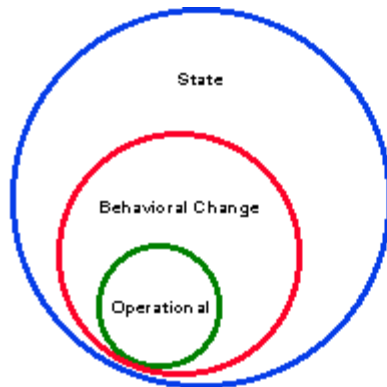




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**Circles of Influence:  
An Approach to  
Structured, Succinct  
Strategy**

[Steve Montague](#), January 2000

Planners have always faced a dilemma. *How do you put together a well-considered, thorough, and logical plan without getting lost in detail?* Our modern time-conscious society magnifies the problem: people just won't read planning documents of significant length. A planning team needs something compelling - but concise.

One way I have found to address this problem is to start drawing concentric circles. Firstly, circles seem more friendly than traditional planning boxes. Secondly, and most importantly, concentric circles can quickly represent two very important concepts:

- Scope of influence
- Wave-like "flows" of behavioral logic

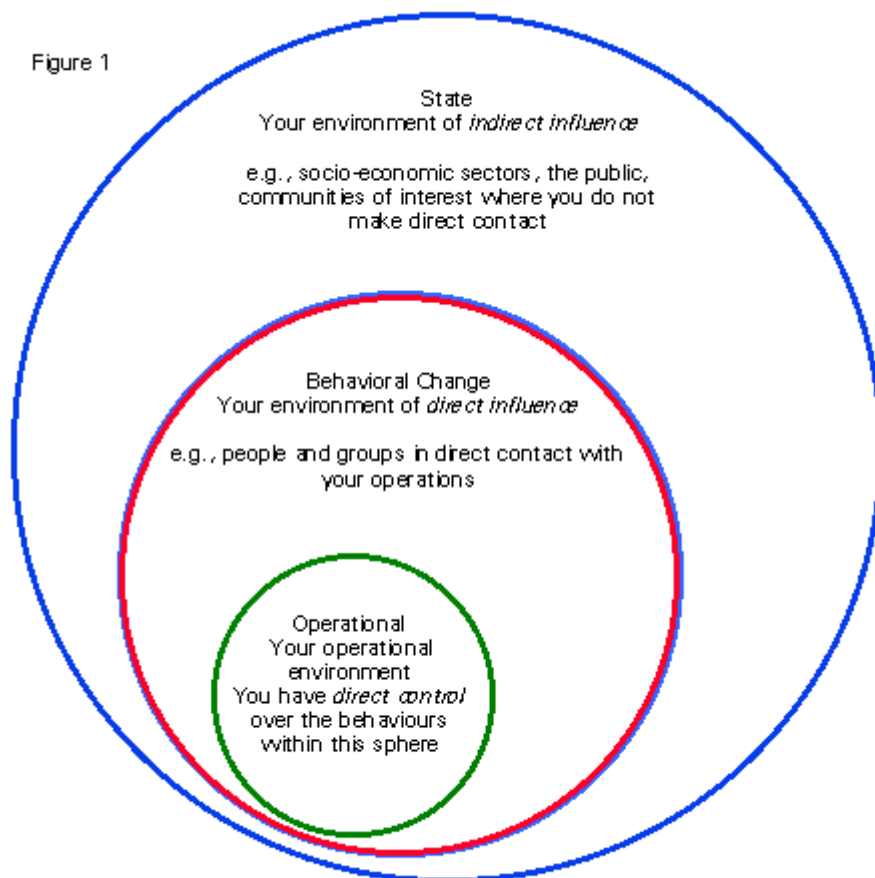
### **Scope of Influence**

Circles can be used to represent different levels of control or influence on groups around you. (See **Figure 1**.) We have found the following categories to be useful:

- **Operational Circle:** This circle represents your operational environment. As a manager, you have direct control over the behaviors within this sphere. The people within this circle are assumed to have at least a strongly common mission to you. This may be because you exercise some kind of authority (e.g., employees) and / or you share a pervasive belief system or mission (e.g., a volunteer organization or sports team).
- **Behavioral Change Circle:** This circle represents your environment of direct influence. As a manager, you (your operations) have contact with and, therefore, an opportunity to directly influence the people in this group. Unlike your operational circle, however, these people are not necessarily assumed to hold a common mission to you. You typically do not exercise day-to-day authority (control) over this group. Customers, clients and co-delivery partners, suppliers and other people or groups with whom you have direct, mission-oriented contact are included here.

