DANIEL STONE
MAKING CHANGE REAL

OVERVIEW OF STRATEGIC PLANNING

"If you don't know where you're going, any road will take you there," said Wonderland's Cheshire Cat to Alice. Organizations are increasingly buffeted by currents that are outside their control, and too often find themselves reacting to events, rather than choosing their course of direction. Strategic planning is one of the most popular methods that organizations employ to create a vision for what they want to accomplish and a course of action for achieving that vision.

Strategic Planning first made a significant appearance on the radar screen of managers in the early 1970's. However, when it first appeared as an organizational technique, the concept of strategic planning was received with considerable skepticism from some corners. Some managers felt that the idea of actually being able to exert significant influence over their organization's future seemed preposterous. All of the various cross-currents which affect organizations seemed outside the realm of anticipation or planned response.

However, in recent years, strategic planning has become far more widespread for at least two reasons. First, the alternative to planning is <u>not planning;</u> and that alternative results in a greater sense of loss of control than most managers and organizations are willing to accept, especially as they see they find themselves in more competitive positions or faced with greater resource and other pressures. The other, more concrete, factor is that there is more and more empirical evidence that through strategic planning, organizations have been able to better position themselves to weather difficult storms, and to make significant changes in their course of direction. In other words, strategic planning is increasingly correlated with organizational success.

This overview was created to provide answers to some of the most fundamental questions about strategic planning including: what is the strategic planning process; how is the process designed, and what are the key conditions for a successful effort.

What is the Strategic Planning Process?

The purpose of strategic planning is to position the organization to create the future it hopes to achieve. In doing so, strategic planning must be designed to surface and address any factor or issue which is key to the organization's success. Sometimes plans focus primarily on outcomes that are important to the organization's customers. Other times, plans focus more inwardly, on processes, structures, or mechanisms to enable the organization to function more efficiently or effectively in producing outcomes. And sometimes plans focus on building longer term capacity of its members. Most often, strategic plans focus on both internal and external issues.

The way the process creates this focus is through answering a series of seven basic questions:

1. What is the mission of the organization?

2. What are the current strengths and weaknesses of the organization?

3. What are the major opportunities (trends, events) and threats facing the organization in the future?

4. What is the vision for the most significant difference we want to see in the organization in the coming XX years?

5. Based on #2-3, what are the critical strategic issues the organization needs to face in order to optimize its mission/vision?

6. For each of the critical strategic issues, what are the action plans for addressing those issues, including:

    a. What is the goal/how will success be measured?

    b. What are the major steps and time-frames?

    c. Who is accountable?

    d. What resources will be required

7. How will we ensure effective execution of the plan including:

    a. How will accountability be established

    b. How will the plan be monitored?

    c. How will the plan be communicated to those who need to be informed of the plan and its progress?

While these are the core questions addressed in a strategic planning process, the specific format for how these questions will be addressed is a matter of finding the proper design.

How is the Strategic Planning Process Designed?

The decision about design is generally based on answers to the following questions:

- What is the overall purpose of the strategic planning process?
- Who needs to be involved and how?
- What is the time-frame in which it needs to occur?
- What design will fit within the overall culture of the organization?
- What is the capacity of the organization to conduct and maintain a focus on this effort?

Typically the process is designed by the person designated as responsible for the strategic planning effort (such as the chair of a strategic planning committee), often with the assistance of a facilitator experienced in strategic planning. For more complex efforts, a design team may be created specifically to create the design for the process.

However it is done, the design of the process is often a key factor in the outcome of the effort.

Who is Involved in the Process

One of the most important underlying questions in choosing a design for the process, is who should be involved and how. A viable strategic plan is one in which:

- The right information and perspective has been incorporated in the plan, and
- There is a sufficient level of ownership over the plan to facilitate and support successful plan implementation

To accomplish this, the major options for including people in the planning are:

- Top leadership team comprises the planning team
- A Design Advisory Team is formed, composed of people from different levels and functions in the organization, which recommends the plan to the top leadership team
- The entire organization or a representation of the entire organization does the planning (e.g., through large scale events such as Future Search Conferences)

It is also helpful to consider how to include the input of customers, partners, and other stakeholders, either directly in the planning or by providing input at key points as the plan is being developed.

Other Success Conditions

Successful efforts also require attention to four key factors:

1. *Maintain momentum*

The amount of time it takes to create a strategic plan can vary considerably from organization to organization. It is essential that once a planning process is undertaken, that it remain vital and relevant. In general, organizations tend to take longer than is useful to complete planning processes, resulting in a loss of momentum and urgency to the process. A well-conducted and focused process needs time for proper deliberation, however. Therefore, finding the proper balance between thoughtfulness and momentum is essential.

2. *Create a focus on results*

Once a plan has been created, there must be ongoing attention to monitoring its implementation and measuring its impact. The measurement system need not be complex; in the best cases, existing measurement systems may be adapted to eliminate redundant measurement. However it is done, the results that are accrued must include both short-term gains that are of consequence to the organization, as well as longer-term gains which may require more time before showing value. These results need to be kept on the organization's radar screen, using whatever communication vehicles are available.

3. *Ensuring Ongoing Leadership Commitment*

Perhaps the single most critical factor in the credibility and effectiveness of strategic planning is the visible and tangible commitment of the leadership to the effort. Leaders must ensure that the organization creates the resolve to not only produce a plan, but also to implement it. A sense of urgency about the plan must be conveyed by leadership not just once, but consistently, and with conviction. Resources must be directed both toward the development of the plan, and more importantly, toward its implementation. Reward systems need to be aligned with the plan in order to convey a clear message to the organization to take the plan, and its implementation seriously. Overall, leadership must be seen as committed wholeheartedly to the success of the plan.

4. *Providing Effective Facilitation*

The process of strategic planning requires that organizations engage in a substantive and frank dialog about its current reality and its future. It also requires that there be a clear focus on the process of interaction, to ensure that there is forward movement, that individuals are being heard and understood, that differences are productively surfaced and explored, and that commonalities are recognized and built upon.

Few people who are involved in this kind of activity are able, or even prefer, to keep a focus on the process as well as the substance. For this reason, most organizations rely on

facilitators to help design and facilitate the strategic planning process. Such facilitators are skilled in the strategic planning process, as well as fostering group dialog and decision making. Facilitators do not replace the need for chairs or leaders of the strategic planning process. Rather, they work alongside such leadership, to ensure that the process is conducted in a manner serving the best interests of the organization.

For over 40 years I have been a premier designer and facilitator of strategic planning processes and other activities to help organizations achieve outstanding results. In that time, I have led many strategic planning efforts for groups that range in size from 5 or 10 up to several hundred at a time. Where helpful, I use various forms of technology such as groupware and keypad voting systems to ensure a highly efficient, dynamic, and ultimately effective process for engaging the expertise and commitment of the participants. To find out more or to explore your organization's specific needs, contact djs@danielstone.com or call 301-928-9769. Also there is specific information at www.danielstone.com.