

### Your Planning Framework

By placing all the parts of a plan into the following three areas, you can clearly see how the pieces fit together.

- ✓ **Where are we now?** Review your current strategic position and clarify your mission, vision, and values.
- ✓ **Where are we going?** Establish your competitive advantage. See clearly the direction your organization is headed.
- ✓ **How will we get there?** Layout the road to connect where you are now to where you're going. Set your strategic objectives, goals, and action items, and then decide how you want to execute your plan.

### Major Pieces of a Strategic Plan

An effective strategic plan includes all of the following pieces. It's easy to get confused with all the different parts of a strategic plan. If you're feeling lost, use this list as an outline for putting your strategic plan together.

- ✓ **Mission Statement:** To define the organization's core purpose. Why do we exist?
- ✓ **Vision Statement:** To explain where you are headed, your future state. To formulate a picture of what your organization's future makeup will be and where the organization is headed. What will your organization look like 5 to 10 years from now?
- ✓ **Values Statement or Guiding Principles:** To clarify what you stand for and believe in.
- ✓ **SWOT:** To assess the particular strengths, weaknesses, opportunities, and threats that are strategically important to your organization.
- ✓ **Competitive Advantage:** To define what you are best at. What can your organization potentially do better than any other organization?
- ✓ **Strategic Objectives:** To connect your mission to your vision. Strategic objectives are long-term, continuous strategic areas that get you moving from your mission to achieving your vision. What are the key activities that you need to perform in order to achieve your vision?
- ✓ **Strategies:** To establish a guide that matches our organization's strengths with market opportunities to position your organization in the mind of the customer. Does your strategy match your strengths with how you will provide value to and be perceived by your customers?
- ✓ **Short-Term Goals/Priorities/Initiatives:** To set goals that convert the strategic objectives into specific performance targets. Effective goals clearly state what, when, how, and who and are specifically measurable. What are the 1 to 3-year goals you are trying to achieve to get to your strategic objectives?
- ✓ **Action Items/Plans:** To set specific action plans that lead to implementing your goals. Are your action items comprehensive enough to achieve your goals?
- ✓ **Scorecard:** To measure and manage your strategic plan. What are key performance measures you can track in order to monitor whether you are achieving your goals?
- ✓ **Financial Assessment:** To determine whether your strategic plan makes financial sense. Do the estimated revenue projections exceed your estimated expenses?

## Planning Pitfalls

Strategic planning is as much about planning as it is about execution. Avoid these planning pitfalls and you'll have a strategic plan that is a living, breathing document.

- ✓ **Lack of Ownership:** The most common reason a plan fails is lack of ownership. If people don't have a stake and responsibility in the plan, it will be business as usual for all but a frustrated few.
- ✓ **Lack of Communication:** The plan doesn't get communicated to employees, and they don't understand how they contribute.
- ✓ **Getting mired in the day-to-day:** Owners and managers, consumed by daily operating problems, lose sight of long-term goals.
- ✓ **Out of the Ordinary:** The plan is treated as something separate and removed from the management process.
- ✓ **An Overwhelming Plan:** The goals and actions generated in the strategic planning session are too numerous because the team failed to make tough choices to eliminate non-critical actions.
- ✓ **A Meaningless Plan:** The vision, mission and value statements are viewed as fluff and not supported by actions or don't have employee buy-in.
- ✓ **Annual Strategy:** Strategy is only discussed at yearly weekend retreats.
- ✓ **Not Considering Implementation:** Implementation is not discussed in the strategic planning process. The planning document is seen as an end in itself.
- ✓ **No Progress Report:** There's no method to track progress. No one feels forward momentum.
- ✓ **No Accountability:** Accountability and high visibility are needed to help drive change. This means that each measure, objective, data source, and initiative must have an owner.
- ✓ **Lack of Empowerment:** While accountability may provide strong motivation for improving performance, employees must also have the authority, responsibility, and tools necessary to impact relevant measures. Otherwise, they may resist involvement and ownership.

## The Guidelines for a Good Strategy

Need a quick gut check to see if your strategy is sound? Here are the guidelines for a good strategy. Make sure that your strategy...

- ✓ Establishes unique value proposition compared to your competitors
- ✓ Is executed through operations that provide different and tailored value to customers
- ✓ Identifies clear tradeoffs and clarifies what not to do
- ✓ Focuses on activities that fit together and reinforce each other
- ✓ Drives continual improvement within the organization and moves it toward its vision

## Making Strategy a Habit

Your strategic planning process isn't linear; it's circular. Strategic planning isn't just a one-time event, so you need to make it a habit. Use the following suggestions to embed the concepts into your organization.

- ✓ Get ready for the strategic planning process
- ✓ Articulate your mission and vision
- ✓ Review your strategic position
- ✓ Agree on priorities
- ✓ Organize the plan
- ✓ Identify next actions
- ✓ Roll out the plan
- ✓ Hold everyone accountable