



Shiloh Estate

RWA STRATMAN KNOWLEDGE BASE SERIES

www.shilohestate.com

Fast-Track Planning

Corporate Culture, Connections, and Collaboration

by

Reese C. Wilson

July 1983

REPRINT

Many US corporations have experienced difficulty in responding to rapid and unexpected changes in their business environments. The past decade—ushered in by the microchip and culminating with *Time* magazine honoring the personal computer as "Man of the Year"—has indeed been turbulent. The environment confronting US business has become increasingly global, complex, interdependent, and interconnected, and the business climate will likely remain stormy for the balance of the twentieth century. Executives will continue to be challenged by rapid and unexpected change as the transition from an industrial to a service- and information-based economy forces restructuring of the political economy, the global marketplace, and business organizations.

The primary management challenge of the 1980s and 1990s could well be developing an effective organizational response capability. Companies rarely have such a capability. Some do. Hewlett-Packard, for example, posted impressive sales and profit gains last year in spite of a recession that had many companies on the ropes. John Young, Hewlett-Packard's president and CEO, gives much of the credit to "real-time" management, an approach he is instilling in his managers. He tells them: "Real-time management is a little bit like shaving or putting on makeup. Every morning you ask yourself, 'How's it going?' If it isn't going like it should, you do something about it *now*." Results should mirror expectations—but within a strategic context. Ignoring this basic principle, which many companies do, makes rapid response to change difficult.

Responding to rapid change has become a way of life for many firms within California's Silicon Valley. High technology start-ups that become operationally and

strategically viable practice that might be called **fast-track planning**. This form of planning is characterized by a corporate **culture** that emphasizes responsiveness, extra-, inter-, and intra-organizational **connections** that link external elements and internal functions, and a high degree of **collaboration** among various stakeholders in the enterprise and its products and services.

The observations contained in this article are drawn primarily from experience and discussions with information technology companies headquartered in Silicon Valley.

Is Planning Relevant in Turbulent Times?

Turbulence equates with uncertainty and creates what is known as the planner's dilemma:

The greater the degree of change, the greater the need for planning, otherwise precedents of the past could guide the future; but the greater the degree of uncertainty, the greater the likelihood that plans right today will be wrong tomorrow.ⁱ

Even extremely well conceived plans can have a short half-life. And even if the plan remains valid, most companies have trouble with implementation. As Fortune magazine put it: Real live businessmen have learned that the big challenge isn't concocting strategy but making it work.ⁱⁱ The relevance of planning is being questioned by CEOs who experience unsettling divergences between plans and results.

Since the 1950s, corporate planning has evolved through several phases, with the concept of strategic management representing the most recent development. Some changes in emphasis experienced within the corporate planning function over the past three decades are highlighted in Chart 1.

Mr. Wilson recently formed Reese Wilson & Associates, Menlo Park, California, a strategic management consulting firm. He was corporate planner at Dysan Corporation; previously he was associated with SRI International for over 15 years in a number of consulting, research and management capacities.

Chart 1

EVOLUTION OF CORPORATE PLANNING

	Planning Focus	Organizational Approach	Planners/Doers
Financial Planning	Budgets	Centralized	Staff/line
Long-Range Planning	Forecasts	Functional	Staff/line
Strategic Planning	Strategy development	Geographic decentralization	Staff/line
Strategic Management	Strategy implementation	Functional decentralization	Line/line
Fast-Track Planning	Responsive culture	Efficient connections	Effective collaboration

Fast-track planning is a variant of strategic management that emphasizes a responsive culture, efficient connections, and effective collaboration. Most US companies have progressed well beyond the financial planning stage—few have reached the strategic management stage. In turbulent times, the concept of strategic management is relevant. Implementation of the concept, most notably the responsive culture aspect, can be difficult, especially within mature companies.

