

White Paper:

Strategic Planning Best Practices

The best way to predict the future is to invent it.
Alan Kay, Apple Computer

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Strategic Planning Can Help You, Your Organization, Your Department

Strategic planning can help you significantly, not only if you are a CEO also if you are a senior executive, principal in a professional firm, or manager of a service department, e.g., real estate, IT, facilities, finance, accounting, quality, etc.

Strategic planning can help troubled organizations succeed, and move successful organizations to next levels of performance and productivity. Strategic planning can help your department manage change, increase internal alignment, reduce conflict and improve morale. Strategic planning really can help you “invent your future.”

Despite this potential, many organizations are dissatisfied with their experience with strategic planning. Many write excellent plans but fail to implement them, hold retreats but fail to bring the results back to the organization. Many organizations miss the boat completely, confusing strategic planning with tactical or business planning, mechanically increasing last year’s numbers by 10%.

We have consulted, taught and written extensively on strategic planning. While other consulting organizations approach strategic planning in one-time retreats, we use a much more effective method emphasizing *ongoing organizational learning* and improvement.

What Is Strategic Planning?

We define strategic planning as *ongoing organizational learning and improvement* that involves four different tasks:

1. *Taking Stock.* Using objective data on internal and external performance to develop an accurate sense of the Strengths, Weaknesses, Opportunities and Threats (SWOT) the organization faces.
2. *Clarifying Goals.* Updating, clarifying vision, mission and values, often in the form of a “balanced scorecard.” Values may not change but goals and objectives should change in response to changing issues and opportunities.
3. *Implementing Initiatives.* Developing and implementing specific initiatives to address strengths, weaknesses, opportunities and threats. Achieving measurable results and full implementation in defined time frames.
4. *Building Core Competencies.* Providing the training and skills development people in the organization need to achieve the goals and implement the initiatives.

Strategic Planning And Leadership Development

Strategic planning demands that planning team members and managers function not simply as administrators but as highly effective leaders. Strategic planning asks participants to challenge basic business assumptions, raise the bar for the department's performance, take a fresh look at their own job priorities and personal vision. Thus, effective strategic planning programs may include leadership skills development to provide participants with the perspective and tools they need to perform their work comfortably and effectively.

Six Misconceptions: What Strategic Planning Is And Is Not

Many managers possess misconceptions of what strategic planning is:

1. *Strategic planning may have some value, but not for my particular organization. We can't plan. Things change too quickly, we are in a reactive business.*
It is certainly true that many businesses are reactive. However, it is not at all true that the most effective way for an organization to succeed in a reactive business is to simply polish its ability to react. A more proactive approach to change makes it possible for organizations to anticipate issues and opportunities, to initiate changes before issues become problems.
2. *Strategic planning is business planning. We increase last year's plan by 10%.*
Strategic planning provides plans for a business but it is more far-reaching than most business planning activities. Strategic planning engages an organization in questioning its basic business assumptions as well as planning detailed budgets.
3. *Strategic planning is a retreat.*
Strategic planning may use retreat-style meetings to accomplish some of its work. However, essential parts of strategic planning occur before retreats when managers collect data and analysis, and after retreats when managers implement new directions and focus.
4. *Strategic planning is blue-sky brainstorming.*
The best strategic planning develops new insights and ideas, but also includes thoughtful, effective work on implementation.
5. *Strategic planning is something consultants do for us.*
Consultants can add valuable insight and structure to strategic planning, but managers themselves should control the process.
6. *Strategic planning is the responsibility only of senior managers.*
Senior managers may begin and drive strategic planning. However, effective strategic planning involves managers and employees at all levels.
7. *Strategic planning is not relevant for individual departments but only for the whole organization.*
In the flattened, decentralized organizations that thrive in our economy, individual departments function as if they were whole organizations. Most departments of any size and significance in any organization benefit from developing and implementing their own strategic plans.

Outcomes, Benefits

Strategic planning should result in specific, tangible outcomes for the department, the overall organization and for individual participants.

