

# tools for collaborative **STRATEGIC PLANNING**

by Deborah Mackin

**F**or years the work of strategic planning was limited to board room and executives who released elaborately bound copies of plans that seemed to have little to do with every day efforts. It didn't take long for organizations to realize that strategic planning success only comes when plans are developed and implemented collaboratively. Large group efforts such as FutureSearch convinced skeptics that people from all levels can be engaged in visioning and mission-setting with great success. Once involved, the probability of full implementation of the plan is great.

This article is designed to show how organizations can engage employees at all levels in the strategic planning process. But first, let's begin by clarifying what we mean when we say strategic vs. non-strategic. Without this clarification, discussion can easily drift from the long-term, broad focus to day-to-day operational objectives. Most people are much more comfortable talking about the definite rather than the indefinite. Strategic planning takes a certain amount of discipline to avoid "drilling down" into the day-to-day. Skilled facilitation of discussion is required as well as adherence to a strategic focus.

Effective leadership is putting first things first. Effective management is discipline, carrying it out.

—Stephen Covey

## **Strategic**

1. Will effect the organization or division for 3 years or more
2. Has cross-functional involvement — broad in scope
3. Requires additional resources or reallocation of resources beyond existing patterns
4. Have low level knowledge and understanding of what and how to implement

## **Non-Strategic**

1. Is immediate, focused on day-to-day
2. Have existing structure to address issue
3. There are no questions about how to proceed
4. Doesn't require broad involvement or additional resources

# tools for collaborative STRATEGIC PLANNING

Strategic planning begins with the selection of a Strategic Planning Team, charged with overseeing the planning process from the first phase to the final implementation phase. The team is typically composed of a broad slice of the organization representing various levels and attributes. The team's charge is to employ a series of tasks and tools at each phase in the planning process in order to achieve strong buy-in to the plan. Each phase is illustrated in the chart below:

phase 1	phase 2	phase 3
<p><b>Structuring the process and gathering information</b></p> <ul style="list-style-type: none"><li>■ Create a strategic planning team</li><li>■ Identify stakeholders and conducting stakeholder surveys</li><li>■ Complete Critical Success Factors</li><li>■ Identify Strengths, Weaknesses, Opportunities, Threats (SWOT analysis)</li><li>■ Mission &amp; Vision Statements</li></ul>	<p><b>Synthesizing information into strategic goals and plans</b></p> <ul style="list-style-type: none"><li>■ Identify “low hanging fruit”</li><li>■ Articulate the “from” and “to” and the size of the gap</li><li>■ Identify strategic improvement opportunities</li><li>■ Complete Critical Success Factors to prioritize improvement areas</li><li>■ Draft key strategic goals and targets</li><li>■ Develop One Page Strategy (OPS)</li></ul>	<p><b>Implementing the plan throughout the organization</b></p> <ul style="list-style-type: none"><li>■ Mobilize commitment to the plan</li><li>■ Develop cascaded plan</li><li>■ Identify plan implementation strategy<ul style="list-style-type: none"><li>– Work Break-down Plans</li><li>– RACI charts</li></ul></li><li>■ Establish the feedback loops</li><li>■ Develop “dashboard” metrics</li></ul>

## Setting up the Strategic Team and Surveying Stakeholders

The Strategic Planning Team Charter focuses on defining the goals and approaches the team will take, its membership and its authority. Beginning the planning process without a charter leaves the team open to confusion about desired outcomes.

Once the team is named and properly launched, it begins working on identifying key stakeholders in the strategic planning process. Stakeholders include internal and external customers, others within the organization, community members and anyone

# tools for collaborative STRATEGIC PLANNING

with a vested interest in the success of the organization or division. Once stakeholders are identified, the team must develop a method of gathering information from those stakeholders. Online and paper surveys, focus group discussions, and FutureSearch models all work to gather the necessary impressions from stakeholders. Key questions address the following: the enterprise performance, resource demands and limitations, planning, leadership, future challenges, and risks. Once the data is compiled, the team can begin the process of reviewing the organization's mission and vision.