Responding to Turbulent Times

Most mature US companies had planning staffs in place prior to three major political-economic developments of the past decade—the OPEC oil embargoes, increasing global competition (especially Japan, Inc.), and the microprocessor or computer on a chip. By contrast, most of Silicon Valley's information technology companies were spawned during the past decade in an environment characterized by three intensifying trends:

- (1) **Industry competition**—Investment and talent continue to pour into fast-growing information industry sectors thereby creating price pressures and the threat of major shakeouts in some market segments;
- (2) **Technology volatility**—Rapid advances in smaller, faster, smarter, and less expensive information technologies contribute to shortened product life cycles and premature obsolescence through technology leapfrogging and product substitution;
- (3) **Market fragmentation**—Microchip-based hardware and software products continue to penetrate home, small business, corporate and institutional environments thus creating disaggregated markets with large common requirements coupled with a wide range of diverse user needs and requirements.

Not all Silicon Valley firms, of course, will survive the turbulence created by these industry-specific trends and compounded by broader economic, social, and political trends. Those that survive the start-up phase and prosper must first achieve operational viability (i.e., dominate a market niche) and then demonstrate strategic viability (i.e., maintain competitive position).

At start-up, many companies have the three fast-track planning attributes—a responsive culture, efficient connections, and effective collaboration. The trick is to maintain and enhance these attributes through fast-growth stages, stabilization and maturity, and to avoid as many of the crises reported by Larry Greiner and Richard Nolan in their classic *Harvard Business Review* articles of the 1970s.ⁱⁱⁱ Fast-track planning is now explored within several Silicon Valley firms of various age, size and complexity.

FTP During Start-Up

Silicon Valley is overflowing with start-up companies that have convinced venture capitalists (or vice versa) that a particular product idea can dominate a market niche and make them all rich. The decision to proceed launches the entrepreneurial team in a new venture process that normally includes several sequential stages: proof of principle, prototype, model shop and start-up of volume production.^{iv} The strategic decision to commit the resources needed to ramp-up production and establish the needed sales and distribution capability is usually followed by a prolonged period of intense concentration on immediate operational activities. Achieving operational viability—initially filling a market niche with product—often creates a hiatus in the strategic planning and business analysis portion of the strategic management process. Once the die is cast, operational concerns tend to dominate the waking hours of the start-up team and new employees.

Two relatively new companies, both having the potential to become operationally viable, are examined briefly to help determine the initial ingredients of fast-track planning. Many of these start-up ingredients represent important success factors in large strategically viable companies such as Hewlett-Packard

Case 1—Responding to Markets of Opportunity

Last November, Alphacom, Inc., a three-year-old manufacturer of low cost thermal printers, was approached by a large multinational corporation entering the low end of the home computer marketplace. Within two weeks, Alphacom's engineers demonstrated a prototype printer. In December, 15,000 units were delivered, followed in January by another 25,000 units, even though all manufacturing is off-

shore. The high degree of responsiveness is attributed by Robert Beese, Vice President of Marketing, to several factors:

- (1) "Markets of opportunity" are considered to be of primary strategic importance, with responsiveness and flexibility considered corporate virtues;
- (2) One person, President Syed Zaidi, has the authority to commit the resources needed to quickly respond to opportunities offered by new or existing customers;
- (3) The Alphacom engineering team worked closely with the customer's microcomputer engineering team to ensure that results delivered matched needs and expectations;
- (4) "Big company mentality" is studiously avoided, with paperwork, procedures, and decision points kept to a minimum;
- (5) Products incorporate a simple microprocessor that can quickly be reprogrammed to satisfy a new set of requirements within certain pre-determined design limitations.

Although profits did not materialize last year on \$5 million in sales, the future looks bright. This year, Alphacom expects to do \$40 million in sales, and recently obtained \$5.5 million in second round venture capital financing. "We went out originally for \$2 million," said their controller. "We had \$9.4 million subscribed. We had to weed it down until we got only \$5.5 million"^v Alphacom's reactive capabilities are impressive.

