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Corporate Strategic Planning in Government: Lessons from the United States Air Force

Colin Campbell
University Professor of Public Policy
Georgetown University

The PricewaterhouseCoopers Endowment for
The Business of Government

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Foreword

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On behalf of The PricewaterhouseCoopers Endowment for The Business of Government, we are pleased to present this report by Colin Campbell, "Corporate Strategic Planning in Government: Lessons from the United States Air Force." In an era of short-term planning, Campbell describes the efforts of the United States Air Force to look 25 years into the future to develop a long-range corporate strategic plan.

In his report, Professor Campbell describes the experience of the United States Air Force in developing its long-range corporate plan and the lessons learned from that experience. Campbell observes that the United States federal government has historically had little success in developing long-range corporate plans. His case study of the United States Air Force demonstrates that while difficult, long-range planning is possible in government. Campbell notes that while looking 25 years into the future might sound impractical to some government agencies, one can clearly see the benefit of applying long-range thinking to government programs such as Social Security or Medicare. He also notes that the National Park Service might also find it helpful to look 25 years into the future as it grapples with mounting traffic problems.

Based on the experience of the United States Air Force, Professor Campbell offers practical advice on undertaking long-range corporate strategic planning. Campbell's advice includes developing stretch, but realistic, goals; the use of scenarios and role-playing; the importance of leadership at the top; and the need to effectively consult stakeholders. We trust that this report will be helpful to all government executives interested in pursuing long-range corporate strategic planning in their own organizations.

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Executive Summary

The project from which this report emanates will culminate in publication of a book-length treatment (Barzelay and Campbell 2001). Over the past two years, I have pursued, along with Michael Barzelay of the London School of Economics, an exhaustive assessment of corporate strategic planning in the United States Air Force under the leadership of General Ronald Fogleman and General Michael Ryan. Fogleman became chief of staff in 1994 and retired in 1997. Ryan succeeded Fogleman in 1997 and continues to serve as chief. Under General Fogleman's guidance, the Air Force launched a thoroughgoing examination of its future that resulted in a bold vision document, *Global Engagement,* and a detailed long-range plan. As an exercise, the Fogleman process stands out. It serves as a rare instance in which a highly regarded and persistent leader brought an immense organization to an intense effort in visioning its distant future and "back-casting" to a critical reevaluation of existing programmatic commitments and priorities.

Amazingly, from the standpoint of continuity between leaders, General Ryan not only registered his allegiance to the Fogleman vision when he became chief in 1997, but also followed many of the rubrics of the 1996 process when he led a 1999 effort to adjust the 1996 vision to new circumstances. Following so closely upon the first exercise, the 1999 process provides an excellent opportunity for an assessment of the degree to which the commitment to corporate strategic planning, which Fogleman fostered, has become institutionalized in the Air Force. Hence, this report takes the Fogleman story toward an assessment of whether his initiative established in the Air Force a greater capacity to discern its future and to correct its programmatic commitments according to visioning.

Visioning and planning present special challenges in federal government agencies. However, the Air Force experience since 1996 suggests that clear benefits can accrue to organizations prepared to make an investment of the type the Air Force has made. In incremental terms, the two exercises have resulted in appreciable changes in resource commitments. In more strategic terms, the Air Force, predictably, has fallen short of a complete fit between its vision and program. However, the Air Force leadership has become more aware of the challenges presented by this gap and has increased greatly its institutional effort to narrow it. More important, it appears to appreciate more fully the critical importance of positioning for opportunities that in the Washington decision-making environment often serves as the most cogent rationale for strategic planning.

Several best-practice recommendations suggest themselves from the Air Force case:

- Agencies should take pains to set their sights within the optimal time frame given the exigencies of their core businesses. The Air Force has to address quotidian operations around the world while preparing itself for unknown threats in the future, which requires enormous technological investment and huge lead times.

Other organizations simply might have to revision radically how they might fulfill relatively predictable requirements through an intense reengineering process that could bear fruit in two or three years. Whatever the case, the leaders and the rank-and-file of organizations must share a strong sense of ownership that spurs them to make the requisite commitment to visioning and planning.

- Organizations will find realistic scenario building and role playing to be vital to institutional adaptation. This applies both to the search for more creative responses to known challenges and engaging an agency in the process of positioning itself for opportunities to prepare for probable shifts in its core missions.
- Leadership, which in federal agencies usually involves both political appointees and career officials, must step up to the challenge of coherently directing both visioning and planning. In most instances, this will require trust and close collaborative dynamics within and between the two groups.
- Agreed processes with supporting consultative bodies will buttress the teamwork necessary to engage fully an organization's leadership in visioning and planning.
- Political realities and/or security issues might limit the parameters for consultation of stakeholders, depending upon the complexity of the policy arena in which the agency plays and the sensitivity of its business. However, organizational leaders face a self-denying ordinance for their visions and plans if they fail to consult to the maximum extent that prudence will allow. In the absence of consultation, they must redouble efforts to anticipate stakeholder responses.

Introduction

Why the Air Force Needed to Vision and Plan for the Long-Range Future

The time frame for Air Force long-range planning, upwards of 25 years, might strike those more familiar with domestic agencies as stretched extraordinarily far beyond the visible horizon. However, one could certainly see the benefit of applying this discipline to such domestic programs as Social Security or Medicare, in which economic and actuarial imponderables often lead to decisional paralysis. One might even find support for a study of long-range planning of the type pursued by the Air Force in areas that have received less attention in the domestic policy arena. For instance, as the National Park Service wrestles with mounting traffic problems, we might assume that some members of that agency have nightmares about national parks turning into parking lots sometime around 2025.

Regarding the need for clarity in the objectives of strategic visioning and planning, Barzelay and I argue elsewhere that strategic planning might well prove an oxymoron in most public service organizations (2001). One must grapple with the inherent limitations in government of reconciling the standards of a "plan" — namely, a detailed formulation of a program of action — with "strategy." In bureaucracy, the latter usually falls short of detailed prescription both because of ambiguities in discerning the future public good and immense uncertainty about the degree to which stakeholders will align behind stated goals. We advocate the concept "metaplanning." This captures the degree to which corporate strategic planners in public sector organizations discern and target inchoate futures that achieve poignancy only to the extent that they wrench stakeholders from incremental adaptations of the status quo.

Advocacy of metaplanning implies two things. First, while organizations cannot discern with certitude the futures that they might face, they can improve their performance by anticipating environmental change that will challenge them beyond the capabilities provided by the status quo projected "x" years out. Second, incremental change based on piecemeal modifications of the status quo inevitably will leave the organization falling short of requirements sometime in the future to a degree that its failure to adapt will endanger its institutional viability. A collateral issue emerges under this rubric as adaptive failure of a government organization could appreciably harm the public good just as a similar lapse in a key industrial concern could harm the competitiveness of a country in the world economy.

General Ronald Fogleman brought two concerns with him when he became chief in 1994. He believed that the Air Force had lost its innovative edge by falling into the habit of basing modernization plans on projections of existing programs into the future. His second concern really constituted the first writ large. He believed that the Air Force will transition very significantly by 2025 from an overwhelmingly fixed-wing aircraft culture to one in which many more of its missions would be done from space. He found little evidence that his fellow four-stars had attuned their commands to the strong

likelihood that the Air Force would migrate first to an Air and Space Force and eventually, he believed, to a Space and Air Force.

Since the completion of the Fogleman process in spring 1997, one can see some discernible changes in the Air Force's corporate strategy toward a greater focus on space and some concomitant investments have emerged. However, Fogleman's objectives went beyond the programmatic consequences of the 1996-97 exercise. Fogleman also wanted to leave an institutional legacy whereby the Air Force would more consistently engage in future visioning and collective evaluation of programmatic requirements in light of this. He stressed collective processes due to his belief that historically the Air Force adapted to new challenges best through broad canvassing of views, which, apart from encouraging innovative perspectives, improved "buy-in" once programmatic commitments were made. To sustain the collective corporate process that he sought, Fogleman instituted consultative machinery.