## Reviewing Mission and Vision

Mission and vision are not the same. The mission **defines the current purpose of the organization or division**; the vision **defines what it wants to be three to five years into the future**. The mission defines: **who** we are, **what** we do, **how** we do it and **why** we do it. The mission gives meaning to what the organization or division does and explains why it exists. Tom Peters calls the mission a “compass in a wild and stormy sea.” Charles Garfield, author of *Peak Performers*, says “a mission is a beacon that keeps you on a critical path to where you are going.” When the mission draft is done, use this checklist to double-check for completeness:

- Gives the organization an identity
- Defines the purpose and explains why we exist
- States the principle aim
- Reflects what is important to the organization
- Inspires and gives meaning to what we do
- Is clear and understandable
- Is brief enough to keep in mind

The most famous vision statement was this one stated by John Kennedy (1961):  
*“This country will put a man on the moon and return him safely by the end of the decade.”*



A vision is a picture or description of the future you want to create. It shows where you want to go, how you will get there, and what it will be like when you get there. It helps to set the boundaries for change. The vision should be built from the organization's purpose or mission. During the visioning process, various constituencies work on component parts: what's on the horizon, analysis of present and new markets, the maturation points of the various products and services, the impact of social/political/regulatory areas that might transform the organization, the certainties and uncertainties and so on. A well-constructed vision when completed is challenging, yet doable; connected to the organization's mission and focused on future, not the present. Use the checklist on the next page to review your vision statement:

# tools for collaborative STRATEGIC PLANNING

- Takes advantage of innovation
- Incorporates new relationships
- Motivates and inspires
- Stretches people and moves them toward greatness
- Communicates easily
- Seems achievable
- Fits with our organization's values
- Appears sustainable

## Critical Success Factors

Once the mission and vision statements are completed — and before the Team prepares to tackle the SWOT analysis — it is helpful to identify the seven factors that are critical to organization or division's success. These are the “must haves” that will be rated as either Strengths or Weaknesses. This Critical Success Factors Chart was presented in *Harvard Business Review* years ago with the challenge being to limit the critical factors to only seven. At this stage the Team only identifies the Critical Success Factors, the measuring of each factor occurs after the SWOT analysis.

Strategic Initiatives	Owner	Critical Success Factors										Count	Quality score
		Satisfied, competent staff	Effective, efficient organizational structure	Satisfied stakeholders	Financial viability	Competent, visionary, strategic leadership	Integrated, individualized, innovative programs and services	Positive community relations	Alignment with vision, mission and values	Broad-based participatory R&D			
1. Address workforce issues												9	C-
2. Achieve customer satisfaction/excellence												7	C+
3. Implement effective organizational structure												8.5	C
4. Address growth												6	C
5. Maintain													

## The SWOT Analysis

The SWOT analysis provides an approach to determine how well the organization is performing in order to deliver the Critical Factors. The SWOT analysis stands for **S**trengths and **W**eaknesses (internal analysis) and **O**pportunities and **T**hreats

# tools for collaborative STRATEGIC PLANNING

(external analysis). Organizations have also found it beneficial to add successes and failures to the SWOT analysis as well.

Some key points to remember when developing your SWOT analysis:

1. Encourage the SWOT analysis to be done by various stakeholder groups, not just at the executive or Board level.
2. Try to avoid broad generalizations (i.e., competition, morale) that provide little insight or information. Press in for complete and thorough information.
3. Use the 5-P approach to make sure nothing is missed: Product, Pricing, Promotion, People (staff, customers, and other key stakeholders) and Production or Processes.
4. The gaps identified become the foundation for the new plan.
5. When exploring opportunities and threats, look at market conditions, customer needs, competition, economic issues, technology advances, risks, and vendor capabilities.
6. Write out each section in narrative fashion, building a strong understanding in each component.

As information is being gathered for the SWOT analysis, it occasionally helps to have members of the Strategic Planning Team write “white papers” in their areas of strength in order to educate other members about the issues.

For example, the leader of a particular area may write a “white paper” on current issues in that area and circulate it to members of the Strategic Planning Team before going into sessions where opportunities and threats are going to be identified. This technique puts everyone on a level playing field for group discussions.

