



**Financially Sustainable Schools**  
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*Being Strategic in Times of Crisis*  
By  
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Being strategic in organizational planning is important at any time. Today, it's a leadership imperative. Choosing the right strategies during times of crisis can substantially improve your school's ability to mitigate, manage, and recover from threats, risks, and fix-the-ship issues. So, wherever your school is in its lifecycle and whatever challenges the external environment presents, consider the benefits of increasing leadership's capacity for strategic thinking, decision-making, and action.

Strategic Opportunities in Today's Risky Environment

Strategist Bob Frost writes in his book, *Crafting Strategy*, that:

“Most practitioners agree that strategy is your plan for managing capabilities, resources, markets, competitors, and obstacles in order to achieve your goals. Thus, strategy is about five things: setting direction, long-term success, competition, distinctive capabilities, and sustainable advantages. At bottom, strategy is your plan for how you will achieve your ambitions and prevail over competitors and obstacles.”<sup>1</sup>

Today, some may associate the economic climate with a tightening of purse strings, worst case scenarios, or a get-ready-to-parachute response. Yet, with thoughtful strategy design, the obstacles of tough times can also open-up opportunities that can strengthen a school in the long

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<sup>1</sup> Bob Frost, *Crafting Strategy*, Measurement International, 2000, pp6-7.

run. Here are three obstacles to success that your school may be experiencing now, the inherent opportunities they hold, and strategies you might execute to prevail over them:

**Number One Obstacle to Success:** Disequilibrium in the lives of constituents.

- *Strategic opportunity:* Increasing brand preference and loyalty.
- *Strategic objective:* Lead with your strengths and invest in the core. At the heart of the matter at schools are people, purpose, passion, and performance. Now is an excellent time to focus on staying on mission, building relationships, sustaining excellence in teaching and learning, and measuring what counts. A wise school will keep happy families happy and remember that in any situation there will always be a percentage of people who will not or cannot buy in. While the temptation is to try to change their minds, in times of scarcity and crisis it is most often wiser to invest resources in strengthening the core of satisfied constituents.

**Number Two Obstacle to Success:** High level of *external* discontinuous change (when several ‘big’ changes are happening at once)

- *Strategic opportunity:* Improving ways of knowing and deciding
- *Strategic objective:* Upgrade your marketing intelligence system. Something that every school needs, but few have, is a routine way of obtaining, reviewing, and analyzing need-to-know information about the social, technological, environmental, economic, and political factors that affect your school’s ability to deliver on mission and core competencies. Not turning the mirror outward in good times is as risky as changing lanes without checking your blind spot. In times of crisis, it’s organizational suicide. When scanning the environment for best practices and benchmarks, look beyond other independent schools and develop a portfolio of strategies that are being used in other sectors and can be applied in yours.

**Number Three Obstacle to success:** High level of *internal* discontinuous change.

- *Strategic opportunity:* Involving constituents in creating change
- *Strategic objective:* Switch to a strategic communications model to affect successful change. This approach to change management purposefully engages constituents in creating the desired change. Through strategic communication, leadership increases the likelihood that change will be successfully incorporated into the life of a school. Central to this approach are: increased cohesiveness, visibility, accessibility of top leaders; ramped up dialogue; and clear and consistent messages about the change rationale, its core elements, and the vision of success. Optimally executed, strategic communication in times of change results in everyone knowing ten critical pieces of information: what will change; what won’t change; why there will be change; when it will occur; what will be expected of them; what are the rewards of supporting the change and the consequences of not supporting it; what the vision of successful change looks like; how they can get their

questions answered; and most importantly – how the change will affect them.

### Getting the Most from Your Strategic Plan During Times of Crisis

During times of crisis, there is a very real temptation to shelve your strategic plan and deal only in the moment. Resist, if you can! Your strategic plan can and will still serve as your framework for success... *if* its core strategies are still on target. Here are three key questions that test your plan for reaffirmation, relevancy, and/or recalibration:

1. *Given current external and internal situations, how can we best affirm our school's core ideology of values and mission?* As Jim Collins first reported in *Built to Last*,<sup>2</sup> companies that have long term success are those that preserve the core while stimulating progress. This is essentially what strategic thinking and planning seek to achieve. Leveraging the dynamic tension between core ideology and the most critical threats and opportunities facing the institution will stimulate progress. The challenge is how to amplify values and mission—your institutional anchors—to give people something solid to hang onto amidst the whirlwind of change and uncertainty.
2. *Given current external and internal situations, how are our assumptions holding up?* The best strategic plans are written on the basis of a set of underlying assumptions that assert what the school thinks will be true about the future at the time the plan is developed. Testing these assumptions against the reality of today is a critical task to make certain that the plan remains on track. Based on your analysis, you will choose to work it, adjust it, or retire it and start anew. Unless you have written assumptions within the past six months, at the very least, you will likely refresh existing ones or add new ones to your list.
3. *Given current external and internal situations, how might we change the way we reach our vision?* Even in these times, your long term vision of success – or destination – need not change. But how you navigate these waters vs. the waters of three years ago and how long it takes to get there may change. Course corrections can be made after identifying the threats to your current operating system caused by shifts in the external environment. Undoubtedly, these macro changes have affected certain of your market segments. In turn, these impacts on your markets should affect your responses to their changing perceptions, needs, wants, and expectations. On-mission recalibrations may be required in any one or all of the three major areas of strategy: markets, marketing mix, and institutional positioning. The strategy level is where you have built-in flexibility in your plan. In adjusting to environmental threats, values and mission should rarely change, vision and goals need not – but may – change, and strategy should always be open to change.