It is at this point that General Michael Ryan's contribution comes to the fore. Under Fogleman, three annual meetings of four-stars and monthly meetings of their vice commanders (three-stars) had provided the institutional buttress for a collective process from which the 1996 vision and the 1997 long-range plan emerged. After Fogleman's departure, the apparatus — especially the pivotal role of vice commanders' meetings in preparing issues for four-stars — began to atrophy. Four problems prompted Ryan to re-engage the process. First, Ryan came to believe that the concept of the Air Force migrating ultimately to a Space and Air Force still bore separatist overtones. Thus, Ryan devised and sought to implement the notion that the Air Force aspired to become an "Aerospace" Force integrating the best of what space platforms and fixed-wing aircraft have to offer. Second, after some initial successes, it became clear that the 1997 long-range plan was exerting less than the desired effect on programmatic commitments. Third, contemporary geopolitical demands for a highly mobile, inter-service capacity to respond to crises led Ryan in January 1998 to initiate a very substantial reconfiguration of existing Air Force resources under the umbrella of the Expeditionary Air Force. Fourth, Ryan, very much as Fogleman did when he conceived of the 1996 vision process, sought to position the Air Force optimally for responding to the Quadrennial Defense Review (QDR) required by Congress at the onset of each new presidential term.

Through analysis of materials from an extensive series of interviews with participants, this report probes a number of issues surrounding the Fogleman and Ryan iterations of corporate strategic planning. To what degree has the constellation of issues confronting the Air Force — including both the positive and negative demonstration effects of its success in the Kosovo conflict — changed its view of its future? Are the Air Force's efforts at "back-casting" credible? That is, has the Air Force engaged a process whereby its leadership strikes a realistic balance between comprehensive efforts to enshrine the visioned future programmatically and selective, even incremental, commitments designed to position the Air Force future opportunities? Did Fogleman leave an operable institutional legacy? That is, has the machinery he devised proven adaptive to the leadership style of his successor and effective in adjusting the Air Force's vision and corporate strategic plan to altered circumstances?

The Air Force Experience as a Case Study

The Fogleman Round

General Ronald Fogleman

Responding to the Signs of the Times

As noted above, the nature of the Air Force's core businesses requires that it look further into the future when planning than would most private and public sector organizations. The time frame, thus, puts a huge premium on visioning. However, unlike many private sector organizations, the Air Force does not function monocratically. So it is not simply a matter of the chief of staff going up to the mount and returning with sacred tablets. And, even if he did, he would still have to reconcile the holy writ with skeptical and, more important, powerful external stakeholders.

Key players in the Air Force visioning and planning processes have become acutely aware of this paradox. That is, they wrestle with the need for clear guidance about the future but must deal with conditions of governance that limit the capacity of the chief or, for that matter, the secretary to fix the organization on a specific vision. The question arises then, why bother with visioning at all? The answer rests in the culture of the Air Force whereby the key players consider themselves patriots and in a vocational sense worry about the Air Force's future viability in sustaining national security. Even in comparison to other services, the Air Force tradition — which, of course, has a much shorter period than the Army, Navy and Marines — has tended to place relatively greater emphasis on strategic planning. This might owe to the tortuous metamorphosis of the Air Force from the Army Air Corps, which finally quickened when strategic air warfare came of age during World War II (Gropman 1984). In other words, the Air Force had to justify its evolution each step of the way.

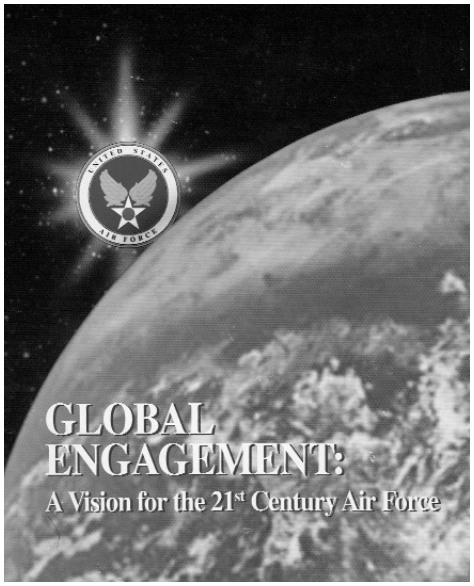
Notwithstanding a fairly strong innovative culture, planning itself usually functioned incrementally — although it did go through cycles in which it experienced spurts. The development of the controversial F-22 fighter as a replacement of the aging F-15 serves as an example of incremental planning. A more revolutionary possibility would have been an examination of whether a space maneuvering system might prove technologically feasible in time to fill the F-15's shoes. One encounters a wide range of views about the efficacy of such metaplanning that, by definition, requires assent to a visionary view of capabilities and operations.

A stark proposition such as "the function of the F-15 might be performed from space," thus, will provoke skepticism among the bulk of key players in

plotting the Air Force's future. Many of the participants in the Fogleman and Ryan planning rounds have believed looking even 15 years into the future amounts to gazing into a crystal ball. Alternatively, they have spoken of devising a range of futures so as to hedge bets. But such an approach would prove prohibitively expensive if it translated into investments in a multiplicity of options. With dramatic advances in futurist technology, perhaps planners will soon find it easier to allay skepticism. In this respect, the Air Force has operated since 1996 under a "demand and supply" construct. This emphasizes a range of envisioned demands on national security more than specific scenarios in identifying desirable directions in force structure. In the meantime, the counsel that stresses the need for continual revisiting of visions will probably prove the wisest. Here conceptualization and implementation of core programmatic commitments would become less subject to inertia and incrementalism.

Having noted the reserve, if not skepticism, about visioning and planning in the top leadership of the Air Force, one still found support for such processes from the standpoint of positioning for opportunities. At the end of the day, however, participants remained chary of investments in the future that would leave the Air Force short-changed in terms of current capabilities. Some participants even registered the practical concern that many units lacked the time and resources with which to satisfy seemingly insatiable demands for information provoked by some approaches to planning. Others worried about the constituency for visions and plans as the Air Force's political leadership often focuses mainly on day-to-day issues and the Office of the Secretary of Defense reveals little ken for corporate strategic issues in the services.

Scenario building and war games can add cogency to voices among the top leadership exhorting greater concern for the future. If we look at the time in which General Fogleman led the Air Force, however, reality itself seemed to be bearing down on the organization. In the first place, the outside world had begun to debate openly the issue of whether the Air Force's neglect of space warranted the creation of a separate Space Force. Obviously, this prospect evoked a strong reaction from the top leadership of the Air Force, but one that did take on board the need to redefine the role of space in



The Fogleman Round Report, 1996

United States Air Force 1996 Corporate Strategic Plan—*Global Engagement: A Vision for the 21st Century Air Force*

Air Force Mission:
To defend the United States through control and exploitation of air and space

Air Force Vision Statement:
Air Force people building the world's most respected Air and Space force … global power and reach for America

Air Force Core Competencies:
Our nation's Air Force develops, trains, sustains and integrates the elements of air and space power to produce:

- Air and space superiority
- Global attack
- Rapid global mobility
- Precision engagement
- Information superiority
- Agile combat support

Speed, flexibility and the global nature of its reach and perspective distinguish the Air Force's execution of its core competencies.

Air Force Core Values:
- Integrity First
- Service Before Self
- Excellence In All We Do

What the Nation Will Need from its Military in 2025

(From *Global Engagement: A Vision for the 21st Century Air Force)*

What?

Protect the nation's interests, wherever and however they are threatened
Respond to the new challenges and new missions
Hedge against surprises
Support national information needs
Provide strategic and operational choices
Respond to changing science and technology

Where?

In non-traditional environments
In the shadow of nuclear, biological or chemical weapons, or after the use of nuclear, biological or chemical weapons
Increasingly from the Continental U.S.
Global infosphere

How?

To win the nation's wars decisively by dominating the battlespace
With minimal collateral damage
With reasonable demands on the nation's resources
In accordance with the nation's values
As partners in joint-combined and regional operations

When?

Immediately, when called upon

its mission. As well, deep concerns had arisen about the integration of command and control in the Air Force, which seemed to have fallen way behind potential technological innovation.

Most compellingly, Air Force doctrine was undergoing a metashift just as Fogleman was taking office. Here, actual engagement rather than war games had provided the stimulus. Historically, Army doctrine had governed the use of the Air Force in combat. As one respondent put it, the doctrine had the Air Force bombing an opponent until the Army reached the theater in overwhelming numbers and marshaled itself according to its fastidious standards for preparedness. Then, "the two opposing ground forces would meet as if there had not been any air warfare."

In 1991, Desert Storm had put a doubt in this doctrine. By the time the Army engaged Iraqi troops, the latter had been sapped, not only by air attacks on Iraqi battle lines, but also by highly effective assaults at command and control systems right to the heart of the regime in Baghdad. This provoked Major General Charles "Chuck" Link to press for a reconsideration of the so-called "halt phase" doctrine and advocate that in some cases air power alone could stop aggression. Link left the Air Force early — in order, some believe, to advocate his views more freely. However, this did not take away the nettlesome problem. The other services became defensive about the Air Force challenging the "little league" definition of jointness — which in the view of one respondent meant "everybody's here, everybody's on the team and everybody plays."