Plans are only good intentions  
unless they immediately  
degenerate into hard work.

–Peter Drucker

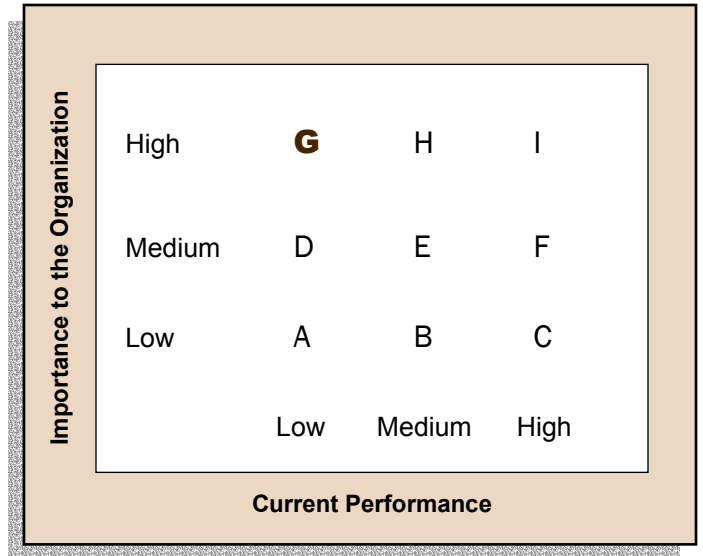
## Identifying Major Improvement Areas

From the SWOT analysis the team identifies six or eight key major improvement areas (MIAs) for the organization to work on in the next three to five years. Sales/cost reduction, investment needs, risk management, market expansion, process optimization, environmental consciousness, managed growth, increased profitability, improved external relations, employee satisfaction are just a few. The following chart helps to isolate out the vital few that should be worked on in the plan. Take the items identified and determine where they fall on the continuum of current performance and importance to the organization. Items that fall in the G category are the most

# tools for collaborative STRATEGIC PLANNING

important to include in the plan because they have the poorest performance and the most importance to the organization.

At this point the team can also return to the CSF Chart to complete each of the improvement opportunities and rate how important they are to achieving the critical factors. The quality column rates the current performance and provides a pictorial chart for which improvement opportunities should be given the highest priority (those that affect the most critical factors and have the lowest performance score).

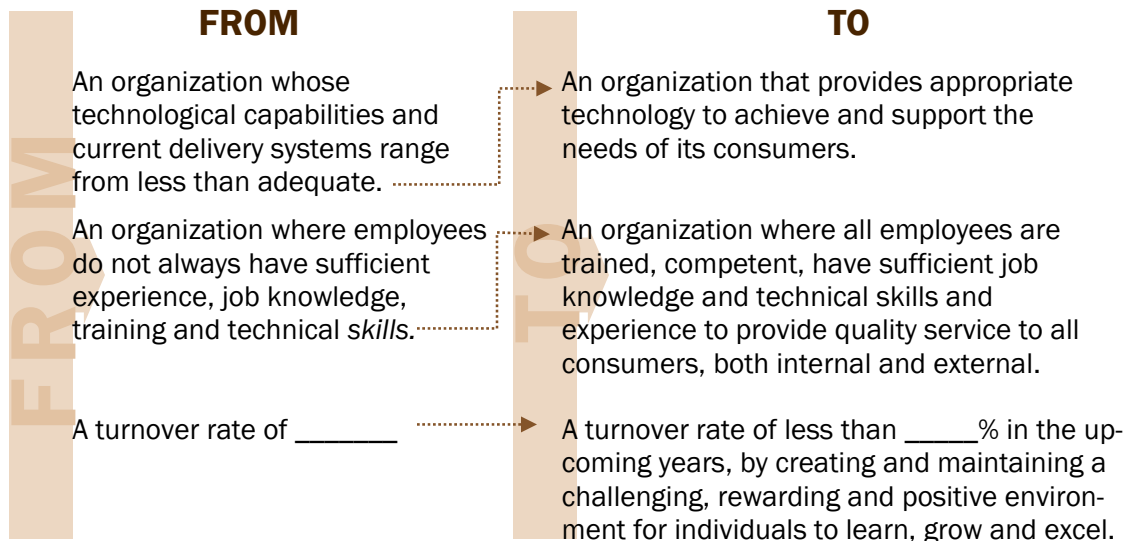


## Low Hanging Fruit

Along the way, the team often identifies what is called “low hanging fruit” or easy wins that can be pursued outside the strategic planning process. It’s important to find ways to pass the easy wins to other teams or departments to implement quickly.

