

Business Analysis and Decision Making Strategy

Methods and Approaches for
Designing and Sustaining Your
Organization's Future



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The Fallacies of Strategic Planning

1. **The future is predictable** vs. the future is unknowable.
2. **Strategic planning protects the organization** vs. nothing protects/insulates.
3. **Organizational alignment assures success** vs. strategic control can stifle innovation.
4. **The plan provides a roadmap** vs. there are no roadmaps that chart uncertainty.

The Fallacies, continued . . .

5. **The plan prepares people to be strategic thinkers when needed** vs. strategic planning isn't strategic thinking.
6. **The leadership team develops strategy** vs. strategic thinking and action is everybody's business.
7. **The strategic plan enables learning and growth** vs. learning and growth are non-linear and serendipitous (maybe it will happen, and maybe it won't!).

Organizational Longevity . . .

1. A compelling vision of what is possible and a core ideology what the organization believes.
2. Sensitive and adaptive to a changing world.
3. People feel a sense of community/belonging.
4. A driving commitment to new ideas, learning, innovation, and continuous improvement.
5. A free-flow of divergent ideas, information and knowledge.
6. A front line that has the capacity to act independently.
7. Reward systems that are fair, equitable, and which reward innovation, risk taking, and quality.
8. Conservative with financial and other resources.

Strategic Planning Is . . .

Strateg(os) – the art of the general.

A **systematic** process for making decisions and managing work to guide an organization towards its desired outcomes.

- ❑ Making decisions with an **awareness of the future** and an awareness of the implications of each future-minded decision.
- ❑ **Organizing systematically** the actions of work areas, teams, and individuals to carry out these future-minded decisions.
- ❑ **Measuring the results** of these actions and decisions against expectations.

Components of a Strategic Plan . . .

- ✓ **Vision** – A description of the *ideal* future and the outcomes it hopes to create for its stakeholders.
 - ✓ **Mission Statement** – A description of who the organization serves and how the organization will structure itself.
 - ✓ **Core Values and Beliefs** – Statements of belief describing behaviors/ideas to guide actions.
 - ✓ **Strategic Issues** – Key issues to address to close the gap between the *ideal* and the *real*.
 - ✓ **Critical Success Factors** – Broad measures indicating that the organization is making progress towards the vision.
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- ✓ **Department/Unit Strategic Plans** – The long-range plan each department creates to translate the plan into department action.
 - ✓ **Annual Operational/Budgeting Plans** – The decisions/actions that departments, work teams, and individuals will take to implement the strategic agenda.

Insanity . . .

Repeatedly doing
the same things
in the same way
and expecting
different results.



The Purpose of Strategic Planning . . .

1. Clarify and gain consensus around organizational strategy.
2. Communicate this strategy throughout the organization—and to its customers.
3. Align departmental and personal goals to the overarching organizational strategy.
4. Identify and align strategic initiatives.
5. Guide decision making by leaders, managers, and staff.

The Purpose of Strategic Planning . . .