Recapturing the Air Force Consultative Tradition

General Fogleman's predecessor, General Merrill A. "Tony" McPeak, had centered most of his energies on implementing quickly the resource and personnel "draw down" necessitated by the pressures for a post-Cold-War peace dividend. He believed that a quick implementation of the draw down would protect a higher proportion of funds for modernization and leave remaining units with sufficient resources to operate effectively. McPeak, thus, almost embraced the politics of constraint. Further, within this framework, he functioned exceptionally monocratically. Significantly, McPeak's singular operating style caused problems with the other services insofar as he did not mince words when articulating in higher Pentagon councils the evolving view that the Air Force should play a role beyond providing fire for ground forces.

Fogleman, who had taught history at the Air Force Academy as a young officer, brought a historical perspective to the threat the Air Force faced in the possibility of a separate Space Force. He believed that the Air Force could avoid the mistakes the Army made in the 1930s — when it failed to accommodate the requirements of air combat capability — if it geared up culturally and programmatically for greater emphasis on space. Indeed, he soon took to styling the transition facing the Air

Force as a migration to an Air and Space Force on the way to a Space and Air Force.

A voracious reader, Fogleman developed his ideas through a thorough canvassing of the literature on information warfare and how it melded with Air Force strengths such as range, flexibility, and speed. What he found steeled his resolve to get his colleagues thinking out of the box. A legendary episode drove this home. Fogleman was receiving a briefing from the Air Combat Command (ACC) in which a "follow-on" Airborne Warning and Control System (AWACS) that would require funding around 2015 received passing mention. In response to Fogleman's probe about the reference, the briefer said that ACC probably would take the latest Boeing aircraft and put a dome on top of it. The Air Force had done precisely this when it developed the current AWACS, which went into service in 1977. Fogleman grabbed the chance to drive home his view of the future of the Air Force. He challenged his briefers to consider whether the AWACS mission might more effectively function from space given the year 2015. Such incidents convinced Fogleman that the Air Force was not going to rise to the challenges of the future without rigorous strategic planning.

Predictably, tension arose between Fogleman and most of his four-star colleagues about how far in the future to aim. Fogleman wanted to stretch as far as possible — setting 2025, or at the time nearly 30 years, as the outer limit. He expected his colleagues to contemplate futuristically: "I want you to go into low earth orbit in a satellite and sit up there at 2025 and look down at the world as it is in 2025 and try to figure out what the Air Force should be contributing to national defense." Fogleman himself eventually realized that he had set the time frame too ambitiously. He scaled down to the year 2020 and urged his colleagues to come up with a believable future that even the average airman could understand and visualize.

One especially savvy participant with a deep knowledge of Air Force politics credits Fogleman and his vice-chief, General Thomas Moorman, with an "exquisite performance of leadership to effect change without being the person who says, 'this is step two, this is step three….'" A well-placed political appointee attributed Fogleman's successes to a "peculiar combination of weak leadership on the part of the secretary and very powerful direction from the chief — his departure left a void." Fogleman, thus, combined a highly visionary view of the future, an aura of collegiality, and a determination to rise to the challenges faced by the Air Force. Knowing he had not been the first choice of his fellow four-stars for chief, he did not believe he was bound by an internal mandate. His first agenda item was moving heaven and earth to alter thinking about the future in the Air Force. His second was to institutionalize long-range planning so that visioning would occur continually and link more directly to programmatic commitments.

Chronology of the Fogleman Round

1994	General Ronald Fogleman becomes Chief of Staff, United States Air Force.
1996	(Spring and Summer) Board of Directors (BoD) prepares issues for Fogleman and Four Stars (CORONA).
	(Fall) CORONA meets for entire week — develops vision presented in *Global Engagement.*
1997	(Winter 1996-97) Air Force Staff develops detailed long-range plan.
	(August) Fogleman retires early due to conflicts with administration over personnel issues

Devising and Operating a Process

General Fogleman recognized that a hugely ambitious effort at corporate strategic planning required coordinative machinery. Air Force four-star generals met three times annually in several day sessions called CORONA. Fogleman assigned the task of developing the vision to CORONA and set aside an entire week — its fall 1996 meeting — for this work. He also shared with the four-stars his intention to block out his calendar in the weeks just before the fall meeting to read through the briefing materials and isolate key issues. This telegraphed to

other four-stars that they should show up for CORONA prepared for meaningful discussion. As fall approached several four-stars on an individual basis discussed with Fogleman some of their ideas, largely to test them out before presenting them to the entire CORONA.

Almost invariably in such processes, principals such as the four-stars working through a collective process like CORONA find staff preparation for their deliberations to be essential. However, developing a staff system can pose paradoxical challenges. Often, the first-among-equals, in this case the chief, can make the mistake of assigning staff support excessively to a central coordinating unit. Under such circumstances, the operational units of an organization — in this instance the major commands (MAJCOMs) — might come to the conclusion that the center — in this case the Air Force Staff located in the Pentagon — might rig principals' deliberations by limiting the agenda and narrowing the issues briefed. On the other hand, an effort as momentous as the fall 1996 CORONA can hardly operate off the backs of envelopes.

Fogleman tried to strike a balance between principals' input and Pentagon staffing through creation of a Board of Directors (BoD). This body, which General Moorman chaired on Fogleman's behalf, consisted originally of the vice-commanders of the MAJCOMs and the deputy chiefs on the Air Force Staff, all of whom were three-star generals. As the theory went, the BoD would prepare issues for CORONA in dialogue back to their commanders, who as CORONA principals would be able to track the progress of the debate. Moorman did an excellent job of leading the BoD to identification of issues which Fogleman could select as foci for the fall CORONA. However, the loop from BoD through vices to commanders and back worked unevenly. Thus, after Fogleman selected from the BoD list 16 CORONA issues, Moorman established four committees, each of which developed papers preparing four CORONA issues. Here, one chairman, Lieutenant General Lawrence Farrell, the vice-commander of the Air Force Materiel Command, played an especially significant ringmastering role.

Chance had provided an effective good-cop, bad-cop duo in the staff as direct support for Moorman and eventually Fogleman. Major General David McIlvoy led the staff strategic planning team. His gracious manner meant that disgruntled four-stars believed they at least had an even-handed broker in the planning team. McIlvoy's deputy, Clark Murdock — a former aide of President Clinton's first defense secretary, Les Aspin — had caught Fogleman's attention soon after the latter had become chief. Murdock continually tested the boundaries for a civilian appointee working in a Senior Executive Service position in the Air Force. Indeed, he played a crucial role in prodding both the Fogleman and Ryan rounds of visioning and planning. A perfectionist with a penchant for comprehensive approaches to linking plans and programs, Murdock had sparked Fogleman's interest through the latter's passion for reading. Soon after he took over as chief, Fogleman read a journal article by Murdock on long-range planning in the Pentagon (1994/95). Murdock made an appointment with Fogleman in response to a hand-written note on the article, and the two developed a strong intellectual bond.

Internally, the Air Force culture benefited both from the 1996 CORONA visioning process and development of long-range plans through the winter of 1996-97. The preparations for the CORONA had energized the MAJCOMs toward a more thoroughgoing consideration of the future. The intensive BoD sessions had proven useful, especially in bringing non-space commands to a discussion of the future role of space in the Air Force. Even the CORONA, especially because of its unusual length and the time commitment for participation, left the four-stars with a new sense of collegiate direction. Perhaps more important from the standpoint of institutionalization, Fogleman decided to reconfigure the Air Force staff so that programmers and planners would report to the same deputy chief. He chose as the first deputy chief for plans and programs Lt. General Farrell, who had distinguished himself in the preparations for CORONA.

Problems with Implementing the Vision

Where the process fell down most clearly was on the implementation side. Even the development of the long-range plan up to its completion in March 1997 proved hasty and poorly coordinated. The Federal Benchmarking Consortium Study Report notes that many private sector organizations complete their vision and then leave development of

long-range plans to individual business units rather than working up an encompassing planning document (FBC 1997, 164). However, General McPeak had devolved significantly authority over resources to MAJCOMs. So, one can see how the staff found it tempting to develop a long-range plan aimed at improving the alignment of resource commitments to priorities throughout the Air Force. Clark Murdock had wanted to get a three-hour wedge in each CORONA that would step back and track implementation of the vision. But, the long-range planning process had worn out the planning staff and the BoD too appeared exhausted. Who would prepare issues?

