E** = Economic
- **S** = Social
- **T** = Technological
- **E** = Environmental
- **L** = Legal

19


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PESTEL ELEMENTS

Political:

Any factors in the political environment either in the home country or international arena. Examples of these could be government initiatives or changes of policy which affect the organization.

Economic:

Any factors in the financial arena. These could include economic downturns, availability of bank loans.

Social:

Factors which affect the social aspects related to the customers of the organization including social trends, the change in demographic of customers and any other socio-cultural factors.

20


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PESTEL ELEMENTS

Technological:

Any changes in the technical world which may cause some impact on the organization. New technological developments, new software, new devices, etc. are all factors.

Environmental:

Environmental factors look at the world around the organization and any factors which may have an impact on the environment. Examples include HVAC, recycling policies, vehicles, how properties are maintained; how it is incorporated into education and training, etc.

Legal:

Legal issues often begin with examining local, state, and national legislative issues. They may include state and national regulations, data protection, health and safety, etc.

21

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PESTEL EXERCISE

1. Each group will be assigned one PESTEL element.
2. Each member of the group is responsible for listing as many changes, shifts, and trends occurring in the PESTEL element that they can think of. *Time allocation is 10 minutes.*
3. The group should then compare answers and identify those items that several members of the group agreed upon. *Time allocation is 15 minutes.*
4. The group should select the **three** shifts, changes, trends that they collectively believe will have the greatest impact on Long Term Services and Supports (LTSS)
5. Select someone to report out. **You have 1 minute to report out.**

22

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POLITICAL FACTORS

1. X

2. X

3. X

4. X

5. X

6. X

23



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ECONOMIC FACTORS

1. X

2. X

3. X

4. X

5. X

6. X

24



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SOCIAL FACTORS

1. X

2. X

3. X

4. X

5. X

6. X

25



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TECHNOLOGICAL FACTORS

1. X

2. X

3. X

4. X

5. X

6. X

26



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ENVIRONMENTAL FACTORS

1. X

2. X

3. X

4. X

5. X

6. X

27



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LEGAL FACTORS

1. X

2. X

3. X

4. X

5. X

6. X

28



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AGING SERVICES – 2030 SCENARIOS

Leading Age has...

- Adopted the *Aspirational Futures Method*
- Developed a detailed Planning Scenario process
- Developed outstanding aging services 2030 scenarios
- Has developed great supporting materials



SCENARIO PLANNING

- Big-picture changes and systems outside our field of interest can easily escape operations-based strategic planning
- Forecasts and scenarios make organizations more agile and opportunistic
- They can force clarity about assumptions regarding what will change and can help distinguish between *preferred* and *probable* changes
- Attention to unconventional assumptions about the larger environment prompts creative solutions to developing problems
- Solutions developed earlier are likely more creative than reactions to settled issues
- Plans can be "future-tested"

