

STRATEGIC PLANNING

B. Keith Simerson

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Strategic Planning

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Strategic Planning

A Practical Guide to Strategy Formulation and Execution

B. Keith Simerson



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Chapter 1

Overview

Strategic planning is extremely important to individuals (regardless of the role they play, their position or title, or their area of responsibility), their teams, and their organizations. This chapter introduces readers to what “planning” typically means and entails, gives examples of how people in different walks of life typically plan, describes how strategic planning differs from but is similar to tactical planning, points out general advantages and challenges of strategic planning, and reveals the implications for strategic planning that served as the impetus for this book.

PLANNING IN OUR DAILY LIVES

Planning is a fundamental part of our lives, whether we are going to commute into town to run errands or make several purchases; travel across town, the state, or the country to visit various historical sites or participate in cultural events; or prepare for and then enter into and navigate through a particular occupation or profession. As used here, planning is a process by which you formulate a particular intent, identify one or more associated goals, and then decide on the actions you will take to realize your intent and achieve your goals.

Planning can be as simple as deciding which purchases you need to make, ensuring that you have adequate funds on hand, determining the stores you frequent that are likely to carry those items as well as the locations of those particular stores, deciding on the most effective and efficient means for traveling from your current address to the stores’ location, and taking steps to ensure that your mode of transportation will be available and fully operational at the needed time. Planning in our daily lives can also be somewhat more

complex. For example, we might as an individual or as a family develop a plan to help:

- Guide a relatively complex home improvement project by specifying needed equipment and supplies.
- Ensure a safe, enjoyable, and educational vacation by helping us take factors such as weather, scheduled events, motel or hotel vacancy, special offers, and cultural and educational opportunities into consideration.
- Steer our savings and investments so that we can retire in relative comfort.
- Ensure that we receive long-term care as needed and when needed.

Or, we might belong to a local citizens' group or volunteer organization or be a member of a local association or club responsible for creating a plan to help guide:

- Emergency operations should the right conditions, situations, or circumstances emerge.
- The consumption, utilization, and exploitation of local land and resources.
- The local or regional response to a violent and devastating accident involving hazardous materials.

PLANNING: AN IMPORTANT ELEMENT OF ANY ORGANIZATION

With the above points in mind, I—as an adult, husband, parent, and member of my local community—recognize the vital role planning plays in one's personal life. As a consultant with almost two decades of experience working with leaders, executives, managers, supervisors, and individual contributors, and as a member of the faculty of a leading university, I have made observations and had experiences that led me to conclude some time ago that planning is as important to an organization as it is to an individual. Without formal planning, the purpose of the organization might be misunderstood to stakeholders, the intent of the organization might be unclear to employees (at all levels), organizational intelligence and resources might be misapplied, and the sum total of the organization's effort might yield suboptimal results or outcomes or yield optimal results and outcomes that do not directly or indirectly contribute to the organization's purpose for existence.

Several reasons have contributed to planning becoming increasingly important to organizations. Our tumultuous national and global economy has adversely impacted every industry and profession; organizations have downsized and “right-sized” and are now having to do much more work with fewer resources. On a daily basis, executives, managers, supervisors, and individual contributors are being asked to do significantly more; such demands have been magnified by organizational structures such as the matrix, which requires all employees (regardless of their level, area of responsibility, or title) to function in an environment marked

by competing priorities and multiple stakeholder groups. Even under the most optimal circumstances, today's organizational realities make it much more essential—perhaps more than at any other point in our history—for the person lower in the organization to quickly make proper and appropriate business decisions. Such complexity showcases the need for clear thinking, clear communication, and a clear directive—all the product of effective planning.

STRATEGIC VERSUS TACTICAL PLANNING

Conversations with numerous executives and students have sensitized me to the importance of understanding the difference between strategic and tactical planning. They have also helped me understand why some people “freeze” because they consider strategic planning something “others” do or because the difference between strategic and tactical planning confuses them. While I will point out other differences later in this section and will describe a practical and easily understandable planning hierarchy in Chapter 2, the primary difference between strategic and tactical planning is that strategic planning typically involves thinking about and making decisions impacting the entire organization and tactical planning typically involves thinking about and making decisions impacting a part of the organization (such as a particular functional group, division, or department). The key point here is that a clear majority of the methodologies, tools, and techniques applied to strategic planning efforts can also be applied to tactical planning efforts. Although some of the questions one must ask might differ according to whether you are developing a strategic or tactical plan, both types of plans require strategic thinking, benefit from the application of certain tools, and are important components of strategic management.