## From/To Statements

Once the improvement opportunities are prioritized, these six to eight areas are written in statement form to define the distance the organization must cross to achieve each goal. From/To Statements are useful to share with the entire organization when detailing the organization’s strategic goals. Below are a few examples of From/To Statements:



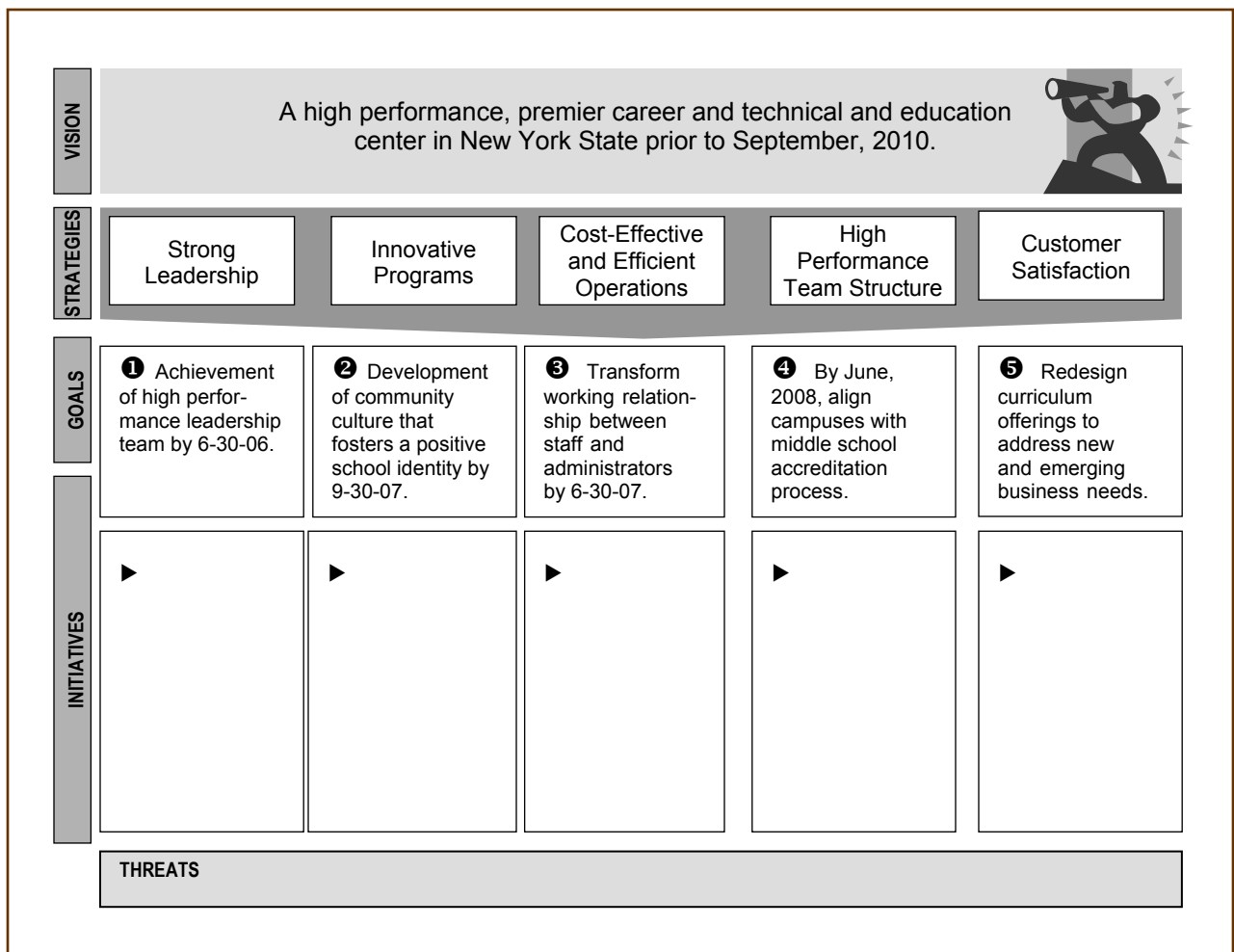
# tools for collaborative STRATEGIC PLANNING

