



## UNIT 3 Strategic Planning

### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Identify the values that support the company
- ✓ Define the vision for the company
- ✓ Write a mission statement that explains what the company's purpose is
- ✓ Complete meaningful SWOT analyses
- ✓ Apply tools and techniques to create a strategic plan that directs the organization from the executive to the front line
- ✓ Implement, evaluate, and review a strategic plan
- ✓ Identify how related tools, such as the strategy map and balanced scorecard, can help you develop a strategic plan

## Unit 3

# Understanding Strategic Planning

## What it Does

As a process, strategic planning describes how your company will create ongoing value for your stakeholders. Unlike a project, which has a defined beginning and end, the strategic plan is threaded through the organization and is part of the ongoing operation of the business. Strategic planning helps to take the high-level concepts described in your mission, vision, and values statements and have them brought to life by the activities and attitudes of every member of the organization.

Sometimes, we think that stakeholders are automatically our customers, but unless they are also shareholders, that's not really the case. Your customers are your customers, and they purchase the products or services that your company sells, but they may not have a stake in the company at all.

To help you figure out who your stakeholders are, consider these questions:

- Are there **investors** in your company? If so, those investors are stakeholders, and they want to get a return on their investment.
- Are you supported by **taxpayers** (through a government department perhaps, or a non-profit agency that is supported and paid for by government)? If so, taxpayers are stakeholders and they are represented by government ministries. Although they may not expect a monetary return on their investment (like a dividend), they will expect that their investment is protected and used appropriately.
- Are you a **non-profit** or **not-for-profit** company? If so, members of the board of directors are stakeholders, and trustees can be as well.
- Are you a part of a **privately held and managed company**? If so, the owner(s) are the stakeholders. They want a profit so they get a return on their investments (which may include money and time).

It's **essential** that you agree on who the stakeholders are before proceeding with strategic planning.

Strategic planning has to be a **balanced approach** in order to properly represent what is actually achievable. You need to be very aware that some of these areas might be competing for resources and attention, which can create some big challenges in the planning process. People responsible for the strategic planning sessions need to create an open, balanced forum for discussion where all areas are heard and represented within the plan. Failure to do this properly and well means that you won't get the support for the strategic plan when it is ready to be launched.

Your strategic plan will define **four or five key areas of focus** for the duration of the plan. These key areas will be used to achieve the mission while reflecting the company's values and vision.



In addition to creating a strategic plan for the company, **individual departments** may create a plan to complement the organizational one, and are structured in a similar way. In larger organizations, it is not uncommon to see that the areas of human resources, customer service, sales, marketing, and others may all have a strategic plan that reflects the company plan.

## Small Group Discussion

**What areas of competition can you identify within your organization?**

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**What can you do to assist in creating a broader understanding of all the areas and how they are tied together?**

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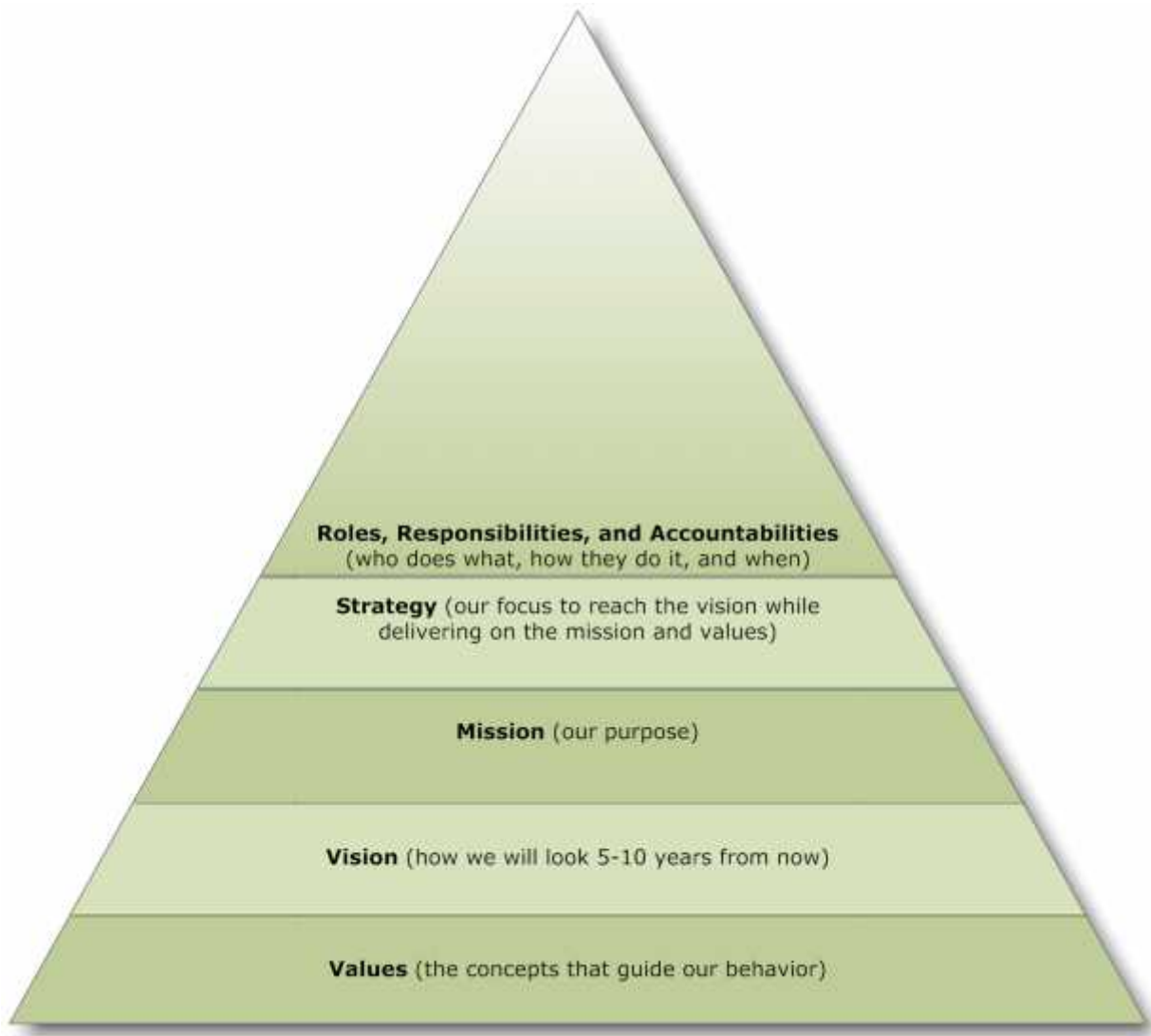
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## Pyramid Structure

In order to look at all areas of strategic planning, we'll use a pyramid process, which starts at the bottom and moves upward:



An important criterion of strategic planning is that it is **not a project**, nor does it stand alone from other programs in the company. Instead, it is the underpinning for everything that takes place. It demonstrates for people who conduct the work every day that what they do is connected to the purpose of the company. It helps to facilitate a shift from focusing on the high-level concepts of values, vision, and mission statements, to where the work is taking place.





## Option B

If you completed the pre-assignment, discuss the following questions with your group.

