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russell consulting

RCI's Guide to Strategic Planning

Ideas for Designing and Achieving
Your Organization's Desired Future



A Consulting Service of RCI

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RCI's Guide to Strategic Planning

What is Strategic Planning?

Strategic planning is simply a formalized method for guiding an organization from where it is to where it wants to be. It involves a thoughtful understanding of the organization and its current environment, a clear definition of what the desired future for the organization is, and an ongoing sensitivity to emerging and future changes within and outside of the organization.

By definition, strategy is from the Greek word **strateg(os)**, meaning the "art of the general."

More formally defined, strategic planning is a systematic process for making decisions to guide an organization towards achieving its desired outcomes. Strategic planning involves:



- Making decisions today with a profound awareness of the future and an awareness of the long-term 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.

Strategic planning is creating conditions in organizations that get people at every level of the organization to think and act strategically — every decision, every action, every day for the long-term.

What is the Primary Purpose of Strategic Planning?

The simplest answer to this question is: ensuring the organization's long-term success at both surviving and achieving its vision or goals.

Achieving long-term success, of course, is neither a right nor an inevitability for any organization. Because of this, leaders who care about the vitality of their organizations need to focus on another primary purpose of strategic planning: to create strategic *thinkers* at every level of the enterprise.

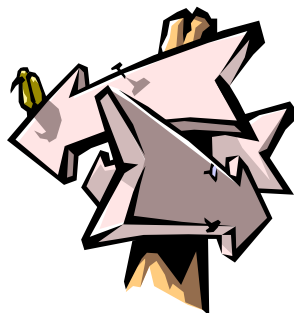
Strategic thinking involves developing—in every person and every level of an organization:



- a “shared vision” of the desired future
- a desire to continuously scan the environment to discover new, emerging, and fresh ideas and information
- an ability to seek out and recognize the patterns of observed events and circumstances
- an ability to recognize and honor the interdependencies and interconnections among all things

What are the Components of a Strategic Plan?

- **Vision** — A description of the ideal future of the organization 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 to accomplish its preferred future (vision)
- **Core Values and Beliefs** — Statements of belief that describe behaviors and ideas that are important to the organization and which guide individual action throughout the organization
- **Strategic Issues** — A description of key issues that the organization chooses to address to enable it to close the gap between the ideal world it wishes to create and the real world that exists today
- **Operational Plans** — The specific decisions and actions that departments, work teams, and individuals intend to take in line with the strategic agenda (vision, mission, values and strategic issues)