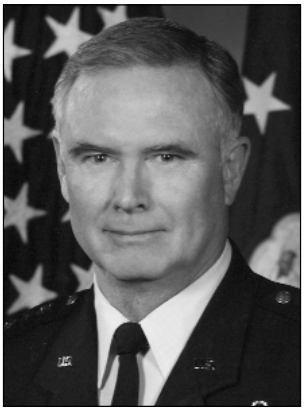
Most significantly, a succession of difficult personnel issues had led Fogleman to reconsider his timing for retirement. He had fought William Cohen, the defense secretary, over whether Kelly Flinn, a female officer who had been involved in a relationship with the husband of an enlisted airwoman not under her command, should be discharged honorably. Following upon this, Cohen issued a negative report on the Khobar Towers bombing in Saudi Arabia that had killed 19 airmen. The report singled out the commanding officer, Brigadier General Terryl Schwalier, and recommended that he not advance to major general. This was the last straw for Fogleman. He viewed the assessment as an effort at scapegoating and decided to resign early. The Fogleman round came to an end in August 1997.

Handing over the Baton

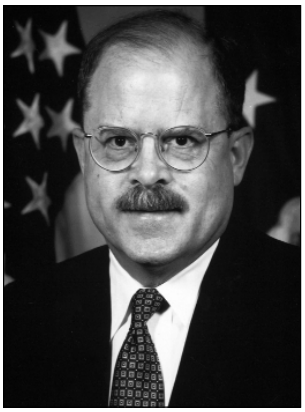
Any reader tempted to conclude from this section that the Fogleman round failed should remember that this current analysis has tried to limit its compass to an assessment of the process. It will leave to a subsequent work a detailed treatment of the consequences of the Fogleman round. Suffice it to say, however, that the Air Force proved exemplary in the degree to which it rose to the challenge of identifying and defining "stretch goals," contemplated future scenarios as part of its organizational view, acknowledged the timeliness of General Fogleman's approach to leadership, and engaged in deliberative dynamics that fostered consensus about future directions.

Apart from some efforts to garner expert advice on futuristic issues and some vetting of ideas with think tanks, the Air Force exercised caution in consultation of external stakeholders. Yet, this approach comported with the realpolitik of most agencies in the federal government. It was the immediate follow-through from the vision to the planning stage, therefore, which proved less than satisfactory. Fogleman became distracted by personnel issues and ultimately resigned his post early. However, the entire Air Force leadership and the support elements that had immersed themselves in the Fogleman process by spring 1997 displayed palpable signs of visioning and planning fatigue. In the fall, Fogleman handed the baton to General Michael Ryan.

The Ryan/Peters Round



General Michael Ryan



Secretary of the Air Force F. Whitten Peters

Some Modest Progress to Build Upon

Notwithstanding hiccups associated with fatigue and Fogleman's distraction and eventual departure, the Air Force had taken significant steps toward its new vision. It created a new umbrella unit in the staff that, among other functions, brigaded together under a deputy chief of staff both planning and programming. Under this unified direction, the office, XP, each year develops Annual Planning and Programming Guidance (APPG) that keeps track of the resource commitments required to implement the 1997 long-range plan. The APPG, for a number of reasons associated with continued disconnects between the exigencies of planning, programming, and budgeting, remains an indicative rather than prescriptive document. The core competencies enunciated in the 1996 vision began to shape debate over capabilities and requirements. Even though different MAJCOMs would adduce conflicting interpretations of the holy writ, they would find that some passages compelled sympathetic responses because they had attained corporate legitimacy. Lieutenant colonels and majors in MAJCOMs can cite with page numbers passages of the vision favorable to their mission. Unlike the vision, the 1997 plan did not spawn such vehicles for reform. It had not been integrated properly and was overly complex.

However slowly, resources began to follow rhetoric. More money was going into space and research and development, unmanned aerial vehicles, and training of young officers in aerospace concepts. Doctrine too was shifting. Embraced in CORONA, "agile combat support" — a just-in-time concept that greatly reduces the front-end supply requirements for transporting combat units to theaters — became Air Force doctrine. Even before the Kosovo campaign, the debates surrounding capabilities during the visioning process had deepened acceptance in the Air Force of Major General Link's view that air power should play a dominant rather than support role in many engagements. Finally, on the organizational level, a new agency — led at the two-star level and lodged in the Air Combat Command — assumed responsibility for integrating the Air Force's highly fragmented information, intelligence, and command and controls systems. This move addressed a concern that had operated at the core of Fogleman's unease about the Air Force's ability to keep up with the demands of information warfare.

Notwithstanding such progress, General Ryan still had inherited an unfinished process. Two impulses competed with one another for his attention. One, which we will not dwell on here, sought to achieve a high degree of granularity in the relationship between the 1997 plan and programs. This standard would satisfy Fogleman's desire that the Air Force back-cast from its vision with sufficient robustness that it greatly enhance adjustment of programmatic commitments to future challenges. Back-casting continues to function as a driving force behind efforts to relate planning and programming. However, it did not serve as the rationale for revisiting the vision.

Different Circumstances

General Ryan brought to his new position about as good an Air Force pedigree as a person could have — his father had served as chief. Unlike General Fogleman, he was a consensus choice among the four-stars. Indeed, even Fogleman preferred Ryan as a successor — recognizing that a different style of chief could steadily move the implementation process forward as the players recovered from overexertion in the first round. As already noted, General Ryan from the outset made it clear to all that he viewed the 1996 vision and the 1997 plan as the Air Force's and corrected anyone who referred to them as Fogleman's.

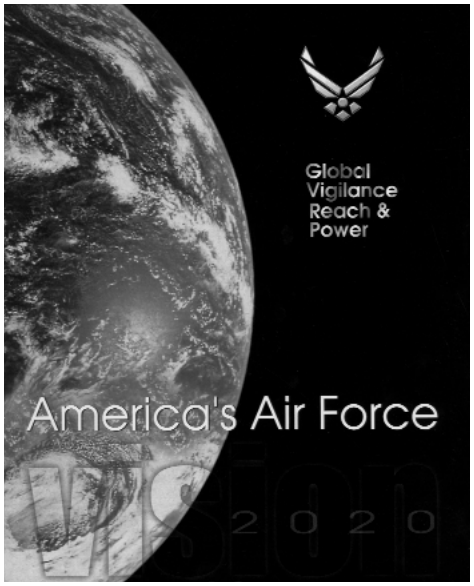
The second impulse, thus, played a more critical role. It stemmed from the view that the most immediate challenges faced by the Air Force had shifted.

First, it had become clear to many participants that Fogleman's concept of the Air Force transforming itself into an Air and Space Force and eventually into a Space and Air Force came across as overly sectional. It needlessly injected a sense of winners and losers to what consisted essentially of cultural re-socialization and organizational adjustment. Second, the endless pressure upon the Air Force to respond to multiple crises around the world was wearing out personnel and equipment. In response, General Ryan became a champion of the Expeditionary Air Force concept whereby combat units would take missions on rotation and for relatively short intervals. Implementing this doctrine required thoroughgoing review by CORONA. Finally, Ryan and many close to him became absorbed with the impending change of defense secretaries and the accompanying Quadrennial Defense Review that would follow. It was felt that the previous visioning process had placed the Air Force well for the 1997 QDR. Such positioning for opportunities, especially developing a reservoir of arguments for claims for additional resources, increasingly asserted itself as a core absorption in the 1999 visioning process.