**Discuss the places that you see the values being reflected within the organization.**

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**Discuss whether the stated values are relevant given the way that you see work taking place and what you think the values really are (if they are different than what has been stated).**

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## Creating Value Statements

### About Value Statements

Identifying the words related to the values is just part of the work here. The next step is to describe those values so that people know exactly what they mean. For example, if you identified “innovation” as a core value, it can mean different things to different people. If you create a statement such as: “We create an environment where innovation flourishes” you help to express the values clearly. If honesty and integrity are both identified as core values, you can even bring them together in one statement, like this: “We demonstrate honesty and integrity in everything that we do.” Using our model of identifying no more than three values, you will have a maximum of three value statements.



## Making Connections

**Create a value statement for the first value that you identified in the previous exercise.**

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**Create a value statement for the second value that you identified in the previous exercise.**

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**Create a value statement for the third value that you identified in the previous exercise.**

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## Designing Our Vision

### The Vision Process

#### Getting Started

When beginning the process of designing the vision (normally undertaken by the owner, CEO, and sometimes board of directors if there is one), you are taking a long look into the future and imagining where you want the company to be.

Try this exercise: Sit at your desk with a sheet of blank paper in front of you. In an ideal world, what would your company be? Don't think about what it can't do, or why certain things aren't possible. List all ideas and goals, no matter how outrageous they sound to you. Consider where you want the company to be and what you want it to look like 5-10 years from now. (You can also do similar visioning exercises with project teams and department heads; it will get them excited about the tasks ahead.)

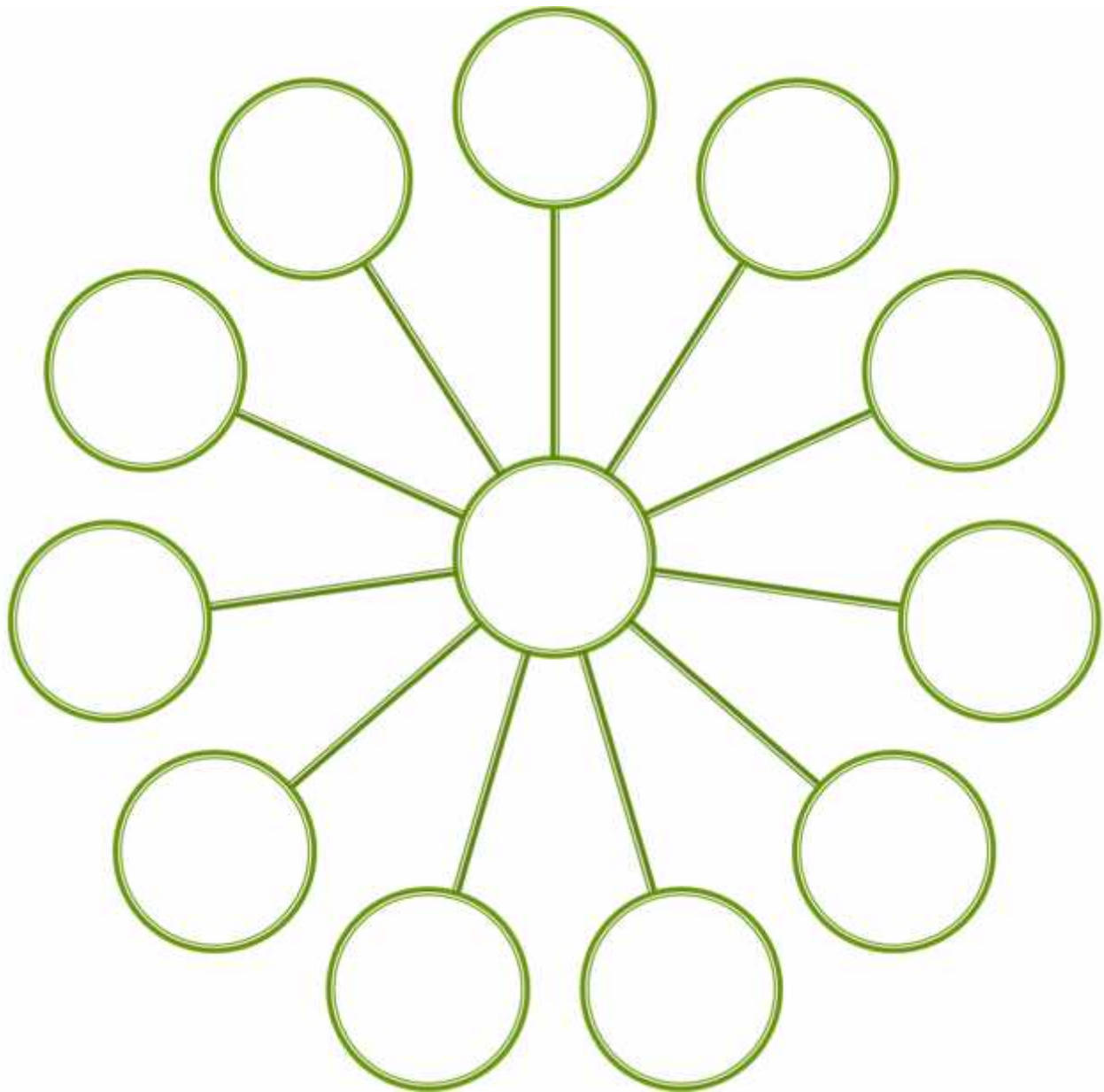


## Case Study

### Fuel Majesta

You have an idea to create a brand new company that will provide an environmentally responsible fuel that can be distributed throughout the country. The fuel is highly concentrated, non-toxic, and is produced in a highly secret process that is conducted with thermal heat, so there is almost no environmental impact in producing this fuel.

**How could Fuel Majesta look five to ten years in the future?**





## Moving Forward

While it's not likely that most companies would earn themselves a Nobel Prize, or that the things that we do attract worldwide attention or government endorsements, it is certainly realistic to expect that we can make a difference and that a small company can become a larger force in the marketplace.

Once you've created the big vision, you can look through it and think about what has potential and what will drive the company forward while your vision is maintained.

If you have an existing company, your vision might include some of the following elements:

- Our sales will increase by \_\_%, making the company more viable.
- Our customer retention will increase from 50% to 75%, resulting in more satisfied customers and contributing to more sales.
- Increased financial success will facilitate our expansion into neighboring markets.

Next, you will take the vision and capture it in a **vision statement**. This statement should be short, clear, and understandable so that everyone working with the organization understands it and knows where you wish to go. It should also be attainable and worthwhile.

**Propose a vision statement for Fuel Majesta.**

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## Defining Your Vision

### Case Study

#### **Fuel Majesta**

You have an idea to create a brand new company that will provide an environmentally responsible fuel that can be distributed throughout the country. The fuel is highly concentrated, non-toxic, and is produced in a highly secret process that is conducted with thermal heat, so there is almost no environmental impact in producing this fuel.



**Create a vision statement for your company or for Fuel Majesta.**

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## On a Mission

### Defining Your Mission Statement

#### What Is It?

The mission statement describes your organization's purpose. Why do you exist? What is it that you really do?

A mission statement should be something that every employee knows and can state. Your mission statement needs to be believable. As well, it is more likely to touch your customers if it is something they can relate to. We recommend that you avoid writing mission statements that cannot be understood by most of your employees and customers. Try to use language that people can relate to. If you can't, you'll need to follow your mission statement with some kind of a phrase that people can relate to, like a motto or slogan.