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<sup>2</sup> Built to Last: Successful Habits of Visionary Companies by James C. Collins and Jerry I. Porras (Paperback - Oct 12, 1997)

## Being Strategic while Managing Crisis

Today's school leadership is challenged to make present-day decisions that will impact a future that has never been more uncertain. Here is a strategy suite of 15 short- and long-term approaches that could help your school navigate the next several years, emerge in a good strategic position, and prepare for future economic crises:

### ***Short-term***

1. If you do one thing, keep existing key constituencies satisfied.
2. Keep faculty morale up while investing in professional development. Now is the time to firm up skill sets that can produce results and support future excellence regardless of the economic climate.
3. Identify, pursue, and communicate early, easy wins.
4. Use strategic marketing to differentiate your school and segment your markets.
5. Resist the temptation to hunker down and retreat from pushing sound new initiatives. Doing so could result in the protection of a poor status quo and the squandering of an opportunity to innovate.

### ***Long-term***

1. Prepare for an upturn, but not at the expense of solidifying the foundation now.
2. Build leadership capacity.
3. Shore up systems-thinking.
4. When and if you're trimming costs, simultaneously improve quality or efficiency.
5. Upgrade your marketing system.
6. Be proactive in industry groups and collaborate on initiatives.
7. Increase your strategic flexibility.
8. Invest in technology that supports best practice strategies that offer opportunities to reduce costs, manage risks, and improve performance, while delivering real value-added.
9. Engage in continuous planning and strategic thinking to keep up with the changing landscape.
10. Work on ensuring the sustainability of your school's brand. Your brand is your school's promise of benefit. The key to sustainability of the brand is making certain that there is either a continued demand for your *existing* brand and, if not, changing your promise of benefit in a way that is consistent with values and mission and has future value. The key question: Is the experience we are providing today one that will have value in the future?

## Scanning the Environment To Find Out What's Working

As we know, schools are not alone in these challenging times. Here are some things others are

doing to cope with the volatility of today's business environment and the threat it represents to future sustainability:

1. Demonstrating and focusing on leadership – building capacity, bench strength, and systems to identify and cultivate leadership;
2. Becoming more proactive rather than reactive on mission-critical information strategies and working hard at developing ways to gather market intelligence;
3. Keeping it measurable (transparency, outcomes, impacts, metrics), but being careful to apply the right ones;
4. Keeping it simple by avoiding solutions and tools that are too complex or expensive;
5. Developing portfolios of potential strategies that are successful in other sectors;
6. Mitigating risks by applying systems thinking that includes careful strategic analysis, prioritization, tracking performance, feedback loops, and recalibration;
7. Expanding opportunities to partner and collaborate.

### Taking some Immediate Steps to Act Strategically

When so much seems beyond your control, here are ten ways you can take back some power.

1. Decide what is the most important thing to accomplish this year, then invest as many of your resources as you can to make it happen.
2. Create strategic alignment. Be clear about values and mission (what you stand for and why you exist) and relentlessly apply these core elements to your decision making on strategies, policies, procedures, programs. "If it's not on-mission, over the side it goes!"<sup>3</sup> notes Frances Hesselbein in *Leader to Leader*.
3. Adopt a strategic marketing philosophy and execute it campus-wide.
4. If you don't already have them, create a set of assumptions of what you think will be true about the future and continuously test against them.
5. Make sure you have a way of getting strategic information into the system and use it!
6. Use this time to build in flexibility and get more comfortable with ambiguity.
7. Reward innovation and creativity; empower others; distribute leadership.
8. Increase top leadership's visibility and accessibility.
9. Focus on building human capital: relationships, morale, and community.
10. Take care of one another and make sure you make time to reflect, renew, and celebrate small successes.

### Completing the Strategic Mix for a Sustainable Future

Few business enterprises can claim they were prepared for the cataclysmic changes everyone faced in this past year. For most schools, the suddenness and complexity of the global economic collapse required such a profound recalibration of strategy that the institutions have been shaken

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<sup>3</sup> Frances Hesselbein, Carry a Big Basket, *Leader to Leader*, The Drucker Foundation and Jossey-Bass, 2002.

to their very core. In the category of lessons learned, to live through today and be better prepared for tomorrow, wise boards, heads, and leadership teams will equip their schools with complementary strategy sets: one focusing on threats, the other on opportunities.

Thinking strategically about threats will help a school anticipate, mitigate, respond, and recover if and when threats become crises. Thinking strategically about opportunities will help a school identify, build on, and exploit opportunities that can create innovation, growth, and increase in brand equity.

Thus, managing crises through strategic choices will help a school survive; while managing opportunities through strategic choices will cause it to thrive. With both strategy sets operating in your school, you have a complete framework to guide your institution toward a sustainable future in both the worst and the best of times.

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#### Additional Resources

- Listen to the podcast, “Being Strategic in Times of Crisis” at [www.nais.org/go/finance](http://www.nais.org/go/finance)
- For more information about financially sustainable schools resources, please visit [www.nais.org/go/finance](http://www.nais.org/go/finance).
- Join the FSS listserve at [www.nais.org/go/listserves](http://www.nais.org/go/listserves).

**About NAIS’s FSS Leadership Series: Prepared for NAIS school leaders and their boards, each essay in the series explores areas and issues pertaining to financially sustainable schools and is designed to inform and generate discussion. Series editors: NAIS’s Amy Ahart, Jefferson Burnett, Myra McGovern, Corey McIntyre, Paul Miller, Jay Rapp, Amy Pica, Amada Torres, Aaron Wachholz, and Debra Wilson.**