- State Circle:** This circle represents your environment of indirect influence - the community or communities relevant to the mission. As a manager, you (your operations) do not have direct (interactive) contact with all of the people in this circle and, therefore, you do not have the ability to directly influence them. However, the nature of their business or areas of interest creates a possibility for indirect influence through behaviors that get adopted from those within your circle of direct influence. Industrial groups or sectors, communities, associations and associated areas of common practice or location would be included in this group.

Figure 1



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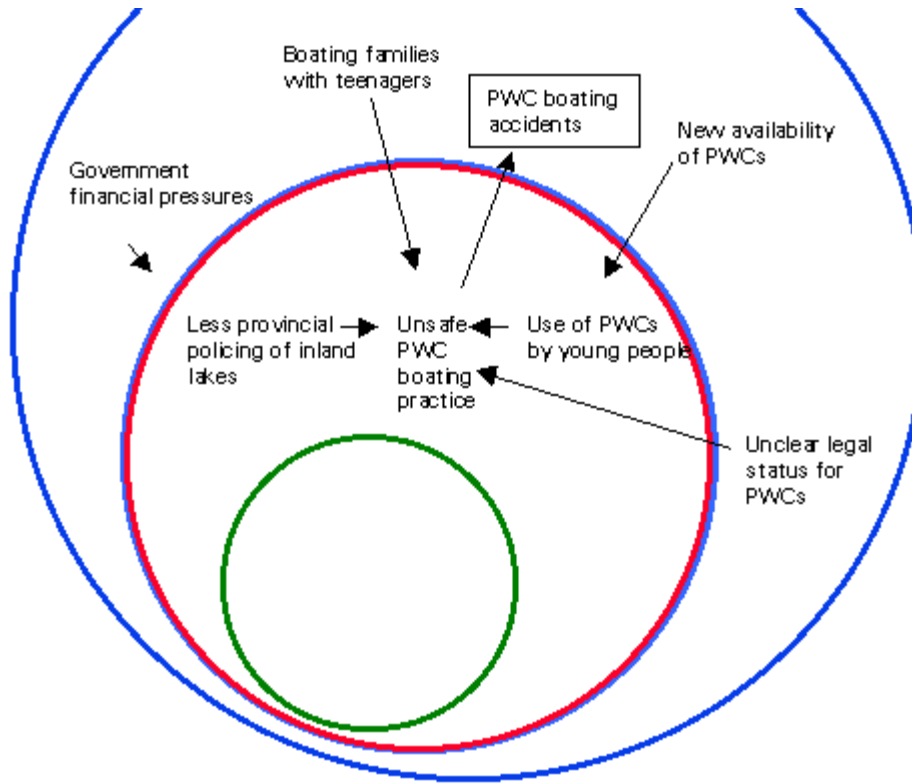
### Flows of Behavioral Logic

Once the circles have been established as the 'strategic terrain', the next important task is to identify trends or pressures and the logical connections between those pressures and groups of interest to form important problems, gaps, and opportunities.

For example, a 'state' trend or pressure might be a technological change such as the emerging availability of personal water craft (PWC). This trend logically leads to increased use of PWCs. Combined with age demographics (increased baby boomers settling at cottages with teenage children), reduced provincial police resources, and unclear legal requirements for PWC usage, we have a series of behaviors which come together to form a significant risk. See **Figure 2** below.