This book is designed to serve as a practical guide to strategy formulation and execution. As such, it provides information useful in and beneficial to conducting strategic or tactical planning, since both involve strategy (defined as the means by which you intend to realize a strategic intent or achieve a strategic goal), formulation (defined as drawing something up carefully and in detail), and execution (defined as the act of successfully carrying out or accomplishing an action).

I focus on strategic rather than tactical planning because strategic planning:

- Requires the broadest perspective. Tactical planning might focus on challenges and opportunities pertaining to a particular function, such as information technology (IT), human resources (HR), or marketing; strategic planning typically involves the analysis and consideration of a broader array of factors, including but not limited to organization-wide business systems, core processes, technology, people capabilities, and culture.
- Takes the longest timeframe into consideration. Tactical planning typically involves goals and actions likely to occur over the course of a year; strategic planning might involve a strategic intent likely to take 10 to 15 years to realize.

- Focuses on the entire (local, regional, national, or global) organization. Tactical planning involves a particular division, department, or unit; each subunit (regardless of what it is called) has a particular focused area of responsibility and as a result might focus on a particular goal, geographic area, business system, core process, technology, people capability, or cultural issue. The impact of strategic planning is much more far-reaching, in that it focuses on all components and elements of the organization.

Planning of any sort involves careful preparation, prudent analysis of information and data, credible decision making, and the utilization of various tools and techniques. The larger and more complex the organization, the more likely the planning endeavor is to be strategic; the more challenging and demanding the business, the more likely the planning effort is to be strategic. Although the concepts, principles, tools, and techniques I introduce throughout this book are appropriate for strategic planning, they will prove equally useful and beneficial to the individual asked to prepare for, conduct, participate in, or review tactical planning.

THE ADVANTAGE OF STRATEGIC PLANNING

Many factors—including those previously listed—showcase the importance of strategic planning to the individual and organization. Strategic planning allows you to take internally and externally focused information into consideration when making a decision, thus maximizing certainty, minimizing risk, and optimizing results and outcomes. While specific benefits are described in greater detail in Chapter 2, strategic planning:

1. In short, provides much-needed focus and direction. As previously stated, uncertainty and ambiguity surround corporate, government, for-profit, and nonprofit positions and areas of responsibility, and employees at all levels are now being asked to perform in an exemplary manner with little managerial or supervisory support or direction. Strategic planning allows the organization to determine what's important and understand what every organizational element—from business systems to human resources—must achieve to contribute to the individual, team, and organizational success. Strategic planning allows the members of the organization to understand what's important and how the role they play and their effort and performance contribute to the organization's short- and long-term success.
2. Allows a new organization to make fundamental decisions about the market in which it will operate; the value it will bring to its clients or customers; the unique knowledge, skills, and abilities its employees must (or do) possess and must (or will) apply to client and customer opportunities and challenges; and how the organization will differentiate itself from its competitors.
3. Allows an existing organization to review its progress to date; recognize, acknowledge, and celebrate noted accomplishments; identify and share lessons

learned and likely best practices; and determine whether its current focus and effort (as well as associated resources) should be directed elsewhere or be emphasized or deemphasized.

4. Gives you an opportunity to take a step back and think strategically about your organization's past, present, and future; existing and emerging issues your organization faces; and external forces and internal factors impacting your organization's ability to succeed now and into the future.
5. Allows you to answer questions relating to your client and customer needs and expectations and your organization's ability to meet or exceed those needs and expectations.
6. Gives you a chance to consider or reconsider your organization's future. For example, it allows you to firm up, confirm, or verify where your organization is heading, what the organization must do to immediately succeed and succeed over time, and how you and your colleagues will (or must prepare to) contribute to your organization's success.
7. Allows you to identify strategies, tactics, tasks, and subtasks that will help your organization attain its strategic intent and achieve its stated objectives. Not only does strategic planning allow you to identify these multilayered, increasingly specific and defined actions, but it also allows you to put these actions into a proper context and organize them in a way that is easily understandable to you and your key stakeholder groups and easily communicated within and throughout your organization.
8. Provides an opportunity for the organization to identify the resources (including budget, people, facilities, equipment, supplies, knowledge, and information) needed to achieve optimal success.
9. Allows you to consider unlikely, unexpected, or unplanned obstacles that may interfere with the organization's performance and decide in advance how you will recognize and subsequently resolve such unexpected occurrences.
10. Provides an excellent forum for the involvement, contribution, and input of a broad cross section of the organization as well as select representatives of the organization's various stakeholder communities.

