Strategic Planning & Goal Setting

STRATEGIC PLANNING

Strategic planning is a disciplined effort. In the end, it produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does and why. With a focus on the future, effective strategic planning also articulates how an organization will know if it is successful. A successful strategic plan sets priorities, focuses energy and resources, strengthens operations, and ensures that employees and other stakeholders are working toward common goals. Strategic planning answers three key questions:

• Where are we?
• Where are we going?
• How will we get there?

Where are we?
Consider the foundational elements of your mission statement, values and/or guiding principles, and SWOT (strengths, weaknesses, opportunities, threats) to assess where your business is – what is happening internally and externally – and determine what changes you need to make.

Where are we going?
The future is impossible to predict, but contemplating scenarios will focus your attention and help you define the future for your business. Specifically, compare your organization to your competitors. What do you do best? What makes you unique? What can your organization potentially do better than any other organization? Answering these questions will help you formulate a picture of what your future make up will be and where you are headed.

How will we get there?
This is the meat of your strategic plan. It's also the most time consuming. There are a number of routes from your current position to your vision, and picking the right one will determine how quickly or slowly you get to your final destination. Determine your strategy, set short and long term goals, and develop action items to get you there. Identify issues that surround management and monitoring of the action items.

Remember, strategic planning is about growing and improving your company. When you don't plan, the best you can hope for is maintenance of the status quo. Further down the line, you can expect challenges that will significantly damage or destroy your organization.

The Seven Rules
In addition to answering the three questions above, effective strategic planning requires following 7 critical rules.

1. Pick the right players.
Selecting who should be part of the planning team is an important question. It is essential that planning team members are people who are committed to the growth of the company, and who can provide valuable input to the process. Unless there is a key employee or manager you want to develop, this is not a time to include every member of your staff. Vet each team member, ensuring each is of the quality and stature (i.e. gets work done and is respected within the company) required to be part of the planning group. Members of the planning team must maintain complete

confidentiality and be fully engaged in the growth and well being of the company. Employees who are passionate about growing the company, developing an extraordinary organization, and being the CEO's partner in accomplishing will provide positive and constructive input. Accept nothing less.

2. Design planning sessions that yield actual results.
Most strategic planning today consists of the following: Once a year, team members check into a nice hotel and lock themselves in the conference room for a few days to "strategize". They emerge every once and awhile for a round of golf, a team building game, or other such "fun". This kind of planning is a novel idea, but it just does not work. More often than not, planning in a single session like this yields zero opportunities for critical thinking, and results only in repeating current business practices. Instead, design a planning process that takes place over two to three months, with 3-4 day strategy sessions each month. Extending the process will allow you to research, dialogue, and listen more effectively. From this place a valuable strategic plan is created.

3. Finish what you started.
That is, complete the previous year. At the very first session of the planning process, the past goes into the past. To accomplish this, team members should brainstorm information, good and bad, from the previous year — breakdowns, breakthroughs, disappointments, accomplishments, and so on. In doing so, employees get to review all the work that got done during the past 12 months, examine the practices and challenges of the previous year, and determine how to move forward. The new year is met with greater enthusiasm when the previous year is properly completed.

4. Big vision, then laser-like focus.
Start big by creating a vision of the future of the company. Where do you want to be in the next five years? This is your vision and, when you have one, you are creating a future for the company that employees can believe in and work toward.

Answer the following questions to arrive at your future vision:

In five years…
…what will the world look like?
…what will be the important trends affecting our industry?
…what is our industry dealing with and what does it look like?
…what is our image?
…what are customers saying about us and why are they loyal to us?
…what have we done that no one else has done?
…how big is our company? How many employees do we have?

Planning like this allows you to run growth scenarios. Have at least one aggressive, one medium, one sluggish, and one no-growth plan. Get familiar with many possibilities, and then narrow the focus as you get back to present and address what to do immediately and how to implement change.

5. Be brutally honest.

Face the facts that confront your organization. Do not deny or sugar coat the issues that plague growth. Face them honestly and deal with them in an intelligent way.