Figure 2



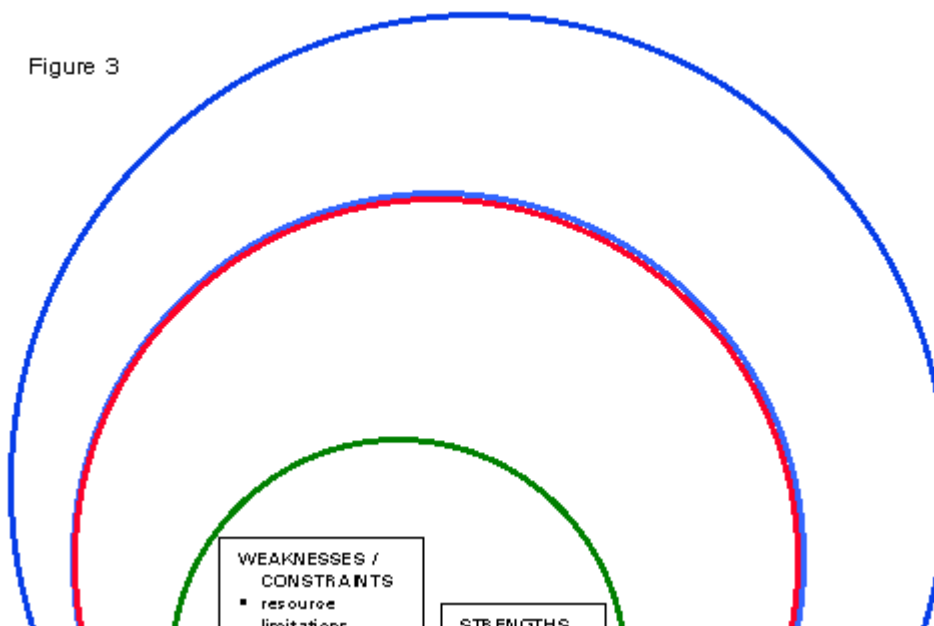


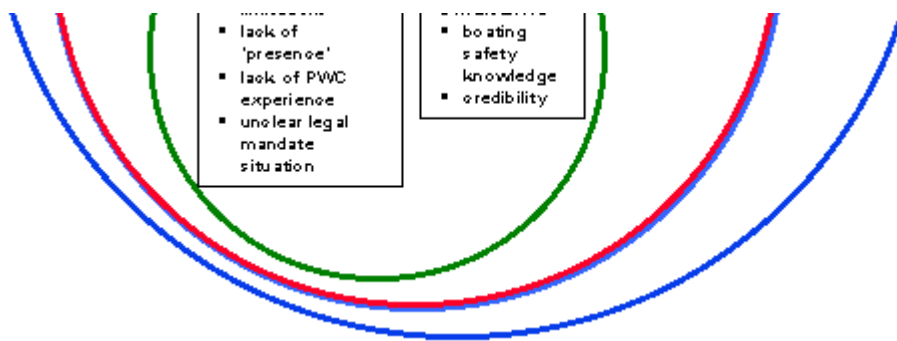
This is a simplified form of the traditional opportunities, threats, and issues analysis which typically emerges from an environmental scan. The difference is that one can show it simply, visually, and without jargon. Analysis of this kind in fact lends itself to small group work - as does the rest of this process.

A second step in the process of establishing strategy can involve considering the strengths and weaknesses within the inner circle, the operational circle. These strengths and weaknesses could relate to your human, financial, technological, or other resources, your processes, organizational structure, and / or even your legal mandate.

For example, in the boating safety case, human and financial resource constraints, limited regional presence in inland (cottage country) waters, low experience with PWCs, and unclear legal mandate might be constraints or weaknesses for an agency focused on boating safety. Strengths might include credibility and safety knowledge. See **Figure 3**.