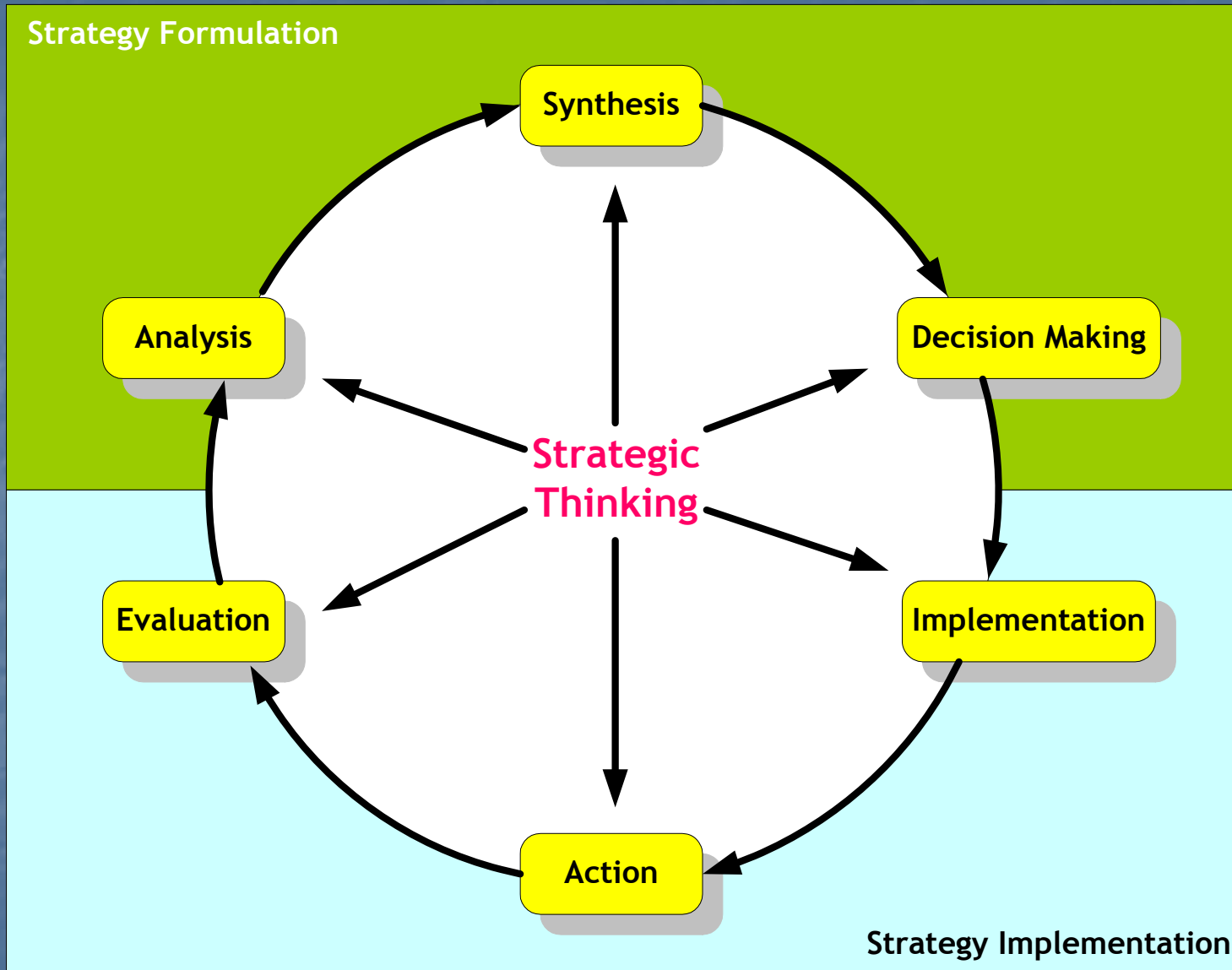
6. Guide resource allocation and budget planning.
7. Measure/evaluate the organization's progress in achieving its vision and strategy.
8. Identify organization assets or strengths.
9. Identify opportunities for improvement and learning.
10. Direct skill and knowledge building efforts.
11. Increase the organization's ongoing relevance to the marketplace.

A photograph of a sunset over a body of water. The sun is a bright yellow circle on the horizon, casting a long, horizontal glow across the sky. The sky transitions from a pale yellow near the sun to a deep orange and then to a dark purple at the top. The water below is dark and calm, reflecting the colors of the sky. In the foreground, there are dark, rocky cliffs or a coastline, silhouetted against the bright light of the sunset.

**If you don't know where
you're going . . .**

Any road will get you there.

Strategic Thinking and Strategy Formulation and Implementation



Strategic Thinking Is . . .

Strategic thinking is looking at oneself, the organization, customers, co-workers, and the environment in such a way that the “thinker” is able to see his or her work (actions and decisions) within a larger context.

This larger context involves knowing:

- the *purpose* or aim of the organization
- the purpose, role, and value of the **person's contribution**
- the **core values** that express the aspirations of the culture
- the **current and future needs** of his/her **customers**
- a profound awareness of what is occurring in the organization's **environment**

