

NO MORE NAILING JELL-O TO WALLS: STRATEGIC PLANNING MADE CLEAR FOR THE CHARTER SCHOOL SECTOR

by

Brian Carpenter, CEO & Ed Roth, Director of New Initiatives
National Charter Schools Institute

Introduction

The intersection of the growth of charter schools with school politics such as funding inequities (Finn, Hassel & Speakman, 2005) and artificial caps (Ziebarth, 2006), has created a rough and tumble arena. Add to this, union lawsuits, conflicting research results on student performance, and a public, which after 15 years, still by and large, does not understand that charters are *public* schools (Hess, 2006), and you have a formula for a difficult operating environment. *That's reality.*

And confronting reality—as the title of a book on strategic planning by bestselling business authors Ram Charan and Larry Bossidy implies—is the first step to strategic planning for charter school operators, management companies, and authorizers. And realistic planning is key to “building an execution culture” (2002, p. 22).

The book, *Confronting Reality: Doing What Matters to Get Things Right* (2004), is a sequel to an earlier book in 2002 by the same authors, *Execution: The Discipline of Getting Things Done*. The latter was a *New York Times* #1 bestseller—and for good reason. Charan and Bossidy, two of the most notable business thinkers of our time, distill the essence of strategic planning into an elegantly simple, intellectually cohesive model.

Although both books are written for equity (profit) organizations, the principles are applicable to the charter school sector. This is because the market, which determines the worth of equity organizations, also determines, to some extent, the worth of charter schools. Although charters do not charge tuition, there is at least an indirect “market test of product worth” gauged by parental demand—something that is not true of most nonprofit organizations (Carver, 2006, p. 14).

It is precisely because market realities are so important to the success of charters, that learning to exercise realistic, disciplined, robust thinking necessary for strategic planning is imperative. Even in equity organizations, however, this kind of thinking is uncommon. Charan and Bossidy have observed that in most organizations,

little time, if any, is spent harmonizing the facts of the external environment, the financial targets that are set and the internal capabilities of the business so that these discrete activities work together (2005, p. 4).

Using the model described by Charan and Bossidy in their books, this monograph applies the principles of strategic planning to the charter school sector. The model is used by the National Charter Schools Institute to conduct its own strategic planning, and with Institute clients.

This monograph is divided into two parts. In part one, Brian explains the model. In part two, Ed applies the model by discussing how he incorporated strategic planning considerations with a client charter school.

We wrote this monograph to help leaders in the charter school sector better understand strategic planning in order to successfully apply its principles to their organizations. We urge leaders pursuing excellence, however, to read the books themselves for a detailed study. Complete information is provided in the references.

And while we acknowledge grateful attribution to Ram Charan and Larry Bossidy whose books provided the key ideas that form the foundation of this presentation, any errors or misunderstanding of what they wrote is entirely our responsibility.

It seemed that defining strategic planning was as futile as the proverbial act of “nailing Jell-O to a wall.”
(Carpenter, 2006, 67)

Part One: The Model Explained

As I wrote in *Charter School Board University*, a primer on governance for charter school boards,

I have to confess that strategic planning mystified me for much of my career in educational leadership. It's not that there's any lack of literature on the topic—you can buy stuff about the subject by the wheelbarrow. I read various books, magazine articles, and sat through presentations at conferences. None of it helped me much. It seemed that defining strategic planning was as futile as the proverbial act of “nailing Jell-O to a wall.” (Carpenter, 2006, 67)

Ever feel that way as a leader in the charter school arena? If you do, this paper offers a solution: strategic planning as conceived of by Ram Charan and Larry Bossidy.

Their books, noted in the introduction, provide a clear framework with which to think about, and execute, strategic plans. Although the books are sufficiently comprehensive as to allow you to fully consider the principles, limited space in this paper forces us to be brief. So, we begin with what Charan and Bossidy call “the three core processes.”