For departments engaging in strategic planning, the work should result in:

- More complete assessment of the department's performance, productivity, strengths and areas for improvement
- Updated, clarified department mission, vision and goals
- Increased alignment between individual effort and department goals
- Enhanced alignment between the department and the organization
- Reduced conflict, improved working relationships among team members
- Reduced conflict, improved working relationships with other departments
- Increased satisfaction of all customer groups
- Enhanced value added to the overall organization

For the overall organization, strategic planning should result in:

- More effective use of resources
- Improved communications and working relationships among key departments
- Increased departmental alignment and focus on corporate goals and vision
- Improved knowledge management and sharing of information
- Increased ability to manage and respond to change
- Openness and competence with redefining, reinventing the organization
- Greater balance in key organizational indicators, a more “balanced scorecard” for performance and longer term view of the organization
- Both efficiency and effectiveness
- Enhanced overall communications, performance and productivity
- Ongoing organizational learning and improvement

For individual participants, strategic planning should result in:

- Updating and focusing job priorities and outcomes
- Enhanced job performance and productivity
- Reduced frustration, increased focus
- Improved communications with peers and customers
- Enhanced job satisfaction
- Increased alignment between individual and organizational goals
- Greater sense of inclusion and involvement the organization
- Acquisition of new skills and strategies
- Professional development
- Improved career development and advancement

Recurring Problems With Strategic Planning

While strategic planning has great potential to improve organizational performance, many organizations experience with strategic planning is disappointing. We observe six recurring problems:

1. The analytical and information gathering work was not done thoroughly
2. Group process in making decisions and solving problems was not effective
3. The plan was written but not implemented
4. The plan was imaginative but impractical
5. The plan was practical but did not tap into the organization's full potential
6. There was no buy-in to implementing the plan in the first place

The flawed planning we have seen has either emphasized strategy while neglecting people concerns or focused on people issues while neglecting more strategic thinking.

Our approach differs and consistently generates positive results because we work equally on all the foundations, external and internal facets of strategy, and with the people issues necessary to fully implement it.

Our Approach To Strategic Planning

Our approach to strategic planning consistently generates positive results because:

- We focus on participant buy-in and consensus at every step along the way
- We emphasize the ability of the planning work to envision the organization's future and move the organization to achieve the vision
- We build in extensive pre-work and information gathering to inform decision making
- We use several workshops to produce the plan instead of a one-time retreat
- We devote extensive effort to implementing the plan, not just to writing it
- We work evenly on all the agenda items, not just business modeling or mission
- We build in work with the Myers-Briggs Type Indicator to maximize group effectiveness in problem solving
- We build in extensive work with clarifying the organization's values and using those values as the basis for mission and strategy
- We plan formal, quarterly review meetings to track progress against the plan and make revisions and additions as appropriate
- We balance a structured approach with flexibility and responsiveness to issues and opportunities that arise during the planning work

Draft Work Plan

To make strategic planning as productive as possible, it is useful to begin by addressing three general issues:

1. *Outcomes.* The more you can define outcomes you would like strategic planning to achieve, the more it is possible to attain those outcomes. We ask clients to begin as soon as possible to define 4 - 6 tangible outcomes they would like strategic planning to accomplish.
2. *Who should attend.* It is important to include the correct people in strategic planning work, but who is "correct" is not always obvious. In addition to key managers and employees, it is often useful to include key customers and stakeholders to provide useful external perspective.
3. *Where.* Some managers assume that strategic planning work should be done off-site on retreats, over weekends. We find that half-day sessions spread over several weeks can be more effective in producing plans that have lasting results.

It is also useful to anticipate the work in each of the phases of strategic planning:

- *Taking stock of organizational performance.* Here you will work on identifying, collecting and analyzing valid measures of organization performance: productivity, quality, value, customer satisfaction, employee opinions.
- *Building mutual understanding and trust.* The strategic planning team must function optimally as a team in order for the plan to achieve its potential. Part of strategic planning involves increasing the team's ability to communicate, solve problems and explore opportunities.
- *Updating and clarifying vision, mission and values.* Part of the work here is to write statements that accurately articulate vision, mission and goals. Equally important, you work on specific plans to implement the goals at every level of your organization.
- *Organization initiatives.* Several small groups take on a specific initiative that will help the organization achieve its vision. Initiatives typically last several months and conclude with tangible outcomes.

