

A dark wood desk with a blue pen and a glass of water. The pen is blue with gold accents, and the glass is partially filled with water. The text is centered on the desk.

Best Practices in Strategic Management—Connecting People and Strategy

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Topics

- Why 70% of strategies fail in implementation
- Strategic Management vs. Strategic Planning
- How best practices help you align people, technology, rewards, and strategy to achieve success

Why Strategic Plans Fail in Implementation

- Poor communication
 - On average 38% of managers and <10% of employees are given access to the strategic plan¹
 - Lack of broad-based support
- Lack of alignment
 - Only 58% of companies tie incentives to strategic plan¹
 - Failure to connect to functions, lower levels, and individuals

From Benchmarking: World-class planning and decision making. David Paul. In *Financial Executive*, November/December 2000.

Why Strategic Plans Fail in Implementation

- All strategies and no tactics
 - 67% of companies fail to integrate strategic planning with tactical and financial planning¹
 - Lack of accountability
 - Strategic management is considered to be a separate task rather than a way of doing business
- Unresponsive strategic planning process
 - Companies >\$1B in revenue take 40 weeks to plan¹
 - Not flexible enough for a changing world
 - Failure to understand or address critical business issues

From Benchmarking: World-class planning and decision making. David Paul. In *Financial Executive*, November/December 2000.

Strategic Management

- Strategic Management is not an event, but a way to run your business that involves ongoing:
 - Planning (strategic, operational, financial, and individual)
 - Engagement
 - Communication
 - Metrics
 - Execution and monitoring

Why Strategic Management?

- Gain superiority in the marketplace
- Clarify your focus/direction
- Capitalize on opportunities
- Build consensus and engagement
- To thrive!
- To survive!

Strategic Management Process

- Vision a Strategic Direction
- Create a Strategy Action Plan and a Contingency Plan
- Create a Communication Plan
- Implement, Monitor, and Adjust

Strategic Management Process

- Vision a Strategic Direction
 - Determine information needs
 - Gather, analyze, and summarize information
 - Conduct SWOT analysis
 - Create Goal Statement

Strategic Management Process

- Create a Strategy Action Plan and a Contingency Plan
 - Brainstorm ways to achieve goal
 - Develop strategies
 - Prioritize strategies
 - Define metrics
 - Identify tactics, actions, roles, and timeline
 - Consider implementation and plan for contingencies

Strategic Management Process

- Create a Communication Plan
- Implement, Monitor, and Adjust
 - Implement and monitor plans
 - Align with individual performers
 - Monitor the competitive environment
 - If relevant, plan at lower levels and within functions and align all plans
 - Adjust plans based on circumstances

Best Practices

- Use a flexible, future-focused, fact-based process
- Create a tactical plan for your strategic plan
- Align BU's, people, HR practices, and technology
- Communicate!

Use a Flexible, Future-focused, Fact-based Process

- Strategic plan:
 - Annually
 - Whenever there is a disruption in the competitive environment
- Base decisions on:
 - Facts and (maybe) intuition
 - The view through the windshield, not the rearview mirror
- Involve others at as many different points as possible and as makes sense
- Make it ongoing—treat Strategic Management as a way of doing business, not an event

Create a Tactical Plan for Your Strategic Plan

- Assign Executive Champions for each strategy
- Create a tactical action plan for each strategy including tasks, responsible person(s), due dates, and measures of success
- Determine barriers to successful implementation
- Develop contingency plans
- Monitor all plans on a regular basis

Align BU's, People, HR Practices, and Technology

- Prioritize your efforts
- Use the strategic plan as a way to engage all employees in achieving a successful future
 - Involve a broad group in development
 - Communicate to everyone
- Provide people the resources, information, and dashboards they need to succeed
- Measure, monitor, and hold people accountable
- Align hiring, promotion, talent management, training, and rewards with the strategy
- The Jack Welch Story

Communicate!

- Make it ongoing
- Cut through all the less important information
- Create a two-way dialog
- Create a story that connects future trends, SWOT factors, future business emphasis, strategic goals, and operational and functional requirements
- Make certain everyone can “find” themselves in the strategy/vision/goal
- Clearly describe the WIIFM and the WIIFTO

How Managers Can Support Strategy and Tactics

- Understand
- Know how they fit in
- Be a champion with their group
 - Explain to others
- Provide feedback to management above
 - Ask questions if unsure
- Provide assistance when requested

The Goal

Be the Best at Implementation