If you explore different mission statements, you'll see that some of them are very clear and concise. Others are very long, although they still do a capable job of describing the mission. They may also be combined with elements of the strategic plan, company values, and the vision, but to keep things simple, we are focusing on a standalone mission statement.

Keep these elements in mind as you create a mission statement:

- The company's public image
- Your shareholders
- Your target market
- Your plans for growth
- Influences for the business
- Your moral and ethical beliefs

## Examples

Here are some examples that we thought might help you as you design your mission statement.

### **McDonald's**

Our mission is to be our customers' favorite place and way to eat.

([http://www.aboutmcdonalds.com/mcd/our\\_company/mission\\_and\\_values.html](http://www.aboutmcdonalds.com/mcd/our_company/mission_and_values.html))

### **Nike**

To bring inspiration and innovation to every athlete in the world. (<http://nikeinc.com/pages/about-nike-inc>)

### **Bristol-Myers Squibb Company**

To discover, develop and deliver innovative medicines that help patients prevail over serious diseases.

(<http://www.bmscanada.ca/en/company/mission>)

### **Darden Restaurants**

To nourish and delight everyone we serve.

([http://www.missionstatements.com/fortune\\_500\\_mission\\_statements.html](http://www.missionstatements.com/fortune_500_mission_statements.html))

### **The Dow Chemical Company**

To passionately innovate what is essential to human progress by providing sustainable solutions to our customers. (<http://www.dow.com/about/aboutdow/vision.htm>)

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## Performing a SWOT Analysis

### What is a SWOT Analysis?

#### Doing It Right

A SWOT analysis is a useful exercise many times in business, but it is a simple concept that it is easy to do badly. Make sure that you are ready to spend a bit of time when you undertake a SWOT analysis so that you are producing an accurate description of what is going to affect your business.

SWOT stands for the strengths, weaknesses, opportunities, and threats facing your company. The strengths and weaknesses are usually considered to be internal, while the opportunities and threats are generally external to the company. This analysis helps you ask yourself, "Where are you now?" This is really your situation analysis or inventory, and it gives you an opportunity to take stock of the overall situation right now before planning any future changes.

One mistake that people make in doing a SWOT analysis is that they look at the whole picture and use very general statements. Professor Malcolm McDonald from Oxford Learning Labs recommends that you use a SWOT analysis for each area of your business, one segment of your marketplace at a time, so that you really know what is going on and can describe it in clear terms.

## SWOT Matrix

A SWOT analysis is often organized using this type of matrix:

	INTERNAL	EXTERNAL
POSITIVE	Strengths	Opportunities
NEGATIVE	Weaknesses	Threats

## SWOT Checklist

A SWOT analysis should consider the following types of issues. You can, in fact, complete a separate SWOT for each area:

- Your company within your geographic marketplace
- Your company within your industry
- Your products and/or services
- The community and what is currently going on that may affect future planning
- Your primary and secondary target markets and what they want/need
- The competition and what they are doing
- External forces that will affect your business
- Environmental factors
- Human resources (including the availability of people as employees, your succession plan, safety issues, wellness, etc.)



## Individual Analyses

### Case Study

#### Fuel Majesta

You have an idea to create a brand new company that will provide an environmentally responsible fuel that can be distributed throughout the country. The fuel is highly concentrated, non-toxic, and is produced in a highly secret process that is conducted with thermal heat, so there is almost no environmental impact in producing this fuel.

Fill out the matrix below from the human resources perspective of Fuel Majesta.

	<i>INTERNAL</i>	<i>EXTERNAL</i>
<i>P O S I T I V E</i>	<b>Strengths</b>	<b>Opportunities</b>
<i>N E G A T I V E</i>	<b>Weaknesses</b>	<b>Threats</b>

## SWOT Ratings

### Part One: Risk Analysis

Now that your opportunities and threats are listed, your next task is to bring some order to them as you consider the risks that they contain. Some are probably a larger risk than others.

**Use the space below to list the risks identified in your SWOT grid, in priority order. Next, assign a weight to each risk so that all weights add up to 100%.**

Risk (listed in order of priority)	Weight assigned (in %)



## Part Two: Reflection

**Next, answer the following questions.**

**Identify the actions and competencies required to address gaps to meet opportunities and threats (external forces).**

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**Identify the actions and competencies required to address gaps to meet strengths and weaknesses (internal forces).**

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## Setting Goals

### Fitting into the Plan

#### Identifying Outcomes

Before you start thinking about the specific goals you will set, you need to think about the outcomes you are after. These should be founded in the values, vision, and mission of the company.

For example, you might want to set a goal related to customer satisfaction. However, if lowest prices are also a goal, are you certain product quality and service will be such that all customers will also be satisfied? How are your goals influencing one another, and perhaps creating conflict?

Another consideration before moving into goal setting is the length of your sales cycle and the return of your customers. If you own a mortgage brokerage and people renew their mortgages every five years, do you need to ensure that you are getting referrals in order to fill up your sales pipeline? How will you incorporate that in your goals?

#### The Four Perspectives

Typically, your strategic plan will focus on four perspectives, similar to strategy maps used in the balanced scorecard process.

##### **Financial**

What non-tangible investments do we need to make? What results do we want to see?

##### **Customers**

What does success mean to our customers?

##### **Internal Processes**

How will we achieve our financial and customer perspectives? Typically you will focus on four major areas:

- Operations management
- Customer management
- Innovation
- Regulatory and social

## Employee Learning and Growth

What non-tangible investments do we need to make? Typically you will focus on three major areas:

- Human capital: What people do we need in place for success? What knowledge resources do we need?
- Information capital: What information sharing and technology resources need to be in place?
- Organizational capital: What cultural and leadership supports should be in place?

## Customizing the Perspectives

These perspectives are only intended as a guideline. Various companies have also chosen to include perspectives on:

- Operational excellence (i.e. improving processes with Six Sigma or Lean methods)
- Cutting edge innovation
- Quality
- Suppliers
- Stakeholders

## Timeline for Your Plan

When it comes to strategic planning, there are different lengths of time to consider. Typically, a strategic plan looks at long term goals. In a flat organization (with few layers of management) the results can vary widely, but these plan lengths are common in many hierarchical organizations.

- 5-10 years: Owner/CEO/board
- 5 years: Vice president(s)
- 2-3 years: Directors
- 2 years: Managers
- 1 year: Supervisor
- 6-12 months: Front-line staff

Let's take a closer look at what's involved at each level. It's up to the company leadership (owner, CEO, and/or board of directors) to first identify objectives that reflect the values, vision, and mission that match the duration of the strategic plan. (Five years is not unusual, and sometimes there are 10 year plans.) The leadership works with senior managers (typically vice presidents or directors, depending on how the company is structured) to set objectives that follow the direction. These objectives have a long term scope of up to three years. Next, the objectives get filtered through to directors and are based on shorter timeframes that fit the strategic plan, before they reach front line staff and their immediate supervisors, who typically work on goals for the upcoming 12 months.

## Goals with SPIRIT

Once you know what the objectives are, and how far ahead you are looking, it's time to create goal statements (also called objectives or targets). We recommend that you use a systematic approach to writing your goals to make them easy to remember, and to make sure they are captured completely. We recommend setting goals with SPIRIT, which means that they have the following elements.

### Specific

Be specific about what you want or don't want to achieve. The result should be tangible and measurable. "Sell more products" is ambiguous, but "Increase market share by 7% per year" is specific.