One of the most, if not the most, important benefits of any strategic planning effort is that it allows your organization to bring its "collective intelligence" together to apply to external forces, internal factors, and the slate of current and emerging challenges and opportunities likely to impede or support the organization's attaining its vision and accomplishing its mission.

THE CHALLENGE OF STRATEGIC PLANNING

The recent downturn in the economy has changed the nature of many roles, positions, and jobs. In the past, many people were responsible for isolated activities

such as organization, staffing, coordination, budgeting, and evaluation. For example, first-line supervisors were previously responsible only for supervisory activities; they assigned tasks, monitored employee behavior and performance, provided feedback, and dispensed rewards when appropriate and disciplinary action when needed. The events of the past several years have changed the role that supervisors and many sole contributors now play: individuals throughout organizations are now expected to contribute to not only their individual and team success, but also the success of the overall organization. Such input and contribution suggest the need for strategic thinking and reflect the importance everyone must now place on strategy formulation (which remains the responsibility of a relatively small portion of the organization, many of whom are attempting to involve others in the strategic planning effort) and execution (increasingly the responsibility of an expanding portion of the organization).

Such an expansion of one's role and responsibilities illustrates the need for an individual—regardless of his or her role or responsibility—to maintain a strategic perspective and to think strategically when executing the organization's strategic plan and when addressing the multitude of challenges associated with its execution. In such an environment, it is important for the organization to address strategy-related issues such as these:

- How important is strategic planning to this organization, and how much time and effort are we willing to devote to it?
- Which tools and techniques should our organization utilize to help individuals and teams think more strategically?
- How can we better understand strategy from a “people” perspective so we can take steps to ensure that it impacts them in a neutral to positive manner?
- What can the planning team do to enhance everyone's involvement to create greater buy-in?
- Strategic thinking is described as a discipline—if that is the case, how should we teach it to our leaders, executives, managers, supervisors, and sole contributors?
- Strategic planning used to involve and impact only the highest levels of the organization. That's no longer the case—what can our executives, managers, and supervisors do to involve mid- and lower-level parts of the organization in the strategic planning process?
- If execution derails, how will we know it, and what will we do to get it back on track?
- Strategic thinking and strategy execution are equally important—how will we meld “thinking” and “execution”?
- Closely related to the previous challenge, how will we meet the challenge of translating our (conceptual) plans into (concrete) action?
- Strategic planning takes so many factors and so much information into consideration—how do we prepare to go forward?

- We are a very inclusive society and so must assume that numerous individuals will be interested in participating in our strategic planning process—how will we decide whom to involve in the strategic planning process?
- What is the connection between organization-wide strategic planning and strategic planning that occurs at the business unit or division level?
- We spend a lot of time formulating strategy and creating a strategic plan—what can we do to ensure that as much time and effort are directed toward strategy execution?
- What can we do to prevent the linkage between strategy, tactics, and tasks from being lost during execution?
- How do we help those affected by the changes brought about by strategic planning motivate themselves so they are more likely to thrive rather than simply survive in the “future” environment?
- What actions can our executives, managers, and first-line supervisors take to help ensure that new or emerging strategies cascade all the way down and throughout the entire organization?
- How might we structure the new (or modify the existing) strategic planning process so that higher-level executives look at things more realistically, especially regarding the amount of time the organization has to devote to new strategies and tactics?
- How do we as leaders, managers, or supervisors help people already struggling with numerous and frequently competing responsibilities embrace the change brought about by our strategic planning process?