Figure 3

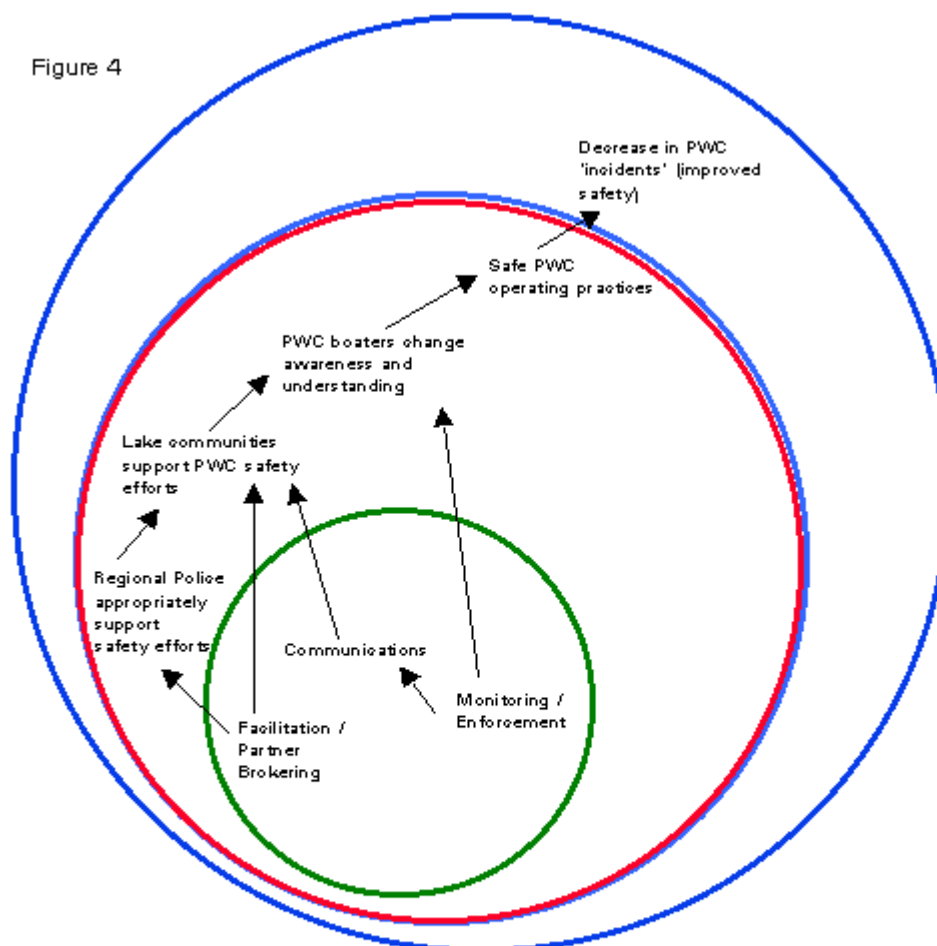




The third step in the process involves mapping out a 'performance pathway' or behavioral logic onto the terrain of the three circles. The logic should generally flow from the operational circle (your domain of control) to the behavioral circle (your domain of direct influence) through to the state circle (your domain of indirect influence). It is important to clearly identify **who** and **what** you expect to see change along the pathway.

For example, in boating safety, improved communications, community / partner meeting facilitation, and selected monitoring / enforcement actions should affect cottage communities, regional police, and boaters (and their families) to change PWC operating practices and reduce incidents. **Figure 4** graphically shows this logic.

Figure 4



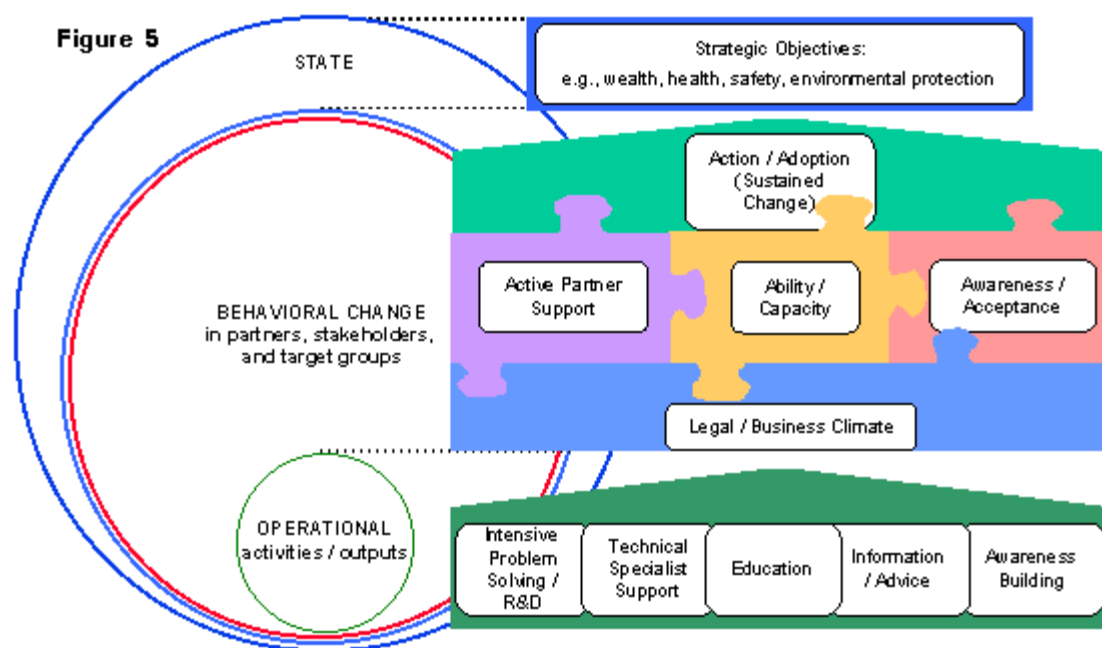
Note that the above logic involves garnering regional police and community support to help influence PWC operators. Also note that as the behaviors occur farther and farther away from the operational circle, an organization's ability to influence change is reduced. In this fact lies the analogy of a behavioral 'wave' - sharp and forceful near the origin, broader and weaker (subject to disruption by other forces) as it moves outward.