Survey Draft

Surveys such as this provide useful data for strategic planning. This is a draft template we use to develop questions for specific uses:

Sample Client Survey Draft		
1. Survey Purpose, Uses, Goals		
<p>The purpose of this survey is to provide organizations with information useful for their strategic planning. We customize survey questions to address specific issues and opportunities for our clients.</p> <p>Respondents to the survey are asked: Please respond to each item twice, first to assess the organization's Performance, then to describe the item's Importance to you. 5 = Very high, 4 = High, 3 = Mid-range, 2 = Low, 1 = Very Low. Omit any questions Not Applicable for you.</p> <p>This survey is copyright 2013, William Ronco and Gathering Pace Consulting. Feel free to contact Dr. Ronco at wrnco@gatheringpace.com if you have questions, comments, suggestions.</p>		
1. Technical Performance/ The organization:		
	Performance	Importance
Understands the key technical issues.	<input type="text"/>	<input type="text"/>
Uses the latest technologies.	<input type="text"/>	<input type="text"/>
Solves technical issues effectively.	<input type="text"/>	<input type="text"/>
Performs technical tasks effectively overall.	<input type="text"/>	<input type="text"/>
2. Project Management / The organization:		
	Performance	Importance
Manages project budgets and schedules effectively.	<input type="text"/>	<input type="text"/>
Consistently delivers high levels of quality.	<input type="text"/>	<input type="text"/>
Responds effectively to problems.	<input type="text"/>	<input type="text"/>
Manages projects effectively overall.	<input type="text"/>	<input type="text"/>
3. Partnering Performance/ The organization:		
	Performance	Importance
Provides adequate, timely information.	<input type="text"/>	<input type="text"/>
Understands our priorities.	<input type="text"/>	<input type="text"/>
Listens to us effectively.	<input type="text"/>	<input type="text"/>
Partners effectively with us overall.	<input type="text"/>	<input type="text"/>
4. Overall Performance /		
	Performance	Importance
The organization performs effectively overall.	<input type="text"/>	<input type="text"/>
I would recommend the organization to others.	<input type="text"/>	<input type="text"/>

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Sample Client Survey Draft

5. Please list the three most important things the organization does well.

- A.
- B.
- C.

6. Please list the three most important things the organization should improve on:

- A.
- B.
- C.

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About Dr. William C. Ronco

A management consultant with over twenty years experience, Gathering Pace Consulting president Dr. William C. Ronco is especially qualified to lead strategic planning projects. He has written, taught and consulted extensively on strategic planning to a wide range of organizations: professional firms, technology organizations, construction companies, government agencies, colleges and universities, and not-or-profit organizations. He brings a valuable mix of experience and expertise to each assignment:

- *Strong, positive track record.* Dr. Ronco's track record in strategic planning consistently demonstrates positive, lasting results and high levels value and of client satisfaction.
- *Extensive experience with strategic planning for a wide range of service departments.* Dr. Ronco has worked extensively with service departments (IT, Real Estate, Audit, Finance, etc.) facing issues including: changing expectations, organizational change, technology change, changing organizational goals and ambiguity, demanding customers.
- *Highly rated management/ leadership instructor.* Dr. Ronco has taught strategic planning for a number of organizations including Northeastern University, Harvard Graduate School of Design, Institute for Professional Education. Participant evaluations of his programs are consistently at the highest levels.
- *Skilled facilitator.* Dr. Ronco works extensively with facilitation in the hundreds of successful partnering and teambuilding programs he as led. Program participants are able to participate evenly, comfortably and effectively at all times.
- *Long term consulting relationships.* Dr. Ronco's work with numerous clients over lengthy time periods provides him with the perspective to know what kinds of issues matter in the long run, what is easy to change and what is more difficult, what is worth working on and what is essential to improve

A nationally recognized expert on effective partnering methods, Dr. Ronco is author, with Jean Ronco of *The Partnering Solution* (Career Press, 2005). He has also written Reports on Strategic Planning, Partnering, Teambuilding and Leadership for the *AIA Practice Management Manual* (NY: John Wiley) He has led an additional hundred partnering projects outside construction in outsourcing, strategic alliances, sales, implementing new technologies, improving interdepartmental communications and in government agencies.