The above list of strategy-related questions was obtained from an informal survey of Northwestern University graduate students enrolled in “Leading with Strategic Thinking” courses. Conversations with business leaders and executives reflect similar but somewhat different questions:

- What steps can we take to clarify our understanding of our “core” customers and clients?
- When do we decide which capabilities to retain and further develop “in house” and which to outsource to other companies?
- We seem to become paralyzed by the amount of information and data we have before us; how much financial information is enough and how much is too much?
- I have an exceptionally active board of directors; what role should they play in the company’s strategic planning effort?
- I would like to involve as many of my organization members as possible but have heard that the “ideal” strategic planning team numbers 12 or less—is that the case?

- Regardless of the answer to the previous question, how do you decide who should participate in your company's strategic planning session?
- It seems to me that it would be easier to conduct a strategic planning session if we were a more mature company; what strategic issues should we address since we are a start-up organization?
- It seems to me that it would be easier to conduct a strategic planning session if we were a start-up organization; what strategic issues should we address since we are a more mature organization?

IMPLICATIONS

Planning is a fundamental part of our lives, whether we are going to commute into town, travel across the country, or to prepare for an occupation or profession. If uncertain about the importance of planning to one's welfare, consider the multitude of ways that inadequate planning has disrupted or devastated the lives of people you know. Strategic planning is as important to an organization as it is to an individual. As used here, strategic planning focuses on the entire organization: (1) it is a process by which you formulate a particular intent, identify one or more associated goals, and then decide on the actions you will take to realize your intent and achieve your goals; (2) it also involves careful preparation, prudent analysis of information and data, credible decision making, and the utilization of various tools and techniques.

Strategic planning yields certain advantages that impact individuals, teams, and organizations in a favorable way, and it also has certain inherent challenges that, if not addressed or somehow mitigated, are likely to result in suboptimal results and outcomes. Successful strategy formulation and execution depend, in part, on:

- The organization embracing strategic planning as a useful and beneficial endeavor.
- The organization adopting a strategic planning process likely to capitalize on the advantages typically associated with strategic planning and address, reduce, or mitigate the challenges inherent in strategic planning.
- The individuals responsible for strategic planning putting forth the time and effort to think strategically; consider issues, options, and implications; and come to a credible decision.
- The strategic planning team's willingness to involve others (to help ensure awareness, understanding, buy-in, commitment, and advocacy) and to act in a manner that can be reviewed and evaluated at a later time.
- The strategic planning effort focusing equally on strategy formulation and execution and ensuring that thoughts, discussions, and actions relating to both occur in a planned and purposeful manner.
- Those responsible for strategic planning having access to useful and easily applicable information pertaining to the strategic planning methodology, process, tools, and techniques.

A PRACTICAL GUIDE, IN TERMS OF STRUCTURE

In my conversations with leaders and students about strategic planning and in my own personal reflection from helping facilitate strategic planning sessions, I have found that when it comes to strategic planning, all interested parties have several common desires. Everyone seems to want:

1. The strategic planning endeavor to be worthwhile.
2. The time they and the organization invest in strategic planning to yield optimal results and outcomes.
3. To measure the success of strategic planning in terms of the extent to which the organization's strategic intent is realized and the degree to which its goals are attained.
4. To focus on more than simply the numbers—it is important that how the resulting strategic plan impacts customers, clients, and other stakeholders, as well as organizational members, be taken into account.
5. To do all they can to take full advantage of strategic planning so that the results of the overall strategic planning effort impact organizational systems, processes, technology, people, and culture in a positive way.

The remainder of this book explores concepts, principles, frameworks, models, processes, tools, and techniques that, if applied, (1) will help you and other members of your organization realize the five strategic planning–related desires outlined above; (2) will likely prove useful and beneficial as you help your organization prepare for a strategic planning session, as you participate in a strategic planning session as a facilitator or participant, and/or as you review the results and outcomes of previous strategic planning efforts; and (3) will likely help you form a personal “point of view” pertaining to strategic planning.

While this chapter spotlights why this book was written and how it is designed to be used, Chapter 2 presents additional information on the importance of strategic planning to individuals (regardless of the role they play, their position or title, and their area of responsibility), teams, and organizations. It presents observations, issues, and implications of strategic thinking, strategy formulation, strategic planning, and strategy execution. Topics addressed include:

- Strategic planning versus strategic thinking versus strategic management.
- Strategic planning: what it is and what it is not.
- Benefits of strategic planning and strategic plans.
- Factors to consider when planning.
- Abilities conducive to strategic planning.
- The potentially hazardous outcome of poor planning.