### Prizes

Motivation is extremely important. There needs to be a system in place so that we take time to recognize, reinforce, and reward people who are participating in meeting benchmarks and overall objectives. Prizes don't need to break the budget. Here are some ways that you can reward people:

- Acknowledge an individual or a team in a meeting
- Offer praise through a company newsletter
- Issue bonuses (monetary, points systems, etc.)
- Record successes in notes for annual performance reviews

For goals that are a long way off, set up rewards along the way to help keep people engaged.

### Individual

Employees will respond to, and be motivated to work toward, goals that they can relate to. They need a way to relate to their goals on an individual basis. Establishing goals and tying them into performance objectives will put the big picture into terms that they can relate to. This also provides a way to share the big picture with them and let them know what direction the company is going in.

### Review

Review progress periodically. Do the goals still make sense for the short and long term? Are people's activities a good demonstration of the strategic plan, or have they wandered off track and taken to pursuing their own personal goals? Are you measuring as you go and making adjustments, or is it more important to stay the course?



## Inspiring

Frame the goal positively so that people relate to it strongly, even if the goal has a negative outcome to it. If the costs of your employee benefit plan are increasing, you'll find that cutting programs can demoralize a workplace. Instead, involve your employees and ask what they are willing to concede. You might be amazed at how innovative they are! Instead of having a goal like, "We must cut 15% of our employee benefit plan budget" try something like this: "Through a process of employee consultation, we will identify and implement savings of 15% to the employee benefit plan in the next 12 months."

## Time-Bound

Give yourself a deadline for achieving the goal. If the goal is quite large, break it into smaller pieces and assign a deadline for each one.

## Getting Into It

**Create a goal statement that includes all the elements of SPIRIT.**

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## Assigning Roles, Responsibilities, and Accountabilities

### Who Does What and When?

The next stage in your strategic plan comes from the top of the pyramid that we introduced earlier:



This stage gets at the heart of getting the work done by assigning who will address each role and what they are accountable for. In this part of the strategic plan, you hold discussions and make decisions about what's being done by whom and the ongoing tasks that move the organization ahead. Organization charts and job descriptions are the typical output for this stage.



## Making Connections

**Do you have all of the people that you need?**

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**Do you have the resources necessary for them to do their work?**

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**If you had to reduce your workforce by 10%, could you still meet your goals? If your answer is yes, you could be running a pretty expensive operation. What is stopping you from reducing the workforce by 10% and adding those savings to your revenue?**

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## Establishing Priorities

### How to Prioritize?

When you do a prioritization exercise, does it help you determine what's needed? Do you get frustrated when everything seems to take priority? Prioritization can be really tough, but it's an important part of your strategic plan.

You probably know already that setting priorities is not just done one time within a strategic plan, a project, or even when it comes to planning your vacation. If you look at your strategic plan right now, you may not be able to anticipate where conflicting interests will arise, but you can be pretty sure they will come up from time to time. When these conflicts surface, we need to prioritize.

### Types of Decisions

Depending on the nature of the strategic plan, you will use different methods of establishing priorities and solving problems. You may have to make **autocratic decisions**, where people implement your decision and you do not entertain questions or challenges. Or you may use **group decision making** or a **consultative** approach.

Whichever approach works the best for you, we have eight essential ingredients that will help you define problems and provide a backdrop for making decisions. Remember, the most important step is to define the problem clearly.

### Rephrase the Problem

Sometimes what we want to see is not what other people see. When the boss sees production drop and he tells his team to work harder, he's not likely to see much of a result. He's telling people what to do for his benefit, and that does very little to engage people. Instead, he could rephrase the problem and ask people what they feel connects them to their work. He can take an interest and ask what they can do to make their jobs easier or make work processes more efficient. In this way he engages people, finds out what could be dropping their production, and can come up with solutions instead of just telling people to be "more productive."

If you have a hard time with wordsmithing, grab a dictionary and thesaurus (or look at online versions) and play with your problem statement by changing it several times. Start with one word or short phrases. If you don't enjoy word games very much or feel yourself struggling, ask for help from a colleague or friend.

Here's an example. If the problem seems like "Our sales are decreasing," start replacing words to become clearer about what's going on:

- "Our market share is decreasing."
- "Our new sales are the same as last year."
- "Repeat sales have decreased 16% over last year."
- "Our outgoing sales call volume has increased 18%."

- “Our incoming complaint calls have increased 22%.”

By doing this type of rewording, you can narrow things down and determine that the real problem isn't that your sales team is neglecting their work or needs more training. The problem appears to be that repeat sales are down and correlating with that is an increase in complaints. Finding out why will be your next step.

## Expose and Challenge Assumptions

We assume a lot. It's human nature. Unfortunately, assumptions can really interfere with getting an accurate problem statement.

If you pull up to the gas pumps, you might assume that you can buy regular, mid-grade, or premium gas. And yet, when you pull up to a rural station and there is only one option (regular) for your car, which usually gets premium, you have to decide whether you have enough fuel left to make it to the next gas station.

When defining your problem, write a list and include as many assumptions you can think of, especially the obvious ones. This helps to clarify the problem. Then, test each assumption and find out if some of them are actually wrong, or if you imposed them on yourself.

One common assumption is to say, “We've never done it that way, so we won't be allowed to do it in the future.”

## Use Facts

Sometimes we see a problem and just want to jump in and fix it. However, we are also generally responsible for things like time and money, so it's important that we look at the details and determine what the problem really is. If a problem is too vague, it might not even be serious enough to warrant solving. Find the data you need to define the problem. If you can draw a picture or a graph, do so. Ask questions and gather information that honestly describes the problem so that you can get specific about it.

“You're always late” is a very vague statement of a problem. “You've been late three days in a row” is specific. With straightforward problems like this one, you will find that defining the problem and bringing it to the other person's attention will often resolve it. There are very few people who will continue to challenge the supervisor once they demonstrate an awareness of the late behavior being repeated.

## Grow Your Thinking

Problems are often related to other problems. They can be a small element of a larger issue, so this element of problem definition includes considering the problem as part of something larger. To do this, you make the problem more general.

Ask questions such as

- “What's this connected to?”
- “What is this an example of?”
- “Where have we seen this before?”

Leveraging the word play we used earlier, replace specific words with more general ones. “Budget” becomes “finances,” “office desk” becomes “furniture,” “mouse” becomes “pest.”

## Shrink Your Environment Temporarily

Since each problem is likely made up of smaller problems, one way to figure out the issue is to split it into smaller pieces. This allows you to consider specific details. This will help you gain an understanding of the bigger problem, as well as the effect that the smaller problems have on one another.

Shrinking your environment is very effective when you have a problem that is overwhelming. It allows you to focus on something tangible. You can again use word play to great benefit here, using words that are more accurate in their definition. “Vehicle” becomes “taxi” or “car.” “Budget” becomes “our department’s budget” and then “our department’s travel budget.”

## Practice Multiple Perspectives

Although the problem may be very clear from where you are looking right now, that may not be the case from everyone else’s perspective. If our sales are decreasing, we may think it’s because our sales team is not being effective, but maybe our competition has dropped their price and added a feature to their product that makes them more appealing than we are.