While the example given in this case relates to a public enterprise, the approach equally applies

to private business planning. The key difference is that there is an emphasis on 'feedback loop' behaviors. **Appendix A** illustrates an example.

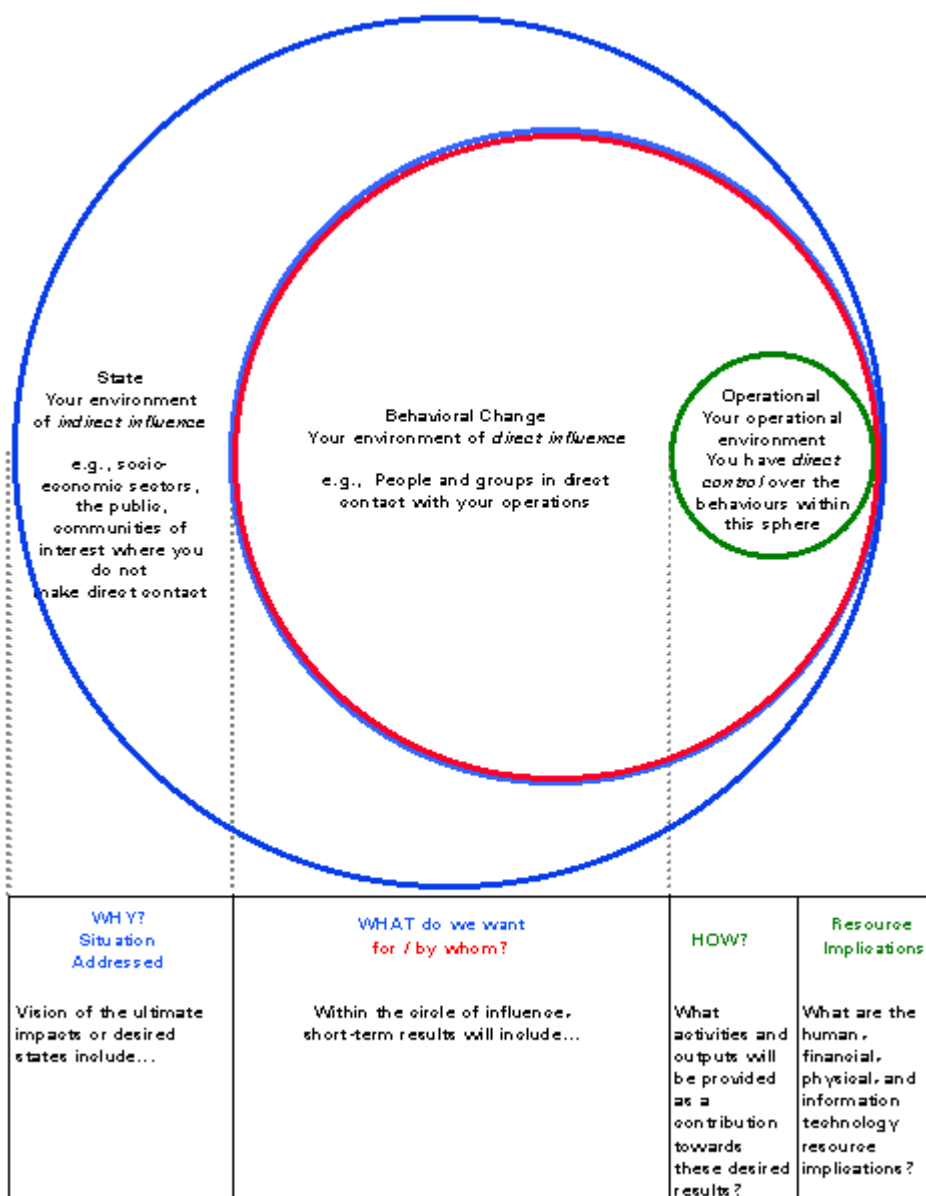
The implications for this approach are many. We have found that the combination of the circles of influence with a performance logic as illustrated here can help managers in several ways. The three circles approach:

1. Graphically and clearly links operational outputs with a series of intended outcomes - it shows performance logic. See **Figure 5**.
2. Provides a useful tool for brief senior-level discussions. (The tool is quick and simple, while displaying the key players and logical connections of an initiative.)
3. Helps people to do scenario planning (See [Van Der Heijden](#), 1996).
4. Facilitates risk assessment (See Montague and Wiltshire, 1999).
5. Provides a basis for performance planning, measurement, and reporting. (**Figure 6** shows the translation of the three circles - parabolas at this point - into an action plan template.)
6. Appropriately shows differing levels of management control - and therefore different appropriate levels of accountability.
7. Lends itself to group work at all levels (projects, programs, or policies).