Chapter 3 presents a strategic planning framework likely to prove useful and beneficial to you and describes elements and information I recommend that your strategic plan include. This chapter also presents information on (1) how your leadership team's desires and capabilities, along with the "nature" of your organization (i.e., whether it, for example, encourages open communication; is a participative or autocratic environment; supports centralized or decentralized decision making; embraces or rejects divergent thinking; embraces prudent risk taking or is risk-adverse; or might be described as cerebral or action-oriented), impact your approach to strategic planning and strategy formulation and (2) how the tools and techniques you use throughout the strategic planning process impact your ability to subsequently execute the plan. Chapters 4 through 7 contain information for you to consider and actions to take when preparing for strategic planning, as well as information on five major components of strategic planning that are first mentioned in Chapter 3:

1. *Analysis.* Where are we now? What are our internal strengths and weaknesses and external opportunities and threats?
2. *Formulation.* What are our mission and vision? What is our sweet spot (i.e., where our passion, our abilities, and our purpose or reason for existence intersect)? What is our strategic intent? What are our strategic goals? What are the means—our strategies—through which we will realize our intent and accomplish our goals?
3. *Action Planning.* How do our strategic goals translate into specific and concrete tactics? How do our tactics translate into major and minor tasks? What obstacles are most likely to interfere with our subsequent execution, and how will we recognize and then resolve such unexpected occurrences?
4. *Execution.* What steps can we take to ensure subsequent execution throughout the entire organization? How do we ensure that everyone has the needed levels of awareness, understanding, buy-in, commitment, and advocacy?
5. *Continuous Improvement.* What can we do to constantly and continuously improve our strategic planning process, and thus the quality of our strategic planning materials and deliverables? What can we do to improve the way we execute to help ensure increasingly more effective and efficient execution?

Chapter 8 describes the skills and abilities that leaders, facilitators, and participants of strategic planning must emphasize and what they must do to increase the likelihood of effective and efficient strategic planning, and Chapter 9 showcases what individuals must do before and during the strategic planning session to increase the likelihood of optimal execution. Chapter 10 presents a slate of tools and techniques the organization can use throughout the strategic planning process to support information and data analysis, interaction, and decision making and to facilitate communication with the broader organization. Chapter 11 presents information on what individuals—depending on their situation, circumstances,

and role—must do when executing the strategic plan to ensure that it is implemented, deployed, and/or executed in an efficient and effective manner; to prompt additional curiosity and learning about this interesting topic, the Appendix provides a comprehensive list of resources readers can explore for additional information about strategic planning, strategy formulation, and strategy execution.

A PRACTICAL GUIDE, IN TERMS OF TOOLS AND TECHNIQUES

This book was designed to serve as a practical, useful personal desk reference. While the next chapter contains somewhat conceptual information, the remainder of the book provides a lot of concrete information, tips, techniques, and tools (in the form of tables, checklists, and sample documents) that are likely to be of immediate application.

The book also contains several features designed to enhance its usefulness. As you read through the book, be sure to take advantage of each of the following:

- *Cases-in-Point.* Each case describes an actual strategy formulation, strategic planning, and/or strategy execution activity or event. Note this information as you consider the information we provide within the context of your particular situation and circumstances.
- *Samples of Application.* Completed forms and documents are provided to show how templates are applied to real-life situations, organizations, and people. Refer to these samples as you think about ways of applying various tools and techniques to your particular situation and circumstances.
- *Key Learning Points.* Although all of the information I present is considered to be important, useful, and beneficial, certain points are simply much, much more important than others. Keep these points at the top of your mind as you prepare for, conduct, or follow up on your strategic planning effort.

In addition to offering the methods, tools, and techniques described above, this book keeps the reader in mind. I assume you are a very busy person living a very hectic life. I therefore have attempted to keep superfluous information to an absolute minimum, limit the use of technical terms, and present information you will find useful if, for example, you are a member of a community organization being asked to develop an agenda for a strategic planning session, a college student being asked to facilitate your student association's strategy formulation discussion, the leader of a small start-up organization needing to lead a strategic conversation, or a sole contributor in a large company being asked to represent the "rank and file" in your company's upcoming strategic planning meeting.