Case 2- Responding to Planned Markets

A proactive approach to the fast track is illustrated by Atasi Corporation, a Winchester disk drive company founded in late 1981. Frank Gibeau, the founder and president, assembled an executive management team, developed a comprehensive business plan based on sound market research, and obtained \$7 million in first round venture capital financing, coupled with a \$10 million line of bank credit. Meanwhile, they geared up to address two well defined OEM market segments: (1) small business computer system vendors, and (2) local area network manufacturers. Early indications, such as their order backlog, suggest that their business plan will be realized. According to Gibeau, Atasi success factors include:

- (1) Strong management team committed to achieving the results delineated in their plan.
- (2) Marketing strategy focused on key OEM accounts. Marketing is top-tier and solution-oriented.
- (3) Family of high quality products based on proven technology designed to minimize customer-user service and maintenance problems.
- (4) Flexible manufacturing approach that allows modularized assembly and test lines to be added (or subtracted) in response to marketplace demand.

(Manufacturing is co-located with other functions in Silicon Valley.)

- (5) Well defined network of organization processes and management systems to assist managers plan, manage, and control operations in a coordinated and integrated fashion. (Key managers and staff have personal computers in their offices/workplaces that are interconnected through a local area network.)

Gibeau added: "We spend a great deal of time analyzing markets, competitors, positioning factors and other issues." "But," emphasized Gene Bowles, director of market planning and development, "substance dominates form. On a day-to-day basis we translate issues into actions without the necessity of elaborate or cumbersome planning procedures, forms, and paperwork." Production is planned to go from essentially zero to 30,000 or so units during 1983.

Culture, Connections, and Collaboration During Start-Up

A responsive culture, efficient connections, and effective collaboration are common to most start-up companies that are successful in attracting the additional resources needed to ramp-up operations. The Alphacom and Atasi approaches differ mainly in style of leadership and degree of management systems formality. Most start-ups have one important advantage that many mature companies lack—a responsive corporate culture. Key managers and workers speak a common language of action that facilitates adaptation to change. Organizational resources can be quickly configured and reconfigured to reflect marketplace needs and priorities. As a recent book concluded: building a responsive and adaptive culture may be the only way to institutionalize a real capability to adapt.^{vi} A responsive culture is a primary requirement for fast-track planning. Most start-ups are born with it. In addition, small size usually means that efficient connections and effective collaboration are also present.

FTP During the Operationally Viable Stage

So long as demand outstrips supply, the conditions for explosive growth are present. These conditions eventually weaken. The number of failed automobile companies is between one and two orders of magnitude greater than the number that survive today. In the twenty-first century, when the dust has settled on the information industry, there will likely be several international giants complemented by numerous plug-compatible manufacturers, OEM suppliers and aftermarket retailers. Within each market segment, a number of firms will reach the operationally viable stage, but only a few will achieve strategic viability. Reaching operational viability within the information industry requires early entry into a niche and fast production ramp-up accompanied by sales orders to

quickly establish a position. During this period of intense operational concentration and growth, it is important to reinforce efficient connections and effective collaboration while maintaining a responsive culture.

Many start-ups do not become operationally viable. Magnuson Computer Systems, for example, in an annual report, reported 1980 profits exceeding \$2.5 million on sales of nearly \$28 million, and stated: "Our opportunities for growth throughout the 1980s are substantial, and we are well positioned to make the most of them." However, Magnuson recently filed for protection under Chapter 11 of the US Bankruptcy Code after having "spilled \$57 million of red ink in the last two years."^{vii} Management problems, coupled with aggressive price cutting by IBM, has stopped Magnuson in its tracks—at least momentarily. Magnuson never achieved operational viability. IBM was able to step into the niche that Magnuson was attempting to dominate.

Culture, connections and collaboration are especially important during the fast-growth phase. Connections between the company and its customers and among internal functions—like sales and distribution, product development, and production—are the most important.

Case 3- From Rags to Riches

The story of Apple Computer, Inc. has been widely reported in the media. The two founders, Steven P. Jobs and Stephen G. Wozniak, have become folk heroes in the best Horatio Alger tradition. An informal and ad hoc organizational style has brought Apple from ground zero to over \$600 million in sales in five years. Apple's corporate culture balances off "youth, verve, and vision" with strong financial performance. Most of Apple's growth is from the highly successful Apple II with over one million units shipped.

Apple's response to the explosive personal computer market has often been viewed as disorganized, with more than one observer likening it to "Camp Run Amok." However, as some critics continue to predict ruination, Apple continues to respond to market demand with units shipped, and sales revenues and profits heading northeast on the charts quarter after quarter. The Apple culture is highly responsive and places high value on creativity and innovation.