Rewrite the problem from several different perspectives. How does your customer look at this problem? What about your sales team? Your courier? Add perspectives for people in different roles. How would your spouse see this? A former teacher? A local business association? The people at the café down the street?

## Turn it Upside Down

One powerful perspective is defining your problem is to look at it from the reverse direction. If you want more of something, figure out what you get less of as a result. Investigate what happens to decrease sales, or to sell fewer products, or to lose more games. If you feel that sending an employee to a conference is too expensive, consider what happens when you do send them.

Change your perspective and consider things from angles you had not yet considered, and consider the consequences. What about setting up a bare bones product that does not have all the same elements as the fancy ones people are buying from your competition?

## Frame the Problem Purposely and Positively

This is something we borrow from goal setting. Our brains will focus on things that are positive and exciting. Even more effective is to reframe what you think as the problem into a positive and engaging question, because our subconscious loves to ponder questions and will start working on them immediately, even if we don’t think we’re thinking about it. For example, instead of thinking, “We need our employees to quit smoking because smokers are driving up costs of our benefit plan,” try, “How can we encourage our employees to live long healthy lives and live to be happy people?”



## Summary

When you can describe the problem clearly, the solution often presents itself. However, failure to identify the problem properly can send you off fixing things that may not ever resolve the actual problem. Don't create a situation where you are looking at the same problem three months from now; use these eight essential elements in your favor.

## Problem Solving in Action

**Problem One: Your child's teacher calls to say that your teenager has been late arriving to school every day this week.**

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**Problem Two: Colleagues are leaving their dirty dishes in the kitchen at work.**

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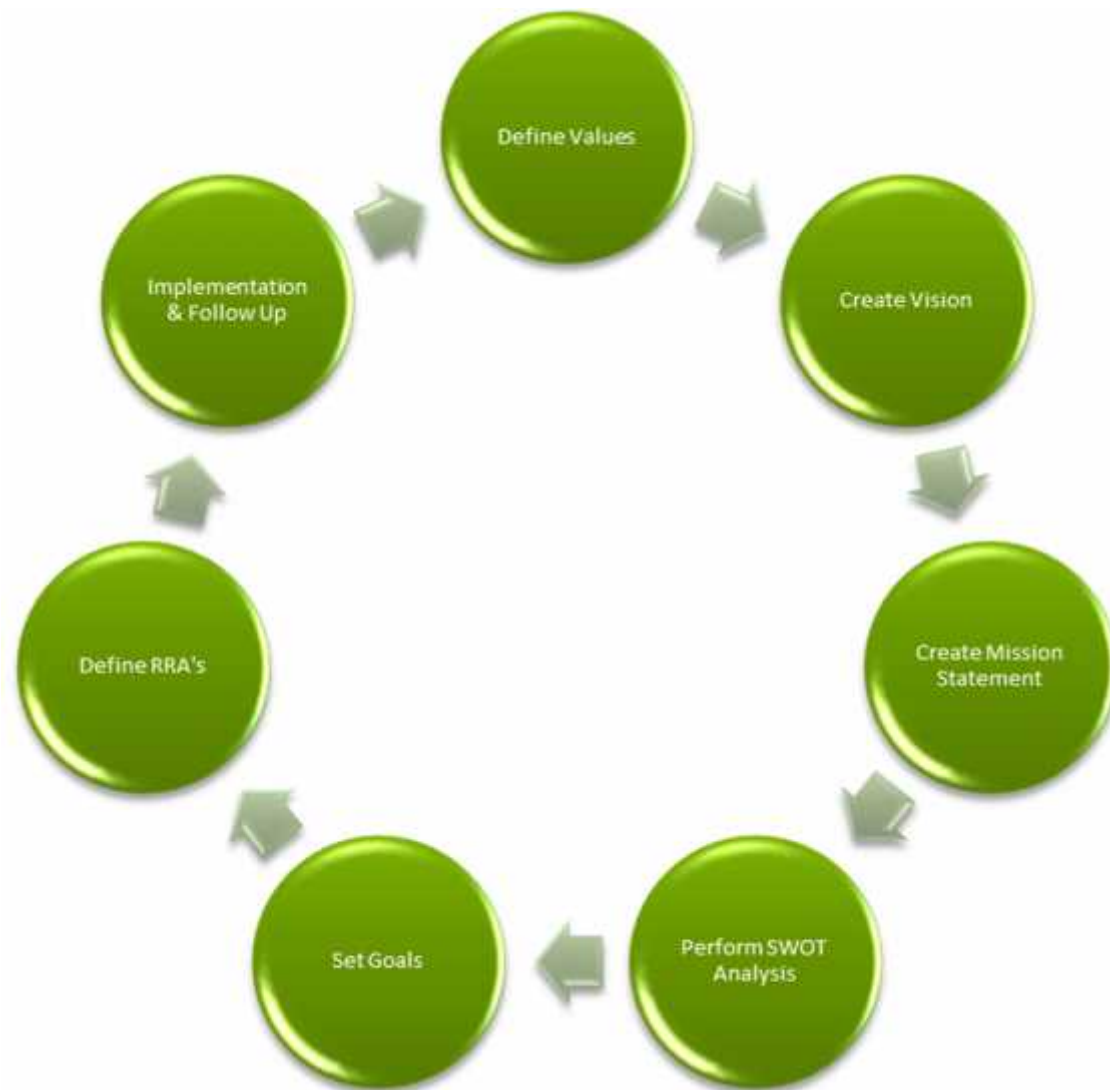
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## The Full Picture

We have now worked through the key elements of the strategic plan, from understanding what it is, to defining values; creating a vision; creating a mission statement; completing SWOT assessments; setting goals; and defining roles, responsibilities, and accountabilities. Your strategic planning cycle will look something like this:





## Gathering Support

### Who Reviews the Plan and How

In order for the strategic plan to be fully implemented, you must gather the support of the entire organization. The plan is endorsed at the top of the organization (by the CEO, board, etc.) and filtered throughout. You don't want anyone working at cross purposes to what is in the plan, and having them well advised will avoid problems. In implementing the plan, you need to include the following elements, which we call ABC to W:

- Accountabilities
- Benchmarks
- Complete
- WIIFM

#### Accountabilities

Make sure that you do a thorough job in assigning responsibilities and accountabilities. If people do not understand what you want, they cannot deliver it. If you can make sure that accountability provides opportunities for growth and development, you are more likely to engage people in achieving the vision.

#### Benchmarks

How often will you review the plan? Every month? Each quarter? Every six months? Your ability to achieve your stated goals also requires that you (and the people who work for you) stay on track. The plan will need to be reviewed regularly, whether you do some aspects quarterly and review other aspects quarterly, or some other structure.

The plan should be referred to regularly and must be linked with performance objectives established for each member of the organization. The results of these reviews need to be shared with the executive regularly so that they know the plan is on track, where they stand in terms of their performance and your expectations, what adjustments are being made, and why.

#### Complete

Your ability to forecast, schedule, and plan will have a considerable effect on whether people understand what you want. Make sure that you deliver the contents of a complete plan, rather than just little pieces of it. Get the help you need from people who can support your efforts. (Don't forget to look internally for that help; your own people may be talented in ways that surprise you!)



