Good to Great: Strategy & Design for Schools
Making Sense of the Future

Patrick F. Bassett, President

NAIS (www.nais.org)
- **Top Down Leadership**: All of us are dumber than some of us.

- ** Mediocrity**: It takes a lot less time—and most people won’t notice the difference until it’s too late.

- **Apathy**: If we don’t take care of the customers—maybe they’ll stop bugging us.

- **Disservice**: It takes months to find a customer, but only seconds to lose one—The good news is that we should soon run out of them.
De-motivating Concepts
(Dick Chait at LtP, 2004)

Paths to ruin for heads:
- alcohol the most painful;
- sexual indiscretion the most dangerous;
- strategic planning the most certain.
How CEOs Spend their Time

(USA Today Snapshot, 10/08/04)
Strategy & Design for Schools

Three Steps for Motivating, not De-motivating, Success.

Step I. Assessment via The Balanced Scorecard
– “The plural of anecdote is….
   data.” ~George Stigler

Step 2. Strategy & Design: Creating an ongoing
   Strategic “Posture” & “Road Map" rather than a
   “Plan”
   – “If you want to give God a laugh, tell Him your
     future plans” (German Proverb)

Step 3. Start by Assessing Governance: Moving the
   Organization from Good to Great (Jim Collins “prequel”
   to Built To Last)
   – “Good is the enemy of great.”
Step 1: Assessment via The Balanced Scorecard

Use Robert Kaplan and David Morton (HBR 1992) rubric of a “balanced scorecard” to assess current program and operations

- Apply four yardsticks: customer satisfaction; business processes and efficiencies; staff learning and innovation; financials.
- Develop metrics for each yardstick.
What Metrics Measure School Success?:
Step 1: The Balanced Scorecard

- Financials (Dashboard Indicators)
  - ratio-analysis AND trend analysis via Stats Online
    Benchmarking: net-tuition/student; expenses/student;
    giving/student; prof dev expenditures/student; technology
    expenditures/student; employees/student; salaries/student;
    debt:endowment; financial trends over time; etc.

- Customer Satisfaction
  - Value proposition surveying: “How much do you value” and
    “How are we doing” on what we invest resources in:
    academics, arts, sports, leadership development, community
    service, etc.
What Metrics Measure School Success?:
The Balanced Scorecard

- **Business Processes/Mission Alignment**
  - Admissions funnel & targeted subsets; # customized “.touches”; loyalty factors (attrition; % of givers); placement & persistence factors; tracking alums; mission mapping.

- **Staff Learning/Innovation (New Skills)**
  - “Process” vs. “Product” innovation (Dell vs. Apple):
    Encourage and reward high competence (deliverers of top drawer current product) *and* innovation (process and product innovators). (Nicholas Carr, “Mastering Imitation,” in *The Innovators*, Fall 2004.)
Step 2: Evolve from Strategic Planning to Strategic Thinking & Strategy-making

- “Strategic Planning is… an Oxymoron”
Strategic planning is dead.

"Indeed, the whole nature of strategy making – dynamic, irregular, discontinuous, calling for groping, interactive processes with an emphasis on learning and synthesis – compels managers to favor intuition. This is probably why all those analytical techniques of planning felt so wrong. ... Ultimately, the term ‘strategic planning’ has proved to be an oxymoron."

-- Henry Mintzberg

*The Rise and Fall of Strategic Planning*
Traditional Model: the 8-Step Plan

- Review of Mission Statement
- Survey of Constituents
- Formation of Strategic Planning Committee
- Retreat
- Scenario Testing
- Drafting of Plan/Implementation Schedule
- Going Public
- Yearly Goals for School, Head, Board
Making the Shift in Thinking
(cf. Jeff DeCagna, Principled Innovation jeff@principledinnovation.com)

Strategic planning
- Combines two fundamentally different ways of thinking into a single process (NB. Ike on D-Day.)
- Needs stability/predictability
- Driven by calendars and events
- Does not produce actual strategy, only plans

Strategy making
- Leverages variety and divergent thinking in the name of creating value
- Thrives on instability and uncertainty
- Continuous cycle of learning
- Pushes for simplicity, clarity and focus
Making the Shift in Thinking
(cf. Jeff DeCagna, Principled Innovation jeff@principledinnovation.com)

Strategic planning
- Extrapolates on the past: “essentialist” in orientation
- Driven by time-consuming process and consensus
- Schools might be better served by using The Balanced Scorecard to assess current operations and programs on an ongoing and continuing basis than gearing up for strategic plan every three to five years: Pick 1/5\textsuperscript{th} of programs per year to assess.