Contrasting Leadership Styles

General Ryan's Approach

Many participants in the 1999 process noted that General Ryan's approach contrasted sharply with General Fogleman's. They viewed Ryan as quite considerably less visionary than Fogleman. As well, some noted that Fogleman's concept of buy-in had ossified into an overly formalistic approach to consultation. Ironically, understanding of future challenges, if anything, broadened and deepened within the Air Force leadership. Occurring right in the midst of the preparations for the fall 1999 CORONA, the Kosovo war drove home the singularity of the Air Force's ability to halt aggression with minimal danger to U.S. personnel — the latter operating as a crucial condition given public neuralgia about casualties. As well, development of future demand constructs, if not full-blown scenario building, and war-gaming took huge strides in the period between the two visioning exercises. In a unit located under the director for strategic planning, annual war games projected 20 to 22 years out played two crucial roles. They gave key MAJCOM representatives direct exposure to likely exigencies far into the future. They also provided a wealth of information that helped brief key members of the staff, the BoD, and CORONA on a common vision of the types of challenges the Air Force would face in the future. While General Ryan would prove a less charismatic and visionary leader than Fogleman, and the processes geared



The Ryan/Peters Round Report, 2000

United States Air Force 2000 Corporate Strategic Plan— *America's Air Force: Vision 2020*

Core Competencies

- **Aerospace Superiority:** The ability to control what moves through air and space ensures freedom of action
- **Information Superiority:** The ability to control and exploit information to our nation's advantage ensures decision dominance
- **Global Attack:** The ability to engage adversary targets anywhere, anytime holds any adversary at risk
- **Precision Engagement:** The ability to deliver desired effects with minimal risk and collateral damage
- **Rapid Global Mobility:** The ability to rapidly position forces anywhere in the world ensures unprecedented responsiveness
- **Agile Combat Support:** The ability to sustain flexible and efficient combat operations is the foundation of success

Chronology of the Ryan/Peters Round

1997	(August) General Michael Ryan succeeds General Ronald Fogleman as Chief of Staff, United States Air Force.
1998	Ryan focuses most of his attention on development of the Expeditionary Air Force.
	(Fall) Acting Secretary F. Whitten Peters begins to prod Air Force Staff for more program-salient planning. Decision made to revise the 1996 vision in the fall 1999 CORONA.
1999	(Spring and Summer) BoD meetings intensify with a view to preparing issues for the fall CORONA.
	(Fall) CORONA devotes four days to discussion of vision issues.
2000	(June) New vision issued.

to buy-in had become routinized, the sense of urgency surrounding the need for adjustment of programmatic commitments to future challenges had intensified.

Within this frame, Ryan brought an element of pragmatism to both visioning and planning. Viewing much of what had been envisioned in the space domain as "science fiction," he opted for more realistic parameters. These, he believed, would still fit within the confines of earth-orbiting vehicles and, therefore, the compass of aerospace. He believed that adaptations of programmatic commitments to future challenges would have to strike a balance between evolutionary and revolutionary approaches. As an example of the latter, he cited the decision under General McPeak to disestablish the Strategic Air Command — by merging bombers with fighters in the Air Combat Command — on the grounds that targets, not weapons, are strategic or tactical. He believed that maintaining capability imposed the greatest restraint to such dramatic adjustments.

The Political Executive Enters the Equation

As noted above, a degree of ambiguity entered into General Ryan's leadership role through the greater involvement of the secretary of the Air Force than had pertained under Fogleman. The secretary during the Fogleman round, Sheila Widnall, had played a passive role until issues surrounding the possibility of weapons in space emerged in the fall 1996 CORONA. Her successor, F. Whitten Peters, had served for a lengthy period in an acting capacity due to an eventually abortive process in which a nominee for the position failed to obtain congressional confirmation. The uncertainty did not deter Peters from asserting himself as the Air Force struggled with the disjunction between planning and programming. A tension emerged between Peters and Ryan. The latter's view of planning tended to be project oriented — centered on the Expeditionary Air Force and preparation for the next Quadrennial Defense Review. The secretary sought more granular guidance for budgeting and acquisitions battles that he had to fight on a day-to-day basis. He believed that the best way to prepare for the next QDR was to have a budget for 2002 that worked off a vision for the Air Force that would win the day with key players in the next administration and Congress. Notwithstanding these contrasting views, the secretary and the chief actually worked closely with one another and developed a degree of synergy around two shared values — passionate concern that visioning come across as realistic and striking a functional mix between dramatic and incremental adjustment.

When Peters and Ryan agreed to a major effort to revise the vision in a fall 1999 CORONA, the Board of Directors (BoD) reactivated and assumed responsibility for preparing issues for discussion by the four-stars. However, it failed to operate effectively through most of the preparatory period. Even under Fogleman, concerns had arisen among political appointees and the Air Force staff that BoD should include assistant-secretary-level officials in the Pentagon and not simply vice-commanders of MAJCOMs and three stars in the Air Force Staff.

Personalities Make a Difference in the Process

The eventual inclusion of a wider circle of participants had two effects. The group dynamics of BoD changed due to size as participants became cautious of airing their views in such a diverse assembly. As well, the diversity of the group clouded the linkage role of BoD between the staff and

MAJCOMs. Thus, commanders took less interest in its proceedings, and this compromised the capacity of vice-commanders to communicate views each way between the MAJCOMs and BoD. (General John Handy, the current vice-chief, now limits BoD membership to MAJCOM vice-commanders.) To further complicate matters, many participants believed that the vice-chief who chaired BoD until summer 1999, General Ralph Eberhart, did not place a high value on BoD as an instrument of a corporate process for preparing for CORONA. General Lester Lyles, who succeeded General Eberhart, adopted a more expansive view of the role of BoD. However, this left little time for the group to engage to a degree sufficient for it to assist in the preparation of issues for CORONA. At the end of the day, the strategic planning directorate under XP filled the gap. However, staffing can never fully compensate for collective processes that underachieve.

At this writing, the paint has not dried on the outputs from the fall 1999 CORONA. The Air Force's development of its Posture Statement for 2000 — the rationale it provides in congressional testimony for its annual budget requests — had delayed the generation of a vision document from the CORONA until June 2000. The CORONA did come to terms with the types of enhancements of resources that would enable it to pursue its vision of an integrated aerospace force. This accomplishment owes both to the dynamic which developed in the meeting and the quality of the briefing on strategic issues. It amounts to the Air Force taking a much more direct tack in communicating to Congress the implications of competing force structure commitments in terms of meeting envisioned future demands. The vision will drive the identification of issues. However, the Air Force will try to center discussion within a tighter and, presumably, more comprehensible time frame — focusing 20 years into the future.

A Significant Step Toward Fogleman's Dream: Institutionalization

The Ryan/Peters round provides some evidence of further institutionalization of Fogleman's approach to visioning and planning. The emergence of a number of new issues or difficulties with addressing matters identified in the 1996 CORONA rather than provoking an abandonment of the 1996 vision fostered a commitment to reengaging the Fogleman process. Significantly, participants believed that the 1996 process had helped the Air Force in the 1997 QDR. Thus, this served as an added motive for pursuing another round. The investment the Air Force had made in developing envisioned demand constructs and war-gaming far into the future had paid off. It had given participants a shared sense of urgency over the need for the Air Force to align itself programmatically with future challenges. The engagement of the secretary made direction of the process more complex than under General Fogleman. However, the secretary and the chief did develop a positive working relationship in guiding the process. The BoD did not work well in preparing issues for the CORONA. This constitutes a significant failure for which the staff partially compensated. Had Fogleman not made the investments in the strategic planning unit of XP and Ryan not maintained them, one certainly would have anticipated a less auspicious outcome.

Assessment of the Fogleman and Ryan/Peters Rounds

The Air Force through two cycles now has effectively deployed corporate strategic planning, with the proviso that the separation of powers constricts the art of the possible. The Air Force has devised "stretch goals" which increasingly form the basis for internal and external dialogue on its future. Envisioning of future demands and war-gaming have given fidelity to claims that the leadership should share a sense of urgency about gearing for its future. The top leadership has engaged in a sustained realization process. This constitutes a major accomplishment given significant differences between Generals Fogleman and Ryan in their stylistic approaches and views of how far out visioning should go, and the relationships the chiefs developed with Secretaries Widnall and Peters, respectively. A round-tabling norm has prevailed among decision-makers even though the use of specific consultative forums has ebbed and flowed. The brigading of the Programming and Strategic Planning directorates under the same deputy chief has added robustness to the interaction between the two domains. This, in turn, has allowed Strategic Planning to proffer advice to CORONA and the BoD, which serves up on a continual and systematic basis issues surrounding efforts to narrow the gap between planning and programming.

The Air Force followed strong architectonics in designing its process for a corporate strategic plan. However, it did make errors in implementation. General Fogleman probably did some damage to the initial process by setting his sights outward nearly 30 years. Tighter time frames make it easier for participants to see the salience of visioning to the present. However, they should not be so close that they fail to take participants out of their comfort zones. It probably would not have been possible for General Fogleman to engage Secretary Widnall more fully in the 1996 process, the latter seeming to have lacked a pro-active view of engagement with her department. However, notwithstanding its labor-intensive nature, the dialogic character of the 1999 process suggests a more serviceable approach as it provided a fulcrum for the reconciliation of political responsiveness and corporate strategic intent. However, this same dynamic preordained that BoD would become overly large and poorly bounding in corporate terms. While the fall 1999 CORONA proved successful in many respects, the Air Force must resolve the question of how issues are integrated before presentation to the four-stars. The Strategic Planning Directorate cannot sustain for long the role it currently must play in preparing issues for CORONA without more corporately coherent engagement on the part of BoD. As noted above, the current vice-chief, General John Handy, has limited BoD membership to the vice-commanders of MAJCOMs. This decision offers the potential for clearer corporate direction should the committee continue to take the lead in strategic planning issues for CORONA.

