



# Charles M. Denny, Jr., retired corporate leader, and Charles Slocum, business consultant

An Interview with The Civic Caucus

8301 Creekside Circle #920, Bloomington, MN 55437

*April 27, 2012*

## **Notes of the Discussion**

**Present** : David Broden, Audrey Clay, Janis Clay, Pat Davies, Tom Gillespe, Paul Gilje (coordinator), Sallie Kemper, Dan Loritz (vice chair), Tim McDonald, Wayne Popham (phone), Clarence Shallbetter

**Summary of discussion** - Chuck Denny and Chuck Slocum discuss the nature of planning in the business world, and how it can relate to government. Leadership should come from both the government and business sectors for a clear direction to emerge for the state, they argue.

**A. Introduction of interviewees - Charles M. Denny, Jr.** spent his career working for Honeywell and ADC Telecommunications, from which he retired in 1991. Since then he has been engaged as a civic volunteer in a variety of local organizations, including serving as chair of the dean's advisory council of the University of Minnesota's Humphrey School of Public Affairs, vice chair of The Minneapolis Foundation, member of the board of the Minnesota Civil Liberties Union Foundation, and director of the Minnesota Center for Corporate Responsibility. He has a degree from Stanford University.

**Charles Slocum** is founder and President of the Williston group, a strategic management consultancy. He is former President of the Arthritis Foundation of Minnesota, Executive Director of the Metro Cable Network, and Executive Director of the Minnesota Business Partnership. He also worked at Honeywell in a corporate management capacity where he oversaw development of several new business ventures. Slocum has a degree from Hamline University.

## **B. Discussion -**

**THE PROBLEM** : Minnesota does not have a strategic plan

How does the idea of a public sector vision relate to the private sector, the group wondered? Could the principles used in the private area be used in the public area, and if so how?

### **THE GOAL: The state should have a clear sense of direction**

Without leadership or a plan for direction, the state may not be able to remain a leader into the future.

### **THE STRATEGY: Public and private leaders drive planning for the state**

The first question, Denny offered, is to consider why is it necessary to do planning in the first place. "It is a function of the environment the organization finds itself in," he observed. "For some businesses, strategic planning is mandatory for success. In others, opportunistic day to day focus on implementation is most successful.

"But, if an organization commits to a strategic plan, it is vital to talk with everyone in the organization in order to have broad based ownership."

Both approaches are valid, Denny said. He described that through a career as director of six companies in addition to his own, each one was a different experience - yet every one did a strategic plan. "Part of the reason is that planning is a cult," Denny said. "If you're not doing one you're on the outside.

"Buffett has said if he had any success it's because they are not part of a strategic plan. Opportunities presented themselves and if he'd had a plan he may have missed them."

Slocum said that he was fortunate to be on Honeywell CEO Ed Spencer's corporate business planning staff. He described once retaining Harvard's Michael Porter, author of the best selling "Competitive Strategies" for a year long competitive analysis training project. The four components to successful planning: (1) Vision - got to have confirm a sense of who you are and what you're doing; followed by (2) Mission; (3) Values; (4) Strategies.

### **A planning process should be inclusive**

"The troops are the ones creating the culture," Denny said. The mission often appears to be the voice of the directors, whose voice comes from on high, like god. It is management's task to balance robust and exciting innovation coming up from the bottom of the organization with top-down constraints.

Denny gave his advice to would-be entrepreneurs: Revisit your plan every month. "I live with the expression that: Life is what happens when you're busily planning.

"The best-laid plan, which is a masterpiece when it's printed, begins to show signs of wear almost immediately.

"You may be able to create a structure that is enduring, but particular components will need to be constantly changed. What I thought was a good plan often failed because we lost a key player or market conditions suddenly changed."

Structural planning drives a lot of good things, but it can be informal as well, Slocum added.

It is rare for boards of directors to meaningfully participate in the process of strategic planning. It is an asset if a board has a director with brilliant insight and wisdom, with unlimited time to provide advice and guidance.

But there are regular constraints: Of time, and expertise. If the director knows the industry well then there is probably a conflict.

### **Applying strategic planning to the state**

Slocum said that he does not think governors we elect are required to demonstrate the value of a strategic planning skill set.

The prospects for planning are further constrained with required elections every two years, thus resulting in a short term attention span.

The Governor certainly can bring people together to plan, and create a planning agency, Slocum said - though planning does occur as a function of government's work. Government is responsible for major infrastructure and so must be looking way ahead. There is a tremendous amount of planning that takes place in a department like transportation.

In a question about execution a participant asked the speakers to compare how a governor or CEO deal with people in key positions that don't carry out mission.

"In private enterprise there can be people that have their own plan and their own support." Denny observed. "But, they can eventually be dealt with."

In government part of the issue is that the commissioner is appointed by the government, then the permanent undersecretary is the one who runs everything.

"The permanent staff of government are the crew of cruise ship. Passengers - i.e. elected officials - come and go, but the crew remains."

### **Minnesota's vision is to be the best**

"We grew up in a state that had the assumption that we were the best - our education systems, our parks, our roads, and our cultural institutions," Denny said. That belief and the quality of our public infrastructure grew out of some kind of culture. Maybe it's not that a state should have a plan, he observed, but a culture.

The state is about delivering services and bettering people's lives.

"You still have a plan even if you don't create a plan," Slocum added. It seems to me we're much wiser setting that plan.

A participant asked whether a broad-based, foundation-driven commission is an essential element to developing a state vision or strategic plan. It has to be broader than the political context, the speakers observed. It must include the senior leaders thought to be visionaries.

## **C. Conclusion**

To close, Slocum observed that an advantage of the corporate world is that it operates in a culture using the concept of return on investment (ROI) for benchmarking. Corporations are created to create wealth and so the ROI is used. "I would argue development of our public ROI needs careful refinement. That allows state policymakers to build a vision. I would place this as an 8-10 in terms of something that needs to be done."

Denny said that he is continually intrigued with the vision. "For me it always starts there. It's the long-term cement that holds organizations together. It's not only like cement but it's nourishment that directs peoples' creativity toward the fulfillment of that mission."

He is against public funding for the stadium, but said that the situation again indicates that Minnesotans believe we're one of the top ten states in the nation. "In fact we're 21<sup>th</sup> in GDP. We're aspiring to be more than we are. You need to leave it to the private groups to drive the stadium issue."