# Putting Real Value Into Strategic Planning:
## Moving Beyond Never-Never Land

### by Dr. Mitchell Kusy, RODC and Richard McBain

Strategic planning is no longer limited to executive suites. In fact, it is not sustained here. Providing a basic foundation for building strategic planning that inspires organizational commitment *and* results, we demonstrate how to implement strategy formulation and adapt it to the specific needs of any organization. We strive to get strategic planning out of the closet and make it alive with actions.

Many OD consultants out there have probably been in the position of having to dissuade clients from engaging in pie-in-the-sky strategic planning. You know the kind we're talking about—those sessions culminating in the 4-inch notebook that's dusted once a year. Many leaders as well have probably been through those strategic planning sessions that seemed to drone on forever without any practical value for either you or your organization. Where the group seems to spend endless time is on either dotting the "i's" and crossing the "t's" or arriving at so many possibilities that nothing comes to fruition.

If this sounds all too familiar, stay tuned. We are going to expose you to some strategic planning methods you can sink your teeth into—those that put muscle behind the organization's direction, now and in the future. We'll provide frameworks from two perspectives — our own professional experience and evidence from literature research. You'll come away with some methods you'll be able to use tomorrow. We invite you to give them a try. You'll probably change the way you and the organization look at, and apply, strategic planning.

## Our Tried and True Model

We have a model that we have found particularly effective in helping organizations determine their long-term strategies. Please keep in mind that this is only a model and you may wish to adapt

it to your own specific situations. Along the way, we'll provide personal tips for making this a meaningful process. Before moving on, we have one clarification — when we use the term "organization" we mean either the entire organization, or specific sections within the organization like a division, department, team, or unit. For the sake of simplicity, we will use the term "organization" to mean any of these areas.

Our model, with eight phases, is quite simple (see Figure 1). Some of you may think it may seem too simple. Our response is that it is. Others may be think that they've been through this before. Yes, you may, but probably not with the swiftness and bottom-line focus we recommend.

Often when we are first approached by our clients to design a proposal for how we might help them plan strategically, they tell us horror stories of how futile and laborious the process has been. Interestingly and to our surprise, they still come back for more and want us to help them create a strategic plan! Why? (Quite honestly, we don't really know.) Our guess is that there is something inside them, maybe some intuitive sense, that tells them there must be some inherent good in this process. We agree to take them on a different strategic road than they probably have ever been on. It's a road that will present them with real-world applications of their strategic plan. If this intrigues you, then you're about to venture into a model that will ignore the typically useless strategic endeavors on which some organi-

zations embark. We will present a focus that makes just plain, good business sense.

**But First, A Word from
Our Stakeholders**

We believe it irresponsible and almost impossible to do effective strategic planning without understanding the views of diverse stakeholders. The old way of doing strategic planning incorporated this model: leaders design a plan, tell others what it is, and try to get buy-in along the way. This archaic model no longer works. Period. Unfortunately, this is the way some organizations still do strategic planning. The reason this no longer works? To answer this question consider the research on participative organizational structures. There's a fair amount of evidence that the involvement of everyone concerned with an issue leads to:

• higher quality decisions, and

• greater commitment *to* the decisions [1]

In particular, we have found that before embarking on any strategic planning effort, leaders need to make a decision to involve others, including those from non-management ranks. The concern we often hear from leaders about this approach is, "What if we hear ideas we cannot carry out?"

The answer is, again, quite simple. Let participants at the session know that you will establish parameters within which the strategy is formed. As Essex and Kusy (1999) document

in *Fast Forward Leadership*, there is a continuum of shared leadership that ranges from no involvement to heavy participation. The range first starts with letting participants know what is to be decided by the leader(s) alone. For example, maybe because of some impending legislation you'll have to add a new function to the organization. Or the organization may need to pump in more money to a particular research and development effort.

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**— FIGURE 1. —
PHASES OF STRATEGIC PLANNING**

1. Planning to plan
2. Mission
3. Vision
4. SWOT analysis
5. Key focus areas
6. Measurable goals
7. Strategies
8. Follow-up

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These are "givens." Also, let them know that there may be some decisions the leadership team will need to make, but that the input from others will help the leadership team make more effective decisions. In this case, the leadership team will listen to what they have to say and incorporate this wisdom into the decision. The entire strategic planning group may also make decisions in a collaborative fashion —through consensus. Here we suggest that you not misconstrue consensus with agreement. Consensus is about support. A participant may not actually agree with a particu-

lar view in the strategic planning session, but will support the sentiment of the group now and will not be a "roadblock" later. In this consensus model, the leaders are included as one of many and have no more veto power than anyone else in the session, except with the parameters as referenced above. Finally, there may be decisions that others decide without leader input. This may seem odd at first, but leaders have sometimes told us they do *not* want to make some decisions, recognizing that others may have better knowledge and capability than they.

