



# Strategic Planning

By Kevin LaChapelle



# What is Strategic Planning?

- Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future.
- It is a management tool used to:
  - Help an organization do a better job
  - Focus its energy
  - Ensure that members of the organization are working toward the same goals
  - Assess and adjust the organization's direction in response to a changing environment

# S.W.O.T.

- **Strengths**
  - What are the potential strengths of the specific strategy?
- **Weaknesses**
  - What are the potential weaknesses of the specific strategy?
- **Opportunities**
  - What are the potential opportunities of the specific strategy?
- **Threats**
  - What are the potential threats that compromise the specific strategy?



## Problems With Strategic Planning Will Arise if...

- Effective strategic plans are developed, but there is little awareness of (or commitment to) the strategic plan within the organization; and
- At the end of the year, there is nothing to measure whether or not the organization has been successful in achieving its strategic vision.

A person is climbing a ladder against a blue background. The person is wearing a dark shirt and pants, and is positioned on the left side of the frame. The ladder is made of rungs and is leaning against a wall. The background is a solid blue color with a subtle gradient. The overall scene is dimly lit, with the person's silhouette being the most prominent feature.

# Start By Aiming High

- The key to any successful strategic planning initiative is to start with your aspirations.
- Strategic planning should focus on looking to the future and dreaming about how your organization can set and achieve "aspirational goals" that will deliver unparalleled benefits to your clients, your organization and your team.



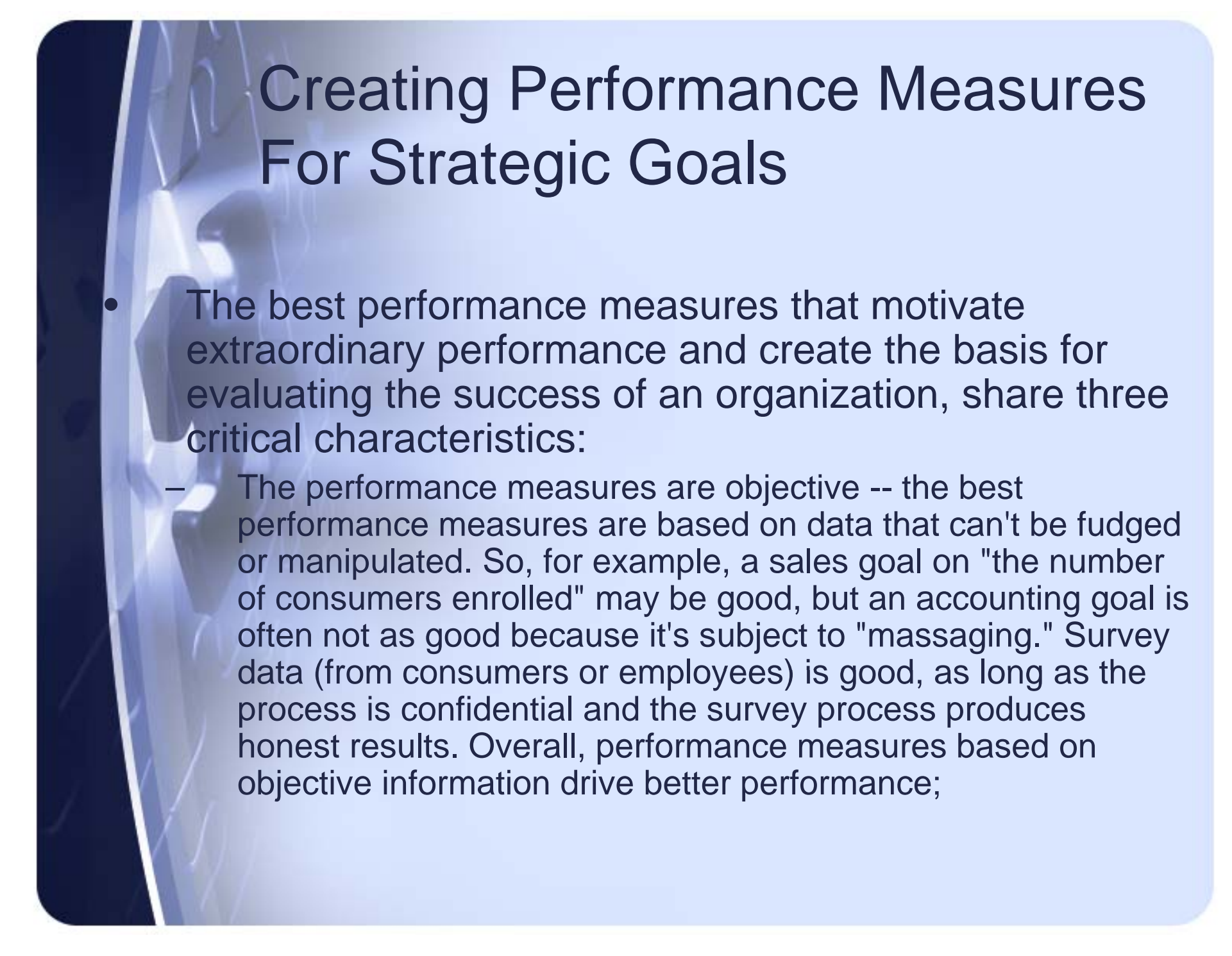
# “Prisoners of their Paradigm,”

