

# STRATEGIC PLANNING THAT PRODUCES POSITIVE RESULTS

Anne Smith and Gordon Culp  
Smith Culp Consulting  
SmithCulp.com

---

Strategic planning can produce a document that leads to positive results or it can do nothing but produce a binder of material that collects dust until the next strategic planning cycle begins. Our approach focuses on producing a plan for measurable and effective actions that advance an organization toward its goals.

## Planning Elements

There are three basic elements to consider in developing an overall plan for an organization:

### ***Strategic Planning***

Strategic planning is a process by which an organization envisions its desired future, defines the key issues that must be addressed and how they will be addressed to achieve that future. It helps everyone in the organization understand their role and contribution to achieving the organization's goals. It paints the picture of where the organization is going and provides a road map to get there.

### ***Business Planning***

Business planning is an annual process that supports the strategic plan by providing the financial projections for sales, revenues and operating requirements. It details the resources needed to move in the direction defined in the strategic plan.

### ***Marketing Planning***

Marketing planning is the ongoing process that defines goals, strategies, tactics and responsibilities that result in the sales projected in the business plan and direction established in the strategic plan.

Our approach to assisting organizations in their planning is based on the following premises:

- Planning should be a creative, flexible and fun process
- Planning is an interactive, iterative process that involves both staff and management
- The planning process must provide an effective basis for resource (staff and money) allocation
- An effective plan identifies a few very specific goals and related actions steps that will advance the organization toward its goals and defines how measurement of progress will be made
- While the planning elements are linked, it is not necessary to do them in a set order; that is, while it often happens that a goal is defined and strategies then developed to achieve that goal, it is not necessary that the steps occur in this order. An idea for a strategy (such as opening a branch office) or tactic may lead to identification of a new goal or revision of a previous goal.

## Strategic Plan Content

The plan is a three-to-five year road map that includes the areas that need improvement in each successive year or they will block attainment of the organization's vision for its future. It defines specific action steps, goals and priorities for each year. It also clearly states what has to be done, specifically who is responsible and accountable and how each accomplishment will be measured. The plan is not set in stone and must be periodically revisited to see if adjustments are needed as discussed in more detail later in this letter when we address plan implementation.

Our goal is to define the strategic plan with the minimum of amount of paper needed to document the results of the process. We work with our clients to outline a strategic planning document that best suits their needs but offer the following typical document outline as a starting point. These typical elements, as noted above, do not necessarily have to be developed in the order they are described below. The examples illustrate the various facets of a strategic plan.

**Vision** – a succinct statement of direction, a beacon whose light is clear to everyone. Its strength and clarity guide group and individual decisions and actions. It describes what it would look or feel like at the desired end state. It is not a list of specific activities or objectives. It is usually one sentence with supporting value statements and is presented on one page. We want to avoid the trap of endless wordsmithing of a vision statement but it is important to come to a common understanding of where the organization wants to be going.

### **Example:**

*Realizing our clients' visions and building the community by outstanding practice of the skills of engineering and architecture for a diverse mixture of public and private clients.*

### **Our values include:**

- *Foretelling and being empathic about our client's needs*
- *Professional and ethical practice*
- *Proud of our work and accountable for our actions*
- *Help and encourage each other to succeed individually and as part of a team*
- *Explore traditional and innovative ways to meet our clients' needs*
- *Provide responsive, cost effective and reliable services to our clients*
- *Practice environmental sustainability in our work*

**Mission** – a statement of purpose that is consistent with the organization-wide vision. It tells all staff where efforts will be focused in the next three to five years to achieve success. Mission statements are charters that the departments accept as their contribution toward driving the organization to achieve its vision.