Strategic Thinking

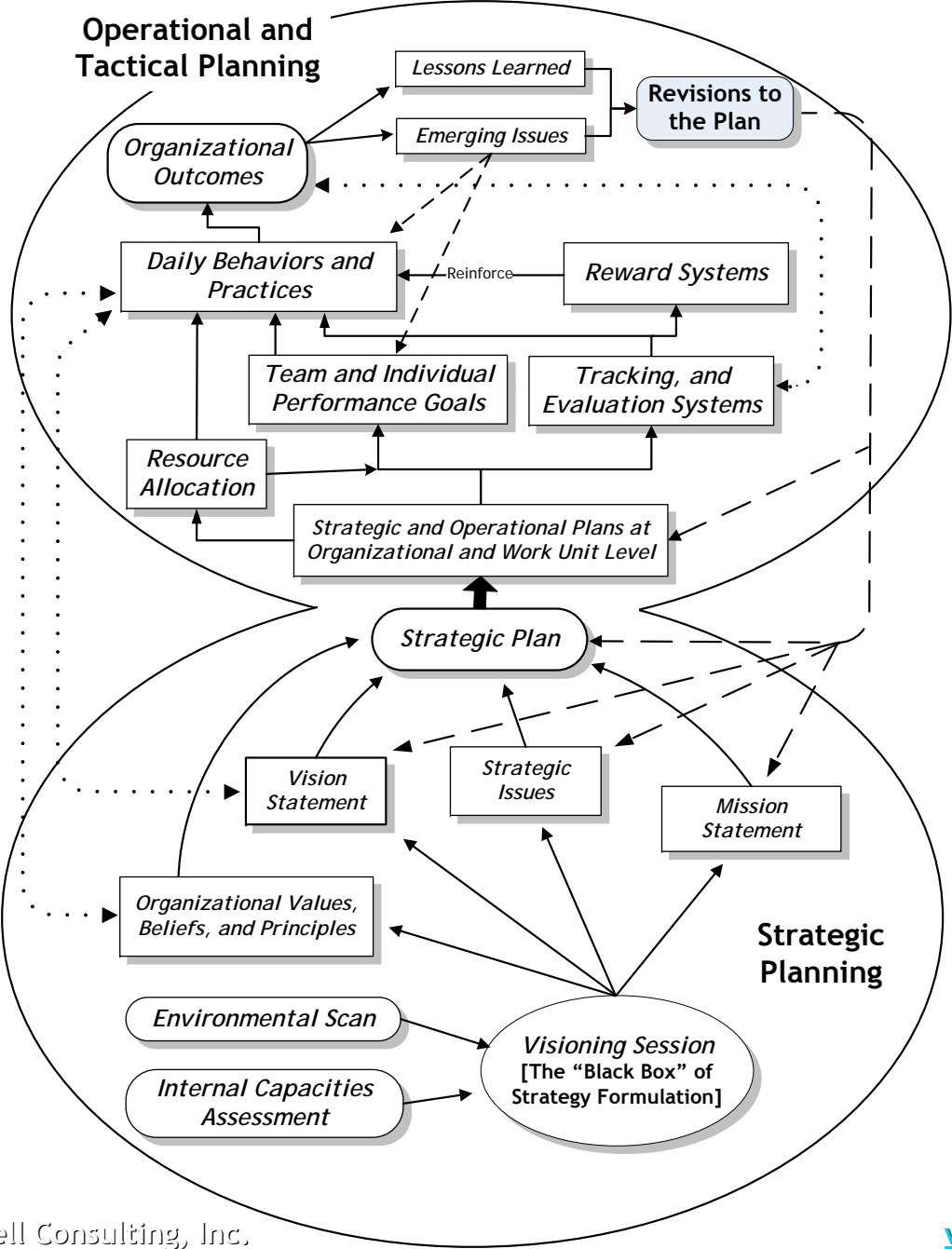
Strategic thinking involves . . .

1. Holding an image of the **vision** or ideal future in one's mind
2. Drawing upon and being shaped by the organization's **core values**
3. Continuously **scanning the environment** – looking for opportunities and threats
4. Seeing the **patterns and relationships** in events and circumstances
5. Recognizing the **interconnections** and **interdependencies** before making decisions and taking action
6. Making decisions and taking actions for the **long-term** that are shaped by the vision, core values, awareness of the environment, and awareness of the interdependencies.