Strategy making
- Looks toward the future: “existential” in orientation
- Seeks quicker, more agile decisions. Continuous sampling of constituencies and scanning of the environment.
- Schools might be better served with an R&D Task Force instead of a Strategic Planning Committee: continuous scanning, seeding of ideas, project experimentation. R&D built into faculty meetings and board meetings.
Making the Shift in Thinking
(cf. Jeff DeCagna, Principled Innovation jeff@principledinnovation.com)

Strategic planning

- Executes plan by publishing document & implementation schedule wedded to 3 – 5 year cycle.
- Fixed and inflexible goals sometimes fail to reflect changing conditions and priorities.

Strategy making

- Executes “road map” (vision of destination and proposed routes) at a summer leadership retreat (board, admin with invited faculty and parent leaders) by developing five or so 12-month priorities, posted on the website.
- Notes 24-month and 36-month goals, but places them in a planning parking lot for successive R&D consideration.
Indicators of Strategy-making Posture

- Frequent staff and constituent data-gathering and environmental scanning.
- Creating of high leverage partnerships, alliances and joint ventures.
- On-going strategic thinking and strategy-driven resource allocation: Venture capital fund.
- Rapid business planning.
Indicators of Strategy-making Posture

- Prototyping/testing of new ideas, projects, programs.

- Publication of a 3-year “vision” and scenario (“The Road Map”) with the caveat of staying in a strategy-making posture each year and updating or modifying at a June strategy meeting the next 12-month’s strategic priorities and 24- or 36-month goals as exigencies (“roadblocks & detours”) dictate.

- Re-structuring board meetings and board calendar to effect 3 levels of trusteeship: fiduciary, strategic, and generative.
Step 3: Start with Developing the Board & Administrative Team

Assess Governance & Management vis Collins’ Criteria

- Moving Schools from *Good to Great* (Jim Collins “prequel” to *Built To Last*)
  – “Good is the enemy of great.”

The Six Principles of Organizations
Moving from Good To Great
G2G Principle #1: Level Five Leadership

- Personal Humility + Professional Will
  - sublimated egos, focused will: more like Lincoln & Socrates & Stonewall Jackson than Patton or Caesar or Jeb Stuart. The organization’s success is what drives the leader.

- Asks good questions

- Ambitious for the school and its people

- Shares Credit---Takes Responsibility

- Passes the Power—Diffused Decision Making
G2G Principle #2: First Who…Then What

- Who’s on The Bus?
  - Getting the right people on the bus, the wrong people off the bus and the right people in the right seats on the bus.

- Recruit…Train…Retain
  - Knowing that the only brake on moving forward would be the inability to attract and keep talent
  - Everyone grows
G2G Principle #3: The Brutal Facts

- Honest Assessment—Unwavering Faith
  - Culture of openness that invites critiques from all: frequent and healthy debate.
  - The Stockdale Paradox—having the faith that you will prevail but disciplining yourself to face the brutish facts of current realities

- Debrief Success AND Failure
  - End each meeting with, “What’s coming up…and what just happened?”
G2G Principle #4: Hedgehog Concept

- Truly great companies have a simple core concept that drives everything:
  - What can they be the best in the world at?
  - What drives our economic engine (and what could accelerate that)?
  - What are we deeply passionate about?

