

**CO-CREATING STRATEGY AND OD:  
NON-PROFITS BEING THE CHANGE THEY ADVOCATE**

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**PRESENTERS**

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**SESSION OVERVIEW**

For nonprofit and public sector organizations to achieve the change they advocate, they require a way out of the quagmire of strategic planning in which so many are lost. “Co-Creating Strategy,” originally developed and pioneered by Bonnie Kasten, is an innovative and highly participatory OD-based approach to strategy formulation and strategy implementation. It uses ‘strategic planning’ rigor along with OD processes to inspire creative thinking about an organization’s future, generate shared ownership among diverse stakeholders, and create a base for strategic implementation and change management work.

Designed specifically for those working with nonprofit and public sector organizations, this interactive workshop presents the Co-Creating Strategy Model, tools for its use, and case studies of how Co-Creating Strategy has made a difference in two organizations.

**CO-CREATING STRATEGY AND OD**

In the disciplines that focus on organizational change – OD, Management Consulting, OB/OT, Change Management, etc. – strategy formulation and implementation have traditionally been viewed by executives and managers as belonging to the domain of management consulting and the work of strategic planners. Consequently, management consultants are engaged for strategic planning interventions more frequently than OD consultants, despite the fact that strategy formulation is a major cornerstone of organizational development and change. Prospective clients look to management consultants to lead strategy and change efforts, oftentimes only inviting OD professionals in when the strategy implementation and change management work encounters resistance to change.

OD practitioners can be more attentive to designing models, principles, and procedures for strategic planning processes that enable clients to confidently challenge their strategic direction, create compelling business cases for change, and fulfill the vision of what OD can provide to organizations given the present business and work environment. The Co-Creating Strategy model developed by Bonnie Kasten allows OD consultants a viable and proven tool for engaging in what has been too frequently the traditional purview of management consulting.

Within nonprofit and public sector organizations, strategy formulation and implementation is frequently a foreign, if not invisible, function. OD practitioners working with nonprofit and public sector organizations frequently find that their clients do not have the interest, time, or resources (human and financial) to engage in even simple strategic planning processes. Co-Creating Strategy provides a way for strategy formulation and implementation to be an integral part of operational activities in an exciting and empowering context.

Co-Creating Strategy is a transparent and highly participatory approach to addressing the unique challenges nonprofit and public sector organizations face in dealing with their dilemmas of doing “strategic planning.” It is particularly applicable to the way nonprofit and public sector organizations organize themselves, perceive their relationship with their authorizing environment, and determine how to develop their internal capacity to advance their mission and value in their world. It provides an opportunity to engage the whole system and includes what Frank Friedlander (1976) identified as the three essential ingredients of OD: rationalism, pragmatism, and existentialism (thinking, doing, and being). It provides a rational way for organizations to look at themselves and their environments and create approaches for causing their futures, which – of necessity for nonprofit and public sector organizations – includes being the change they advocate.

## POWERPOINT PRESENTATION SLIDES

### Co-Creating Strategy Non-Profits Being the Change They Advocate

Lennox Joseph, The World Bank Group  
Tim Lannan, Tim Lannan Consulting

Organization Development Network Conference  
October 23, 2007

### Six Tenets for Co-Creating Strategy

- The key to a solid strategy is a solid process
- The goal of developing strategy is knowledge and learning
- Strategize from the outside in and from the future to the present
- Create appropriate ownership for strategic decisions
- Truly understand our organization's core capabilities
- Build permanent strategic knowledge into the organization – both process and content

### Strategy Development as Organization Development

- Changing Face of OD
- Opportunity to Think Strategically
- Foundation for Organizational Change
- Momentum for Change
- Catalyst for Organizational Alignment

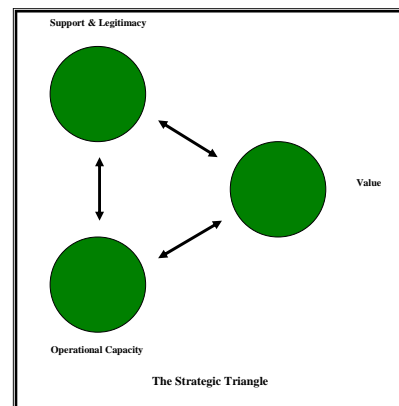
### Strategy Considerations for Nonprofit and Public Sector Enterprises

- Increasing demands for accountability, effectiveness, and performance
- Need to use limited resources effectively
- Accountable to multiple stakeholders with diverse – and frequently conflicting – agendas
- Need to remain relevant in rapidly changing world
- Bottom line is mission, not money, but need to be financially viable and sustainable
- Exist to change – not just respond to – the environment

### Why Co-Creating Strategy?

- Foundational
- Integrative
- Adaptable
- Transparent
- Participatory
- Builds buy-in

### Mark Moore's Strategic Triangle



## Value

- Public purpose
- Focus and mission
- What's important

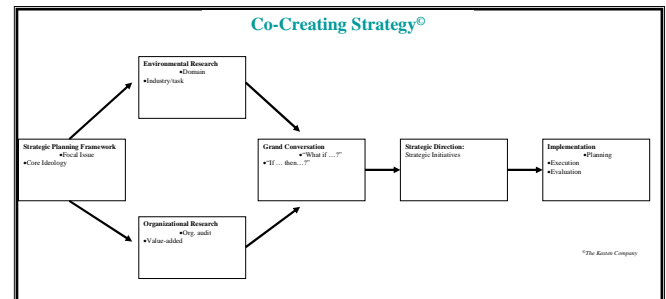
## How Do Nonprofit and Public Sector Organizations Think?

		Stakeholders	
		Clients/Beneficiaries	Influentials
Value Added (results)	High		
	Low		

## Support and Legitimacy

- Money and material resources
- Political and social recognition
- Authorizing environment
  - Formal mandates
  - Powerful outsiders and key stakeholders

### Co-Creating Strategy<sup>®</sup>



## Operational Capacity

- Ability to deliver results
- Deploying resources to produce value
- "Operational capacity" ≠ "organizational capacity"

## Strategic Planning Framework

- Core ideology (purpose and core values)
- Focal issue
- Form Environmental Scanning Teams

### ***Environmental Research and Analysis***

- Domain Environment
- Industry/Task Environment
- Environmental Analysis

### ***Establish Strategic Direction and Change Mandates***

- 4-5 strategic initiatives for next 3 years
- Related goals and objectives
- Key indicators of success
- Key business/organization design considerations

### ***Organizational Research and Analysis***

- Organizational audit
- Define “value-added” (*Business Idea*) from stakeholders’ perspectives
- Organization’s sense of self

### ***Implementation***

- Planning
- Execution
- Ongoing monitoring and evaluation
- Refine and improve strategic and implementation plans

### ***Grand Conversation***

- With temporary community representing the “whole system”
- Build shared understanding
- Identify strategic opportunities and challenges
- Outline *possible* strategic initiatives