**Control your destiny . . . Or
somebody else will!**

**— Jack Welch, former CEO
General Electric**

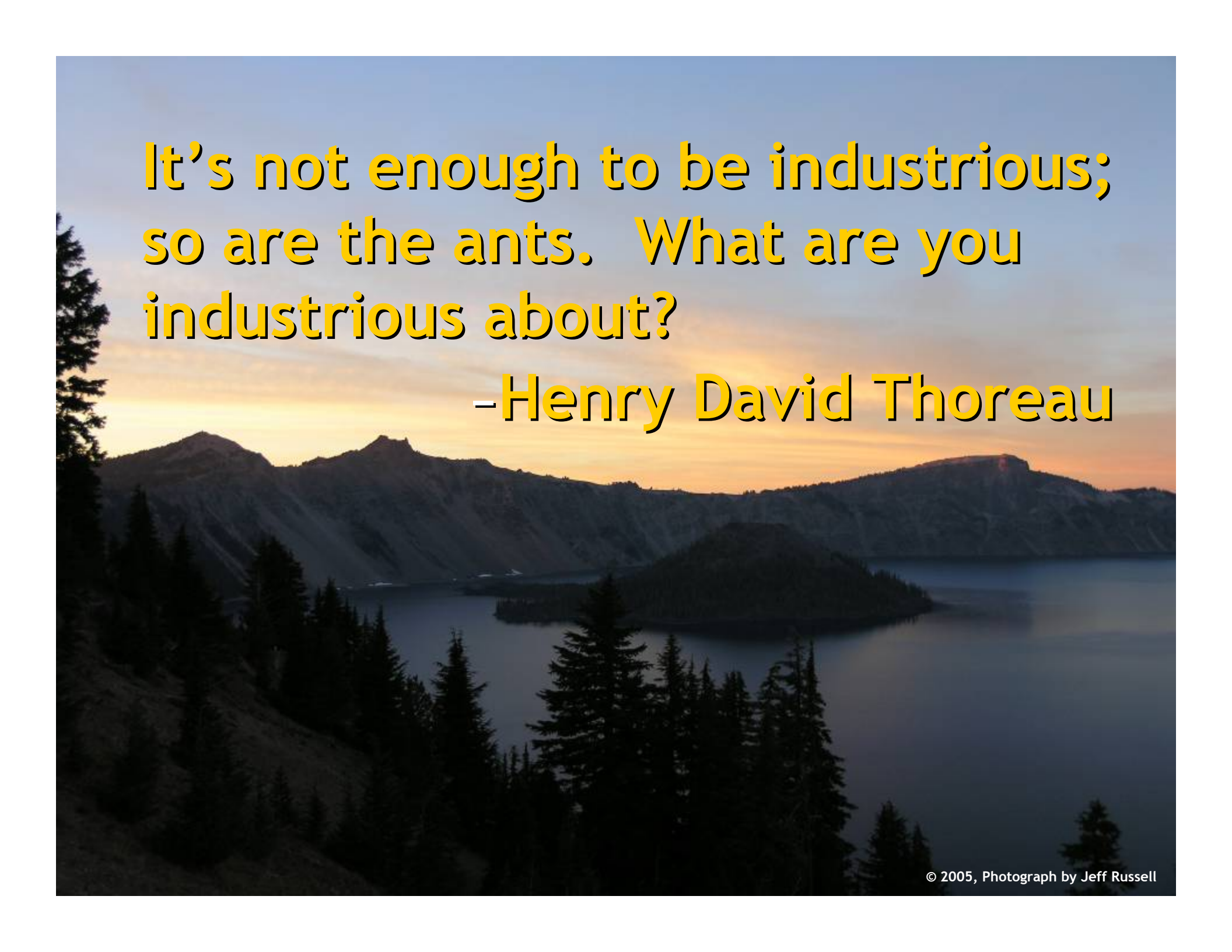


S. P. Schools of Thought

- Design School — Views strategy formation as a process of *conception* — usually by the leadership.
- Planning School — Views strategy formation as a *formal*, step-by-step process (done by *planners*).
- Positioning School — Views strategy formation as an *analytical* process.
- Entrepreneurial School — Views strategy formation as a *visionary* process (usually by the founders/owners).
- Cognitive School — Views strategy formation as a *mental* process.

S. P. Schools of Thought

- Learning School — Views strategy as an *emergent* process.
- Power School — Views strategy formation as a *negotiation* process.
- Cultural School — Views strategy formation as a *collective* process.
- Environmental School — Views strategy as a *reactive* process.
- Configuration School — Views strategy as a process of *transformation*.