The Three Core Processes

Every business, say Charan and Bossidy, consists of “three core processes” (p. 3, 2002). These three processes are:

1. the people,
2. the operations, and
3. the business strategy

Strategic planning is the process of integrating these three processes, and “harmonizing” them with a changing external environment.

The People Process

Employing the right people in a charter school, management company, or authorizer is the most critical component of an effective strategic plan. Not only that, you must have the right people holding the right job within the organization. For example, an outstanding classroom teacher may not necessarily have what it takes to be a good school CEO.

In his bestselling book, *Good to Great: Why Some Companies Make the Leap—and Others Don't* (2001), Jim Collins makes this point succinctly with a poignant metaphor:

First Who . . . Then What. We expected that good to great leaders would begin by setting a new vision and strategy. We found instead that they *first* got the right people on the bus, the wrong people off the bus, and the right people in the right seats—and *then* they figured out where to drive it. The old adage “People are your most important asset” turned out to be wrong. People are *not* your most important asset. The *right* people are. (p. 13)

In addition to recruiting the right people for the right job, Charan and Bossidy assert that rewarding performance is essential to retaining them. Thus, compensation, including performance incentives, is critical to sound execution. Additionally, capacity-building is a critical consideration. A strategic plan for charter schools should consider, for example, the following:

1. How will we recruit and retain the best teachers?
2. How will we reward their performance?
3. How will we build capacity in employees and the board of directors?

The Operations Process

A good operations process refers to how well the organization executes. For charter schools and management companies, this refers to everything from curriculum selection, teaching, and assessment, to front office functions such as record-keeping, accounting, and policy-making. For authorizers, a smooth operations process is one that is minimally intrusive to schools, but which, nonetheless, ensures that the school is complying with state and federal law, and on track to achieve the goals set forth in its contract.

The key successful strategic planning consideration with respect to the operations process is to *design systems* which help create “an execution culture” (Charan & Bossidy, 2002, p. 22). Making sure things are done right, on time, every time, should be the aiming point.

For charter schools, management companies, and authorizers, some key strategic planning operations questions include:

1. How will student performance be assessed?
2. How will employee performance be assessed?
3. How will you safeguard school funds?
4. How will you communicate with parents?
5. How will you manage and maintain school facilities?
6. How will you ensure compliance with applicable state and federal laws?
7. How will the board govern and adopt policy?

As Ed will illustrate in part two of this monograph, charter opera-

tions are considerably complex. From our observations, in fact, failure to understand this complexity is one of the things that most bedevils boards and school leaders. Nonetheless, if the school is to execute well, it must develop a strategic plan that links operations with the other two core processes, and integrates them with the external environment.

The Business Strategy

This final core process simply refers to how an organization makes money. For most charter schools, the money algorithm is pretty straightforward: maximizing student enrollment equals organizational viability. Like an airline, a school that wants to increase its viability must fill as many seats as possible.

The business strategy for charter schools then, is developed in response to the question, “How do we maximize our enrollment?” In a marketlike arena such as that in which charter schools operate, the answer is straightforward: You must offer a program that parents want *more* than the other educational alternatives available to them.

This marketlike quality is one of the basic building blocks of charter school accountability. The underlying premise is that the market will determine the worth of schools through demand, causing lower performing schools to go out of business.

Questions to consider with respect to business strategy for schools might include:

1. How many students live in your area?
2. How will your program differentiate itself from other schools in the area?

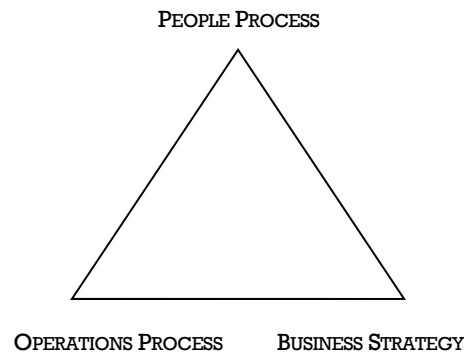
For most charter schools, the money algorithm is pretty straightforward: maximizing student enrollment equals organizational viability. Like an airline, a school that wants to increase its viability must fill as many seats as possible.