## WIIFM (What's In It For Me)

You might want to think that people work for you for altruistic reasons, but they really don't. Although management schools teach them to act like owners even if they aren't, and that they can make a difference by putting their hearts into their work, people don't always think that way. Make sure that they can see the benefits to them, personally, about the strategic plan. Are you making a difference in their lives, their community, and the planet? When the plan is finished, will their work be more interesting, challenging, or meaningful? Will it be more efficient, safer, or pay more?

## Putting It Into Practice

**Consider your current strategic plan. What does it contain? What might be missing?**

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**In what ways is it meaningful already to people in the workplace who are responsible and accountable for implementing the plan?**

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**How can you make it more meaningful?**

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## Making the Change

### Getting Ready

#### Preparing for Change

Every good plan needs a good start! After you begin, it's important to consider how to keep the momentum going and how to measure what's working.

Strategic plans naturally become harbingers of change. There will be improvements that result from all the work. Those improvements can also necessitate that people change the way that they think about things, and/or the way they do things.

People need to be prepared for change so that the changes are embraced, and so that they are maintained after the strategic plan has wrapped up. As human beings, we have a personal connection to the way we do work, and so it takes some effort to do this well. Change expert William Bridges says, "It isn't the changes that do you in. It's the transition."

**Change** is the situation: the move to a new building, a retirement, or renovating a house. **Transition**, on the other hand, is a three phase process people go through as they come to terms with the new situation that change has brought.

Change is about doing things differently, seeing things in a new way, adjusting to surprises, and adapting to ideas with new twists.

#### Case Study

**Change is a new laptop. Transition is learning how to use it.**

**With that new laptop, I am:**

- Thrilled by possibilities of things I can do with it.
- Excited by the size of its memory and the new programs.
- Stimulated by the idea of working on things in way that I have never tried before.



**However, I'm also:**

- Fearful and uncertain of how to use all the features, like the fact I can flip the screen down and make it work like a tablet.
- Anxious and worried that I won't figure everything out before the next time I have the laptop with me in a meeting.

**I must:**

- Give up something to get something. I gave up the old familiar laptop.
- Unlearn what I knew about the old familiar programs and adjust to things that are very different.
- Temporarily give up my cushion of comfort.

Making Connections

**Can you identify with any of the statements in the case study?**

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**How are you feeling about something going on in your life?**

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**What are you exchanging? How might you expand your thinking?**

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**What aspects of your life or work do you see as producing stress for you?**

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## The Three Phases

**William Bridges** has contributed significantly to research about how change affects us. He believes it isn't the **change** that is the problem; the change is a situation. People have difficulty with the **transition**, which can be described as a three-part process. The transition isn't optional, and we must all go through those three stages if we want to make the change stick.

There are three stages each of us goes through in accommodating ourselves to any change.



### Endings

All change begins with an ending. We may try hard to intellectualize it, thinking that if we understand it, we can deal with it. However, we don't always have the skills to deal with emotional reservations. Like the organ reject theory, our minds may know that the change is good for us, but the body still rejects it. Intellectually, we may accept a change, but emotionally, we may still resist it.

Change is sometimes perceived as exciting, stimulating, and motivating. Jack Welch, the former CEO of GE and a popular consultant, talks about change with excitement. He believes in seizing the opportunity and being open to what's ahead.

However, change is often viewed as loss. An ending can be a loss, but a loss can be celebrated. It simply means that we are letting go of one thing to grasp onto another. Failing to identify and get ready for loss is the biggest



difficulty for people in transition.

### Transitions/Neutral Zone

This is a time to complete endings and begin new patterns. People in this stage may have a strong need for support from others. Major transitions can unleash powerful conflicting forces in people.

Western culture often tries to avoid this phase of the experience and jump to new beginnings. The neutral zone is treated like a busy street to be crossed as quickly as possible. However, it is important to take the time to complete endings and integrate new patterns effectively.

### Beginnings

Organizations think about beginnings long before people do. There is often conflict between the organization's motivation and the critical mass to make it happen, so it is essential to get people involved, especially those who are leaders and have influence.

At this stage, people need **drawing leadership** (with a vision and purpose) rather than **pushing management** (focusing on goals and plans).

### Insights

**Think of a change you have experienced. Did you feel threatened at the time? Did it open up new insights, opportunities, or possibilities?**

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**What did you do that helped you accept the change and move on? What things did other people do that helped?**

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## How Does It Look?

### Presenting Your Ideas

Every strategic plan looks different, which is a good reflection of how different ideas, companies, and people can be. There are many ways that you can share the plan with your stakeholders and employees, and we'll look at a few here.

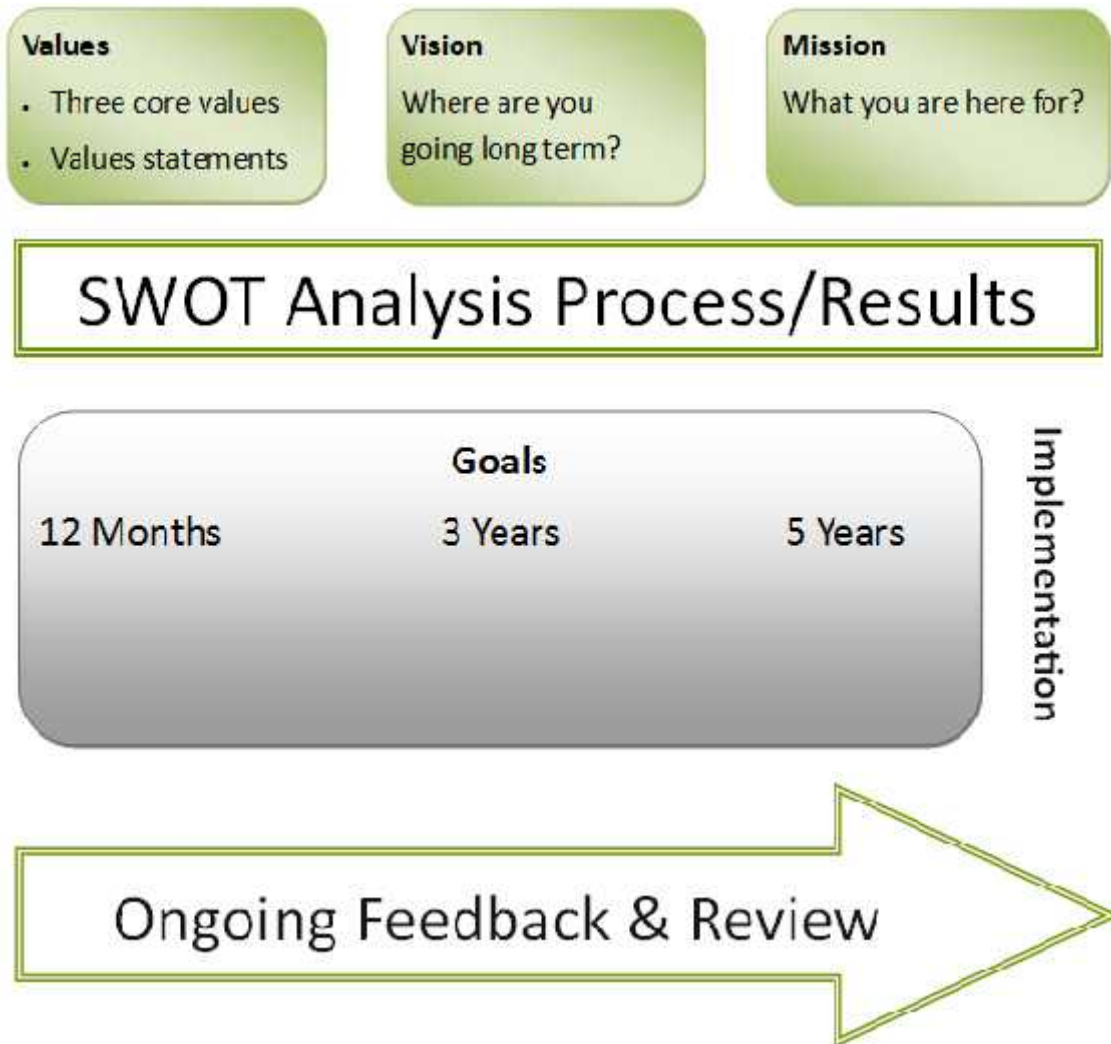
Any time you have created a new strategic plan, you should share it with your employees. This helps with buy-in and helps share your enthusiasm for what's to come. If the plan is to extend over several years, as many of them do, it's a good idea to review the plan regularly and to reinforce it throughout the organization.