Planning teams effectively face issues by defining the ones that are currently hindering growth. Typically, these critical issues are addressed through the writing of a white paper, a three- to five-page document, written between planning sessions by the members of the planning team, which addresses the problems at hand. The paper should deal directly with the issues and provide the "answer" to the problems. The entire planning team will read the paper prior to the next session and then debate it during the session. Problem solving ensues. Direction is determined.

6. Play nice.

The planning team has to be able to actually work and create together. There can be no pretense. Remember, the group has to be able to implement the plan it creates. It is not on a mission to create a plan that sits on a shelf. Rather, through collaboration and problem solving, the group becomes an agent for change. There must be trust within the planning team. People should be able to speak their minds. Nothing should be taken personally, and petty politics and gossip should not be tolerated. A focused environment like this gives the leadership team a great advantage when competing against other business leadership teams.

7. Be disciplined and take continued action.

It is important that the leadership team completes its work. To really participate in a good breakthrough planning/ guessing process, the planning team has to take to develop a plan. But once you have the plan, then you need to make sure that it is acted upon. Monthly meetings of one to three hours and spending time on objectives and action plans will ensure focus. Then, once a quarter, allow the team to go off site and review what happened in the quarter and focus on what needs to happen in the next quarter. This will keep everyone aligned on what needs to take place to push the company forward.

ASSESSMENT: STRATEGIC PLANNING

Print this page and place a check mark next to each sentence that speaks to your organization. For each section, 1 check or less = severe problem area; 2 = area needs major improvement; 3 = area needs moderate improvement; 4 = area needs minimal improvement; 5 = system is world-class in this area.

The Planning Team
____ The size of the planning team is nine to 15 members.
____ The CEO assumes an active role in leading the planning team with senior management.
____ The planning team represents different segments of the company, not only executive level staff reporting directly to the CEO.
____ Members of the planning team are chosen because of merit, not rank or entitlement.
____ The team includes an outside facilitator and an internal coordinator.

The Planning Process

____ Planning sessions take place offsite.

____ Team members practice creative and critical thinking.

____ The planning team assesses the external environment and internal competencies.

____ The planning team pinpoints measurable objectives reflecting the company's overall goals.

____ Objectives are logically arranged in a way that leads to achievement of goals.

____ The team identifies clear, well-defined action steps for implementing each core strategy.

____ Each functional area builds a yearly work plan under each core strategy.

Vision and Mission

____ The company's vision is shared at the very bottom of the organization.

____ The company has a written statement of corporate values and beliefs.

____ The company's mission statement defines the scope of business, who its customers are and its benefits to these customers.

____ The mission statement empowers all employees.

____ The mission statement guides day-to-day operations and serves as a foundation for decision-making.

____ The mission statement is periodically reviewed and updated as necessary.

SWOT and Competitive Analysis

____ The CEO can list four or five key strengths of the business.

____ The CEO is aware of key weaknesses in the business.

____ The company has a coherent system for capturing, reporting and analyzing information on customer choices.

____ The company knows the strengths, weaknesses and strategies of its key competitors.

____ Data is stored or filed in ways that allow easy retrieval of useful planning information.

____ The executive team regularly addresses the company's future competitive status.

Implementation

____ The CEO communicates the final plan to employees and responds to their concerns.

____ The timetable for implementation is realistic.

____ Checkpoints have been scheduled for assessing progress toward strategic planning goals.

____ Regular follow-up meetings by senior management take place after the plan is created.

____ The management team has consensus on the company's strategic direction.

____ The organizational structure supports the strategic plan.

____ The strategic plan drives budgets, human resources and other operations.

GOAL SETTING

You can accomplish more and go farther if you dedicate yourself to written goals. Goal setting begins after the strategic planning is complete and aligns with the organization's mission and vision statements. Keep your goals on your personal and business radar screens at all times and follow through on the steps required to make them happen.

Before you can begin goal setting, it's essential to create a blueprint for how the process will unfold. Address the following:
• Mission statement
• Vision statement
• Fiscal year priorities
• Strategies
• Monthly monitoring and managing meetings

Goal setting begins after the mission and vision statements are finished. Keep the process simple and enjoyable, and set "SMART" goals — simple, measurable, achievable, results oriented, time sensitive. Most importantly, however, do not set goals that are "too easy" or do not boost performance. It is best to challenge employees, expect them to challenge themselves, with attainable goals that require considerable effort.

