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Business Strategy | Marketing Communications

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Being Strategic About Strategy

By Tom Marx

In the July/August issue of The McKinsey Quarterly*, this venerable and well-respected consulting firm wrote their observations about the strategic planning process:

- "Most companies have a formal strategic- planning process, but don't use it to make their most important decisions.
- Improving a company's ability to align their people with their strategic plan, then monitoring progress against the plan, would result in much greater satisfaction."

If your strategic plan does not drive your company decisions and if your team members are not aligned with the plan, why bother with the strategic planning process?

6 Reasons Why Your Strategic Planning Process Doesn't Work:

1. There is no formal planning process in place.
2. People are not aligned about the goals for the strategic planning process, and/or about the process itself.
3. The strategic planning meetings are not fun, nor do they create a safe space for speculation.
4. Senior management developed the plan, so likely other members of the team are insufficiently involved for mutual buy-in.
5. Due to past strategic plan failures, skepticism and disengagement undermine any future planning process.
6. The plan does not include a pre- scheduled periodic check-up to benchmark how the plan is evolving during the year – no metrics for success!
7. Here are steps for you to follow so you can be on your way to successful strategic planning.

6 Steps For a Successful Strategic Planning Process:

1. Create a formal strategic planning process

Does your company have a strategic planning process? Does the process include specific deliverables and a time-line for meetings, drafts and completion? If not, then do it today. Use past planning processes as a guideline to what was promised vs. what actually occurred. Track the process every year until it's fully incorporated into the company's culture.

One of our clients started tracking their planning process several years ago. Now it is a fast check of the calendar and away they go. It's that easy. Codify the process and a lot of time will be saved for the next plan.

2. Get alignment on the strategic planning process

The next step is getting buy-in from those participating in the planning process, as well as those that are directly impacted by the planning process. Outline objectives, establish the "satisfied" and "over the moon" goals and then outline how the process itself will evolve.

Pay particular attention to who is in the brainstorming sessions, what preparation needs to occur before the meeting, how long each meeting will be, where the meetings will occur, what deliverables are expected and by when.

3. Make strategic planning meetings fun

If people are allowed to speculate – spaghetti-toss ideas – then the planning process will be more fun, engaging and safe for honest interaction. I have led some pretty boring meetings (nothing new or inventive going on) and some pretty wacky meetings (zany ideas and little discipline in the thinking process).

The meetings that are the best allow people to be completely safe. No reprisal and no sacred cows. Lots of ideas are encouraged. Enough time is given to think ideas through, especially those that are aligned with overarching goals, the brand and the company culture.

Ideally an outside meeting facilitator would be brought in to partner with you, because a third party is more objective and can more quickly resolve disagreements or disconnects.

(btw - We often serve as the facilitator at our client planning processes – contact Tom Marx for details tmarx@themarxgrp.com)

4. Make sure team members buy-in to the plan

Once the plan is complete, how do you bring others into alignment? Do you just deliver the document and hope that it is read? We find the best results occur when the plan is presented to those team members that can directly impact the success of the plan. Again, allow for open Q&A and at the end of the meeting, make sure all are aligned on the goals and decisions.

We recommend that you leave open the possibility of amending the plan during the delivery process. You'll have more successful buy-in if team-generated modifications are seriously listened to and there is enough flexibility to make adjustments to the plan itself. Often it's the junior team members that see things from a fresh perspective.

5. Don't allow skepticism to undermine future planning processes

If past plans have failed or were only partially implemented, why would people buy into next year's plans? Company morale will remain high and participation strong if you make objectives that are attainable through reasonable growth, thus establishing a history of success.

A history of failures (not making the numbers) might be because the goals are too far reaching. The trouble – or the solution — starts with the plan itself. Clearly differentiate those pie-in-the-sky ideas from those that are truly attainable through successful implementation.

6. Create metrics for success!

How can any plan succeed if you don't periodically check on the results? Many times we have seen a brilliant plan completed and then sit on the shelf. The plan itself needs to include benchmarks and a progress review calendar. Get these dates on the company calendar!

*The McKinsey Quarterly is published by McKinsey & Company (www.mckinsey.com)