

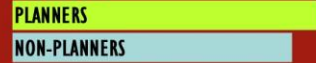
STRATEGIC PLANNING

WHY TO USE IT. HOW TO MAKE IT WORK.



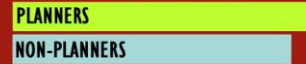
ORGANIZATIONS THAT PLAN DO BETTER

PROFITS



12% more profitable. ¹

RETURN ON CAPITAL



1% added return on capital. ²



PLANNING HELPS ASSURE SURVIVAL

5-YEAR SURVIVAL



2X higher odds of survival. ¹

FOR EVERY 10 START-UPS



29,000 startups:

26,000 failed:

67% had no plan. ³



A GOOD PLAN

- Optimizes growth and development.
- Looks ahead, focuses on key points, sets priorities.
- Anticipates threats and capitalizes on opportunities.
- Identifies resource needs and allocates resources.



MOST ORGANIZATIONS DON'T PLAN

USE PLANNING?

YES NO

74% make important strategic decisions without a formal planning process. ⁴



OTHERS DON'T EXECUTE

IMPLEMENT PLAN?

YES NO

70% of companies with a strategic plan don't implement it. ⁵

STRATEGY/BUDGET TIE?

YES NO

60% of organizations don't link strategy and budgeting. ⁵



NO PLAN? EXPECT BAD RESULTS

- Ad hoc decision making by a small group.
- Strategy not understood, insufficient strategic focus.
- Strategy and budget not linked.
- Underperformance or failure.



THE PROBLEM IS THE PROCESS

- Most processes are complex and time-consuming.
- Many focus on the document, not actionable insight.
- Some ignore implementation follow-through.



USE A BETTER PROCESS!

Get great planning results from a process that:

- Focuses on what's important.
- Limits time and resources.
- Develops actionable strategies.
- Stresses implementation.

THE FACILITATOR IS KEY TO SUCCESS

3 reasons to use an OUTSIDE FACILITATOR



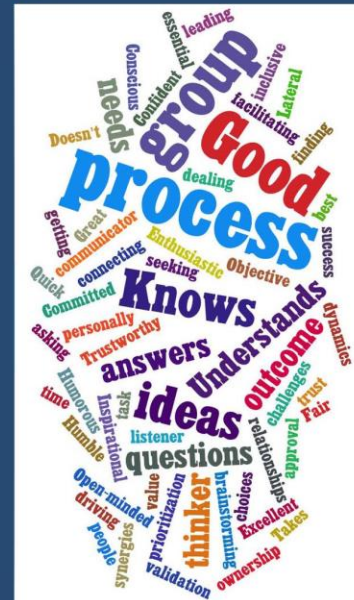
1. Isn't biased by the organization's prior commitments and culture.
2. Sees things in the organization and the environment that insiders may be blind to or discount.
3. Can ask the hard questions and is more likely to get honest answers.

Tips
The leader shouldn't facilitate.
Use a qualified facilitator to help the team find the answers for the best group result.

12 ways a FACILITATOR assures success

1. Takes responsibility for the process, not the answers.
2. Keeps group on task, focused on the process and the goal.
3. Evokes ideas.
4. Gets wide, continuing participation.
5. Protects emergent ideas.
6. Parks ideas that are not relevant or on task.
7. Keeps checking and testing the understanding.
8. Rephrases, restates, connects, summarizes.
9. Forces choices, prioritization.
10. Builds understanding, consensus and commitment.
11. Nails down follow-up.
12. Celebrates progress.

26 traits of a great FACILITATOR



START WITH SMART PRE-PLANNING

Set the schedule, handle logistics, determine participants, and collect, analyze and provide information to inform the team. Here's a four-week pre-planning process.



Meetings

Leaders and the facilitator “plan the planning.”

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|--------|--|-----|-----|-----|-----|--------|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| WEEK 1 | Establish workshops' site, date(s), times; pick planning team; select groups to survey | | | | | |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| WEEK 2 | Complete planning for workshops, review and revise stakeholder survey | | | | | |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| WEEK 3 | | | | | | |
| 26 | 27 | 28 | 29 | 30 | 31 | Notes: |
| WEEK 4 | Check-in to be sure all is ready for conducting successful workshops | | | | | |



The Planning Team

A critical consideration for successful planning is the team's size and composition.

Tips

Ideal group size 8 to 12.
Fewer can limit diversity of input, promote “group think.” More may lead to some not being heard, sub-groups, dissent

Who should participate?

Consider the leader and his/her direct reports. However, other executives may be key to strategy and some direct reports may not hold strategic roles. Board members and funders may be critical stakeholders and can bring a wider view.



Stakeholder Survey

Input for workshops:
Facilitator e-surveys
groups e.g. employees,
directors, clients;
may interview
selected stakeholders.

Sample Questions:

- What are the most significant issues the organization faces?
- What are the most important opportunities over next 5 years?
- What are the greatest strengths and greatest weaknesses?
- What is most important to do now for greater future success?
- What should we strive to achieve in next 3-5 years?

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|---------------|---|-----|-----|-----|-----|--------|
| | | | 1 | | | |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| WEEK 1 | Identify groups, draft survey. | | | | | |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| WEEK 2 | Obtain lists, review draft. Revise survey, issue survey. | | | | | |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| WEEK 3 | Issue first reminder. Issue second reminder. | | | | | |
| 26 | 27 | 28 | 29 | 30 | 31 | Notes: |
| WEEK 4 | Analyze results, issue report. | | | | | |



Environmental Scan

Input for workshops:
Facilitator identifies
external factors that
may affect the organization
(positive or negative) and
pose issues or opportunities.