#### Reports

Your strategic plan might take the form of a traditional report sent by e-mail, produced in paper form, or as a link to a secure page on your intranet. Whatever method you use, you will want to consider how much detail you need to protect from being shared outside the organization and to your competition. You will also need to think about how much your employees at different levels need to know and refer to.

## Infographics

People love pictures, and creating a diagram of your strategic plan also forces you to go through it again and pull out the essential information that you want to share with stakeholders and employees. Whether you want to capture all of the guiding principles of the plan in a diagram, or highlight certain aspects that people are curious to learn about, an infographic can be a tremendous tool. We've included a basic example below.





## Getting There

### Planning for Problems

#### Staying Focused

**Failure** is always an option, although not usually the result we want. Despite all the work you are doing to research, create, and implement your plan, it's not uncommon to run into problems. The key is to recognize the problem, determine the root cause, and then manage it. Don't try to avoid problems, but do recognize their potential for pointing out weaknesses in your plan or the need to make adjustments. Problems do not go away on their own!

Organizations will often post copies of their values, vision, and mission for everyone to see, which helps to keep people focused on what they are doing and its importance. In addition, executives and managers need to refer to the strategic plan at regular intervals. Balanced scorecards and performance reviews are opportune times to revisit the strategic plan, and to reinforce its importance.

Staying focused will avoid the following statements from being repeated within the workplace and by your shareholders:

- "We had a great plan, but then things came up and we decided to go in a different direction."
- "We spent all kinds of time in meetings, focus groups, and employee information sessions, and then we put the plan away and didn't refer to it for months."

#### Security Considerations

While we want to distribute copies of the plan, or at least its essential elements, to our employees, there are also security issues, proprietary information, and intellectual property to consider. It is very easy to share information over the Internet, through e-mail, and all kinds of other ways. You will have to carefully decide how much information goes into the plan as well as the methodology that you use for distribution. It's very possible that your plan could contain company secrets or strategic information plans that you will not want shared with your competition. Make sure that you protect your interests while letting your teams know what they need to in order to realize your vision.



## Making it Great

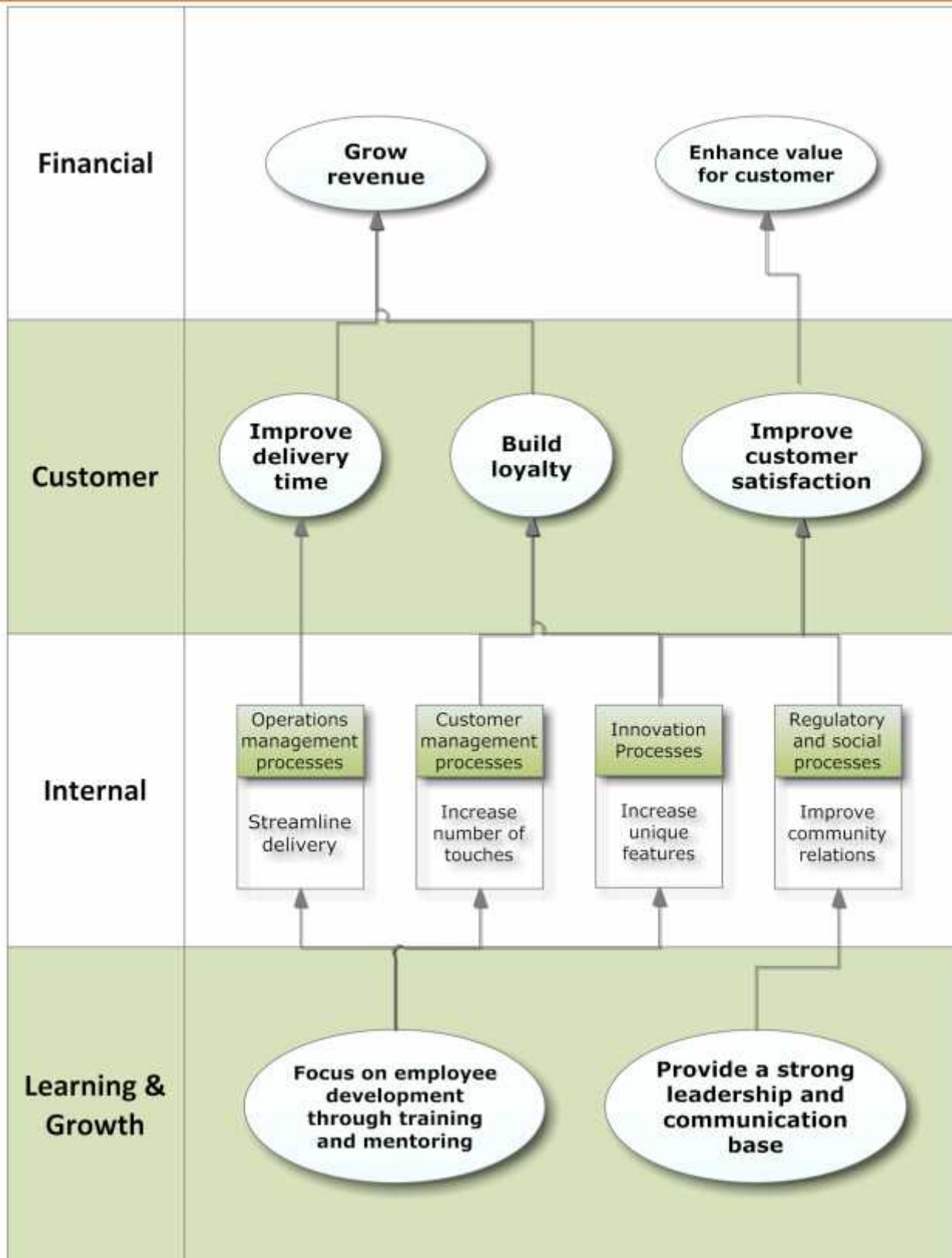
Here are nine tips for making the most of your strategic plan and meeting your objectives successfully.