### **Examples:**

*Be recognized in the marketplace as leaders in our target markets of residential and commercial design in the New England states.*

*Have a professional development and mentoring program in place for staff at all levels.*

*Manage our business to achieve profitability that would place us in the upper quartile of peer organizations.*

*Implement structured programs of recruiting, mentoring, interactive professional development and challenging project assignments to create a diverse, competent staff.*

**Goals** – Three to five desired accomplishments that, if achieved, would represent significant movement toward the vision and mission. The lack of clarity about goals and having an unworkably long list of goals are two common pitfalls we have seen in the strategic planning process. These goals provide specific areas of focus, enabling both the organization’s leaders and staff to set priorities for their activities. The goals include measurements that can be used to determine the degree of progress and success. Part of the goal-setting process is to identify obstacles to the goals and the factors critical to success. If the goals have been thought through adequately, they can be stated in no more than one sentence each. The related discussion of barriers and critical success factors typically occupy no more than one page for each goal. In some cases, our clients have elected to establish goals for each department within their organization.

**Examples:**

*Hire key staff with excellent recognition by clients to establish new offices in Western Massachusetts and upstate New York in 2014.*

*Generate 15% of our organization-wide revenue from design-build services by 2016.*

**Strategies** – Approaches or methods, which provide direction for achieving the goals. There are typically two to five strategies per goal, with each strategy stated in one sentence.

**Examples:**

*Develop a recruiting plan for each market.*

*Evaluate markets for design-build services in the New England states.*

**Tactics** – Actions that will contribute to accomplishing the strategies and achieving the goals set forth in the plan with accountability – individual assignments, deadlines, and resources (time and money) needed – including a plan for monitoring progress. There are typically two to five tactics for each strategy stated in one sentence each with associated assignments, due dates and budgets. Planning is the easy part of the process – implementation of the plan is the hard part and, of course, the key to getting benefit from the strategic planning effort. Well-defined tactics with clearly assigned responsibilities and schedules for each tactic are key ingredients for successful plan implementation.

**Examples:**

*Develop personnel needs and list for recruiting candidates for each market. Responsibility: Jean Smith. Due date: January 15, 2013. Budget: \$3,000.*

*Conduct market research for design-build services in New England states. Responsibility: Bill Williams. Due date: May 15, 2013. Budget: \$15,000.*

A finite number of issues involving achievable and realistic goals is essential to a successful strategic planning effort.

### **Business Planning Process**

Following the strategic planning process, each department that has fiscal responsibilities should prepare business plans. These plans are then integrated into one overall plan for the organization. The results can usually be presented in tables that show the projected revenues and costs, including those costs that will be incurred in advancing the strategic plan as well as the normal, ongoing operating costs. This step ensures that the organization has the resources (both in terms of staff and money) to implement its strategic plans. If not, then the strategic plan must be revisited and adjusted to match the resources available. The plan also provides a means to track fiscal performance throughout the year so that any needed adjustments based on actual results can be made.

### **Marketing Planning Process**

The marketing plan identifies marketing tasks, responsibilities and schedule that will lead to generation of the revenues needed to support the strategic and business plans. The plan typically includes:

**Market Environment** – A brief analysis and description of the market forces that shape the plan. This may include the results of market research related to the plan.

**Goals** - A statement of clearly stated marketing goals that may include specific dollar revenues and the targeted new clients in each market segment.

**Tactics** - Specific approaches to achieving the marketing goals. Specific marketing tactics are identified including an assignment of responsibility, a schedule with milestones for measuring progress, a budget (which is included in the business plan) and identification of any other resources needed.

### **Typical Steps in the Strategic Planning Process**

The following is the approach we typically take to assist organizations in their strategic planning process. Whether an outside or inside facilitator/consultant is used the steps are critical to the successful implementation of any strategic plan:

- Phase I      Obtain staff and management input
- Phase II     External Market Research (if needed)
- Phase III    Strategic Planning Retreat
- Phase IV    Strategic Plan
- Phase V     Implementation of the Strategic Plan

The following paragraphs present an approach to each of these phases.