- Among factors the scan may consider:
- economic indicators and forecasts
 - legislative and governmental trends
 - energy and ecological factors
 - social trends and values
 - agricultural and food forecasts
 - labor concerns and trends
 - transportation forecasts

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|---------------|--|-----|-----|-----|-----|--------|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| WEEK 1 | Access data sources. | | | | | |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| WEEK 2 | Compile trend, forecast data. | | | | | |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| WEEK 3 | Identify top pluses and minuses | | | | | |
| 26 | 27 | 28 | 29 | 30 | 31 | Notes: |
| WEEK 4 | Issue report. | | | | | |

CREATE THE PLAN IN 3 WORKSHOPS

To limit time commitments, the workshops can be held back-to-back in one 8-hour session. A half to full day per workshop with time in between is better.

Workshop I SHARED VISION

OBJECTIVE

Develop a shared vision of the organization's ideal future success.

QUESTION TO ANSWER

If organization is the best it can be, best of class, what would it look like and do in 3-5 years?

HELPFUL, NOT ESSENTIAL

Develop mission/purpose and shared values statements.

CONSIDER

- Target customers
- Customer needs and expectations
- Basis for competition
- Opportunities
- Strategic assets
- Strengths



EXAMPLES



To reinvent protection and retirement for the consumer.



To enrich and delight the world through foods and brands that matter.



To be the most referred financial services brand.



To be the best retailer of convenience.

The shared vision statement should be:

- A statement of shared aspirations for the organization.
- Inspirational and therefore motivational.
- Developed through participation.
- Positive, not what is "not wanted."

Tips

- Use survey and scan results.
- Seek real change, a big leap.
- Brainstorm "visions," consider differences and commonalities.
- "Mask it up" to create the shared vision.

Workshop 2 STRATEGIC GAPS

**WRONG
WAY**

OBJECTIVE

Identify the current status and direction of the organization, relative to the vision.

QUESTION TO ANSWER

What are the big gaps between today's reality and the strategic vision?

CONSIDER

- Key competitors
- Resource needs
- Strategic liabilities
- Weaknesses
- Threats

What's a strategic gap?

A strategic gap is a major variance between the bright future put forth in the strategic vision and where the organization is headed and will most likely wind up without the intervention of management.

Tips To find gaps, ask:

- Where is the organization now; where is it headed?
- What's the best guess where it will be in 3-5 years without management actions?

- What are major variances between the likely destination and the future the vision offers?

Look at market presence, technology, people, leadership, knowledge, experience, financial resources, processes, production capability, supply chain, reputation, patents, trademarks, etc.

Workshop 3 STRATEGIES & ACTION STEPS

OBJECTIVE

Develop prioritized strategies and action steps to move the organization toward the vision.

QUESTION TO ASK

What powerful strategies will close the strategic gaps?

FOR EACH ACTION STEP, DETERMINE

- Timelines
- Responsibilities
- Progress measures

SET PROCESSES AND TIMING FOR

- Planning updates
- Check-ins
- Re-planning

Tips

Pursue 4-8 strategies. Seek those that attack weaknesses and threats and/or capitalize on strengths and opportunities;

EXAMPLES

Strategy: Develop high-performing, quality partners across the international network.

Action Step: Hold quarterly regional web calls to promote partner interaction and referrals.

Strategy: Build alliances, work through organizations, and create and promote unique products.

Action Step: Identify, select and participate in meetings where involvement will result in contacts and allies and lead to new business.



What are strategies and action steps?

Strategies are major planned steps to move the organization across strategic gaps. They can span years. Action steps are specific, coordinated tactics to implement a strategy. They address a 12-month period.

Look for strategies with impact; that are specific, can be achieved in a reasonable time, have realistic resource needs, and can be measured.

Prioritize. What's most important and needs to be achieved sooner?

COMPLETE THE PLAN, THEN ACT

DRAFT PLAN

Facilitator drafts 3-5 year plan from workshops' results



MEET

Leaders and facilitator review draft plan



COMPLETE PLAN

Facilitator revises draft plan after review



MEET

Leaders and facilitator OK final plan, set implementation



IMPLEMENT

Team implements plan; facilitator counsels leaders



SAMPLE PLAN CONTENTS

Introduction

The Strategic Plan

Vision Statement

Key Strategies

Action Steps With Responsibilities, Timelines and Measurements

- Implementation Gantt chart
- Implementation start/end dates

Appendix

Input for Vision Development

- Vision brainstorming detail

Input for Gaps Development

- Gaps brainstorming detail

Input for Strategies Development

- Strategy brainstorming detail

Important Strategies Not Selected

Plan Implementation and Follow Up

Tips

Acting on the plan is what counts, not perfect wording.

Share it with the entire organization.

Use metrics, updates and team check-ins to stay on track and adjust.

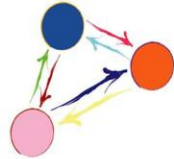
Re-plan in 12 months.

FAST TRACK STRATEGIC PLANNING SYSTEM™

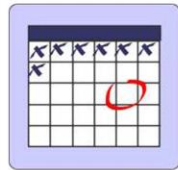
The planning process described above is Forrest Consulting's Fast Track Strategic Planning System. Here's how it's better.



A gap planning process that focuses on what's most important.



Uses the knowledge and insights of the participants to set the best course.



Recognizes that only limited time and resources can be devoted to planning.



Tested, efficient and designed for successful implementation.



Developed with and used by many companies, associations and nonprofits.

To learn more, please visit ForrestConsult.com or StrategicBusinessLeader.com

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