**It's not enough to be industrious;
so are the ants. What are you
industrious about?**

-Henry David Thoreau

Destiny is no matter of chance. It is a matter of choice: It is not a thing to be waited for, it is a thing to be achieved.

— William Jennings Bryan

Stages of Developing a Strategic Plan

- Stage 1 →
 - A. Take Stock of the Present
 - B. SWOT Analysis


- Stage 2 →
 - A. Create a Shared Vision
 - B. Define Key Values/Beliefs

- Stage 3 →
 - A. Identify Critical Issues
 - B. Develop Goals and Plans

- Stage 4 →
 - A. Develop Operational Plans
 - B. Monitor, Evaluate, and Revise

Stage One Actions

- Gather performance *data*.
- Identify *statutes* and *laws* that affect the organization.
- What is the *current* mission and goals?
- Assess how *successful* the organization has been in achieving its mission/goals.
- Gather data from employees, customers, and other stakeholders using focus groups, surveys, and interviews on their *perceptions of the organization*.
- Assess the *external forces* influencing the organization's future.



**"Success is the child of
audacity."**

— Benjamin Disraeli
Former British Prime Minister

Stage Two Actions

- Ask people what the organization should *aspire* to accomplish or create for customers, the community, etc.
- Explore people's expectations of the *core values* that should govern the way employees work together, make decisions, serve customers, etc.
- Conduct *focus groups, interviews, and surveys* to gather data on expectations, aspirations, and hopes and core values.
- Gather information from people at *all levels* (inside and outside).
- Create a truly *shared vision* by inviting people to contribute their ideas, to make it theirs.