Consider the following categories of goals:
• Financial
• Customer service
• Employee-based
• Internal business process
• Image
• Reputation
• Community relations and philanthropy
• Sales and marketing

You may not specify your goals in each one of these areas at one time, but whichever you choose, be sure they reflect your corporate purpose and path. Additionally, while no one goal setting style is better than another, pay special attention to it. The more closely a manager can match the employees' wishes with the goal-setting style, the better the chances for a successful outcome.

Leadership and Cascading Goals

Goals must be brought to life. Unfortunately, there is often a "disconnect" between what an executive staff understands about an organization's goals, and what the CEO believes it understands. In many cases, the staff truly doesn't even know what the goals are. To remedy this, set cascading goals — goals at different levels of the company that must spill over (cascade) throughout the organization to be implemented. This creates horizontal alignment in a company. Once the vision and main categorical goals are set at the CEO and managerial level, select a person who will champion the process of cascading goals. He or she works to ensure that each department will create goals and action plans that support the goals of the company's leadership. Updating people on their progress is critical. Goals must be visible and repeated to keep the commitment alive. Besides scheduled meetings, goals may be touted in: monthly e-mail messages, company newsletters, bulletin boards, and "surprise" coffee breaks, among others.

Ensuring Goal Implementation

When everyone returns to their jobs after goal setting exercises, enthusiasm for the goals can be buried by the demands of day-to-day business. The first step is to develop action plans based on the goals -- complete with incentives and consequences for non-performance.

Accountability

Discussing consequences is critical in any goals-to-action plan. Consider adopting a "three strikes and you're off the team" approach. Peer pressure and the threat of humiliation create intense expectations of performance, enough to cause significant action.

Monthly Management Meetings

Once your goals and action plans are set, schedule monthly management meetings to monitor progress. The original planning group should meet for a 90-minute session to recap the previous month, acknowledge progress and examine shortfalls, amend the plan if it needs to be changed, and clarify the action plan for the next 30 days.

Coaching for Goals

Implementing goals that were set months ago requires discipline. The planning group has to follow through with its direct reports. The managers need the discipline to make the goals a priority over day-to-day troubles in a business.

When Goal Setting Goes Wrong

Too often organizations set goals that are quickly set aside. Examine roadblocks if you have a pattern of abandoning organizational or corporate goals.

Ten Organizational Roadblocks

1. Lack of clear-cut responsibilities around the goals
2. Lack of a tracking system
3. Lack of an accountability system
4. Lack of commitment
5. Lack of buy-in from people who are expected to fulfill the goals
6. Ineffective communication
7. Lack of time or resources
8. Too many goals are financially driven
9. Focusing on too many or too few goals
10. Goals aren't tied to a longer-term vision

Obstacles in Goal Setting

When an organization fails to meet goals, many factors may be at play. Typically, one of the following common denominators is present: a CEO with no passion for the goals that have been set; the goals are not precise; the goals are at cross-purposes with the CEO's self-image; fear of failure. Examine any and all obstacles to your organization's goals, looking particularly at any old patterns you, your team, or the organization as a whole has in abandoning specific goals.

ASSESSMENT: GOAL SETTING

Print this page and place a check mark next to each sentence that speaks to your organization.
For each section, fill in a score based on the following scale:

5 — adhere to best practices, no improvement needed
4 - - area needs minimal improvement
3 - area needs moderate improvement
2 - area needs major improvement
1 — major problem area requiring new approach

Organizational Goal-setting Style
_____ We set goals annually, review them monthly, communicate them frequently and revise plans based
     on progress.
_____ We meet most of our goals.
_____ We apply the SMART test whenever we set goals.
_____ Not all of our goals are financially driven. Approximately one-third of them are.
_____ We connect our goals and action plans to an accountability system, and we follow through with rewards
     and consequences.

Personal Goal-setting Style
_____ I set goals, write them down, review them regularly, and complete them on time.
_____ My goals are on my personal "radar" at all times.