The bottom line is that, depending upon the myriad decisions to be made during the strategic planning process, the group is probably considering any of these three perspectives depending upon the situation:

- No input; the organization simply has to do or not do a specific action.
- Input to a decision; leader(s) still decide(s).
- Consensus; all support the decision.
- No leader input; leader stays out of the way.

Any or all of these may be appropriate, contingent upon the context of the situation. And with this model as a backdrop, we're ready to embark on our model of strategic planning.

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## Phase 1—
### Planning to Plan

Strategic planning doesn't happen via osmosis. You just don't invite people and plan. There's a pre-phase that we call *planning to plan*. In this phase, a small representative group from within the organization meets to actually plan the process. This group is a microcosm of everyone who would attend the strategic planning event.

Please don't assume that this group is necessarily the leadership team. We recommend that it consist of about 6 to 10 individuals who represent various facets of the organization, including but not limited to, selected leaders in the organization. We sometimes call this group the "P2 group," for Planning to Plan, but you may call it anything that describes the process—like the "steering committee" or the "planning committee."

At this point we suggest that someone serve as the facilitator of the P2 group. This individual may be a consultant—either internal or external—or anyone in the organization having effective facilitation skills. It should not be someone from the team because we don't believe it is effective to "do" strategic planning on one's own organiza-

tion — it is difficult to contribute and facilitate at the same time.

There are several dimensions which need to be covered during this planning-to-plan phase. These include those criteria delineated in Figure 2. Note in Figure 2 our use of the term *stakeholders,* who are Individuals, groups, or organizations with interest in the issue area. They hold a stake in either changing the issue or maintaining the status quo[2]."

We suggest two to three days for the actual strategic planning "event." From our perspective, a three-day timeframe is ideal because it allows two days of evening time to reflect — sometimes stimulating creativity. This may be a luxury because some organizations may not be able to devote the comprehensive time to this effort. In this case, do the best you can with the amount of time your client has. If you can't devote the full amount of time use your P2 group to help make appropriate concessions.

### Phase 2 — Mission

There has been so much confusion around this term that we sometimes suggest to our clients that they use the term "purpose." Because *mission* is the standard term, we'll continue with that. But if confusion on this runs rampant in your organization, substitute the term *purpose* and you'll probably be fine. This phase involves understanding why the organization exists or should exist. It may incorporate designing a new mission statement or determining that the existing state-

ment is still relevant. Again, the strategic planning group either provides input or is involved through consensus in helping determine this. If it has been pre-determined that the mission stays as is, then obviously neither input nor consensus is needed here and you'll move on immediately to the next phase.

If revision of the mission is needed, some of the benchmarks we recommend using are:

- It needs to be brief, *very* brief.
- It should reflect what the organization is all about (or should be all about).
- It needs to connect with the larger organization's mission (if the strategic planning is done for a division, department, or unit).
- It should be something that
  ~ a leader can manage performance by, and
  ~ a leader can use in decision-making.

One of the very best ways for all members of the organization to "live" the mission is for leaders to reinforce performance that contributes to the mission. If it's positive performance, reward an employee's efforts to contribute to the mission. If it's negative performance, relate how an employee's efforts could inhibit mission achievement.

**Phase 3 — Vision**

This phase incorporates determining the three-to-five year direction of the organization. We suggest this timeframe because any less will turn your strategic planning session into an operational process, while any more may not really account for the rapid rate of change in organizations today. As with the mission statement, there is beauty in brevity. Simple and short is elegant.

Like the entire strategic planning process, it's important that leaders not enter the session with a vision already crafted, "set in stone," and then try to "sell" the rest of the group on its merits. As Stephen and Shannon Wall note in *The New Strategists*, a pitfall occurs when, "The vision is crafted by people at the top of the organization without sufficient input from others[3]." Additionally, the vision needs to be built from the organization's purpose, i.e. the mission. According to Wall and Wall, another pitfall occurs when…"The vision doesn't capture the true performance and values of the organization."[4]

The bottom line here? The benchmarks of a good vision are:

- It needs to be challenging, yet feasible.
- It needs to connect with the organization's mission.
- It's about the future, not the present.