31

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios

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FORECAST, SCENARIO ZONES

Visionary/Surprisingly Successful

Expectable

Challenging

Zone of High Aspiration

Zone of Conventional Expectations

Zone of Growing Desperation

32

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios

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ALTERNATIVE SCENARIOS

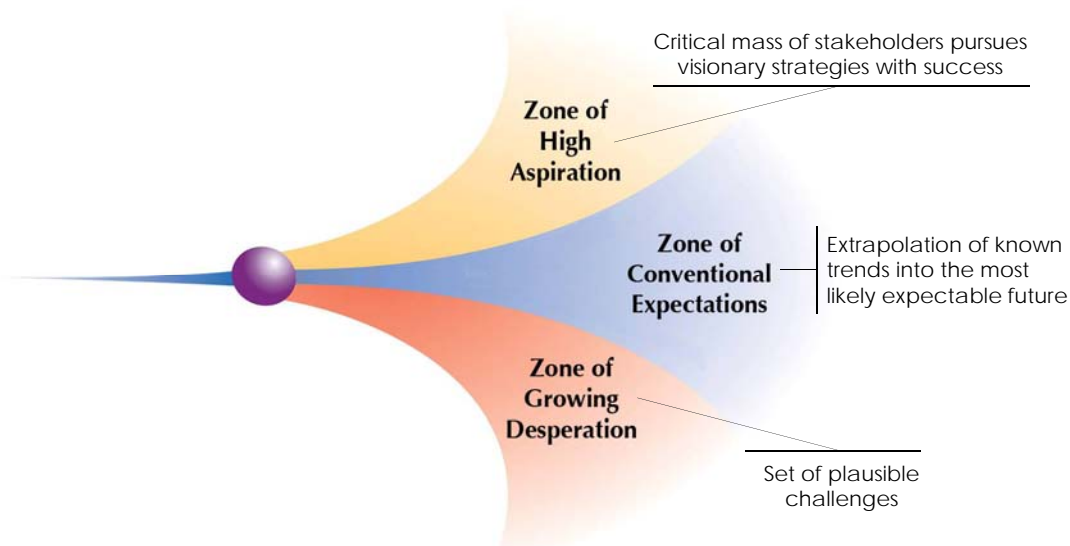
- Using alternative scenarios means that inherent uncertainty is both acknowledged and used to enable two forms of judgment when making decisions in the face of multiple possible outcomes.
- These scenarios may be less likely when viewed objectively, but more inspiring.
- They describe how visions are achieved even though those future states are far less likely than expectable or more challenging scenarios.

33

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios



FORECAST, SCENARIO ZONES



34

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2030 AGING SERVICES SCENARIOS

These scenarios help you to:

- Pick up early signals of change and consider their strategic impact
- Identify long-term opportunities and threats
- Check the effectiveness of your current strategies in multiple futures
- Formulate strategies to more effectively adapt to the changing environment

35

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios



2030 AGING SERVICES SCENARIOS: UNCERTAINTY

These scenarios consider uncertainty in key areas, including:

- Aging services
- Demographics
- Financing
- Housing
- Overall economic conditions
- Societal conditions
- Technology
- Workforce

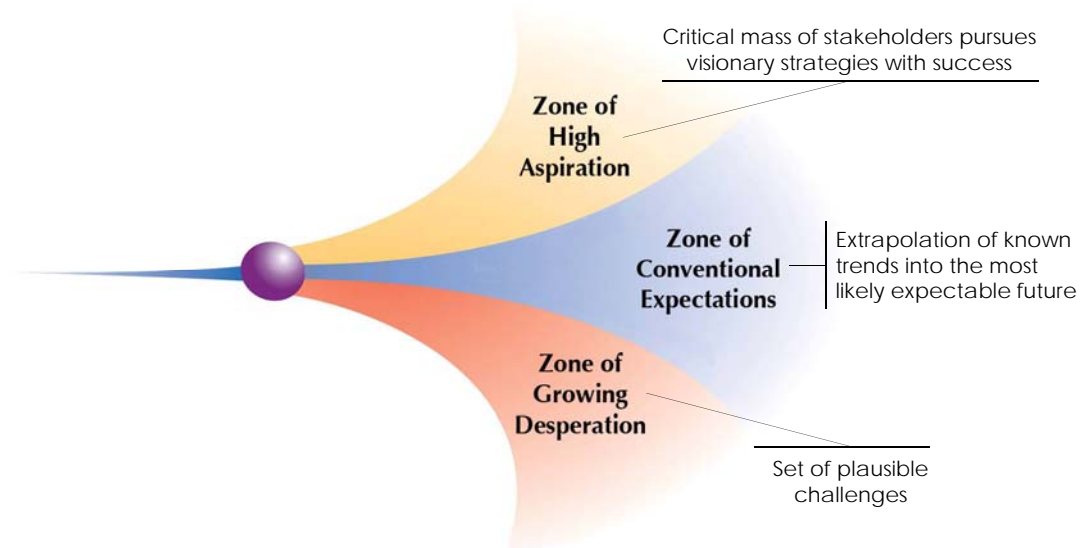
WHAT'S MISSING?