Prior to founding Gathering Pace Consulting some twenty years ago, Dr. Ronco was professor in the MBA program at Northeastern University. Coordinator of the Business Ethics classes, he taught Organizational Change, Organization Design and Organizational Behavior. Dr. Ronco was a Senior Analyst at Abt Associates, conducting organizational analyses of government agencies. He also served as Coordinator of Continuing Education at the Boston Architectural Center and the School of Architecture and Planning at the Massachusetts Institute of Technology.

Author of numerous articles, Dr. Ronco has written four books in addition to *The Partnering Solution: Partnering Manual For Design and Construction* (NY: McGraw-Hill, 1996), *Food Co-ops* (Boston: Beacon Press: 1974); *Jobs* (Boston: Beacon Press, 1977); and (with Lisa Peattie) *Making Work* (NY: Plenum, 1981).

Dr. Ronco earned his Ph.D. from the Massachusetts Institute of Technology, his Ed.M. from the Harvard Graduate School of Education and his B.A. from Rutgers University.

Strategic Planning Seminar

We have taught public seminars on strategic planning for the Institute For Professional Education, the Harvard Graduate School of Design and Northeastern University. The following is an outline of a seminar we taught for the Institute of Professional Education.

Strategic Planning From Challenging Vision Through Full Implementation

Strategic planning offers great potential for businesses, agencies and departments within organizations. Effective strategic planning helps organizations not just to survive but to thrive, manage change, raise the bar for performance, productivity and profitability, to reinvent themselves to keep pace with changing technologies and conditions.

However, few organizations of any kind are satisfied with their experience with strategic planning. Many organizations write excellent plans but fail to implement them, hold retreats but fail to bring the results back to the organization. Many organizations miss the boat completely, confusing strategic planning with tactical planning, increasing last year's business goals by 10%.

This comprehensive, challenging seminar enables participants to dramatically strengthen strategic planning results. Participants work hands-on from data collection and analysis through full implementation, buy-in and support of their plan.

Who Should Attend

Strategic planning is important not only for CEOs but for most senior managers, vice presidents, division and department heads. Managers of internal service departments e.g. IT, Accounting, HR, Real Estate benefit from strategic planning for their department. All managers involved in corporate strategic planning or considering strategic planning for their own department, organization, agency or team will come away from this seminar with useful insight, strategies, skills and tools.

Course Outline

1. Why Strategic Planning

- What strategic planning is and is not
- What strategic planning can do for different types of organizations
- The seven most common ways strategic planning fails

2. Begin With Thorough Data Collection

- Why effective planning begins with data collection
- The four kinds of data strategic planning needs
- What, and whom to survey: current customers, lost customers, stakeholders
- The most effective Action Survey methods and tools

3. Clarifying Values, Mission

- Understanding the role of values in strategic planning
- Clarifying the values of your organization
- How to build a values-base foundation for planning
- Updating, refining the organization's mission

4. Strategic Business Modeling

- Strategic profile of key business objectives
- Plans for reaching objectives
- Providing a template to measure decisions
- Identifying key strategic decisions

5. Performance Audit, Gap Analysis

- Examining recent performance data
- Identifying reliable data sources
- Why and how to use SBU analysis
- Identifying, predicting gaps

6. Contingency Planning

- Anticipating problems and shortfalls
- Planning for contingencies, not against them
- Who to troubleshoot your plans

7. Integrating Functional Plans

- Increasing buy-in to the plan by involving task teams
- How to integrate task team efforts
- Integrating functional plans into a cohesive, coherent strategy

8. Full Implementation

- Why implementation is difficult, how plans unravel at implementation time
- How to ensure full senior management support and buy-in to implement the plan
- How to drive the plan down throughout the entire organization