## Draft Key Strategic Objectives and Develop the One Page Strategy

The major improvement areas now need to be crafted into SMART goals – **S**pecific, **M**easurable, **A**chievable, **R**esults-oriented and **T**ime bound. Examples of SMART strategic objectives are written below:

- Achievement of GMP status in all core processes by June, 2007.
- Development of a whole business orientation within the Division by 2008.
- Restructuring of core business units to consolidate resources and improve all factors of customer delivery by end of 2007.

The Key Strategic Objectives are now incorporated into the One Page Strategy (OPS) document that will illustrate the entire strategic plan when completed. At this point the OPS would look like the following:



# tools for collaborative STRATEGIC PLANNING

With the strategic goals in place, the team now must identify the key initiatives that will need to be completed to achieve the strategic goals. The accumulation of the initiatives must guarantee that the strategic goal will be met. These initiatives should be prioritized in the event that resources are limited.

## Identify Plan Implementation Strategy

One of the best ways to address the implementation plan is to create the Work Breakdown Structure for each initiative. This diagram provides a clear picture of the milestones and tasks to be completed for each strategic objective. The Work Breakdown Plan for a strategic goal might look like this:

### Sample Work Breakdown Plan

**GOAL: Restructuring of core business units to consolidate resources and improve all factors of customer delivery by end of 2007.**

Major Task/Milestone: <b>Create Design Team to create restructuring plan</b>	
Scheduled Start	Scheduled Finish
<ul style="list-style-type: none"> <li>• Identify restructuring options</li> <li>• Develop pros and cons for each option</li> <li>• Select restructuring option</li> <li>• Propose best option to x</li> </ul>	

Major Task/Milestone: <b>Forecast resource budget for restructuring</b>	
Scheduled Start	Scheduled Finish
<ul style="list-style-type: none"> <li>•</li> </ul>	

Major Task/Milestone: <b>Establish improvement plan for customer delivery systems</b>	
Scheduled Start	Scheduled Finish
<ul style="list-style-type: none"> <li>•</li> </ul>	

Major Task/Milestone:	
Scheduled Start	Scheduled Finish
<ul style="list-style-type: none"> <li>•</li> </ul>	

# tools for collaborative STRATEGIC PLANNING

After developing the Work Breakdown Plans for each strategic objective, the next step is to work through the RACI chart to define decision making authority throughout the strategic process. Who will have the authority to act on each item in the plan? The RACI chart identifies who is **R**esponsible, **A**ccountable, **C**onsulted and **I**nformed throughout the plan's implementation. A sample RACI is shown below:

**RACI Chart**

<b>Major Tasks</b>	<b>Strat Team</b>	<b>Division Head</b>	<b>Dept. Mgrs.</b>	<b>Staff</b>
Identify restructuring options	R	C, A	C	I
Develop pros and cons for each option	R,A	C, I	C	C,I
Select restructuring option	R,A	I	I	I
Propose best option to Division Head	R	A	I	I

The use of the RACI Chart and Work Breakdown Plans guarantee that the strategic plan implementation will be cascaded down throughout the organization. One would expect that a strategic objective spanning over numerous years would have multiple Work Breakdown Plans for each year and RACI Charts that show authority levels changing as expertise and accountability grow.

Based on the Work Breakdown Plan, the various action steps are converted onto GANTT charts with dates and owners assigned. Each team assigned to an objective forwards regularly updated GANTT charts to the strategic team for oversight. The strategic team is responsible for assuring that progress is being made on each objective in a manner that will keep goal attainment on track.