36

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios



FORECAST, SCENARIO ZONES



37

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SCENARIO 1: CONVENTIONAL EXPECTATIONS ZONE

Bills Come Due – Aging and Unprepared

- The demographic reality that washed over U.S. society in the 2020s had been visible for decades, but when the reality of an aging population hit home in the later 2020s it was still a crisis.
- Headlines read:
 - Wave of retirees cannot afford to retire
 - Too unhealthy to work and struggling to live on Social Security
 - Rents skyrocket with no affordable housing
 - CDC announced its forecast for a dramatic increase in Alzheimer's deaths after 2030

38

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios

SCENARIO 2: GROWING DESPERATION ZONE

Troubled Times – Economic and Social Regression

- There is not enough money – not for adequate housing, not for Medicare or Medicaid
- For people over 65 with less than \$500,000 in retirement funds, certainly not enough money to feel secure.
- “The Decession of 2023” which combined the rapid descent into recession experienced in 2008 with the long recovery after The Great Depression from 1929 to 1939.
- Americans lost on average 25% of their wealth five years after the crash began in 2023. The losses were much worse for those who panicked when the stock market lost 50% of its value in the early months of 2023. They sold and never recovered.

39

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios

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SCENARIO 3: HIGH ASPIRATION ZONE

A Bright Horizon – Mindful and Connected Aging

- The “search for meaning and connectivity” amped up in the 2020s, particularly for aging boomers.
- Enhanced connectivity was supported by mindful social networks. Strikingly, it is the older people who form the hubs of many of these social networks, both virtual and face-to-face.
- These evolved from the “shallow social networks” of the 2010s and in response to harmful online impacts such as the spread of negative and hurtful beliefs.

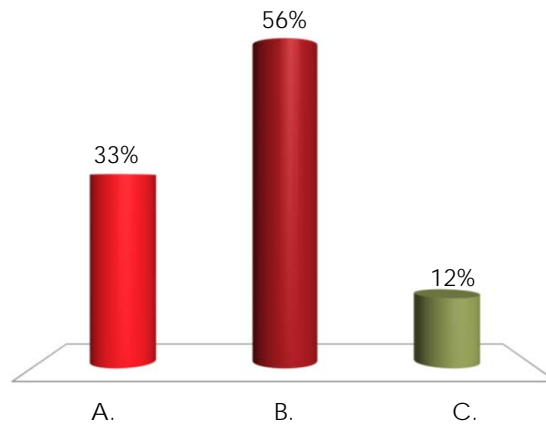
40

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CONSIDERING YOUR CULTURE, WHICH "FORECAST, SCENARIO ZONE" BEST REFLECTS THE ORGANIZATION'S MINDSET?

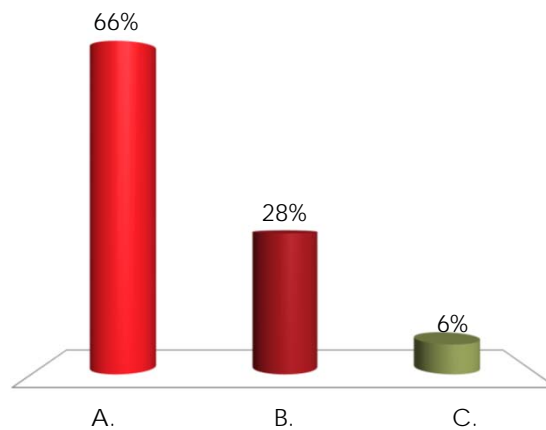
- A. Zone of **High Aspiration**
- B. Zone of **Conventional Expectations**
- C. Zone of **Growing Desperation**



41

WHICH "FORECAST, SCENARIO ZONE" IS YOUR ORGANIZATION MOST LIKELY TO SELECT?