We sometimes get questions as to which comes first, the mission or the vision. We suggest the mission be first because it is the ultimate reason the organization exists—so much hinges on this perspective. However, we have found that seemingly endless debates about which should go first is a waste of time. After a brief discussion, gain consensus around the issue and move on. A case can cer-

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**— FIGURE 2. —**
**KEY CRITERIA NEEDING TO BE ADDRESSED DURING THE PLANNING-TO-PLAN PHASE**

1  What is/are the goal(s) of the strategic planning process? For example,
   - Create a mission
   - Develop a three-year or five-year vision?
   - Design an action plan for the future
   - Determine if the current mission needs to be changed

2  Which stakeholders should be involved? For example,
   - Just management
   - All employees
   - A representative group of employees chosen via either voluntary selection, selection by the P2 group, or randomly selected

3  How much time should be spend on the strategic planning process? For example,
   - two to three consecutive days (which we suggest)
   - An alternative of this two-to-three day model, but split up over six weeks

4  How are decisions to be made? Here we suggest using our shared leadership model consisting of:
   - Boundary setting
   - Input
   - Consensus

5  What is the format of the strategic planning event? We suggest:
   - As many people involved as the room or organization can handle.
   - The entire group divided into small teams of six to eight individuals.
   - A maximum mixture ("max-mix") of individuals in each of the small groups so that all areas and levels are represented in each small team[5].
   - A combination of max-mix groups reporting results to the large group.
   - A determination of the key themes for action based upon the large group synthesizing the themes from the small groups.

6  The agenda? Stay tuned here because you may determine that what you're about to discover may help in the agenda-setting process.

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tainly be made that the organization needs to decide where it's going before an overall purpose can be established. But don't get hung up on too many myriad details here.

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**— FIGURE 3. —**

**THE SWOT ANALYSIS PROCESS**

1. Internal Analysis
   — Strengths
   — Weaknesses
2. External Analysis
   — Opportunities
   — Threats

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**Phase 4 — SWOT Analysis**

Many of you have probably been through this process (Figure 3), but we suggest doing it with a different twist. Before discussing our approach, let's discuss the model. Strengths encompass those *internal* advantages an organization possesses that help to accomplish its vision. Weaknesses are *internal* factors that inhibit vision success. Opportunities focus on the *external* variables an organization should capitalize upon to achieve its vision, while threats incorporate *external* variables that inhibit vision realization. According to Stumpf, threats must be addressed before any problem-solving can occur. Notice that these variables all focus upon the vision previously established.

To conduct the SWOT Analysis, we suggest using a brainstorming method followed by a synthesis of the resulting key themes. In addition, we recommend using 5-Ps to make sure nothing has

been overlooked in the SWOT Analysis (see Figure 4). These 5-Ps are pretty self-explanatory with the exception of the people function, which incorporates perspectives from staff, customers, and other key stakeholders such as vendors and contractors. Use the 5-Ps so you don't overlook any critical elements in your SWOT Analysis.

**Phase 5 — Key Focus Areas**

To help garner the organization's attention to the strategic plan, we have found that any more than six areas of organizational commitment will dilute the effectiveness of the plan. So, we suggest extracting from the SWOT Analysis no more than six key focus areas (KFAs). These are the predominant areas in which the organization will focus its attention in the next three to five years. They provide a backdrop to the concrete action plan that will follow in the next phase.

To arrive at these KFAs, the group should first brainstorm, then prioritize. Since brainstorming is a process that you have probably been through a myriad of times, we'll direct our attention to a prioritization process we have found extremely useful. To fully appreciate this model, we suggest you refer to Figure 5.

To engage this prioritization process, we suggest following these steps:

1. Brainstorm all the KFAs that participants believe need to be addressed to suc-

cessfully achieve the vision.

2. Once brainstormed, collapse the KFAs so that there are no redundancies.

3. Number each final brainstormed item.

4. Ask individuals to independently determine whether the organization's current performance on each KFA is low, medium, or high, and whether the importance of the KFA is low, medium, or high (according to Figure 5).

5. Then, on a large wall graph duplicating the model in Figure 5, give everyone an opportunity to write where their item numbers fall or place a post-it note with the corresponding number written on it.

6. Give everyone a break and have the P-2 group count the number of "votes" per item per category.

7. Share the results with the large group after the break.

8. Seek consensus on no more than six top KFAs. You may need to have discussion here to incorporate any disagreements with the final tally and with any additions needed.

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**— FIGURE 4. —**

**THE 5-P APPROACH TO A SWOT ANALYSIS**



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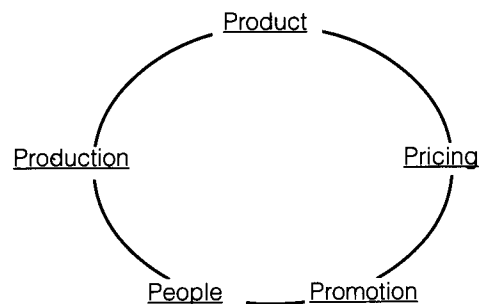
9. Begin with those items appearing the most in category "g"—low current performance and high importance. You don't want to expend major organizational energy with items not important and when current performance is high.

10. If there are more than six in category "g," conduct further discussions to reduce the number to a manageable six.

Be creative throughout this process because the number of "votes" does not necessarily equate with the ones ultimately selected as KFAs. The reason for this is that voting has a tendency to polarize the group into "winners" and "losers." This is ineffective because it moves the group away from consensus. This is also a prime opportunity for meaningful discussions before final selection of no more than six KFAs.