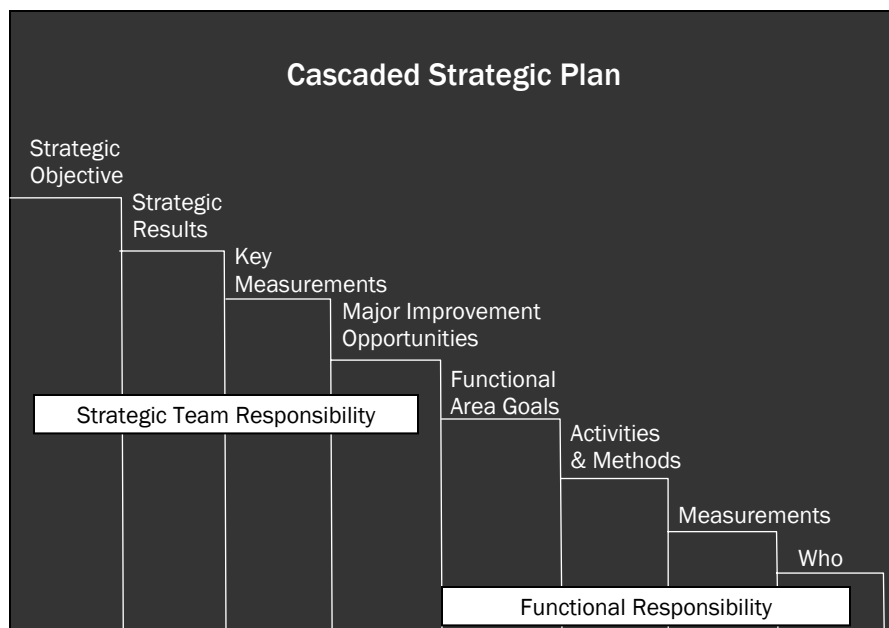
This feedback looping process is critical to the success of the plan. In addition, the strategic team develops "dashboard" metrics to measure the organization's or division's success in implementing plan objectives on time and within scope. An example of a dashboard metric is shown on the following page with monthly tracking of results.

# tools for collaborative STRATEGIC PLANNING

	Goal #1	Goal #4	Goal #4	Goal #6	Goal #6	Goal #6	Goal #6
	Lean Mfg	FPE	Total Assembly ppm	Lean Mfg	Lean Mfg	Lean Mfg	Lean Mfg
GOAL	Reduce floor space by 25%	Reduce defect level by 50%	Reduce ppm by 25%	Reduce late hours 25%	Increase inventory turns 25%	Line item misses reduced 50%	Total company internal mfg. lead time reduced 20%
	-84955.5	3.5%	800 ppm	903 Late Hours	12.25 Turns	100 Line Items	6.5 days
	<b>Baseline</b> 339822	7%	1060	1,330	10.9	257	7.00

January		3.9%	993	734	10.1	n/a	n/a
February		3.8%	1187	317	9.6		
March		4.7%	1679	361	10.5		
April							
May							
June							

The cascaded planning slide shown below illustrates how the strategic objective moves down through the organization to the departmental level and include linkage from the strategic objective to departmental objectives and measures. It is vitally important that the strategic plan cascade to this level of detail as its developed.



# tools for collaborative STRATEGIC PLANNING

If the strategic plan represents a significant change for the organization or division, it will be equally important to develop a change management approach that captures what we call the 4 Ps:

1. Defines the **Purpose** of the change and why maintaining status quo is unacceptable
2. Creates a **Picture** of what the change will look like using the Vision Statement
3. Identifies the **Plan** for implementing the change by reviewing each of the strategic objectives
4. Identifies the **Part** each division and department is to play in the change as shown in the cascaded plan

Strategic planning is crucial at every level within an organization. Without it, we are focusing only on today's issues and needs. While time consuming at one level, it also forces managers to look beyond the ends of their noses to issues emerging as critical threats or opportunities. Rather than just an executive suite activity, strategic planning is necessary for anyone who periodically needs to fly at 30,000 feet and see beyond today in order to plan and prepare for the future.