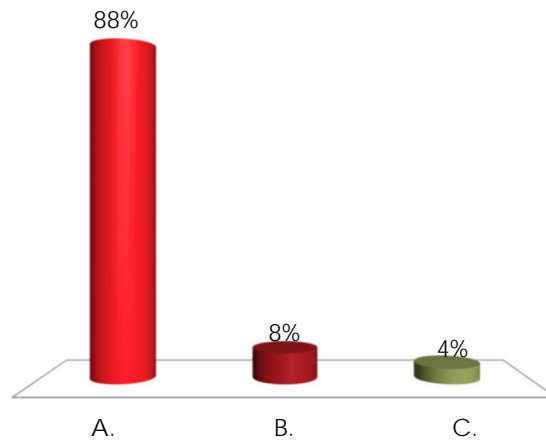
- A. Zone of **High Aspiration**
- B. Zone of **Conventional Expectations**
- C. Zone of **Growing Desperation**



42

PERSONALLY, WHICH "FORECAST, SCENARIO ZONE" DO YOU BELIEVE YOUR ORGANIZATION SHOULD SELECT?

- A. Zone of **High Aspiration**
- B. Zone of **Conventional Expectations**
- C. Zone of **Growing Desperation**



43

CONSIDERING GREATEST CHANGES BASED ON YOUR SCENARIO

- What are the most significant implications on the demand for aging services?
- Which technologies in this scenario will have the largest impact for older adults in the 2020s?
- What are the greatest workforce changes for aging services in this scenario?
- What policy changes matter most in this scenario?

44

Material adapted from LeadingAge Institute for Alternative Futures 2030 Scenarios

STRATEGIC IMPLICATIONS FOR YOUR ORGANIZATION BASED ON YOUR SCENARIO

- What will make your organization most successful in the scenario through the 2020's?
- What significant resource shifts must be considered?
- What about your culture might impede the necessary changes?
- What sacred cows need to be rethought?
- What must your Board rethink or reconsider?

The logo consists of the letters 'E4' in a red, serif font. The '4' is smaller and positioned to the right of the 'E'. The background of the slide features a vertical strip of abstract art with yellow, blue, and red tones.

45

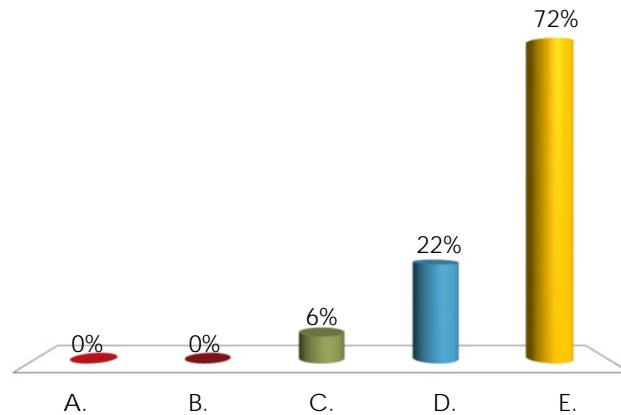
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YOUR THOUGHTS, PLEASE

TO WHAT EXTENT WHAT THIS A PRODUCTIVE USE OF YOUR TIME?

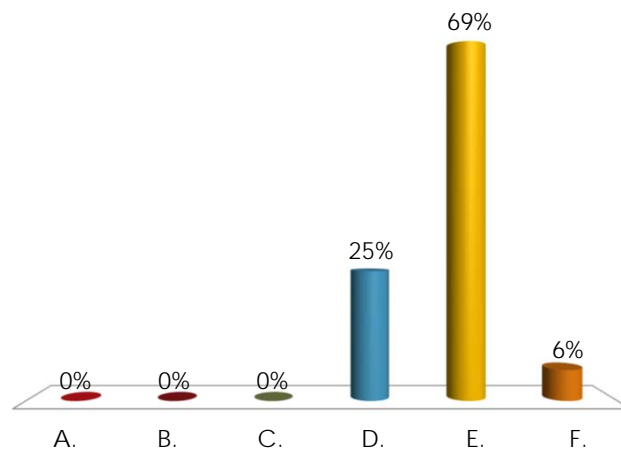
- A. It wasn't
- B. Small extent
- C. Moderate extent
- D. Good extent
- E. Great extent



47

TO WHAT EXTENT DID YOU RECEIVE A GOOD RETURN ON YOUR PROGRAM FEE INVESTMENT?