- If we do not strategically plan, we will become...
  - stuck in the familiar to the detriment of the organization
  - Become so stagnant that it will go unnoticed to our team until it is too late.
    - If you want an extraordinary payback from your strategic planning, then you need to take the courageous first step of moving away from the familiar.
    - You have to be willing to say: "Our strategic planning mission this year is to develop a vision for the future that challenges our basic assumptions, and forces us to reach higher than ever imagined."

A person is seen from behind, climbing a rope ladder against a blue background. The person is wearing a dark shirt and pants. The ladder is made of ropes and is attached to a structure on the left. The background is a gradient of blue, with some white lines suggesting a sky or a wall. The overall scene is a metaphor for reaching high goals.

## Are the Goals High enough, but Realistic

- "If you come up with a goal and 50% of the people who hear it say immediately: 'That's crazy, that can't be done!', then you have a good goal." That's because if 10% say it's crazy, you haven't gone far enough. And if 90% say you're crazy, then it is not realistic!
- So start with your greatest aspirations. Throw in your greatest fears,
  - because effective strategic planning is just as much about what you avoid as it is about what you pursue.
- Then figure out where "the rubber meets the sky" in terms of translating your vision into actual, concrete action plans.



# Creating Performance Measures For Strategic Goals

- The best performance measures that motivate extraordinary performance and create the basis for evaluating the success of an organization, share three critical characteristics:
  - The performance measures are objective -- the best performance measures are based on data that can't be fudged or manipulated. So, for example, a sales goal on "the number of consumers enrolled" may be good, but an accounting goal is often not as good because it's subject to "massaging." Survey data (from consumers or employees) is good, as long as the process is confidential and the survey process produces honest results. Overall, performance measures based on objective information drive better performance;



## Performance Measures cont...

- The performance measures are credible -- effective performance measures are credible; that means that they actually address the goal they're supposed to address. For example, if your strategic plan includes better customer service but your performance measure focuses on "number of callers handled per day," that's not credible. Customer service reps will know that they're really being measured on getting people off the phone, rather than doing whatever is necessary to provide excellent service. A better performance measure might include ratings from customer surveys that truly focus on the consumer experience, or even confidential peer reviews. It's critical to make sure that your performance measures actually reflect the intent of your strategic vision; and



## Performance Measures cont...

- The performance measures are timely -- effective performance measures give the organization and its stakeholders feedback on a regular basis, so everyone can diagnose the results, change their behavior and achieve improved performance prior to the release of the next period's results. This means that monthly results are better than quarterly results. Just as importantly, this means that the "lag" between the end of the month (or, if necessary, the quarter) and the date the results get published is limited. In my experience, performance measure results should be available no more than 10 working days from the end of the period being measured.

A person in a white lab coat is looking out a window. The scene is dimly lit, with light coming from the window, creating a contemplative atmosphere. The person's face is partially visible in profile.

# Motivating Vision

- The last step is, creating a motivating vision that helps your entire organization understand, believe in and support your strategic plan.
- The challenge of creating a motivating mission that propels an organization forward is tremendous responsibility.
- There must be a purpose and a mission -- that guides the day-to-day performance of each member of your organization.
- Organizations that come up with a brief mission statement that describes the organization's strategic vision and helps individuals guide their behavior appropriately will be far more likely to achieve their aspirational goals.