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Chapter 2

Background

While the previous chapter provided a brief overview of the purpose and importance of strategic planning, I will now expand on that information by reviewing important factors to consider if you are thinking about embarking on a strategic planning effort and provide information you can use to assess or firm up your current strategic planning activities. Topics covered in this chapter include:

- Strategic planning versus strategic thinking versus strategic management.
- Characteristics of an effective strategic plan.
- Benefits of strategic planning and strategic plans.
- Factors to consider when planning.
- Abilities conducive to strategic planning.
- The potentially hazardous outcome of poor planning.

The following information will prove equally useful to the individual who is developing a strategic plan for the first time; preparing for an upcoming strategic planning session; facilitating or participating in a strategic planning session; or assessing the process, results, or outcomes of a previous strategic planning session. Regardless of the circumstances, having an informed and well-rounded point of view will contribute to and undoubtedly impact your strategic planning endeavor in a positive way. Information in this and the following chapters will give you the information you need to create your personal point of view to apply to current and future strategic planning opportunities.

PLANNING VERSUS THINKING VERSUS MANAGEMENT

My work with executives and graduate students has sensitized me to the need to define and describe the relationship between several terms typically containing the word “strategic.” As you begin forming your point of view, consider the differences and similarities between strategic planning, strategic thinking, and strategic management.

Strategic planning is the act (typically occurring during a meeting or session or during a series of meetings or sessions) of creating a strategic plan. The resulting strategic plan provides specific yet comprehensive information on the organization’s current situation and circumstances and where the organization hopes to be or what it hopes to become over time. Strategic planning involves preparing for the strategic planning session, analyzing internal and external information, formulating or refining the organization’s strategic intent and goals, deciding on a course of action likely to lead to the organization’s realizing its strategic intent and achieving its goals and taking other actions during the strategic planning session to increase the likelihood of the resulting plan being successfully executed, and assessing progress and the overall success of execution to determine how to improve the next strategic planning cycle and further position the organization for optimal success.

Strategic planning requires strategic thinking, which involves taking a broad set of facts and information into consideration as you strive to understand the present situation and circumstances, identify future trends and formulate future possibilities, decide on your organization’s core values and value proposition, develop or firm up your organization’s mission and vision, determine the means you will employ to attain your vision and accomplish your mission, and identify ways to mitigate or address challenges or obstacles likely to impede your progress or sub-optimize your overall success. It involves shifting your viewpoint so that you consider the overall context rather than one particular part, aspect, situation, or circumstance. Strategic thinking requires you to consider a multitude of factors and variables as well as the relationship and interaction between and among those factors and variables. (For example, if you change your human resource capabilities by altering your selection criteria, you may impact your employees’ ability to help your organization attain its vision and accomplish its mission.) It involves focusing not only on the present, but also on the past (to identify lessons and best practices to apply now and into the future) and the future (to anticipate changing customer and client needs, changes in technology, and external forces likely to impact the organization’s vision, mission, or operational capacity or capability in a positive or negative way).

Strategic planning does not occur in a vacuum; it is one critical element of strategic management. When managing strategically, you (1) typically collaborate with others to make decisions likely to impact the entire organization in the most positive way, consistent with the organization’s values and in support of the organization’s vision and mission; (2) take a multitude of factors into consideration when assessing the current situation and in determining your organization’s

strengths, weaknesses, opportunities, and threats; (3) strive to draw valid conclusions and make credible decisions designed to contribute to the organization's short- and long-term success; (4) act personally in a planned and purposeful manner so as to impact the entire organization rather than a particular division, department, or group in a positive way; and (5) give your colleagues and followers the direction and support they need to succeed individually while contributing to the team and organization's success. Strategic management involves constantly asking fundamental questions such as:

- What is our intent or goal?
- How are we doing?
- How might we improve?
- How will we know we have improved?

KEY LEARNING POINT

The answer to “How might we improve?” may require you to choose between two or more follow-up actions. Strategic management involves evaluating such options against predefined criteria. We will review the process for evaluating options and explore potentially useful prioritization tools in Chapter 3.