The three circles can set up a compelling performance logic. Operational activities and outputs should lead to a series of different types of behavioral outcomes which should logically 'fit' together to achieve strategic objectives.

**Figure 6: The Three Circles Translated into an Action Plan**

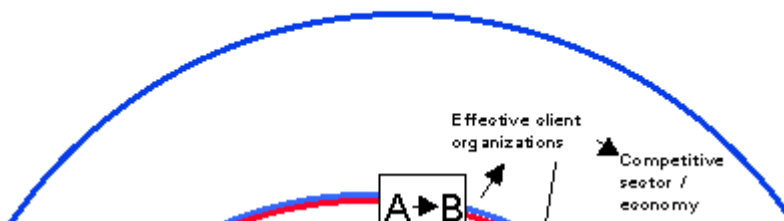


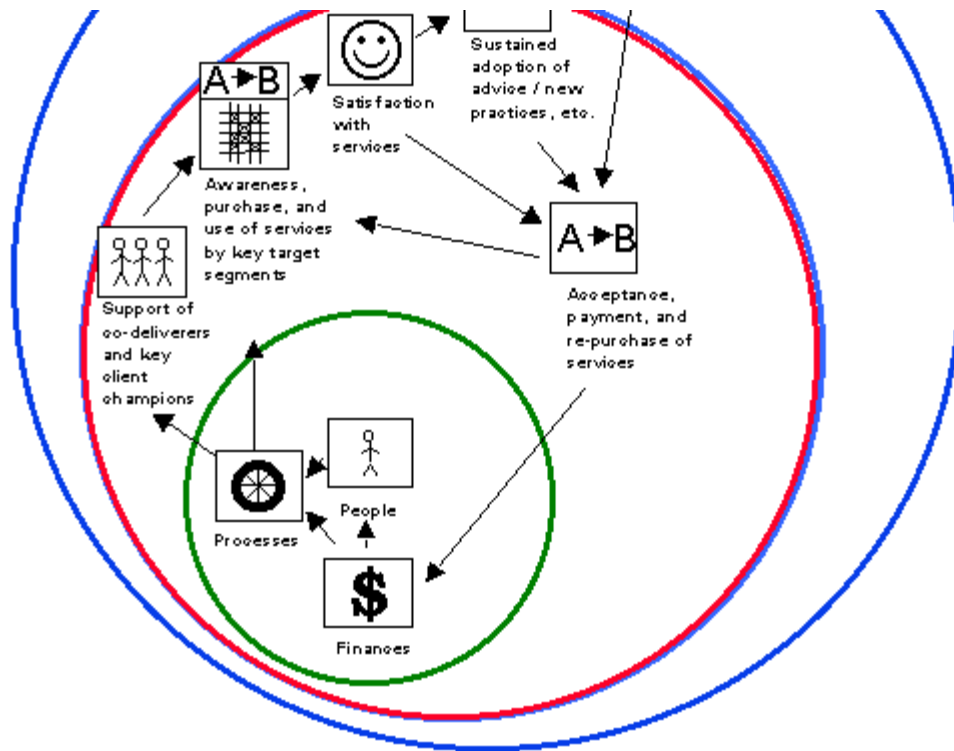
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As humans in all endeavors increasingly recognize that time is their most precious resource, the application of useful and easy-to-apply management tools will become more and more important. Our experience to-date suggests that the use of circles of influence as described here offers just such a tool.

[For further examples of the approach described in this article, contact [Steve Montague](mailto:Steve.Montague@pmn.net) or [info@pmn.net](mailto:info@pmn.net).]

**Appendix A: Professional Services Firm Behavioral Logic**





Note that in a private enterprise, the behavioral logic must include some 'loop backs' in the form of payments, re-purchases, referrals, etc. in order to sustain operations.

For an explanation of the symbols, see Steve Montague, [The Three Rs of Performance: Core concepts for planning, measurement, and management](#), Performance Management Network Inc., 1997, p 21.

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