Observations About Corporate Strategic Planning in Government

Difficult in Most Systems but a Huge Challenge in the U.S.

Corporate strategic planning does not come naturally to organizations within the U.S. federal government. When we look at other countries, we find higher capacity for longer-range thinking. Although significantly driven by the need to renew their mandates, governments in parliamentary systems have often committed considerable energy to strategic thinking, taking them beyond the current legislative calendar. In these systems, career civil servants, largely because political appointees play only limited roles, have served as the oarsmen for devising how departments might face future challenges. Critically, two ingredients missing in the U.S. enter the equation. First, the government-of-the-day normally exerts sufficient control over the legislative branch to take initial steps toward a long-range strategic commitment once a consensus builds around it in the executive branch. This provides an incentive for career officials and a way for them to contribute to a legacy. Second, a strong, systemwide esprit de corps often prevails within these countries, which allows officials to detach themselves to some extent from the short-term interests within their units and departments.

Garnering commitments within U.S. governmental organizations often proves a tough sell because officials seldom see that their political masters can deliver on commitments to take the first steps toward change. Not unrelatedly, units within agencies can do a lot of damage to themselves by giving away hostages to opponents who belong to the same organization — even wear the same uniform — but imbibe a competing esprit.

Having noted the difficulty of engaging interest in corporate strategic planning in the U.S., one should observe as well that the conditions for this approach ebb and flow in other systems as well. The United Kingdom, Canada, and Australia, for instance, all made considerable efforts at comprehensive strategic direction in the mid-1970s that collapsed spectacularly. Broadly, the initiatives sought to prioritize demands for continued expansion of the welfare state notwithstanding the exceedingly daunting fiscal pressures associated with the economics of decline. In the end, fiscal realities won out and a politics of constraint emerged in which bold images of the future gave way to narrow-gauged concerns about efficiency and effectiveness of government programs. The latter foci spawned a very strong corporate — some have called it managerial — mind-set in many non-American public services. In the 1980s, public sector organizations of English-speaking countries other than the U.S. guided themselves through

management boards. In these bodies, the heads of the principal businesses of government organizations would have to outline and justify their objectives and submit to reviews of their performance in terms of outputs and/or outcomes. One should note, however, that even with very substantial organizational commitments to such collective guidance, management boards inevitably encountered difficulty in installing and operating a feedback loop between corporate strategy and budgeting.

The Need for Government Organizations to Pursue Corporate Approaches

The Air Force process that we have examined here owes some lineage to the Planning-Programming-Budgeting System (PPBS) that emerged in the Department of Defense under Robert McNamara and ultimately won the imprimatur of Lyndon Johnson for implementation throughout the U.S. government. PPBS's architecture concerned itself with prioritization of long-range objectives so that decision-makers might align budgetary commitments more cogently (US General Accounting Office 1997, 5, 7).

Aaron Wildavsky, the most noted student of the budget process in the 20th century, had the last word on PPBS soon after the ink was dry on Johnson's blueprint. Its promoters had failed to see that PPBS fell short of a one-size-fits-all proposition (1969, 190-192). Wildavsky did not perceive in domestic agencies the capacity for strategic planning that the Department of Defense had displayed in the 1960s. In implementing PPBS in the Pentagon, McNamara could tap a strong analytic legacy that dated back to the important role played by the RAND Corporation in generating first-rate analysis of defense policies after World War II.

Wildavsky held a very high standard for policy analysis as a capacity to transcend "the fire-house environment of day-to-day administration" and trace out "the consequences of innovative ideas" rather than "projecting the status quo" into the future. In words that could just as easily apply to the principal rationale behind the Fogleman and Ryan planning efforts as they did to McNamara's, Wildavsky notes that the originators of PPBS wanted to close the gap between planning and budgeting:

> …they wanted to stop blue-sky planning and integrate planning and budgeting…. They wanted to use the program budget to bridge the gap between military planners, who cared about requirements but not about resources, and budget people, who were narrowly concerned with financial costs but not necessarily with effective policies.

Importantly, Wildavsky noted that, at least until the Vietnam War began to drain U.S. resources, McNamara's efforts to prioritize through PPBS did not meet stiff external resistance because defense budgets remained flush and contractors routinely amassed sizable backlogs.

Best Practices for Corporate Strategic Planning

Not only does the Air Force run an exceedingly diverse and complex bureaucratic system, but it also gobbles up nearly 4 percent of the annual budget of the federal government. To obtain a perspective on this figure, one need only reflect that the Air Force budget in FY00 reached $73 billion while the entire federal government of Australia budget in the same period exceeded this figure by less than one-third. The U.S. Air Force case, thus, presents a daunting challenge as the magnitude of corporate strategic planning in an organization of this size far exceeds the scale of any existing benchmarks. Before moving to conclusions and recommendations based on our case, however, we should take stock of available assessments of best practices in public sector concerns, albeit considerably smaller than the U.S. Air Force, which have distinguished themselves in strategic innovation.

Such an effort reveals five key elements to successful corporate strategic planning. First, the agency must devise a viable and convincing framework for visioning and planning. Second, processes centered far into the future will rely extensively upon scenario building and war-gaming. Third, the success of a process will depend substantially on the qualities of the organization's leadership and the extent to which they involve themselves in strategic planning. Fourth, collective processes will greatly enhance the buy-in among both the barons and rank-and-file of an organization. Finally, consulta-

tion with stakeholders comprises a crucial element to both visioning and planning.

The Need for Stretch Goals

The available literature suggests that organizations that succeed in corporate strategic planning more often than not have been able to wean themselves of incrementalism. For instance, Borins analyzed submissions from 217 semifinalists for the Ford Foundation's state and local Government Innovation Awards program between 1990 and 1994. He found that only 7 percent of the innovations emerged from organization-wide strategic planning (Borins 1998, 52). However, 59 percent of the reforms that emerged within discrete units of an umbrella organization developed from comprehensive efforts at redesign. Only 30 percent of the initiatives evolved from "groping" or incremental efforts to adapt to change (Borins cites Behn 1988). With respect to our current interest in corporate strategic planning in the U.S. Air Force, Borins' findings suggest also that comprehensive planning occurs most frequently among organizations that require large capital investments (Borins cites Golden 1990), programs that involve the coordination of a large number of organizations, and theory-driven programs (Borins 1998, 57, 64).

The 1997 Federal Benchmarking Consortium (FBC) promotes a view of corporate strategic planning that comports with the concept of metaplanning discussed at the outset of this report. Indeed, the FBC study — which examined best practices in the private sector, relating these to parallel developments in government agencies — stresses the fact that corporate strategic planning stands at the intersection of art and science (FBC 1997, 175). However, the study emphasized as well that visioning and planning far into the future most frequently occur in organizations with complex processes and/or very long-range programs (169-171). The report highlights the importance of future thinking to what I would term positioning for opportunities. Here an organization thinks out of the box and devises "stretch goals" that enable it "to recognize and capitalize on the events transpiring outside its span of control."

Galvanizing Attention through a Sense of Urgency

Scenario building and role playing can greatly assist an organization in devising the desired trajectory toward the future (FBC 1997, 165). Such approaches comprise the second key factor mentioned above. The FBC study reports that private corporations use this approach extensively, often even employing the term "war games." Obviously, the military brings to such a task immense experience with war games. However, these serve little purpose in visioning if they simply apply existing concepts of operation to the status quo projected "x" years out. In other words, stretch goals will not emerge unless the game itself forces thinking beyond conventional parameters. In any case, role playing through scenarios that invite a realistic grasp of future challenges can have immense bump-on effects in organizations. First, players develop through catharsis an appreciation of the need to prepare for uncertain futures. Second, when proper-

Private and Public Sector Best Practices for Strategic Planning

1. Visioning identifies "stretch goals" that put an organization on a trajectory toward highly adaptive strategic plans.
2. Scenario building and role playing involving an organization's leaders prove invaluable to both specifying a vision and generating excitement and urgency toward fulfillment of strategic plans.
3. The top leadership — whether singular, as in the case of chief executive officers, or mutual, as in the case of the political executive coordinating with high-level officials — must personally lead the visioning process and communicate its results.
4. While they become exponentially more important under mutual leadership, consultative mechanisms prove crucial to attaining "buy-in" for any planning process.
5. While engaging external stakeholders may contribute greatly to the specification of a vision, many organizations — due to the sensitivity of planning issues — might have to consult vicariously rather than directly.

ly disseminated, the findings from war games can even work huge effects on non-players' views of possible organizational challenges. However deployed, war-gaming not only adds cogency to organizational visions, but also can inject a sense of urgency in the process of planning for the future.