CHARACTERISTICS OF AN EFFECTIVE STRATEGIC PLAN

You may be trying to decide whether or not strategic planning is needed in your organization (whether it is a business, club, association, or some other organized group) or whether to embark on a strategic planning effort for the first time. When making your decision, think about whether the following information is likely to contribute to your organization's success: a clear description of—

- What the organization will become or where it will be five to 20 years into the future.
- The value (typically in the form of services or products) the organization will provide to customers or clients over a given period, typically 12 months, with the value being consistent with and supportive of what the organization plans to become or where it plans to be in the more distant future.
- Specific goals associated with the value (again, in the form of products and services) that the organization will provide its customers and clients, consistent with and supportive of what the organization plans to become or where it plans to be in the more distant future.

- Specific strategies the organization will employ to achieve its goals.
- The strategies broken down into increasingly more detail and including a timeline, needed resources, and associated tasks and subtasks.
- Steps you are going to take to involve as many individuals as possible in your planning and execution so that a large portion of your colleagues understand, buy into, and commit to contributing to where the organization is headed and what it hopes to become.
- Steps you are going to take to ensure that the strategic planning process and resulting strategic plan do not adversely impact but rather leverage and/or take advantage of the organization's culture.
- How you will monitor deployment, implementation, and execution to ensure that progress is made as expected.
- How you will identify unexpected or unanticipated obstacles, challenges, or barriers and steps you will take to identify and adopt ways of addressing, mitigating, or otherwise addressing the obstacles, challenges, and barriers.
- How you will assess overall progress and success and determine ways to modify the strategic planning process and resulting plan to better position the organization to attain its vision and accomplish its mission.

BENEFITS OF STRATEGIC PLANNING

A strategic plan containing the above information serves as a roadmap to your organization's future. The strategic planning process adds structure to your planning efforts and helps ensure proper analysis, adequate formulation, and successful execution. The strategic planning session (or series of sessions) serves as a forum; it gives you and your colleagues the opportunity to think strategically and to "exercise your strategic management muscle." Strategic planning requires you to consider external and internal factors; evaluate what and where you currently are and where you hope to be or what you hope to become; consider alternate futures, various strategic intents and goals, and different means for attaining the decided-upon intent and achieving the decided-upon goals; recognize resource limitations (including facilities, equipment, supplies, time information, money, and capabilities); recognize uncertainty and therefore formulate contingencies; and prioritize options so that whatever future actions you take are likely to yield the most optimal results and outcomes—those results and outcomes most consistent with and supportive of the organization's mission and vision.

From personal experience, observations, and conversations with executives responsible for and/or involved in strategic planning, I have found that effective strategic planning benefits the organization by ensuring that:

1. Personal biases or blind spots do not overly influence the organization's focus, priorities, or actions.

2. Decisions impacting the organization's success are credible and can be reviewed so that the factors and considerations that went into a particular decision can be determined.
3. Organizational decisions and actions do not occur in a vacuum, but rather within the context of prescribed values, a defined mission, and a clearly articulated (and equally compelling) future.
4. Immediate, short-term actions contribute to the organization's long-term aspirations.
5. All decisions and actions pertaining to the organization's systems, processes, technology, people, and culture contribute to the overall organization's success rather than simply that of a particular functional area, department, or division.
6. Individual learning and increased awareness about everyone's interrelatedness and interdependency occur during and as a result of the strategic planning effort.
7. Decisions pertaining to the organization's value proposition and the services and products offered to clients and customers are not made in a vacuum; rather, they are made with actual stakeholder representative input or stakeholder input obtained through interviews or surveys.
8. During the strategic planning session, participants might advocate for their particular team or subgroup, but when drawing conclusions and making decisions, keep the overall organization's strategic intent and goals in mind.
9. All organizational elements are in alignment: the organization's values and value proposition match customer or client expectations; actions are being taken to take advantage of positive external forces and to address, mitigate, or reduce negative external forces; actions are being taken to leverage positive internal factors and to reduce or address negative internal factors; employees at all levels understand the role they play and what they must do to contribute to the organization's short- and long-term success; and resource capacity and capabilities match requirements associated with where the organization is heading and what the organization hopes to become.
10. A communication plan and, if necessary, a change management plan outlining relevant goals, actions, timelines or critical dates, responsible parties, and assessment criteria are included in the strategic plan or as supplements to it.