1. Refer to, review, and revisit the plan regularly. Remember that it is a part of the way that you deliver results to your stakeholders.
2. Commitment to the plan must come from the top level (including the CEO) and throughout the company.
3. Make sure that everyone is aware of why the organization is implementing a strategic plan.
4. Be flexible about making adjustments when they are needed, but keep your overall objectives in mind.
5. Demonstrate your commitment to the company values in the things that you do. If you say that the company values respect, honesty, and integrity, you have to behave that way.
6. Measure the right things. It's long been a common expression (attributed to Peter Drucker) that "what gets measured gets managed," so we understand that we need to take measurements, but it is just as important to manage the right things.
7. Implement a balanced scorecard, if you have not done so already.
8. Launch the plan in a positive way (celebrate!).
9. Wrap up the plan in a positive way (celebrate again!).

## Sample Strategy Map

The strategy map is the foundation for all of your balanced scorecard efforts and it can be an excellent resource in strategic planning. It is a graphic that shows how your company will achieve its strategy. Whether you use a balanced scorecard or will use other methods to realize your strategic plan, this description will be very helpful for you.

The strategy map on the next page provides a simple example using the four basic perspectives of many strategy maps. Yours will vary depending on the areas that you are focusing on.



## Sample Balanced Scorecard

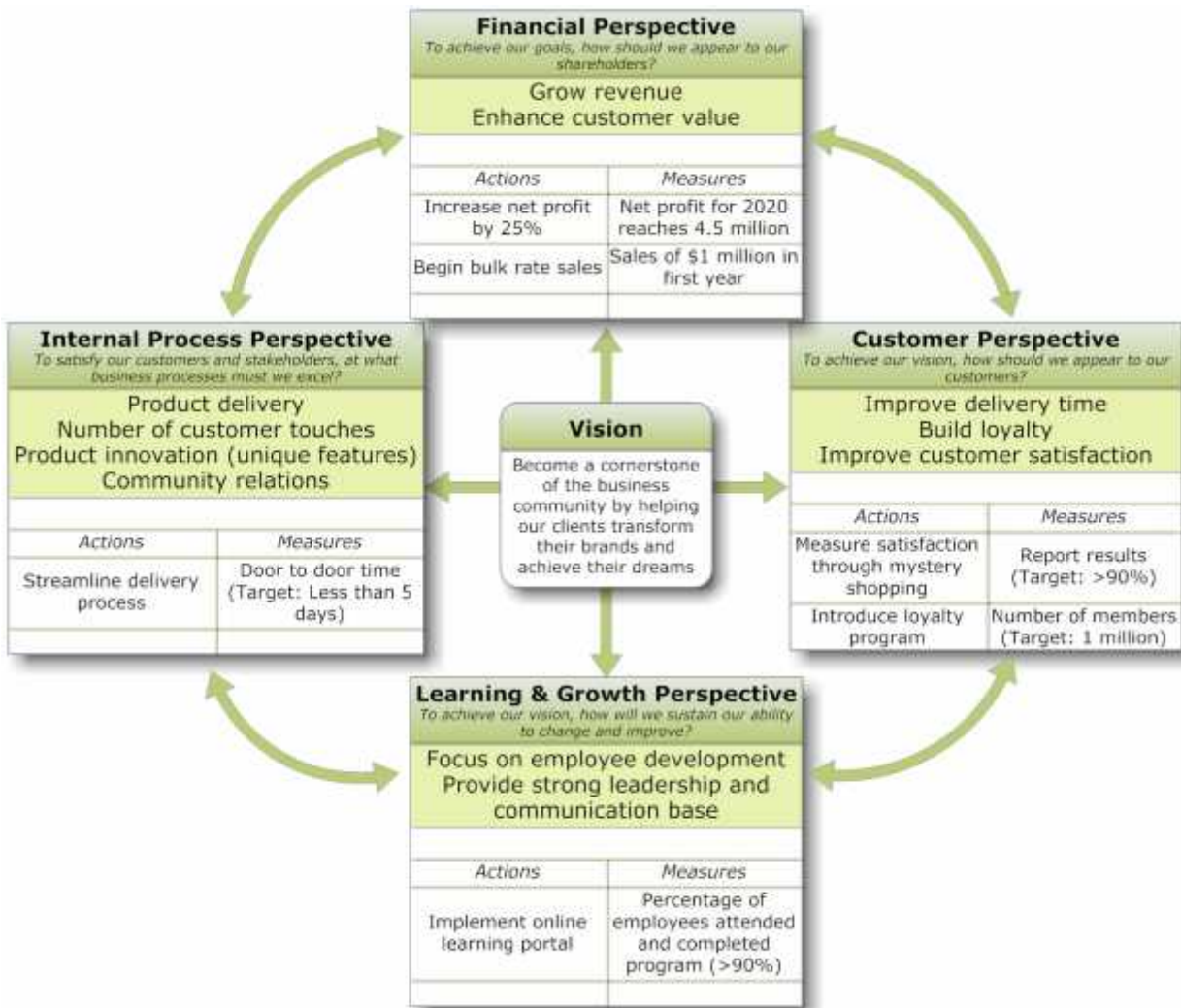
We've mentioned the balanced scorecard several times because it can be a valuable part of your strategic planning process, although not all companies ought to implement it. Success with a balanced scorecard requires dedication and a lot of knowledge about the process.

A 2009 survey by Bain & Company (a U.S. organization that does global consulting) showed that 53 percent of their clients use the balanced scorecard with almost a four out of five satisfaction rating. This places it in their list of top ten tools. (Source: <http://www.bain.com/publications/articles/management-tools-and-trends-2009.aspx>)

### Sample Balanced Scorecard

As we discussed earlier, the balanced scorecard is used to communicate, measure, and execute a strategic plan. It provides a balanced way of synthesizing the critical actions required to achieve the goals on the strategy map.

In the balanced scorecard below, you can see the four perspectives and their objectives in the yellow boxes. Then, each perspective contains specific actions and measures. (Here, we have only included a few actions and measures, just to give you an idea of what it's all about.)



Remember that balanced scorecards can take many, many forms, and it's very necessary to customize the scorecard to reflect your organization!

## Mocking Up the Process

Whatever approach you choose for your strategic planning and implementation, you'll need make sure that it works for your company and that it is reflective of what you want.

### Case Study

#### Fuel Majesta

You have an idea to create a brand new company that will provide an environmentally responsible fuel that can be distributed throughout the country. The fuel is highly concentrated, non-toxic, and is produced in a highly secret process that is conducted with thermal heat, so there is almost no environmental impact in producing this fuel.

#### SWOT Analysis 1

	<i>INTERNAL</i>	<i>EXTERNAL</i>
<i>P O S I T I V E</i>	<b>Strengths</b>	<b>Opportunities</b>
<i>N E G A T I V E</i>	<b>Weaknesses</b>	<b>Threats</b>



### SWOT Analysis 2

	<i>INTERNAL</i>	<i>EXTERNAL</i>
<i>P O S I T I V E</i>	<b>Strengths</b>	<b>Opportunities</b>
<i>N E G A T I V E</i>	<b>Weaknesses</b>	<b>Threats</b>

**Strategic Planning Framework**



**SWOT Analysis Process/Results**







### Further Reading:

- ✓ Barnard, Chester. *The Functions of the Executive (Revised)*. Harvard University Press, 2005.
- ✓ Bridges, William. *Managing Transitions: Making the Most of Change (3rd Edition)*. Da Capo Press, 2009.
- ✓ Conner, Daryl. *Managing at the Speed of Change*. Villard Books, 1992.
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- ✓ Senge, Peter M. *The Fifth Discipline*. Currency, 2006.