We saw that General Fogleman considered visioning as relevant only if the Air Force "back-casted" so that expectations for the future actually guided changes in current programmatic commitments. The FBC study found that private corporations that prove most successful at strategic planning have achieved a similar discipline:

> After describing the vision of the vision of the future using standard techniques, the company leaders essentially move backward from the future state to identify how the company must look at a given point in time if the desired future is to materialize (FBC 1997, 175).

The inevitable gap between perceived future requirements and the likely capabilities in the status quo projected "x" years forward should galvanize the leadership's attention by creating "the urgency that spurs strategic action."

Leadership, Sine Qua Non

Another key factor to strategic planning, leadership, depends very much on the personal qualities of those in charge and their full engagement in the process. Borins found in his research a "trichotomy of innovation." Here politicians usually will lead innovation when an organization faces a major crisis; agency heads normally assert themselves most clearly when they first assume their responsibilities; and middle-level and front-line officials most often will probe creative options when faced with internal problems or technical opportunities (1998, 49). In the case of all three, the courage to lead agencies to innovation takes root in the integrity of those in charge — meaning they have not allowed crises to arise or deepen through neglect of warning signs or paralysis in the face of gridlock. In Borins' words, they bring to their work "the ability to recognize problems or opportunities in a proactive manner" (1998, 47).

The FBC report highlights the importance of "chief executives" taking an active part in a "strategic management group" along with the other top leaders of a "corporation" (1997, 164). It also stresses the need for the chief executive "personally" to "explain and cascade" the resulting strategic vision throughout an organization. Public service organizations do present ambiguity, however, along the lines identified by Borins. Who is the chief executive? Margaret Thatcher, for instance, wanted her ministers to actively manage their departments. Some did. In fact, a few participated directly in their ministries' management boards. Most ministers, however, remained aloof of managerial detail notwithstanding Thatcher's preferences. In such cases, the head career civil servant either was delegated or assumed the managerial mantel or the department shunned completely the corporate approach.

Ambiguity intrudes in the case of the U.S. Air Force in two ways. In the first round the political head of the Air Force, Secretary Sheila Widnall, took little interest in the strategic planning process. Therefore, General Fogleman found the way clear to act as a chief executive along the lines suggested by Borins and the FBC report. This fit the preference for "blue suits" to run the business end of the Air Force. However, ambiguity entered the equation because, by its nature, governmental corporate strategic planning takes an organization into a stratum of policy commitments that ultimately will require authoritative sanction by the political leadership. In the second round, the new secretary of the Air Force, F. Whitten Peters, assumed an active role in the process. This, in turn, introduced a dynamic whereby the private-sector model of principal executive authority being clearly vested in one individual did not pertain.

The ambiguity that appeared in the first round emerged because of weak political leadership that allowed General Fogleman to follow the stylistic preferences of "blue suits." That which emerged during the second round took root in the entrenched ambiguity of the U.S. executive-bureaucratic system. That is, the separation of powers makes it hard for federal government organizations to plan like private corporations. For the purposes of institutional survival, chief operating officers must weigh issues such as their departmental secretary's standing in the

administration and the ability of the administration to get its positions through Congress.

Thus, the relationship between a secretary and a chief proves much less hierarchical than that between a chairman of the board and a chief operating officer or even a British cabinet minister and his permanent secretary. If departmental secretaries in the U.S. choose to engage in corporate strategic planning, they must, by the nature of the system, enter a dialogue with permanent officials. Officials, thus, will find it hard to bring authoritative corporate change if their political appointees have not participated in the process. Similarly, political appointees, who can change policies against the will of their permanent officials so long as the president and Congress approve, cannot change their organizations corporately unless they have worked with them dialogically.

The Need for a Collective Process

The non-hierarchical character of executive-bureaucratic relations in the U.S. finds amplification in the lack of horizontal integration within agencies. We will see that this presents very serious obstacles for corporate strategic planning in the U.S. The literature suggests that collective processes prove key to obtaining sufficient buy-in so that a consensus emerges among leaders about future directions and the rank-and-file understand and support these. The FBC report states emphatically that, if you do not have buy-in, you do not have a plan (1997, 167). It also makes it clear that chief executives cannot devise visions and plans singularly; they must work closely with other corporate leaders (1997, 164). As a Canadian examining innovation in U.S. public service organizations, Borins presumably brings a bias in favor of collective processes. These take on special significance north of the border due to the constitutional conventions of cabinet government and federal-provincial diplomacy. Whatever his bias, Borins makes a strong, empirically based case that holistic innovation in organizations most frequently takes place when the process has been supported by central staffs and the agencies' leaderships have interacted regularly through formal coordinative mechanisms (1998, 97-102). Borins concludes, "Collaboration across organizational boundaries does not happen naturally, it must be made to happen" (1998, 102).

Bringing Stakeholders Along

The literature strongly prescribes external consultation with stakeholders as a key ingredient to successful corporate strategic planning. This presents problems for any federal government agency. However, the secrecy surrounding many of the weapons systems and concepts of operations envisioned for the future sets even tighter limits to the Air Force pursuing external consultations. Space serves as a clear example. Even though it became a central absorption of General Fogleman's planning process, most of it lived in the "black" domain, meaning that it was top secret.

In the adversarial politics associated with the separation of powers, the planner does not want to give away hostages to congressmen, congressional staff, and contractors who just as readily as not will betray confidences if they conclude their positions will not prevail. In the circumstances, Popovich's exhortation that early external consultation allows planners to take an inventory of whom to involve in their process might backfire in a federal agency (1998, 60). Of course, Popovich speaks much more from the experience of agencies at the state and local levels, where often less adversarial dynamics guide the interaction of stakeholders in planning processes. However, the FBC report, which focuses on the applicability of best practice in private sector concerns to planning in federal agencies, also highlights the importance of external consultation (1997, 160, 166). Yet, the report speaks almost entirely with reference to the "marketplace" and "customers," which suggests that it especially pertains to agencies that provide goods and services to specific individuals and groups. Such commercial analogues fail for the Air Force because the market, even including other military services, does not offer substitutes for most of what it provides. Further, it usually cannot discriminate between the citizens who will receive its benefits.

Liaison with Congress would certainly constitute for the Air Force the most important form of external consultation. However, the General Accounting Office (GAO), in canvassing the likely dynamics for dialogue between agencies and Congress on strategic plans produced in compliance with the Government Performance and Results Act, underscores the difficulty of the two working in tandem.

Although the act specifically requires such consultation, the GAO report anticipates significant difficulties. Legislative staff concentrate on their "oversight roles and stress near-term program performance" whereas agency officials stress "long-term goals, adaptability to changing needs, and flexibility in execution" (GAO 1997, 3). The cultural divide, the report suggests, leaves agency heads "skeptical that consensus on strategic goals could be reached, especially given the often conflicting views among agencies multiple congressional stakeholders" (GAO 1997, 11). Patrick Wolf, through an analysis of 170 cases of federal agency reform from 1890 to the present time, has found that organizations operating with a relatively high degree of autonomy from direct political control prove the most innovative (1997, 377). For the Air Force, this might suggest that it simulate this condition as much as possible by low profile corporate strategic planning. It then can enter the marketplace of policy ideas with more elaborately honed arguments that demonstrate the consequences of Congress supporting the continued funding of programs that have become "pet rocks" at the expense of future investments.