FACTORS TO CONSIDER

The above list of benefits can only occur if you proceed forward in a planned and purposeful manner and the strategic planning process you utilize is effective. Information cited above and in the previous chapter emphasizes the importance of strategic planning. Because of its importance, I encourage you to invest the time

and energy necessary to ensure that your strategic planning session (or series of sessions) is an effective one. Although the following factors do not represent all the things that might cause your strategic planning process to be ineffective or produce suboptimal results, they are the “critical few” that I encourage you to keep in mind.

Be candid and honest when analyzing information and data about the current state. I frequently work with clients who assume that the current state is what they hoped or previously planned it would be, when in fact external factors have changed and internal factors have not materialized or reached their full potential. As you think about where your organization is heading or what it hopes to become, be creative and stretch yourself, but be sure to start at a proper place. Otherwise, the future you envision may not have any basis in reality; it may not resonate with or may actually seem foreign to your colleagues, clients, customers, and/or stakeholders.

KEY LEARNING POINT

The vision you create during your strategic planning session must be based in and linked to reality. If not, it will not resonate with and may actually seem foreign to your colleagues, customers, and/or stakeholders. Ask this: Is the future we describe a vision, or is it likely to come across to others as a mirage or hallucination?

When you conduct your strategic planning session, have an adequate amount of information and data on hand on which to base assumptions and conclusions. However, do not allow your team to become paralyzed by attempting to identify, gather, analyze, and understand volumes of information and data, or to delay the strategic planning session until all relevant data and information are compiled. An important point to keep in mind is that, because of the nature of information and the way it constantly changes (to reflect ever-changing external forces and internal factors), you and your team will never be able to compile all relevant up-to-the-minute data and information.

As you and your team analyze information and data, be open to team members asking questions and stating divergent views. Such questions and divergent viewpoints allow you to identify challenges or opportunities you might otherwise miss and to find additional, more effective, and more highly creative and innovative ways of attaining your organization’s vision and accomplishing its mission. Such involvement on everyone’s part also raises their understanding and increases their personal sense of buy-in and commitment.

While conducting your strategic planning session, strive to reach a balance between the “big picture” and isolated events, situations, and circumstances. If your team focuses too heavily on the big picture and pays too little attention to

isolated events, situations, and circumstances (for example, the cost of particular supplies or the relationship your organization has with a particular supplier), it might fail to factor a mission-critical trend into your strategic plan. If your team focuses too heavily on isolated events, situations, and circumstances, it might—for example—fail to move beyond one or two problematic areas or issues and miss the opportunity to explore market forces or strengths and weaknesses associated with organization-wide systems, processes, technology, people, and culture.

As you proceed with strategic planning, do not become bogged down on the differences or similarities between strategic planning, long-range planning, tactical planning, and so on. Rather, clarify your need: determine whether you need to plan for your entire organization or plan for a particular subunit (a particular division, department, unit, or functional group) and proceed forward accordingly.

For our purpose, the strategic planning hierarchy has only two levels: the entire organization and its subgroups (division, department, functional area, or group). When developing organization-wide strategic plans, Hrebiniak (a noted professor, author, and researcher) recommends that you strive to answer three basic questions:

1. Are we playing in the right sandbox? Here, one key issue is whether your organization is likely to succeed in the business it's in or should enter a new business. Another issue is whether your organization is offering value likely to resonate with your intended clients and customers or should change its services or products or its client and customer groups. Another issue is whether your organization is offering services and products in the proper locations or should enter new geographic regions.
2. Are we leveraging our capabilities? Here, one key issue is whether you have the facilities, equipment, and supplies you need and whether your employees at all levels have the knowledge, skills, and abilities they need to contribute to the organization's short- and long-term success. Another issue is whether your organization's structure, procedures, processes, or norms are contributing to or interfering with the contributions made by the organization's facilities, equipment, supplies, and people.
3. Are we performing at optimal levels? Here, one key issue is whether you have developed and communicated expectations pertaining to individual, team, and organizational performance and whether technology, systems, and processes are in place to support and reinforce their implementation. Another issue is whether behavioral expectations have been specified in increasing levels of detail so as to increase the likelihood of understanding and implementation: for example, whether your organization has created, communicated, and provided feedback on individual, team, and organizational goals and objectives.