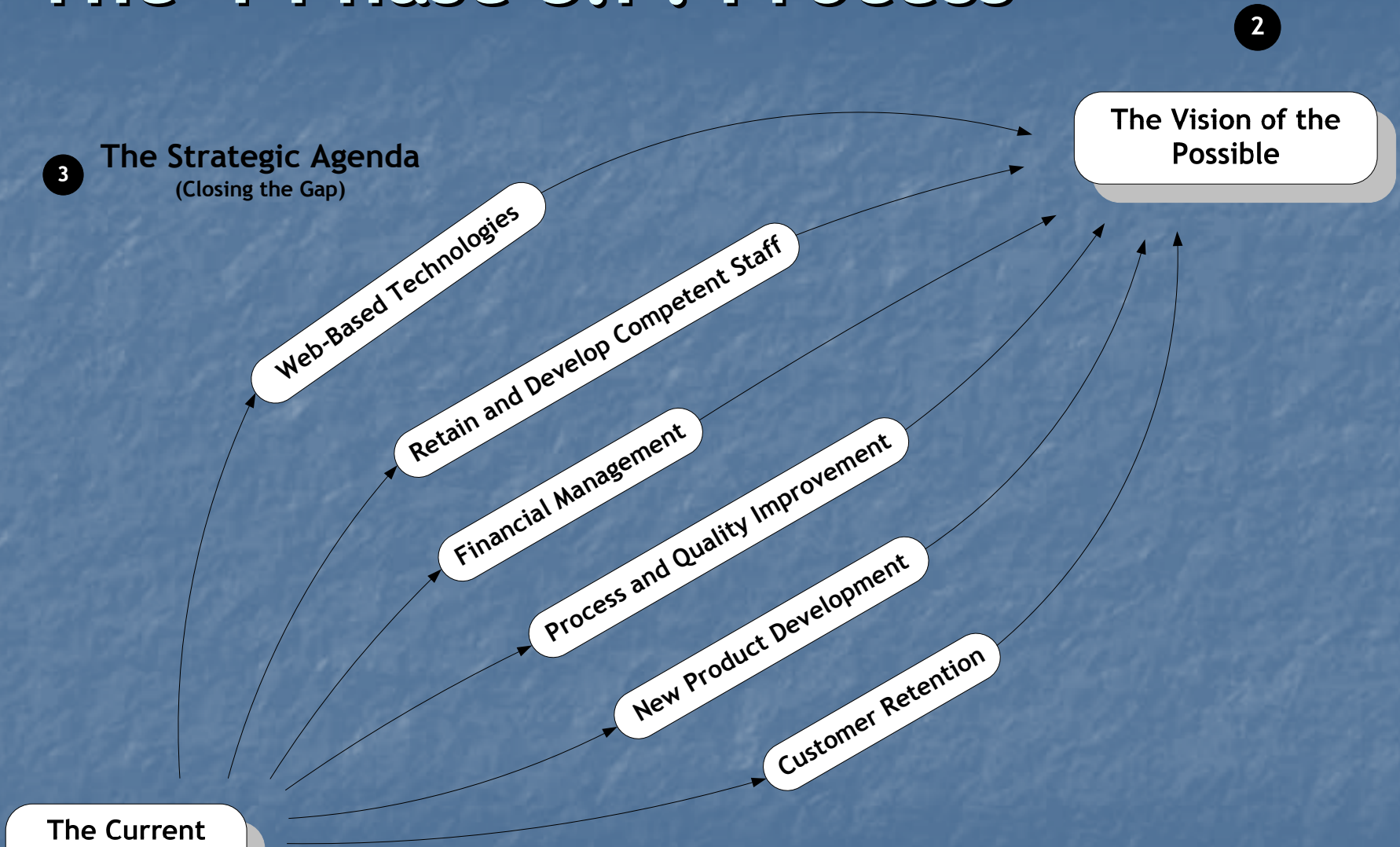
Stage Three Actions

- Ask people to *identify the issues* (from SWOT) that are most likely to influence the organization's future.
- *Clarify* each area for action: do we know what the goal of addressing an issue is? How critical to the organization is it that it achieves this goal?
- Involve people in *prioritizing the issues* from greatest impact on the vision to least impact.
- For each strategic issue, develop a *detailed action plan* that spells out the goals/outcomes, measures of performance, key actions, who will take action, and the timeline for moving forward.

Stage Four Actions

- Each department develops an *operational plan* – each goal/objective should relate to key organization-wide strategic objectives.
- Some issues at the organizational level may be specific to a specific *department or work area*.
- *Collaborative efforts* (across departmental boundaries) should be initiated to achieve synergy and avoid duplication and the “silo” effect.
- Develop a *reporting/communication process* to keep all players involved, responsible, accountable, and informed.
- Develop *semi-annual “checks”* on progress – measuring results against the vision, critical success factors, and individual goal measures.
- Ensure *accountability* by building measurement and progress reports on the plan into the routine processes of individual departments.
- *Make adjustments* to the plan as it unfolds . . .