(Need all three to be great.)
G2G #4: Hedgehog Concept

Mission

Economic Engine

Action

Flywheel of Success
G2G Principle #5: Culture of Discipline

- Disciplined People, Thought, Action
  - Environment of freedom circumscribed by a culture of discipline.
  - With disciplined people, you don’t need much hierarchy or bureaucracy (since self-disciplined people don’t need to be managed).
  - With disciplined action, you don’t need many controls.
  - Combining a culture of discipline with a spirit of entrepreneurship creates success.
  - Discipline is as much about saying “No” to temptations that are not one’s core business as it is about saying “Yes.”
G2G Principle #6: Technology Accelerators

- Never use technology to introduce a transformation but rather to accelerate it. Technology is not the core concept but can drive it.
  - Baumol’s Disease: Schools “less efficient not more” because of technology.
  - With some notable exceptions, most schools not yet using technology to “accelerate” core business.
How To Frame School Assessments

Survey constituents *annually* using…
- The Balanced Scorecard/Value Proposition approach: periodic focus-group discussion of results, every year.

Assess board and administration using…
- The *Good to Great* Framework: Internal assessments of the “*brutal facts*” and about the school and external assessment of the “*inevitable surprises*.”
- Identification of and capitalization upon the convictions (“*unshakeable beliefs*”) on which faith in school is based (Appreciative Inquiry approach)
- NAIS/BoardSource Online Assessment (BOAT) for boards and Head Assessment Tool (HAT) for Heads

**Annual Summer Retreat**
- Strategy Team (board, admin, and opinion-leaders from faculty and parents) assesses *strategic priorities* and develops 12-month priorities (and places 24- and 36-month projects & ideas into idea parking lot).
Appendix

Related Slides

The S.A.T Analogy:

Our board is to our school as _______ is to _______.

(Board Member, May 2004, Chait et al.)

Developing the Board
Developing the Board

Create three levels of board work that correspond with the three levels of responsibility (and alter board meeting agendas accordingly)

- Level 1 = Fiduciary (standing committees for due diligence analysis of operations; report out as necessary, but no more than 1 meeting of each three)
- Level 2 = Strategic (task forces for current 12-month priorities; sharing and soliciting feedback on “how we’re doing, for 1 meeting of each three)
- Level 3 = Generative (R&D Team, with combined membership of staff & board; brainstorming session for 1 meeting of each three)
## Developing the Board & Admin Team

*(Board Member, May 2004, Chait et al.)*

<table>
<thead>
<tr>
<th>Board as Control Mechanism (Fiduciary, Level 1)</th>
<th>Board as Direction Setter (Strategic, Level 2)</th>
<th>Board as Meaning Maker (Generative, Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dam : River</td>
<td>Compass : Navigation</td>
<td>Inspiration : Poet</td>
</tr>
<tr>
<td>Curbstone: Road</td>
<td>Headlights : Auto</td>
<td>Values : Choices</td>
</tr>
<tr>
<td>Border Collie : Herd</td>
<td>Rudder : Boat</td>
<td>Designer : Work of Art</td>
</tr>
<tr>
<td>Governor: Engine</td>
<td>Periscope : Submarine</td>
<td>Vision : Implementation</td>
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<tr>
<td>Landlord: Tenant</td>
<td>Flight Planner : Pilot</td>
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</tbody>
</table>

- Inspiration : Poet
- Values : Choices
- Designer : Work of Art
- Spirit : Higher Purpose
- Vision : Implementation
## Sample G2G Survey Question

### Level 5 Leadership

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE SCHOOL has many Level 5 Leaders on the management team.</td>
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<tr>
<td>THE SCHOOL is effective in hiring and developing Level 5 leaders.</td>
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<tr>
<td>Our management team drives to achieve sustained results.</td>
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<tr>
<td>Personal success is more important to the management team than the organization’s success.</td>
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### What can be done to achieve Level 5 Leadership at THE SCHOOL?