In order to be effective, a strategic plan must be *iterative* in nature. This means that it must be continuously revised as the internal core processes of the organization, as well as the external environment, change.

3. What are other remarkable schools around the country doing to attract students?
4. How do you plan to systematically determine why parents choose your school and why they leave?
5. How will you market the successes of your students and alumni?

Tying the Three Core Processes Together

The three core processes described in the preceding pages have to be linked or integrated. It is helpful then, to conceive of strategic planning as being a linked triangle, pictured as follows:

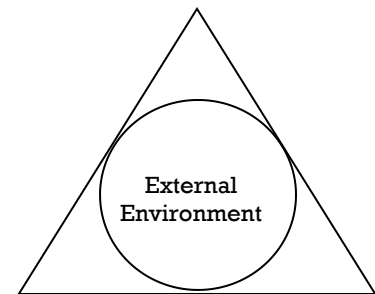


To appreciate the necessity of linking these three processes, think, for example, about the requirements of executing a massive marketing campaign. You would need to examine whether you have the capacity (people), whether you have the money and the systems to handle the response (operations), and whether you have the right marketing approach (business strategy).

Of course, linking these three processes together doesn't guarantee the outcome you want, but it's a lot better than aiming blindfolded at your target. That way, if you miss, you can at least see where.

The Critical Strategic Planning Step Most Often Omitted: Iteration

In order to be effective, a strategic plan must be *iterative* in nature. This means that it must be continuously revised, as the internal core processes of the organization, as well as the external environment, change. I like to think of the strategic planning triangle as one that revolves around an external operating environment, as follows:



What kinds of changes should the charter sector be incorporating into its strategic planning? Here are a few things:

- Changing state and federal laws
- Changing student demographics
- Changing public perceptions
- New schools in your market
- School politics and union tactics
- Advances in student assessment
- Changes in funding
- Composition of state legislatures and Congress
- Broad economic trends in your locale, region and state

The key is to recognize that charters do not operate in a political or economic vacuum. Changes in the environment will affect schools, management companies, and authorizers. Making your strategic plan iterative, allows you to anticipate the change, and plan accordingly.

Part Two: The Model Applied

As Brian explained in part one, execution requires the right people in the right positions, utilizing the right processes to achieve the expected outcomes of a strategy. This always occurs in a changing reality, necessitating continuous iteration.

This model can be successfully applied to charter schools. This section describes just such a school.

A Case in Point

A K-8 charter school in an urban area of the Mid-West missed achieving several goals established jointly by the board and school management. Little information was forthcoming from management to explain and clarify reasons for these failures.

The board had an inadequate performance evaluation system in place, and they were uncertain how to introduce change. They conferred with their legal counsel, who suggested they consult their authorizer.

Neither the board nor the authorizer wanted to see the school close, but teachers and students were leaving. In the two years preceding this point, the numbers of both were decreasing.

Even worse, school management was in denial—or in the words of Charan and Bossidy, management was failing to confront reality. As a result, student academic progress was faltering and financial liquidity was at risk. It wasn't long before the community was getting the impression that the school was in trouble.

In many ways, this case mirrors textbook organizational breakdown. Fortunately, however, the desire to do the right thing for students and

parents motivated board members to confront the need for change.

The authorizer recommended the National Charter Schools Institute. We accepted the school as a client.

Confronting Immediate Realities

There was little time for prolonged debates and lengthy committee meetings. The first reality confronting the change initiative was the fact that the Institute was not engaged until mid-May, with the school year ending in June. School would re-open the last week of August.

Thus, we had approximately 13 weeks to identify and evaluate the school's most urgent needs in order to execute the most critical changes in order of priority. Not only was this a narrow window, we also realized we did not have the luxury of stopping the school's functioning while we studied it. We had to integrate change mechanisms alongside the day-to-day functioning of the school.