In early 1983, Apple introduced a sophisticated business computer system called Lisa. A \$50 million R&D investment yielded the first business computer designed from the ground up to integrate advanced hardware technology with a set of user software tools. A former director of headquarters marketing observed: "If Apple had corporate planning two years ago, they never would have put up the R&D money." Lisa represents a technical and financial pillar of Apple's

strategy for the 1980s.

At \$600 million plus, Apple is organized into five product divisions. Division general managers and their marketing directors are responsible for putting together plans with some coordination from corporate level marketing. The process is performed on an annual basis with plans having a one-year time horizon. Apple's planning is operational except for a major project such as Lisa that requires a longer lead-time.

This, however, is rapidly changing. Apple is moving from an informal and ad hoc organizational posture toward one that is somewhat more formal and systematic in approach. This will help to maintain and strengthen corporate connections—the network of linkages among employees, internal functions and the marketplace. Seasoned executives—a new president and marketing vice president, for example—are being added as organizational processes, management systems and supporting EDP systems are rationalized and improved.

The introduction of Lisa marks Apple as a technology leader that seems to be positioned well enough to avoid shakeout. In fact, Apple executives viewed IBM's entry into the personal computer marketplace as good news. IBM's entry into a segment legitimizes it and makes a growing market expand even faster. The bad news for many personal computer makers is that IBM will absorb a large market share that becomes unavailable to its competitors. This has not deterred scores of new entrants willing to settle for less than 10 percent of the action. However, as Business Week noted: "The problem with this strategy is that 100 companies could end up each targeting 8 percent of the market."^{viii} Operational viability will not be achieved by most of these companies except in limited or specialized niches.

Case 4- From Three-Piece Suit to Riches

The story of James G. Treybig and Tandem Computers is also well known. But by contrast, Tandem's quick growth to over \$300 million in annual sales has been guided by a well conceived five-year business plan implemented in accordance with a well thought out set of management principles. Tandem is the major innovator and market share leader in fault-tolerant, on-line, transaction-processing computer and communications systems. And they are the biggest user of their own products. Tandem's internal corporate information systems network presently incorporates 540 central processing units (CPUs) located in 12 countries around the world and used by virtually all 4,000 employees. Various functions are tightly linked together, with applications and data bases distributed and continually redistributed to meet user needs and priorities. The manufacturing function shares a data base that is distributed across 7 sites in California,

Texas, Virginia, Illinois and West Germany. The marketing and sales function is even more widely distributed as is electronic mail that serves nearly all employees. Very efficient connections.

This network approach to organization, with its strong connections, facilitates collaboration that is reinforced by a strong corporate culture emphasizing values important to the founders. Tandem values and culture emphasize (and continually reemphasize) that (1) all people are good, (2) people, workers, management and company are all the same thing, (3) every single person in a company must understand the essence of the business, (4) every employee must benefit from the company's success, and (5) you must create an environment where all of the above can happen. The extensive media coverage regarding the innovative culture prompted one Tandem watcher to remark: "A lot of people think they spend most of the day sitting around in hot tubs drinking beer. This is not true. They are an extremely well managed company filled with hard working, dedicated employees." The record bears this out.

Operational planning proceeds within the framework of the original strategic business plan - original objectives have been more than accomplished. A number of informal committees meet regularly to plan, make decisions and facilitate actions. Communication among management, staff and workers in all directions is generally excellent. On the external side, Tandem markets mostly to large end users, thus largely avoiding the distributor/dealer/retailer problem confronting Apple. The internal network linkages allow Tandem to ship customer-configured systems within days of receiving an order.

Tandem appointed a director of strategic planning in January 1983 to coordinate the overall planning process and the development of a new five-year plan. The new position reports to the Office of the President thus underscoring Tandem's commitment to fast-track planning and strategic viability.