Recommendations

This report has stressed the difficulty of pursuing corporate strategic planning within federal government agencies. As a case, the Air Force experience since 1996 offers several encouraging signs. These, along with an assessment of best practices in other government agencies, provide the basis for a number of recommendations:

Goals Must Truly Stretch but Fit as Well Within Optimal Timing Parameters

Agencies face a considerable challenge just in deciding how far into the future to vision. Their answer to this question will depend very much on the nature of their core businesses. Those who face long lead times for programmatic adaptation will inevitably find themselves pulled toward metaplanning — that is, attempting to discern largely inchoate futures. Still, the corporate leadership cannot embrace such a futuristic view that it requires monumental suspension of disbelief among those who did not accompany them to the mountaintop. This does not mean that metaplanning finds no role in institutions with tighter time frames for programmatic development. For instance, radical changes in information technology occur at an exceptionally rapid rate. Thus, agencies or businesses within them that could profit from enhanced use of cybernetics run the risk of habitually implementing yesterday's solutions — ones that cannot even cope with today's challenges much less tomorrow's. This type of problematic seems to argue for much greater up-front investments in visioning technological developments and changes in requirements between the time that equipment and systems will come on line and their likely obsolescence. Paradoxically, the leaders of organizations facing extremely volatile conditions will encounter difficulty in shifting their corporate culture from short-term fixes to long-term solutions.

Scenario Building and Role Playing Can Quicken a Sense of Urgency

We have seen that the literature emphasizes the importance of scenario building and role playing in engaging key players in corporate strategic planning. Actual events, especially nascent pressures for a separate Space Force and reconsideration of the "halt phase" doctrine for the use of air power, conveyed urgency in their own right. However, future war games have contributed significantly as well. In this regard, the decision to emphasize ranges of future envisioned demands rather than fix upon specific scenarios constitutes a major contribution on the part of strategic theorists in the Air Force — one which appears highly worthy of emulation by other agencies. The innovation specifically attempted to move the emphasis from threat-based to opportunity-oriented planning. It employed two avenues toward this cultural shift. The first gave players, principally sub-general officers, exposure to the difference that certain capabilities will make in addressing various plausible futures. The second provided the Air Force leadership in the Staff and MAJCOMs,

through analysis of data from the games, systematic input about the benefits of pursuing new programmatic opportunities and shedding old commitments in a timely fashion. Two lessons emerge for other federal agencies. First, agencies actually can pull themselves out of cognitive ruts — for instance, an over-emphasis on threats — by adopting more open-ended and dialogical views of how to relate scenarios and demands. Second, agencies that pursue future gaming, notwithstanding the unavailability of over-scheduled top leaders, can reap the benefits of consciousness raising below the top management echelon and increased systematic input for senior decision makers.

Leadership Must Engage and Be Engaging

As the contrast between Generals Fogleman and Ryan drives home, leaders can vary immensely in their approach to corporate strategic planning. However, a more important issue emerges in the U.S. In most other bureaucratic systems, we find an apex of power whereby one top career official serves as the organizational fulcrum for relations between the permanent civil service and the political leadership. Something comparable to this apex exists in the Air Force — although only Secretary Peters actually engaged it and chiefs share the same rank with other "four-stars." The latter fact means that chiefs must function more collegially than would the career heads of departments in other systems. Cabinet-level departments in the U.S. will not likely embark on corporate strategic planning exercises with the spontaneity of the Air Force. That is, one would not expect the upper echelons of the career cadre to instigate on their own initiative the sweeping process that Fogleman advanced. The absence of an apex figure and the placement of the top echelon of career officials at least five levels down in department hierarchies preordain this expectation. Thus, domestic departments will rely much more on their secretaries and other top political appointees to move forward efforts at corporate strategic planning. However, sub-cabinet agencies might prove much more amenable to the type of dynamics that prevailed in the Air Force case — largely because fewer layers separate political appointees and career officials in such organizations. Still, corporate strategic planning at this level would likely prove most successful when both sides form a dialogical partnership as occurred between Secretary Peters and General Ryan.

Collective Processes Tailored for the Realpolitik of the Agency Are Essential

The importance of CORONA and the BoD to the Air Force case certainly reinforces the view that collective machinery must buttress corporate strategic planning. However, the experience also suggests that agencies must work hard in developing mechanisms that balance the need for consultation with economies of scale. CORONA has worked well at critical points because the legitimacy of its deliberating on behalf of the corporation founds itself on four-star collegiality. BoD has struggled at mirroring this legitimacy. At the end of the day, this raises the issue of whether the notion that four-stars represent the Air Force captures all the nuances of the corporate structure. BoD worked well in the Fogleman round when it simply included three-stars from the Staff and MAJCOMs. However, inclusion of political appointees from the Department of the Air Force during the Ryan/Peters round attempted to address the need for buy-in among the political leadership. In the event, the enormity of attaining buy-in both among the top general officers and the political leadership went far beyond the capacity of a BoD which had, in any case, become far too large for meaningful deliberations. This experience seems to be saying to other agencies that they must devise consultative mechanisms tailor-made both for the challenges faced by the organization and the corporate realities connected with constituting consultative bodies that balance legitimation and efficient deliberation.

The Agency Must Devise a Politically Viable Method for Consulting Stakeholders and/or Anticipating their Responses

While the Air Force process stressed greatly consultation of internal stakeholders, it eschewed involvement of external stakeholders. This tack owes both to the political sensitivity of the issues it faced and the secrecy that enshrouds any military organiza-

tion. However, one clear side product of sustained corporate strategic planning has manifested itself in the past year or so. The Air Force has begun to recognize that failure to identify and communicate to the political executive and Congress sensitive but vital issues could amount to a self-denying ordinance for an organization devoted to national security. There is no question that visioning and future gaming quickened this process of realization. A sizable irony presents itself here. Corporate strategic planning rarely connects as robustly in programmatic terms in U.S. federal agencies, largely due to the powerful effects of the separation of powers. However, the Air Force case indicates that corporate strategic planning might prove indispensable even as organizations position themselves for opportunities to achieve sub-optimal adaptation.

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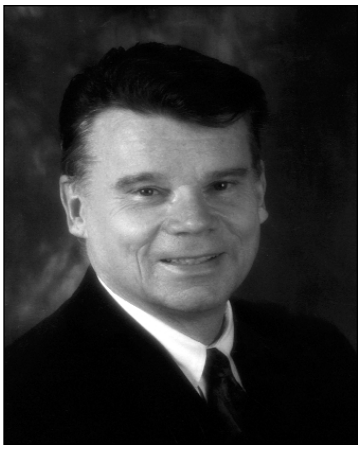

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Colin Campbell was born in Calgary, Alberta in 1943. He was educated in that city and at Gonzaga University in Spokane, Washington, where he received his A.B. (Hons.) in political science in 1965. In 1966, he obtained his M.A. in political science at the University of Alberta. He completed his Ph.D. in political science at Duke University in Durham, North Carolina in 1973.

From 1975 to 1983, Campbell taught at York University in Toronto, where he became professor of political science and coordinator of the Public Policy and Administration Program. At Georgetown, he is university professor of public policy. From 1990 to 1998, he directed the Georgetown Public Policy Institute. He has served as a guest scholar at the Brookings Institution in Washington, D.C., three times (1979, 1982-83 and 1998-99). During 1979-81, he served as president of the Canadian Study of Parliament Group. From 1984 to 1989, he was co-chairman of the International Political Science Association Research Committee on the Structure and Organization of Government. From 1987 to 1993 and 1996 to 1997, he was co-editor of *Governance: An International Journal of Policy and Administration* published by Basil Blackwell of Oxford. He has had fellowships at York University, University of Manchester and the Australian National University. He has been visiting professor at Meiji University in Tokyo, the University of Melbourne, the University of Sydney, and Fondation Nationale des Sciences Politiques (Paris). In 1993, he gave the Martin D'Arcy Lectures at Oxford University. He has consulted for Organisation for Economic Cooperation and Development, the World Bank, and Synergy, Inc. He is a fellow at the National Academy of Public Administration.

Along with co-editing five collections and publishing numerous articles and chapters in scholarly journals and books, Campbell has published eight books: *The U.S. Presidency in Crisis* (1998), *The End of Whitehall?* (1995), *Political Leadership in an Age of Constraint: The Australian Experience* (1992), *Politics and Government in Europe Today* (1990, 1995), *Managing the Presidency: Carter, Reagan and the Search for Executive Harmony* (1987), *Governments Under Stress: Political Executives and Key Bureaucrats in Washington, London and Ottawa* (1983), *The Superbureaucrats: Structure and Behavior in Central Agencies* (1979), and *The Canadian Senate: A Lobby From Within* (1978). *Managing the Presidency* won two national awards — the 1987 American Political Science Association Neustadt Prize for the best book on the presidency and the 1986 Alpha Sigma Nu Prize for the best book in social or natural sciences published by a faculty member at one of the 28 Jesuit colleges and universities in the U.S. *The U.S. Presidency in Crisis* won the 1999 *Governance* and International Political Science Association Levine Prize for the best book in the areas of comparative policy and administration.

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