### Does THE SCHOOL achieve Level 5 Leadership? If not, why not?
Sample G2G Survey Question

<table>
<thead>
<tr>
<th>First Who, Then What:</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE SCHOOL has the right people on the bus.</td>
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<tr>
<td>THE SCHOOL takes action when it has the wrong people on the bus.</td>
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<tr>
<td>THE SCHOOL is effective in recruiting the right people.</td>
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<tr>
<td>THE SCHOOL starts with who should be on the bus, then figures out where to go.</td>
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</table>

Is THE SCHOOL successful in implementing the concept of “first who…then what”? Where? How? If not, why not?
Sample “Brutal Facts” for Schools

- Competition will increase dramatically for students and teachers: better public schools, charter schools, for-profit schools, home schools, etc.
- Rising costs will alienate current and future customers, make us less affordable and attractive to most of the marketplace and diminishing our diversity. Smaller schools will face survival issues.
- Parents will become more consumer-oriented and difficult to manage.
- Governmental intrusions are likely to increase.
- Resistant cultures will make it more difficult to innovate and lead and preclude creating thinking about 21st C. schools.
Sample “Brutal Facts” for Schools

- After a massive investment in technology there is no evidence schools are capitalizing upon it adequately to increase student learning or to customize learning for students.

- Prosperity and the “long boom” upon which our schools depend may be compromised by global instability, fractious social issues, a larger US deficit, terrorism and war.

- Ethical relativism will become more pervasive and parenting less effective.

- Weakness/confusion/under-performance of many school boards will be a huge liability.

- Equity and justice efforts have gotten a lot of focus during recent years, but as a group, we are still not ready to live in a world where whites are a minority.
Sample “Unshakeable Beliefs” for Schools

- Because of their freedom from government control, independent schools can be mission-driven and child-centered.

- Independent schools have the freedom to innovate in the development and delivery of curriculum and to share that innovation for the betterment of the larger education community.

- Independent schools can make individualized decisions in the best interests of the child and can create diverse, supportive environments where children can thrive.
Independent schools can continue to survive, even in a tough economy, because of independent financial controls and their focus on high quality and on accountability to the families and communities they serve.

Independent schools provide an ethos and culture that is values-oriented, one that will always attract and provide value to families.
The face of the student population will change dramatically as varying fertility rates and immigration patterns define the school-age population.

For private and public schools, demography is destiny.

A “long boom” economically is possible and perhaps probable for the US.

The “end of retirement” will be upon us in a generation or two.
“Inevitable Surprises” for Schools
(cf Inevitable Surprises, Peter Schwartz)

- New models of public and private schools, especially lower cost ones, will proliferate.
- Faculty salaries in the public and private sectors will continue to rise.
- High stakes testing will run its course, without the anticipated and hoped for effect of better-prepared and achieving students.
- Schools that successfully integrate technology to customize learning will rapidly outdistance their peer schools.
Nine Strategic Priorities for Schools

• **Affordability & Accessibility**: Given that heads identify financing affordable schools that are accessible and diverse as an overarching challenge and that the 10-year NAIS trends indicate continuing pressure on raising tuitions...independent schools should....

• **Recruiting, Retaining, Rewarding Talent**: Given the demographics of an aging workforce near retirement, a generation in college now not attuned to teaching as a career, and concerns about recruitment, retention and competitive compensation of high quality faculty… independent schools should....

• **Advocacy & Marketing: Telling the Independent School Story**: Given the increase of proprietary schools, charter schools, home schools, magnet schools, and other types of public and non-public schools as potential competition for the next generation of students, an increase that will require greater advocacy and marketing on behalf of independent schools… independent schools should....
Nine Strategic Priorities for Schools

• **Communications:** Given the increasingly demanding nature of parents… independent schools should....

• **Governance:** Given the continuing outbreaks of volatility in relations between heads and boards in some schools… independent schools should....

• **Accountability:** Given the increased likelihood of media and governmental scrutiny, intrusion, and demands for public accountability… independent schools should....
Nine Strategic Priorities for Schools

• **Innovation & Change:** Given the public’s identification between quality and innovation, its perception of independent schools as traditional rather than innovative, and the resistance to change found within independent schools… independent schools should.…

• **The High Tech and Global Future:** Given the imperative for schools to create a 21st C. curriculum so that students are prepared for a more technological and global future… independent schools should.…

• **Association Overlap:** Given overlap in programs and membership between NAIS and state/regional associations… independent schools should.…