The Three Cs at the Operationally Viable Stage

Operational planning and performance evaluation processes at both Apple and Tandem have been good enough to achieve the efficiencies, high volumes and low costs required of market-share leaders. Operational connections among internal functions—especially sales and distribution, engineering, and production - are crucial (as is the management of financial, human, and physical resources). As Apple approaches \$1 billion in sales, they are becoming more market-driven, formal and systematic. Tandem, with its rate of sales and profit growth tailing off, is tightening financial controls. Both companies are taking steps to improve their strategic planning processes and the quality of information available to support business decisions.

FTP During the Strategically Viable Stage

To be strategically viable in an information industry market segment or major niche, a company must deal effectively with turbulence created by increasing competition, technology volatility, market fragmentation, and other factors. All strategic management systems and FTP attributes need to be highly developed. The strategic planning and business analysis process, coupled with effective inter- and intra-organizational collaboration, are especially important to a transition from operational to strategic viability. Strategic viability—the maintenance and enhancement of a company's competitive position—is not for everybody. For example, Atari, Inc., with explosive growth from near zero to \$2 billion during the past decade, has recently experienced difficulty in responding to turbulence.^{ix}

- (1) Increasing competition has taken market share, and price pressures have reduced profit margins. Atari's 1983 home video game player and cartridge shares are expected to slip to 50% (from 70% in 1981) and 60% (from 85% in 1981) respectively. And in spite of a 40% home computer market share, 1982 brought losses of \$30 million on \$300 million in sales. Both division presidents quit.
- (2) Technology volatility in the home computer and home video game segments has brought a plethora of products, with the distinction between computers and game players becoming fuzzed. Atari missed its mid-1982 launch date for a home computer having high profit potential, thus giving competitors extra time.
- (3) Market fragmentation is most severe in the home marketplace, where Atari's customer merchandising has been especially effective. Yet Atari over-produced game cartridges and under-produced home computers, suggesting that the information and connections needed for effective strategic and operational decisions could stand improvement.

Many observers feel that Atari will improve its organizational effectiveness and productivity and achieve strategic viability. Others feel that Atari's management problems may have cost them too much time.

Two strategically viable companies are discussed next to examine full strategic management and FTP capabilities in large, mature corporations.

Case 5—Planning at American Microsystems, Inc.

AMI is the semiconductor industry leader in the development, manufacture and marketing of a full spectrum of custom, semi-custom, and standard microchips employing metal oxide silicon/very-large-scale integration (MOS/VLSI) technology. Over 600 different products are manufactured for customers

around the world. AMI is well positioned to take advantage of two trends in the semiconductor industry: (1) a move from standard to proprietary custom chips, and (2) a growing computer aided design (CAD) capability combined with small geometry techniques that make feasible complete customized systems on a single chip. Glenn E. Penisten, AMI chairman and CEO, emphasizes that "trends don't create results unless one is in position to take advantage of the trend—or not be limited by it if it is negative."

He added: "AMI worked hard and consistently from a base of goal planning to get into position and that's one reason we plan. On the other hand, we weren't hurt by the price war in RAMs because AMI made an overt decision in 1977 to get out of the RAM market because we saw it as a commodity market and one that the Japanese would ultimately own. This is the second reason to plan—to place your position so as *not* to be hurt by negative trends."

AMI's competitive position is dependent on six major strengths: culture, market, objectives, strategies, organization and financial strength. Penisten maintains, "We have put great emphasis into building a culture for the organization which nurtures the creativity, productivity and attributes of our AMI family which results in even better service to our customer." AMI has an extremely effective corporate culture and a well-developed network of connections among customers and internal functions.

The culture and connections permit a high level of responsiveness to the marketplace and adaptation to changes that are required to remain operationally efficient and strategically effective. The organization is designed to foster and rely on a high degree of collaboration. Three group vice presidents coordinate seven product cost centers (PCCs) that share 25 to 30 different manufacturing processes operating mostly off shore. Each PCC director has pricing authority and thus integrates the product marketing, design, engineering, and manufacturing activities for their center. Sales, like manufacturing, is a shared resource. The culture provides a broad, top-down, shared-value framework within which all employees perform their tasks. AMI has long employed matrix management and ad hoc task force techniques to great effect. Well-defined organizational processes management systems and EDP support services help make the connections to facilitate effective collaboration.