The 4-Phase S.P. Process

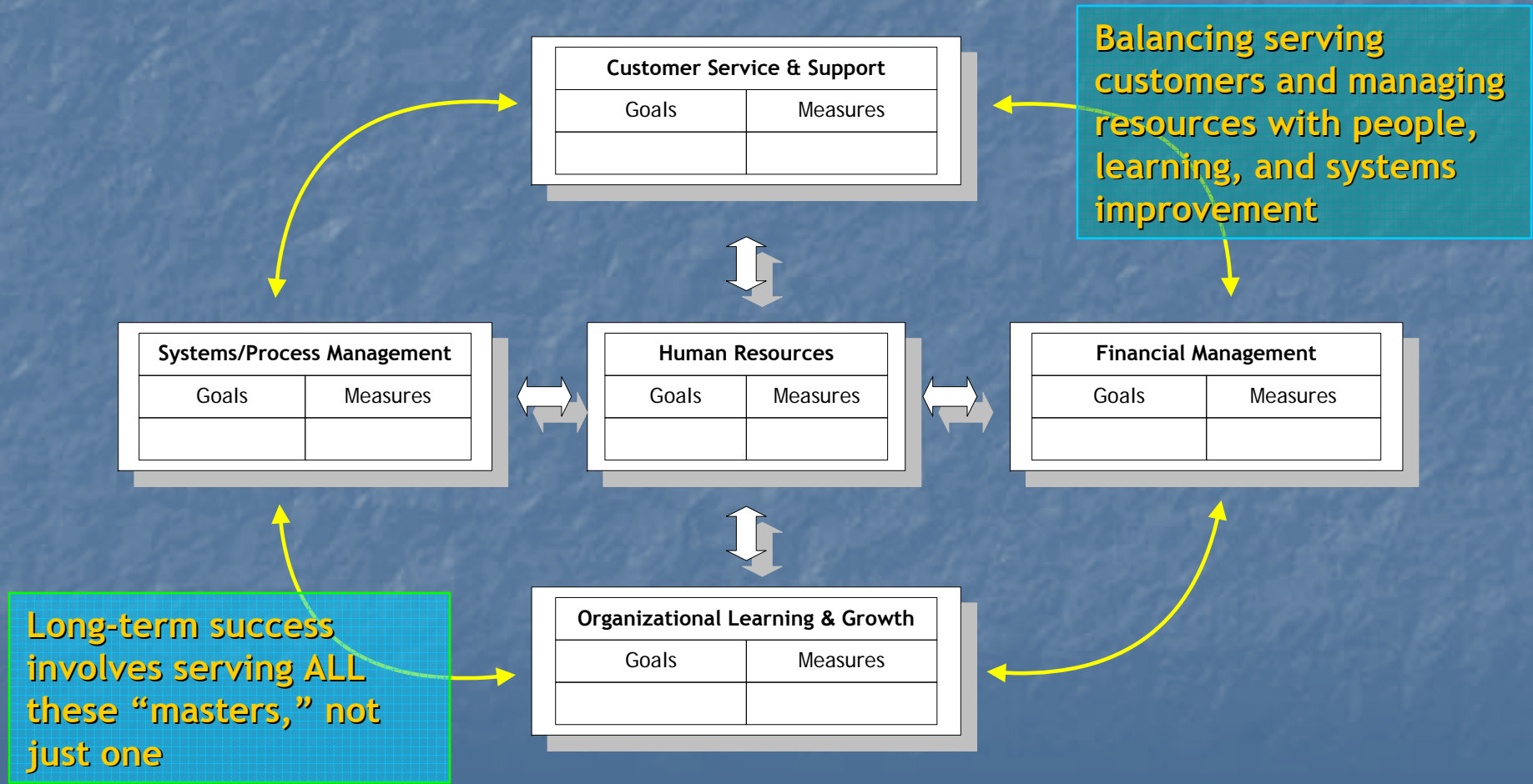




In the presence of a great dream,
pettiness disappears.

In the *absence* of a dream,
pettiness prevails.

The Balanced Scorecard

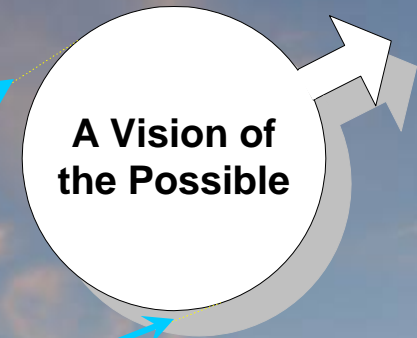


An Effective Vision . . .

- Captures people's imagination and engages their **spirit**.
- **Inspires** people to excellence.
- Provides a clear and compelling **focus** in a changing world.
- Provides a **benchmark** for evaluating our actions.
- Challenges people to **unite** and focus their **energies**.

The Power of a Shared Vision . . .

We should value the past for enabling us to be where we are . . . But not let it trap us into old behaviors



The more compelling the vision, the greater the “pull” away from the past and present

Pulling Backward

Pulling Forward

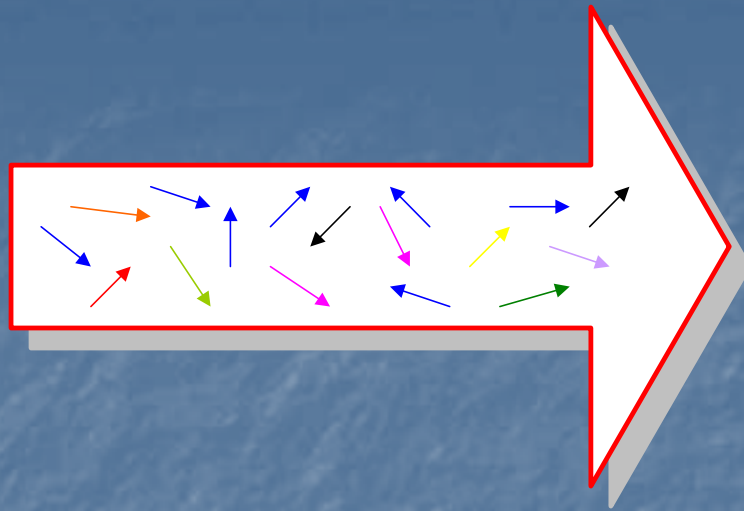
**Where there is no vision, the
people perish.**

