

# **THE PROCESS OF STRATEGIC PLANNING**

## **ARTICLE #10 OF 10 SUMMARY AND CONCLUSION**

Strategic planning pays dividends to companies when approached in a disciplined process with top-down support and bottom up participation. The following is the tenth in a series of ten articles describing one proven, tested process for effective strategic planning.

Over the first nine articles in this series of articles, we have attempted to provide an overview of the process and development of an effective strategic plan for any business.

The goal was to begin to apply a workable framework and process; one that when applied would result in a product helpful to guiding and directing the management to do what is consistent, right and effective for the long term success of the company and satisfaction of the customer and employees.

A well-crafted Strategic Plan can and should help to avoid the “Christopher Columbus Syndrome”. That is, “when he started he did not know where he was going; he did not know where he was when he got there, and when he returned, he did not know where he had been”.

The Strategic Plan is simply a tool to be thought of as a guide or map. It has a starting point, (today’s conditions and environment). It has an ending point, where the company wants to be, (terms of success), in the future. And it has a middle or process. That is the hard work part. The middle part is coming to terms with all of the elements that may be either supportive of or in the way of getting from the start to the end. It is a process that answers the question of how is the best, most likely way to be successful as defined by the stakeholders and “allowed” by the customers and embraced by the employees.

While we presented one way to conduct the process of Strategic Planning it is by no means the only way. The process has to fit the culture, resources and style of the company. It must reinforce the confidence of management to make consistent, workable decisions.

The benefit of a Strategic Planning discipline is that it facilitates effective decision making, better selection of tactical options and it leads to a higher probability of achieving the owners’ or stakeholders’ goals and objectives.

One important distinction needs to be restated in the Strategic Planning Process. There is a difference between strategic planning, or the work being done, and strategic thinking, or the creative, intuitive input. The planning element involves the data collection, goal setting, expectation definition, and statement of direction. Strategic thinking includes the

intuitive and creative elements. It comes from the experience or “gut feel” for the company and the industry.

Think of Strategic Planning as a series of concentric circles. The vision, mission strategy and tactics are included in the circles moving from vision on the outside to tactics on the inner most circle. All are in alignment and consistent with each other. Now add two more circles. The first is the customer circle. If the company vision, mission, strategy and tactics are in alignment with that of the customer then this circle will also be aligned. To the extent it is misaligned there is conflict between the company and the company’s customers. The third circle is represented by the competition. This circle, in the best situation, will be totally misaligned with the company and the customer meaning the company is uniquely positioned and valued by the customer. To the extent the competitive circle overlaps the company circle there is more head to head competition and more leverage for the customer to apply.

Strategic Planning, to be of real long-term value, must be treated as an ongoing business process. It must be reflective of the owners’ mission and vision. It must evolve and change to reflect changing market and economic conditions. It must be proactive to competitive conditions. Effective Strategic Planning can institutionalize a culture of continuous improvement, effective decision making, and disciplined change.

Strategic Planning, when treated as a work in progress, rather than as a binder on a shelf or a file in the computer, provides business with a real and responsive competitive advantage. It will help determine and direct the quality of relationships with suppliers, employees, unions, customers, and bankers.

Use of an outside, independent facilitator can help in the process and in the development of a strategic plan. An outside resource can provide objectivity and serve as a “devil’s advocate” as well as a sounding board for the management charged with plan development. In the end it must be the work and product of management; it must have the authorship and ownership of the owners and managers of the business. It must be their plan.

To get your business where you desire it to be, start with a determination and drive to development of a useful and living strategic planning process. Give it strong support and leadership from the top down. Develop and evolve it with participation and buy-in from the bottom up and from the outside customers and suppliers of the company. Use strategic planning as your company’s roadmap to your vision.

John F. Dix and H. Lee “Buck” Mathews  
Business Development Index, Ltd. and The Ohio State University  
Columbus, Ohio

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