Our 12 Dimension Model of the People Process, Operations Process, and Business Strategy for Charter Schools

In order to evaluate and address immediate problems, we formed a team with expertise in charter school functions. The team also guided subsequent analysis and planning efforts by school teams, discussed later.

The team employed a matrix project management model in which 12 key dimensions of the three core processes are segmented and aligned by broad function. Our 12 dimension construct, including examples, is summarized as follows:

Even worse, school management was in denial—or in the words of Charan and Bossidy, management was failing to confront reality. As a result, student academic progress was faltering and financial liquidity was at risk. It wasn't long before the community was getting the impression that the school was in trouble.

1. **Academic Service** – curriculum, No Child Left Behind, professional development, special education, classroom equipment and supplies, tutoring program, student assessment and student performance tracking
2. **Board Functions** – state and federal laws, authorizer role, school policies and administrative guidelines, board member orientation and training
3. **Communications** – school communication, weekly team meetings and task tracking, accountability, communication among and between board and management
4. **Discipline and Campus Safety** – parent-student handbook, school discipline plan, suspension and expulsion practices, school dress code, bus discipline, safe student pick-up and drop-off system, fire, terrorism and disaster drill policy, visitor access control and student monitoring
5. **Facilities Management** – lease, mortgage, bond and land use, construction, engineering and environment, fire safety and health and safety standards
6. **Financial** – cash flow analysis, debt analysis, strategic business planning, short term borrowing, financial management software, budget analysis and business office staffing and development
7. **Marketing** – population analysis, student retention, student recruitment, teacher retention, teacher recruitment, parental involvement, community involvement and awareness and competition from other charter schools and traditional schools
8. **Personnel** – analysis of staffing needs, salaries and wages, recruitment and selection of all personnel, employee benefits, employment contracts, staff evaluations and staff discipline protocol
9. **School Improvement** – mission statement, setting and tracking academic goals, accountability, and strategies to meet goals
10. **Student Services** – before and after school care, food service, transportation, health services, and social services
11. **Technology** – school wide technology for administration and teaching, hardware, software, communications technology, data retention, system security and technology personnel
12. **Education Service Provider** – contract provisions, financial and property

Once our team addressed immediate concerns, the 12 dimension model became the structure for continuous review. The review process resulted in several iterations which formed the basis of subsequent strategic planning.

Linking the Processes

As noted, the three core processes must be integrated. We needed to determine if the school had the right people in the right jobs. As a matter of accountability, we also needed to understand the performance expectations of school personnel. Plus, we needed to understand just how the school's functions really fit—or failed to fit—together.

To answer these questions, a team consisting of a coordinator from the Institute, and staff from the school, was assigned to work through each dimension.

We began organizing and orientating the teams near the end of May. Many school personnel volunteered to work on one or more of the teams. Assignments to teams were made on the basis of job functions and personal interests.

The teams gathered information, analyzed it, identified problems and produced options for change and improvement. Discussions were sometimes heated as teams endeavored to face facts and be realistic. Denial was discouraged. Some quit their teams, though some returned. Pertinent information gathered by each team was entered into a database.

At the close of each week, each team coordinator ensured the team's task information was updated in the database. Information was analyzed vertically and horizontally in the matrix model. Regardless of the nature of reported impediments to progress,

issues were identified and addressed.

Each Monday, the Institute coordinator convened a meeting of all teams to discuss and review progress, problems, and suggested solutions. They discussed coordinated actions to solve problems. The level of accountability, degree of candor, and rigor of process was painful for some.

Most of the assessment work was completed before mid-June. As a priority, teams focused their attention on significant issues that were destabilizing school functions: personnel recruitment, development and retention, education program shortfalls, student discipline and student retention.

Some Rough Water

Before the teams completed their final assessments, the school's leader and three other personnel resigned. About a month later, two board members resigned. To quote Collins, some people were "getting off the bus." Although this was uncomfortable, it was a critical part of salvaging the school.

