



Applied Strategic Planning: The Corporate Reality Show

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Strategic planning at most companies, if accomplished at all, doesn't really matter anymore.

Certainly, the planning process frequently consumes a tremendous amount of time and energy, and produces reams of data and 3-hole binders; rarely, however, does it drive top management's decisions or a company's overall strategy.

Why is that??

For starters, the model most companies use for strategic planning is not aligned with the way successful executives make decisions. Indeed, strategic planning at most large companies is a "batch" process – market and competitor information is first analyzed, threats and opportunities are identified and, at the end of the process, a multi-year plan is defined. This process usually takes place annually in strict accordance with a predetermined planning calendar. Functionally, this is "long-range" planning – trending out known performance and results over time – and not usually "strategic," or envisioning, at all.

If planning is merely anticipatory decision-making, then **strategic planning** would be "*Senior leadership envisioning the organization's future, and developing the necessary operations and processes to achieve that future.*" In other words, strategic planning doesn't merely "trend" past performance and results, it must "envision" the future it wants, then create actions to reach it. It's proactive versus reactive.

Strategic decision making then, by definition, must be continuous – often driven by an immediate need for action – and does not conform to pre-set schedules. The process of strategic planning is the

success indicator, not a 2-inch bound document. Ultimately, this planning must drive decision-making.

The Bigger Questions...

Why do Strategic Planning at all?

Most importantly, strategic planning provides a framework for decision-making and action.

It allows us to continually think *down-board*. Chess players do this all the time, looking at possible responses to their moves several moves ahead.

Strategic planning allows us to *create* our future, rather than simply prepare for an eventuality. This is significant, since our view of the future may run contrary to current trends, and will likely require actions and processes nonexistent today.

What Strategic Planning is NOT

It is not simply forecasting past and current trends. This long-range approach, though attractive to many due to the “mechanical” nature, is not as much “planning” as it is “managing expectations.” Additionally, long-range forecasting is seldom an exact science, regardless of the amount of data available. True, strategic planning must necessarily include a review of these trends and how those trends may extrapolate into the future, given various scenarios. The difference, of course, is that strategic planning attempts to define the *real* variables that will affect those trends, and determine which directions are the most advantageous to the organization.

So, how do we get from “Here” to “There?”

Glad you asked. Applied strategic planning is “applications-based;” it creates plans and frameworks that are not theoretical, but action-driven. The complete process includes varying degrees of focus on:

Planning to Plan: Pre-work, commitment, determining participants, and initial data mining.

Environmental Monitoring: Awareness of our business surroundings in multiple environments: macro, industry, competitive, and internal. This will naturally include personal and organizational values, philosophies, and cultural considerations.

Mission Formulation: Here, we'll focus clearly on identifying what we do, for whom we do it for, how we do it, and why.

Strategic Business Modeling: This requires us to: Identify the major lines of business, establish critical success indicators, create the strategic emphasis that will allow us to achieve our vision, and determine the culture necessary to support these activities.

Performance Audit: An objective – truly objective – SWOT analysis is in order here to ensure we fully understand our present capabilities.

Gap Analysis: This is simply a critical review and identification of the gap between our desired performance in the future and our current state of performance. This step also includes developing specific strategies to close those gaps. This effort will naturally include functional operational and tactical planning, as well as a degree of contingency planning.

Implementation: Concurrent initiation of multiple operational plans, plus monitoring, oversight, and corrections of these plan efforts at the system level.

Remember, The future can't get there without us.

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