The corporate planning process, which is coordinated by the central marketing director, yields a revised strategic plan with a five-year horizon every six months. The strategic planning and business analysis process has five phases that help translate AMI corporate goals and policies into workable operational plans, programs, budgets and results:

- (1) Market assessment, including a competitor analysis and five-year forecasts for major segments.
- (2) Determination of major assumptions and market share objectives.
- (3) Development of strategies on how to achieve results commensurate with the objectives.
- (4) Analysis of the financial implications for each strategy vis-a-vis profit and loss, using a computerized business model.
- (5) Review and refinement of assumptions, objectives and strategies to improve performance and results.

These five phases provide the basis for strategic and operational planning. According to Jack Hullman, AMI's central marketing manager: "PCC directors are involved in strategic planning and analysis, operational planning and evaluation, and plan and program implementation."

Case 6—Planning at Hewlett-Packard

Hewlett-Packard (H-P), at over \$4 billion in annual sales, is organized into six groups that coordinate 50 relatively decentralized and self-contained product divisions. H-P's strong culture prizes four values: (1) highly capable innovative people throughout the organization (2) organizational objectives and leadership which generate enthusiasm at all levels, (3) business activities conducted with uncompromising honesty and integrity, and (4) all levels working in unison toward common objectives, realizing that it is only through effective, cooperative effort that the ultimate in efficiency and achievement can be obtained. The responsive culture promotes efficient connections and effective collaboration.

A sophisticated corporate information network provides connections among H-P's 68,000 employees that makes collaboration largely independent of time and distance. The network ties together 55 manufacturing facilities and 250 sales and service offices around the world. The network includes computers of all sizes—12 large mainframes, over 400 minicomputers, thousands of microcomputers, and about 14,000 terminals. The number of terminals providing quick access to shared data bases and information system capabilities is impressive:

Level or Function	Ratio of People/Terminal
Corporate	2/1
Engineering	3/2
Marketing	4/1
Manufacturing	8/1

Cort Van Rensselaer, corporate information systems manager, notes that "H-P found out several years ago the importance of strong and consistent information linkages among functions." The network links people together, helps keep distributed data bases current, and

provides ready access to databases. H-P's electronic mail system handles about 40,000 letters per day. "The primary value of the network," said Van Rensselaer, "is immediate access to information relevant to operational tasks. This turns employees—including clerks—into effective decision makers."

Corporate planning is viewed as a continuous line management task at H-P. The process operates at three levels:

- (1) During the fourth month of the fiscal year, each group works out a five-year strategic plan.
- (2) During the sixth month of the fiscal year, each division prepares a five-year operating plan based on definitive guidelines provided by the group.
- (3) Major assumptions, the calendar, instructions and forms, consolidation, and the annual remote managers' meeting are coordinated by a small corporate development department.

The plan content and underlying analyses focus on strategic issues, planning assumptions, products, orders, shipments, expenses, profit, cash flow, people, space, and selected ratios. The planning style is simple and relevant to fit the organizational culture. A common sense approach is used, with well known planning methodologies most often used, and some reliance on the in-house computer system. When asked how strategic and operating plans were linked to budgets and action programs, Austin Marx, H-P's corporate planning manager, replied: "Simple. Each general manager is responsible for his own plans, budgets, programs, and *results*. Responsible people and good communications are the links." He added: "Identifying and solving strategic issues are at the core of our planning process. Issues are identified by divisions and sales regions, are synthesized by groups and regional headquarters with a dozen or so becoming top priority at John Young's level."

Conclusions Regarding Fast-Track Planning

Companies that are considered to be strategically viable in the face of a turbulent business environment have highly developed forms of the three FTP attributes:

- **Responsive culture**—The corporate culture is strong and continually reinforced by the leadership with emphasis placed on responsiveness, flexibility, adaptability and cooperation among all organizational elements, levels, and employees to achieve shared values and objectives.
- **Efficient connections**—A network approach to organization emphasizes linkages between the company and its customers and among internal corporate functions, especially marketing, product development and production; information systems play a vital role.

- **Effective collaboration**—The responsive culture and efficient connections foster and facilitate effective collaboration among and within organizational units and functions to help executive management, managers, staff and workers get the job done.