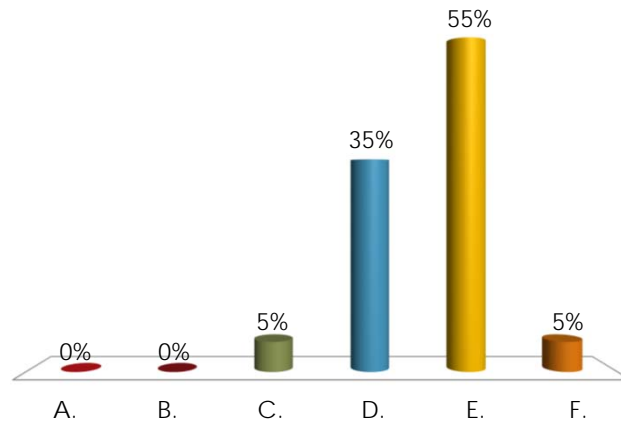
- A. I didn't
- B. Small extent
- C. Moderate extent
- D. Good extent
- E. Great extent
- F. Unsure



48

WILL YOU SERIOUSLY CONSIDER INCORPORATING PESTEL TO CONDUCT AN ENVIRONMENTAL SCAN IN YOUR PLANNING PROCESS?

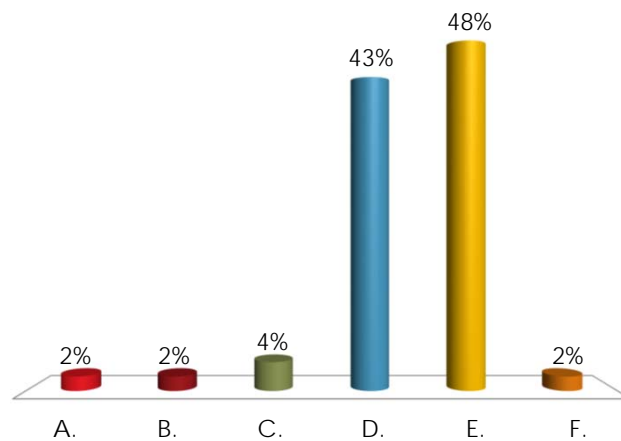
- A. No
- B. Probably not
- C. Maybe
- D. I will seriously consider
- E. Yes
- F. Uncertain



49

WILL YOU SERIOUSLY CONSIDER UNDERTAKING SCENARIO PLANNING AS PART OF YOUR STRATEGIC PLANNING PROCESS?

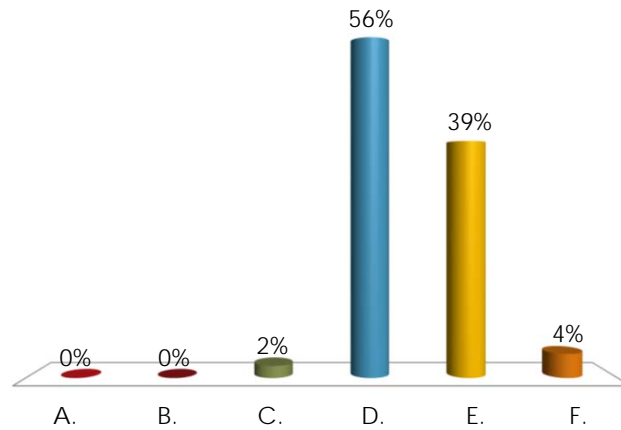
- A. No
- B. Probably not
- C. Maybe
- D. I will seriously consider
- E. Yes
- F. Uncertain



50

TO WHAT EXTENT WOULD YOU RECOMMEND TO OTHER MEMBERS THAT LEARN ABOUT PESTEL AND SCENARIO STRATEGIC PLANNING?

- A. I wouldn't
- B. Small extent
- C. Moderate extent
- D. Good extent
- E. Great extent
- F. Unsure



51