Finding a New Leader

With the reality analysis foundation laid, the school could now proceed with some confidence toward implementing options to meet the most immediate needs while concurrently moving further into the people process, the strategy process and the operations process.

Overarching these was the need to recruit the right education leader. The school had no potential candidate in the pipeline, so we encouraged the board to engage an interim leader, which it did. At the same time we undertook a search for a long term leader.

The interim leader joined the ini-

tiative and worked closely with the Institute's initiative coordinator and the teams co-leading the change of school culture. The initiative coordinator kept the authorizer apprised of developments.

Because a good CEO alone does not a school make, finding the other right people was paramount. Administrative guidelines for recruiting, selecting and evaluating staff performance were finalized. Salary, wage and benefit policies were approved by the board. Staff selections were finalized. A staff development calendar was approved. All this was completed by mid-August—just in time for school to open.

A long term leader was appointed in October. He agreed, through his employment contract and performance review criteria, to embrace and continue the process. The new leader began harmonizing the school's strategic processes with the external environment.

The Institute remained engaged for a few months longer, then slowly withdrew as the school returned to full viability.

Conclusion

As this case illustrates, there are various ways to group the three core processes of people, operations, and strategy. Regardless of how they are grouped, the organization must integrate the three core processes, and then harmonize the plan with the external environment. An execution culture will begin to take shape as goals are set, and accountability benchmarks are established. Above all else, these activities must be iterative, because the environment changes.

Because a good CEO alone does not a school make, finding the other right people was paramount.

References & Suggested Reading

- Bossidy, L., Charan, R., & Burck, C. (2002). *Execution: The discipline of getting things done* (1st ed.). New York: Crown Business.
- Bossidy, L., Charan, R., & Burck, C. (2004). *Confronting reality: Doing what matters to get things right* (1st ed.). New York: Crown Business.
- Buckingham, M., & Coffman, C. (1999). *First, break all the rules: What the world's greatest managers do differently*. New York, NY: Simon & Schuster.
- Carpenter, B. L. (2006). *Charter school board university: An introductory course to effective charter school board governance* (1st ed.). Mount Pleasant, MI: National Charter Schools Institute.
- Carver, J. (2006). *Boards that make a difference: A new design for leadership in nonprofit and public organizations* (3rd ed.). San Francisco, CA: Jossey-Bass A Wiley Imprint.
- Collins, J. C. (2001). *Good to great: Why some companies make the leap--and others don't* (1st ed.). New York, NY: HarperBusiness.
- Finn, C. Jr., Hassel, B., & Speakman, S. (2005). Charter school funding: Inequity's next frontier. Retrieved 2006, from <http://edexcellence.net/doc/Charter%20School%20Funding%202005%20FINAL.pdf>
- Hess, F. M. (2006). Charter school confusion: What they know just ain't so. 2006, from http://www.aei.org/publications/filter.all.pubID.24933/pub_detail.asp
- Ziebarth, T. (2006). *Stunting growth: The impact of state-imposed caps on charter schools* (No. 1): National Alliance for Public Charter Schools.
-

From the CEO of the National Charter Schools Institute

Affiliated with Central Michigan University in Mount Pleasant, Michigan since its inception in 1995, the National Charter Schools Institute is committed to advancing quality in the charter school sector through publications, conference presentations and tailored technical assistance to charter schools.

If you found this publication meaningful, I invite you to visit our website at www.nationalcharterschools.org where you will find similar monographs on a variety of topics including board governance, administrative leadership, evaluating research and more—all free of charge. And as long as attribution is cited, you are welcome to print and distribute as many copies of these as you like.

If you would like to discuss the prospect of board development or other kinds of technical assistance, please email me at bcarpenter@nationalcharterschools.org, or call the Institute at (989) 774-2999 (Monday through Friday, 8:00 am to 5:00 pm, EST).



Brian Carpenter