— Proverbs 29:18

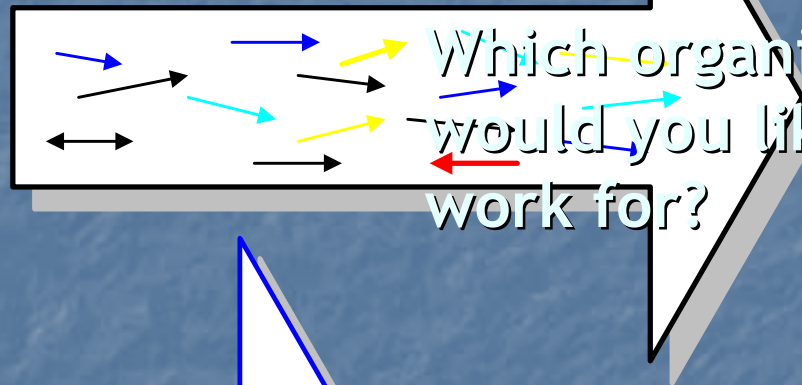
Creating a Shared Vision

- Post Card from the Future
- Front Page News from 2020
- Metaphors
- Telling Stories

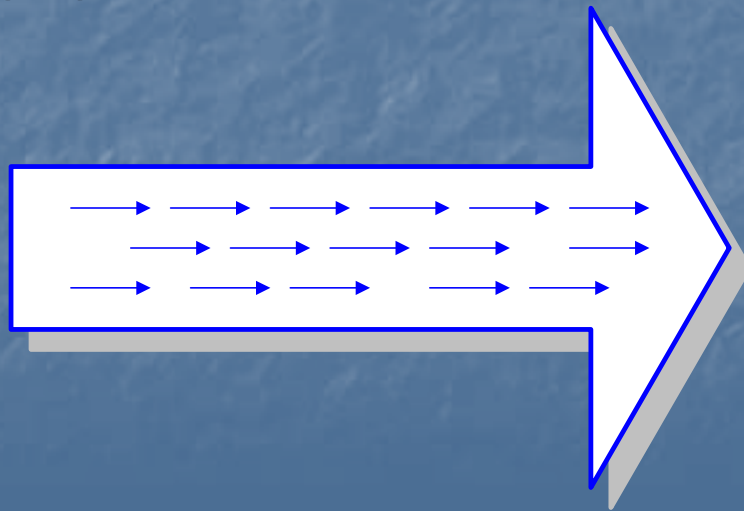
The Arrows of Organizational Alignment



A



Which organization would you like to work for?



B

Defining the Strategic Agenda

- Review the results from the SWOT analysis.
- Identify areas that are likely to have the greatest possible impact on achieving the vision.
- Identify “high leverage” areas – a small action here can lead to significant gains.
- Ensure that you have a “balanced scorecard.”

The Strategic Agenda

- Transforms the vision into action
- Reflects the priorities that must be addressed
- Commits resources
- Focuses on short-term outcomes toward the vision
- Measurable . . .

SMART Performance Goals

S – Specific

M – Measurable

A – Accepted

R – Realistic

T – Time-Based



Barriers to Implementation

1. The failure to use an inclusive process.
2. The failure to create a strategic vision and plan that is truly shared.
3. The failure to develop strategic thinking skills.
4. The strategic vision and agenda aren't actionable.
5. The lack of designed-in performance measures and accountability for results.

Barriers to Implementation

6. The organization's method for tracking performance tends to focus more on *tactical* rather than *strategic* measures.
7. The failure to make the plan truly dynamic.
8. The failure to forge a strong link between the vision and performance expectations.
9. The organization's method for allocating resources isn't linked to the strategic plan.
10. The failure to understand the organization's culture and its past behavioral patterns.

We can lick gravity, but sometimes the paperwork is overwhelming.

– Wernher von Braun



Sometimes I lie awake at night, and I ask, “Where have I gone wrong?” Then a voice says to me:

“This is going to take more than one night!”

— Charles M. Schulz

Charlie Brown in “Peanuts”

Thanks for Your Participation!

**Best of luck moving your
strategic planning/thinking skills
forward in your organization!**



For more information on RCI's strategic planning, leadership, and change models, visit RCI online at www.RussellConsultingInc.com