**Phase I, Obtain Staff and Management Input** – A process to obtain input from all levels of the organization is a key to a successful plan. Such a process increases the realism and ownership of the planning process. In larger organizations, we often use a few cross-functional focus groups because they offer a synergism that may not be found in groups limited to individual departments and the potential to reduce the chance that departments will later be working at cross purposes. This step takes some added time but short cutting the process may be costly in the long run in terms of limited reality and poor buy-in of the plan.

Prior to facilitating the focus groups, we like to gain a comprehensive understanding of the leaders' ideas about where they'd like the organization to be going, the opportunities and pitfalls in the paths ahead, and other information that will be valuable as we work with the focus groups. We like to talk individually with the organization's leaders and others whose input they think will contribute to a well-rounded view of the organization.

**Phase II, External Market Research (if needed)** – Based on the discussions in Phase I, we would mutually evaluate if the organization needs to do any market research to make good decisions about which markets to pursue and how to do so. It is possible that ideas that emerge from Phase I may require some similar research before an informed decision about their viability can be made.

We have found that our clients often underestimate the amount of market information that they already have as a result of their daily interactions with the marketplace. A decision can be made after Phase I about the amount of market research needed and how much might be accomplished by the organization's own staff versus any help we or others might provide. If time permits, there are advantages of having the organization's staff contact potential clients to gather market information as opposed to a third party. Such contacts offer the opportunity to begin to build a relationship with the potential clients.

**Phase III, Strategic Planning Retreat** - The next step is typically a strategic retreat with the people that will be leading the organization over the next five years and held away from the office. We share the findings and observations from Phases I and II, discuss priorities, facilitate the meeting so that all participants are fully involved and assist the group in exploring options, making strategic decisions, and developing an action plan for moving forward. The eventual outcome will be:

- A clear vision that will serve as a beacon for where the organization wants to go
- Identification of the key things on which the organization will need to focus to achieve the vision
- Specific strategies and tactics for each of those focal areas,
- An action plan to assure implementation
- The management and monitoring plan to keep things on course

**Phase IV, Prepare Strategic Plan** – A draft plan would then be prepared largely based on the notes made during the retreat and further development of the action plans by the teams assigned to the goals. Following management review, we suggest that the staff have an opportunity to comment on the draft plan to provide another reality check and reinforce broad ownership of the plan. The organization advises us of any changes as a result of these comments.

**Phase V, Implementation of the Strategic Plan** – The results of the strategic planning effort should be incorporated into business and marketing plans as discussed earlier. Successful implementation will require a strong champion to lead the effort. One of the common causes of plan failure is that the strategic plan is treated as a rushed, one-time annual exercise that is prepared and then shelved until the next rushed, annual plan preparation. It will take structured follow-up and tracking of progress against schedules and budgets, just like a project, if the plan is to succeed. It is important to actively support the staff in accomplishing their assigned action items and to hold people accountable for their assigned action items.

Monthly goals should be set for each tactic so that progress can be readily measured. Five months into the plan, the objectives for the first year should be reviewed and monthly goals for the next six months revised as necessary. Eleven months into the plan, the planning process should be repeated and appropriate changes made in the plans for the remaining years and extended for another year.

The world is changing quickly and having two six-month reviews each year along with tracking of monthly goals allows changes in the marketplace to be incorporated in the plan. It also creates a stronger focus, leaves less room for procrastination and creates a greater sense of urgency to hit the established targets. It also takes less time to prepare each revision.

At these progress-monitoring points, it may necessary to reassess the number of strategies and action plans that can be achieved, when balancing and prioritizing the normal day-to-day workload with the long-term goals and action plans. One way to address this may be to look to outside resources for assistance with implementation of the strategic plan in areas such as assistance in the alignment of business and marketing plans with the strategic plan, setting up a monitoring plan, participating in periodic reviews of the implementation of the plan to monitor progress and offer advice on any adjustments that may be required, providing any training that may be needed to achieve the plan goals, etc.

The implementation of this approach will provide an organization with measurable positive results.