

## Strategic Planning: Stopping the Zombie in its Tracks

by Rich Horwath

*Strategy is not the consequence of planning but the opposite: its starting point.*

Henry Mintzberg  
Professor, McGill University

Have you ever been involved in the strategic planning process and felt like one of the extras from the cast of the cult-classic zombie flick *Night of the Living Dead*? Looking around the room, you notice the enthusiasm being slowly drained from participants and those blank stares that say what is on everyone's mind: this looks an awful lot like last year's plan except for the date. After the meetings, people march out of the conference room like automatons in search of relief from the eternal damnation that they've just been through. Exaggeration for effect—yes. Not far off from what actually happens—yes again.

Strategic planning has wrongly become the umbrella for strategy development when in fact it is simply one step in the strategy development process. Taking the time to engage your organization in the entire strategy development process will ensure that associates are energized, focused and confident in the strategic direction. Left unchecked, status quo strategic planning will continue its zombie-like march through organizations, leaving in its wake the stench of unchallenged assumptions, declining profitability and business-as-usual.

### Five Phases of Strategy Development

To fully utilize the power of strategy, a circuitous strategy development process must be in place consisting of the following five phases:

1. Discovery

2. Strategic Thinking
3. Strategic Planning
4. Strategy Rollout
5. Strategy Tune-up

### Phase I: Discovery

The discovery phase is a crucial step in preventing the strategy development process from turning into a slight tweak of last year's plan. The discovery phase involves the designation of the strategy development team—the associates that are charged with gathering and providing input throughout the process. It includes an outline of the process being used and pre-work to maximize the team's meeting time. The pre-work involves the collection of intelligence on the market, customers, competitors and the organization itself. Primary research with customers and employees in the form of one-to-one interviews or focus groups provides an excellent litmus test for the strategy team's observations.

### Phase II: Strategic Thinking

The most common reason for organizations turning out strategic plans that don't move the needle is the belief that strategic thinking and planning are the same thing. Strategic thinking is the generation of insights about a business while strategic planning then takes those insights and transforms them into an action plan to achieve goals and objectives.

The strategic thinking phase utilizes models and exercises grouped into the following four areas to ensure a comprehensive and methodical approach:

- Market

- Customers
- Competitors
- Company

Strategic thinking provides revelations in such areas as resource allocation, customer value drivers, market dynamics and activity systems. By continually working through models and enhancing skill sets like decision making and problem solving, an organization's associates can make strategic thinking a daily activity.

### Phase III: Strategic Planning

The strategic planning phase transforms the insights generated through strategic thinking into the action plan that achieves the organization's goals and objectives. The strategic plan should include the key insights generated in the four areas under strategic thinking and the goals, objectives, strategies, tactics and metrics that will drive daily activity. Creating a thick, three-ring binder plan that can also serve as a door-stop is not of value to anyone. Make sure that your strategic plan is concise enough to be used and updated on a daily—not annual—basis.

### Phase IV: Strategy Rollout

Brilliant strategy means nothing unless everyone in the organization understands it and it influences their daily activities. The following steps can be used to support the strategy rollout:

1. Development of strategy communication vehicles (presentations, documents, maps, etc.)
2. Dissemination of the strategy through the chosen communication vehicles to all associates.
3. Collection and review of feedback regarding the strategy and its communication to the organization.
4. Incorporation into associates daily activities and their corresponding metrics.
5. Periodic pulse-taking to monitor progress and assess effectiveness and relevance of both strategy and tactics.

### Phase V: Strategy Tune-ups

We use the term “tune-up” because no one in their right mind would drive their car for a full year without getting an oil change or having brakes, tires, etc. checked. Yet, countless organizations will go a full year before reviewing their strategy. We take more preventive care of our automobiles than our organizations.

The strategy tune-up is a periodic formal review of the strategy by the strategy development team. Consisting of a ½ to 1 day session on a quarterly basis, the team methodically reviews the key areas of the business (market, customers, competitors and organization) to identify significant changes and make adjustments in strategy and tactics. The strategy tune-up prevents the organization from missing market trend shifts, changes in customer demand, and other events that can make current resource allocations obsolete.

### Keys to Successful Strategy Development

In addition to following the five strategy development phases, there are several keys to a successful process:

#### ▪ Frame Strategy Conversations

Strategy conversations can become a powerful means of generating and modifying strategy.

Strategy conversations consist of two parts:

- 1. Strategy Dialogue**—the exploratory, open-ended conversations that look to generate a range of alternatives relative to the topic at hand (i.e., criteria for resource allocation). The dialogue portion should enthusiastically encourage the challenging of the basic assumptions the business has been built on. It should also support fact-based debate that fuels the challenging of assumptions.
- 2. Strategy Discussion**—the narrowing down of the strategy alternatives into a final choice. It's important not to utilize strategy discussion too early in the conversation so that sufficient time is given to developing fresh alternatives.

## Standardize Templates

Enormous efficiencies can be gained by implementing standardized templates for the strategic plan. Using standard templates promotes a universal language for talking about strategy within the organization and allows colleagues to immediately understand and assess one another's business.

## Link the Plan to Daily Activities

The most common challenge in this entire process is putting the strategic plan into a format that can be used on a daily basis. If the strategic plan is sitting on a shelf and not driving daily activities, you've wasted your time. The plan should be condensed into a 1 – 2 page document that is readily referenced every day. One of the most effective of these tools is the StrategyPrint®, a two-page blueprint for strategy that captures the key business insights on page one and the strategic action plan on page two.

## Manage Metrics

With the proliferation of performance measurement techniques such as the Balanced Scorecard, a number of organizations have become more obsessed with the metrics than the actual strategy itself. Carefully choose a limited number of metrics that are appropriate for the associates and make sure that they understand how exactly their work impacts those measurements.

## Encourage Strategic Thinking

Everyone in the organization can contribute to strategy by applying strategic thinking to their daily activities. From the sales rep who uncovers an unmet customer need to the product manager that identifies a changing market dynamic, insights should be continually generated to feed the strategy development cycle. While the firm's

strategic direction is set by senior management, everyone must play a role in shaping that direction.

## Killing the Sequel

Strategic planning is a useful piece of the strategy development puzzle, but it's only one piece. Understanding the five phases of the process and the keys to its success will go a long way in keeping the strategic planning zombie on ice. □

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