DOING STRATEGIC PLANNING — ONE MORE TIME

Article Published July, 2004, Contracting Profits Journal
Volume 10, Number 6

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Mention strategic planning and you'll get lots of words back. It is one of those business concepts with the potential to be understood or misunderstood in a dozen different ways. Terminology is but a single example. One person's objectives are someone else's goals. Another person's key initiatives means strategies to others.

Beyond terminology, most everyone has participated in some version of strategic planning—of the many and varied approaches yielding a myriad of results. In its simplest form it's a vehicle to gain focus for the future and develop the mechanisms to get there. In its most complex, entire books are written to describe it. Where most agreement exists are the planning process phases: planning to plan (getting started), in the room decision making, communicating the plan to others, and finally, implementing it.

PLANNING TO PLAN

When companies attempt to "strategically plan", they run the gamut from simplicity to rigorous complexity. Among the many questions they need to answer include: What approach to take? Hire a consultant or do it internally? What's the time horizon? What information if any is needed? Who should be involved, and how?

What's the target? And that's just getting started.

Tom Balling, President of Seacrest Services, a Florida based property management company reduced the complexity and got started this way. "First, I am not a strategic planning expert and thought that in order to fully participate I didn't think that I should lead the effort. In addition, I wanted to remain unbiased and let our management team drive the process. To meet all of those needs, I hired a consultant who determined the overall process, the information necessary to be researched beforehand, and led the specific 'in the room steps' which moved us to a strategic plan."

David Schmidt, CEO of California based Scan Health Plans, got started in another way. He asked executives to develop three different position papers which would serve as the basis of their external analysis. These, in turn, became vital inputs into the planning process. He states, "I am a firm believer of well thought out pre-work. It is crucial that up front work is done to ensure that common understanding among participants leads to well informed decision making. Without that understanding people will be deciding the company's future with only a fraction of what they need. And that's risky business."

Another key planning to plan component is deciding who should be developing the plan. Will the plan be developed by senior executives in a top down fashion, or will it be more of a grass roots campaign? In the "bottom up approach", staff often think that involvement requires them to be "present" when decisions are reached, but it doesn't have to be that way. People's input can be solicited prior to decisions or be used as decision "reality testers" as the plan begins to take shape. Executives would be wise to check in with the plan implementers on an on-going basis vs. simply "bestowing the plan" upon them. Once the plan creators are determined, getting clear on whose decision the plan will be is another factor. If it is the bosses' call staff simply provides input. On the other hand, experience suggests that consensually determined strategic plans gain commitment from key stakeholders right from the start and collect less "dust."

IN THE ROOM DECISION MAKING

Once the planning to plan phase is completed, determining the steps to turn meaningful information into action has its own hurdles. With the bane of the strategic planning process being endless list creation, questions that don't go anywhere, and vacuous mission and vision statements, "in the room steps" can either be provocative or self limiting. They are provocative when thoughtful questions are posed such as, What are the implications? What would happen if we did/didn't? Can we afford to/not to? They become stale or frustrating when questions are asked and flipcharts are filled—yet sadly don't become building blocks for future decisions. And spending valuable hours collectively wordsmithing vague concepts about mission and vision vs. agreeing on them in principle and editing later can turn the most enthusiastic team into eye rolling adolescents.

Another concept is deciding what the plan should entail and how will it be achieved. Often strategic plans look only at the external environment. Part of an effective plan needs to be based on perpetuating and reinforcing internal strengths and turning around its weaknesses. Ronnie Baker, one of the principals of Kansas City based BG Service Solutions, can't emphasize that enough. He states, "When we do our planning, we look at both our strengths and weaknesses. After identifying the weaknesses we ask if they are critical to our success. If they are, our responses become part of the company's strategic plan.

Doing an internal scan has more to it. In order to achieve the necessary honesty while overcoming departmental protection or potential defensiveness regarding the scan, it is advisable to agree on ground rules to drive the process. Typical ground rules include being open and candid, responding non-defensively, managing tangential discussions, clarifying the decision process, considering oneself a senior company officer vs. representing specific functional areas. These ground rules, albeit not foolproof, do provide some parameters as well as expectations for collective decision making and avoiding departmental self-protectiveness.

Collective decision making poses its own challenges. First, people often confuse consensus with unanimity. Unanimity is everyone thinking similarly and wanting the exact same decision—an unlikely outcome. Consensus is when everyone is in full support of the final decision even if it wasn't their first choice. Achieving consensus is a key component in group decision making, yet moves beyond "group think." The road to consensus winds through three factors. First, people must have an opportunity to influence others and be heard. Second, people have to be willing to fully listen and understand alternative perspectives. And last, people have to be willing to "go along" with the prevailing sentiment if they feel that they have been listened to, and that their ideas have been fully considered. Only then is consensus achieved, and participants say to themselves, "I have had the opportunity to influence, however it hasn't necessarily gone my way, I am willing to support the group's position." There are many paths to consensus with one approach beginning with the group commonly understanding the presented information, identifying possible alternatives, taking an initial straw poll on those alternatives, influencing each other, and then taking a binding revote to select the path.

Here are some additional in the room steps:

- Doing a company strengths, weaknesses, opportunities, and threats (SWOT) analysis coupled with an economic, demographic, legislative/regulatory, and competitor analysis and *deriving company specific implications* from it
- Ensuring that clear goals are articulated to drive the planning activity i.e. growth by number of customers, revenue generated, market share or after tax profits, % administrative overhead, or % of repeat customers. In their absence, companies develop plans to "hopefully get somewhere."
- At the outset, clarifying terminology and the steps which will lead each building block toward the plan. In addition, ensuring that each step is fully used as input to the steps which follow. For example, requiring that company goals, mission,

vision, internal and external analysis lead to the establishment of key initiatives.
- To account for both stimulating creativity and sticking to germane topics, create a parking lot to capture good ideas that are beyond the scope of the current discussion.

COMMUNICATING THE PLAN

People are naturally curious, especially when it affects them. The plan should provide employees with the rationale prior to any specific plan details. And not everyone understands why there should even be a plan. Experience suggests that in organizations where widespread planning history is lacking, the following messages prove helpful:

- Strategic planning assists people to know where the company is headed
- Strategic planning provides context for many of the day to day operational issues and facilitates decision making
- Planning creates initiatives with accountabilities and timelines giving all people a sense of progress, ownership and direction
- The plan determines the primary budget focus

Where planning is the expected norm, people should be told the primary factors behind the plan and their specific role in it as well as other more salient features. Communicating the plan to staff should include the plan creators listening to concerns, other options, and potential barriers at different planning stages.

IMPLEMENTING THE PLAN

There's an old managerial adage, "Whatever gets followed up on gets done." Plans where little follow up can be expected languish on people's desks and die slow, agonizing deaths. In these situations, progress on the initiatives rarely get raised in executive meetings, and when they do, are raised in cursory fashion. Yet for organizations who pride themselves on setting ideas in motion and moving them to successful completion, strategic planning is the "grandfather" of opportunities.

Vigilance is required with formal plan updating mechanisms proving helpful. Informal check-ins satisfy a moment's curiosity, yet provide little structure or accountability for delivering on plan components.

PUTTING IT ALL TOGETHER

Strategic planning is clearly a critical organizational component with the potential to be orchestrated in many ways. Without a thoughtful approach to planning to plan, decision making mechanics, consistent communication and implementation requirements, all the planning won't get you to the promised land. Seacrest's Tom Balling states, "Unless you know where you are headed and how to get there, you could wind up anywhere. Our plan provided a roadmap to a specific destination. You can't run a business without one."