## Phase 6 — Measurable Goals

The rest of the planning process focuses on specific actions required to address each KFA. To get there, participants in the strategic planning session will need to establish performance-specific goals that are measurable, i.e. you'll know when you've gotten there! At this point, we find it quite effective for the large group to divide themselves into smaller groups according to KFAs. Essentially, individuals select which KFA they are most committed to working on and join that group. The results of these small group efforts are shared with the larger group, with consensus again the final outcome. We also suggest that vol-

unteers be sought to lead the effort after the session ends, for each of the goals.

## Phase 7 — Strategies

Strategies are the "how-to's" associated with *each* goal, incorporating who, what, when, where, how, and why. This phase incorporates all the details needed so that there are systems and methods associated with each of the goals. The wrap-up of this phase, leads us to the most-forgotten phase of strategic planing—follow-up.
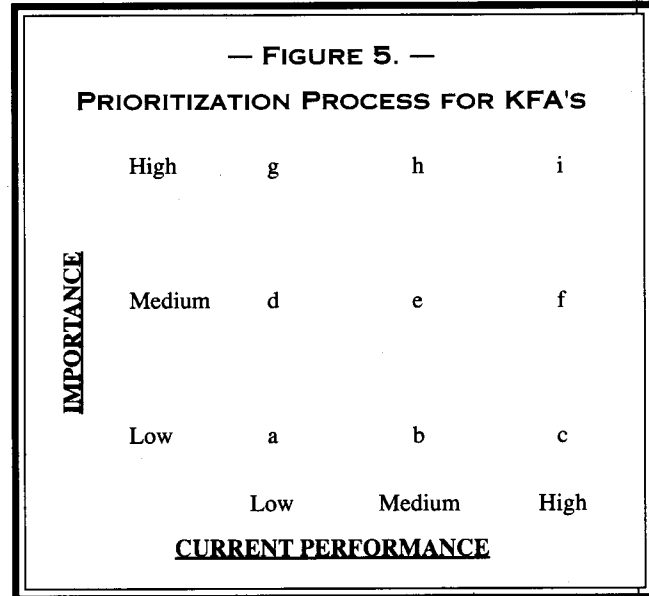
## Phase 8 — Follow-up

The strategic planning process simply *begins* with this two-to-three day event. It will fall apart without effective follow-up. Here's what we suggest:

- Find an opportunity to share the plan with those who couldn't attend the event. Ask for their input and listen. Designate someone to coordinate this information-sharing and get the feedback to those involved in the strategic planning event for any possible revisions needed.

- Select a coordinator for each KFA or each goal—an individual who would establish regular communication with his/her team.

- All KFA/goal coordinators should meet quarterly and report results back to a central committee, usually the P-2 group.

- Celebrate small and large successes!

Please don't underestimate the importance of this item.

**Final Tips from the Authors**

Here are some tips that we have either serendipitously discovered or

— FIGURE 5. —
PRIORITIZATION PROCESS FOR KFA'S

| IMPORTANCE | Low | Medium | High |
|---|---|---|---|
| High | g | h | i |
| Medium | d | e | f |
| Low | a | b | c |

CURRENT PERFORMANCE

found out the hard way, tips that will make your strategic planning endeavor more productive and efficient.

- Use a laptop recorder to capture results every step along the way during the strategic planning event. The individual who captures this information should *not* be part of the group. As results are captured on flipchart pages from each phase, the laptop recorder enters the information as directed by the facilitator. These recorded results are duplicated and distributed to each individual in the room, immediately.

- Remove "old" flipchart pages from the wall and easel, once the recorded results are distributed to each individual.

- Set time limits for each activity.

- Just as the laptop recorder should not be part of the planning process, nei-

ther should the facilitator. S/he should be an objective individual who is skilled at facilitating group process.

- Don't spend more than 25 percent of your time on the mission/vision process. As Collins points out in Leader to Leader, organizations typically spend about 90 percent of their strategic planning efforts on these statements. [7] They suggest no more than 5 percent of the time spent on drafting and redrafting statements. We concur that 90 percent is far too much time; we suggest something between 5 and 20 percent.

- Don't get caught up in overly obtuse discussions of whether you need a mission or vision statement, or both. What you need is a purpose and direction. Whatever you call it really doesn't matter. If both purpose and direction are served in one statement, fine. If you need two statements, go for it.

- And finally, consider multiple stakeholders in your strategic planning process, especially the value key customers can add to this endeavor.

We hope these hints and our suggestions help you achieve your strategic planning outcomes and provide better contexts for strategy formulation. Our clients report that this process has not only been clear, concise, and comprehensive, but it has made believers out of them regarding the significance of strategic planning. We hope the same occurs for you and any organization to which you apply these methods. ⬤

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## Endnotes

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