Strategic management systems and processes are highly developed and interconnected for:

- **Corporate leadership and executive management**—Tasks performed at the top level to articulate corporate values and purposes, formulate goals and policies, and guide the strategic and operational activities of the company's functions and divisions.
- **Strategic planning and business analysis**—Tasks performed at the functional and division level to articulate missions, set objectives, identify issues and develop strategies. These activities are supported by a series of business environment analysis tasks.
- **Operational planning and performance evaluation**—Tasks performed at the department level to translate strategic business plans into action programs and resource budgets, implement the programs, and evaluate results.

Many Silicon Valley firms that have high levels of culture, connections, and collaboration suffer from a lack of the well-defined strategic management processes needed to achieve strategic viability in turbulent times. Conversely, it would appear that many mature companies have well-defined planning processes but lack the responsive culture, efficient connections and effective collaboration. Both dimensions are required for strategic viability in turbulent times. As suggested by Chart 2, fast-track planning covers all of these aspects.

FTP represents a useful strategic management response to turbulent times. Although this article is based on a few Silicon Valley information technology companies, FTP characteristics are found in some well-managed companies in all industrial and business sectors. But the practice is not widespread. As Thomas J. Peters wrote in *Business Week* three years ago: "Far too many managers have lost sight of the basics ... They have been seduced by MBAs, armed with the 'latest' in strategic planning techniques ... who specialize in strategy ... , but they often cannot implement their ideas, and their companies wind up losing the capacity to act."^x

Fast-track planning recognizes the basics and emphasizes real-time management as practiced by line managers who are both planners and doers. Actions are taken, however, within a strategic framework consistent with corporate values and goals.

Chart 2

FAST-TRACK PLANNING CHARACTERISTICS

	Responsive Culture	Efficient Connections	Effective Collaboration
Corporate Leadership and Executive Management	Strong system of shared values and objectives, including responsiveness to change; values are continuously reinforced.	Communication among all employees is encouraged; rank and hierarchy are de-emphasized in favor of action and results.	Cooperation and working in unison is encouraged among all employees to achieve shared objectives, including adaptation to change.
Strategic Planning and Business Analysis	Common language of action is used by managers and workers to facilitate coordination among and within levels, functions, and business units.	Line managers are planners and doers; they plan, budget, make decisions, take actions, and evaluate results.	Strategic issues and planning assumptions are identified, tested and resolved within a global marketplace context; the customer is king
Operational Planning and Performance Evaluation	Decision-making responsibility pushed down to first-line managers and below, along with authority, resources, and accountability for results.	Connections between customers and the company and among functions—especially marketing, engineering, and manufacturing—are considered vital	Normal day-to-day operations include the formation and disbanding of ad hoc task forces to solve problems; fluid and flexible adaptation to change is routine.

ⁱ The planner's dilemma is attributed to F. E. Emery and E. L. Trist, authors of "The Causal Texture of Organizational Environments," *Human Relations*, (1965).

ⁱⁱ "Corporate Strategists Under Fire," *Fortune*, December 27, 1982.

ⁱⁱⁱ Larry E. Greiner, "Evolution and Revolution as Organizations Grow," *Harvard Business Review*, July-August 1972.

Richard L. Nolan, "Managing the Crises in Data Processing," *Harvard Business Review*, March-April 1979.

^{iv} Jay Galbraith, "The Stages of Growth," *The Journal of Business Strategy*.

^v *San Jose Mercury News*, (March 8, 1983) as reported by Evelyn Richards.

^{vi} Terrence E. Deal and Allan A. Kennedy, *Corporate Culture*, (Reading, MA: Addison-Wesley Publishing Company, 1982).

^{vii} *San Jose Mercury News*, (March 8, 1983) as reported by Evelyn Richards.

^{viii} "The Coming Shakeout in Personal Computers," *Business Week*, November 22, 1982.

^{ix} Adapted from "Atari's Struggle to stay Ahead," *Business Week*, March 14, 1982.

^x Thomas J. Peters, "Putting Excellence into Management," *Business Week*, July 21, 1980.