



Chatsworth Consulting Group

## CRITICAL SUCCESS FACTORS FOR STRATEGIC THINKING AND PLANNING

### INTRODUCTION

Many organizations have planning processes in place for developing strategies. In fact, some organizations roll out a new planning process every year – making adjustments for the latest business trends, a new business structure, or the whims of a chief executive. Few of these processes, however, succeed in taking hold and having long-term positive impact on the business. Walk into many managers' offices and you will see plans in ring binders that have never been opened. Moreover, most of these processes produce strategic plans that are not truly strategic. Often they exist to feed into an annual budgeting or marketing cycle, and do not take into consideration either the realities of the organization from a holistic point of view or the truths of employees who need to buy into the plan in order to support and implement it. Rarely do they accomplish what is needed -- breakthrough improvement and growth aligned with a strategic vision.

In order for strategic planning to be effective, it is important to be clear about the purpose and desired outcome of the planning process, fully engage individuals in the process, specifically think through necessary action steps to accomplish desired results, and strategically communicate information about the process and desired outcomes.

### Start at the end

*Vision without action is a daydream.  
Action without vision is a nightmare.  
Japanese proverb*

- To develop a plan, start with those who provide your organization with purpose – your customers, clients, and end users. Fully understanding their needs and requirements will lay the groundwork for knowing the components of a strategic plan that will deliver on those needs.
- The strategies, objectives, and action steps developed during the planning process should all tie back to the organization's vision, mission, and identified customer expectations.
- Once you have a sense of where you need to go, carefully and specifically map out the necessary small and large action steps that will get the organization to the desired destination/reality.
- As you develop your plans, make certain to view the organization holistically – as a complete system or organism where every part and function influences other parts and functions. Only with this perspective can you hope to realize and plan for the impact that even small changes may have on all areas and functions within the larger system.



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## Let data be the fuel

*“The important thing is not to stop questioning.”  
Albert Einstein*

- Information and research are the fuel that drives successful strategic planning.
- Develop systems to continually monitor data and trends related to customers, employees, competitors, industry, workforce and labor, and suppliers.
- The types of data utilized depend on what is important to the organization and its long-term vision. Understanding this data allows the organization to stay on top of current and future opportunities for growth.

## Bring in the people

*“We cannot climb up a rope that is attached only to our own belt.”  
William Ernest Hocking*

- Enlist employees at all levels of the organization. There is knowledge and expertise to be used – especially from front-line employees who deal with customers on a daily basis.
- Strategic thinking usually yields change for an organization – often massive change. It is essential to understand the impact of the change on staff and key stakeholders, and to promote processes that will help people move through the change as easily and effectively as possible.
- Implementation of strategic plans and thoughts only works when the necessary staff has the training, skills, experiences, and knowledge to “act the new way.” Make staff development and enrichment part of the implementation of your new plans.

## Encourage innovation and ownership

*“Listen to everyone. Ideas come from everywhere.”  
Tom Peters*

- A process that encourages ownership of the plan and its results will be most effective.
- Tap into those managers and employees who are respected and known for innovation in the organization. Include people at all levels, as well as those who are new to the organization.
- Avoid rigid template-driven processes to promote innovation and ownership.
- As Russell Ackoff described in *Creating the Corporate Future*, begin with the assumption that all of your products, services, and processes have been destroyed and you must start from scratch to build anew with only your organization’s purpose and the knowledge and expertise of your people at hand.
- Allow your staff to identify new and improved ways of operating and serving customers without being hampered by “the way we’ve always done it.”

## Focus on execution

*“All glory comes from daring to begin.”  
Eugene F. Ware*

- Plans are just that – plans. Without execution, plans remain unrealized.
- Keep the organization focused on the end goals of the plans, as well as the need for well-coordinated execution of the strategies and actions that come out of the planning process.
- Execution will be most successful if the plans are clearly aligned with the overall strategic vision and goals of the organization.

## Keep the cycle going

*“We are what we repeatedly do.  
Excellence, then, is not an act, but a habit.”  
Aristotle*

- Planning is one part of the Plan-Do-Check-Act cycle. This cycle allows for continual learning and improvement.
- The results of and feedback from one planning process inform the actions needed for adjusting the next planning process, and so on, and so on.
- In the fast-paced competitive arenas in which organizations operate, planning must be continual, flexible, and responsive to changing market requirements.

## Communicate clearly and intentionally

*“If you don’t give people information,  
they’ll make something up to fill the void.”  
Carla O’Dell*

- It is critical to provide ongoing communication to employees throughout the organization during the planning process, and to seek input at all levels.
- Weaving the high-level goals and vision into a variety of messages and media will build awareness and reinforce the strategy.
- Use upward feedback and data to encourage broad participation and input to the process. Planning should be seen as an open process in the hands of many, rather than a closed process in the hands of a designated few.
- The following items should be communicated:
  - The purpose and need for planning;
  - Development and implementation of the planning process itself;
  - The individual’s role in the process;
  - The vision, timeline, and high-level goals;
  - Status of plan development;
  - The plans themselves;
  - Periodic updates on progress toward plan goals; and
  - Feedback for the next planning cycle.

## Seek help through the process

*“Wisdom is knowing what to do next,  
skill is knowing how to do it, and virtue is doing it.”  
David Starr Jordan*

- Take the necessary steps to bring strategic planning and communication expertise into your organization as early as possible in order to develop a strategy for the process that incorporates necessary approaches and changed behaviors.

## **SUMMARY**

Two noted management experts, Gary Hamel of the London Business School and C.K. Prahalad of the University of Michigan, state that strategic planning, which should be a bastion of long-term thinking, is very often reactive and short-term. They point out that, although strategic planning is billed as a way of becoming more future-oriented, most managers, when pressed, will admit that their strategic plans reveal more about today's problems than tomorrow's opportunities. In order to be effective in strategic planning, it is essential to take a step back from business as usual and to set aside the time and energy to develop a process that is clear about its overall purpose and specific action steps, takes into account the effect that any strategic actions and/or changes will have on the organization and its staff, fully engages stakeholders, and is shared throughout an organization to increase buy-in and commitment.