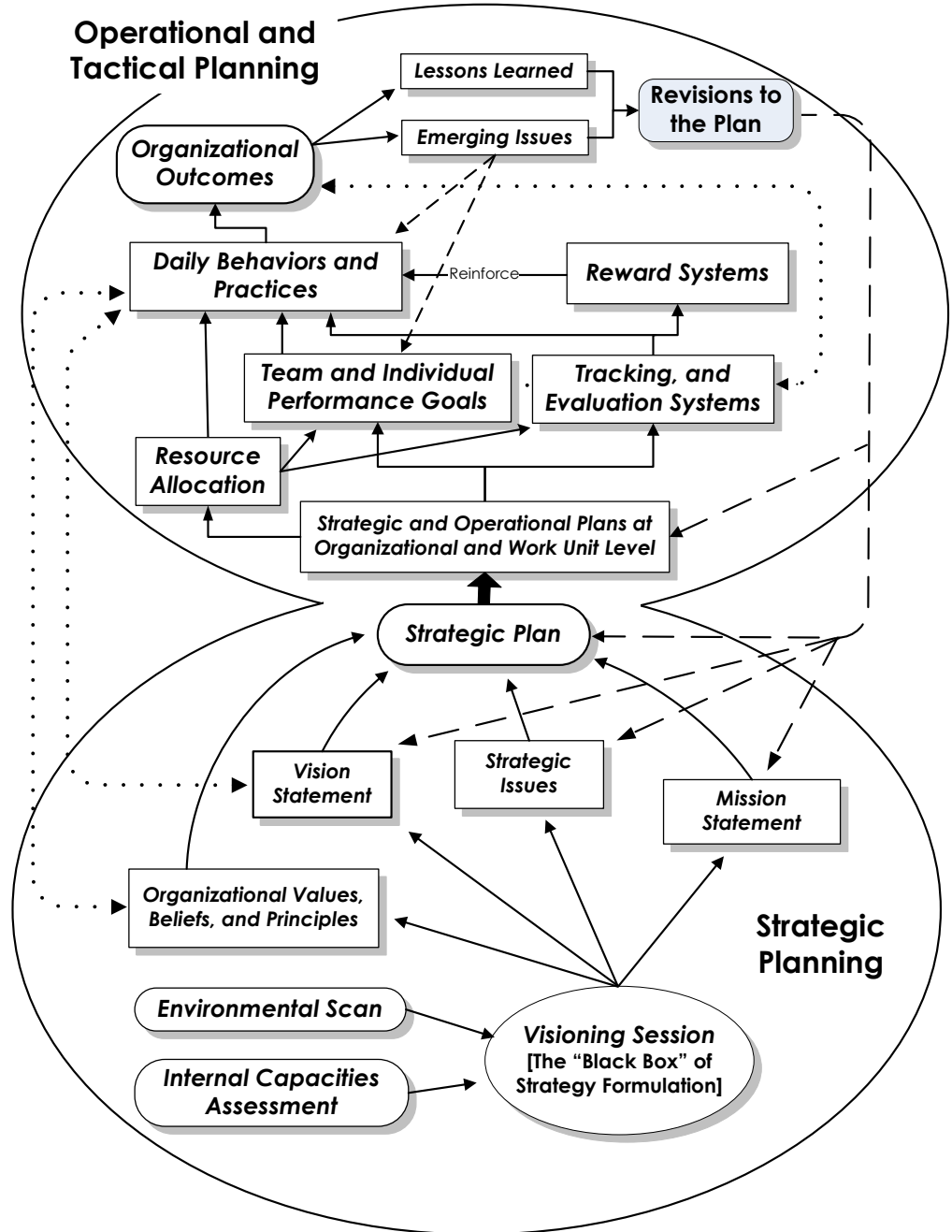


How Does a Strategic Plan Influence Daily Work?

Figure 1 displays the relationship between the *strategic planning* process (lower oval) and the *operational* aspects of daily work (upper oval). While strategic thinking has its origins in the lower realm, when strategic thinking is at its best, strategic *thinking* occurs throughout the operational realm.



Figure 1



What are the Steps of the Strategic Planning Process?

While there is no one “right” way to plan strategically, there are some essential steps that need to take place for true strategic thinking and strategic action to occur. The sequence of these steps is less important than the need to address them at some point in your strategic planning process:

Step One

A. Take Stock of the Present

Identify the current reality. Where are we **now**? What is our *current* mission? What is our current belief system?

B. Assess the Internal and External Environment

Conduct a SWOT analysis: What are our internal *Strengths* and *Weaknesses*? What are the external *Opportunities* of which we should take advantage and *Threats* that may jeopardize our future success?

Step Two

A. Create A Vision of the Future

Define the ideal future. What should our purpose be? What do we exist to create or accomplish? What is the “gap” between the “real” and the “ideal?”

B. Define Key Guiding Principles or Values

What values or beliefs should we follow to achieve our vision? What is important to us in our relationships with each other and our customers?

Step Three

A. Identify Critical Strategic Issues

What are the SWOT issues that will have the *most significant* impact on our ability to achieve the vision? What must be addressed if we are to achieve our vision?

B. Develop Goals and Detailed Action Plans for Each Strategic Issue

Develop goals and strategies for each critical strategic issue. **What** is the expected outcome from each strategic issue? **Who** is responsible for each action? **Which** resources will be required? **How** will progress be measured and monitored?

Step Four

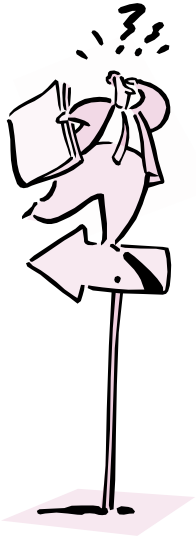
A. Develop Operational Plans

What are the roles, responsibilities, and duties of each work area for each strategic goal? Which departments have *primary* responsibility for action? How will the strategic goals translate into *individual* action?

B. Monitor Actions, Evaluate Progress, and Revise the Plan

How will we know when we're successful for each goal? For the plan overall? What measurement systems are in place organization-wide? How will we know when the strategic plan must be revised? How will revisions to the plan be made? Who is responsible for revising the plan?

How Do I Create Strategic Thinkers in My Enterprise?



How do you ensure your organization's long-term success? How do you plan and manage for the future when so much is changing so fast? These are two of the key questions that every organization must face if it is to be successful and profitable over the long-term. And these are the questions that cut deep into the heart of your own business. The answers that you find will determine your organization's long-term success.

Strategic planning—the formal approach that organizational leaders use to think about the future and then to design their organizations to be successful in that future—can be a powerful tool for guiding your organization's thinking and resources. Unfortunately, when done poorly, strategic planning can also lead to an irrelevant document that wastes precious resources and leads your organization in the wrong direction.

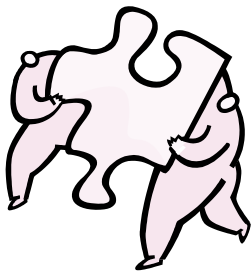
How can strategic planning be relevant in a volatile and chaotic environment where few things are stable? How can you plan when markets are global, when technology defines competitive advantage, when employees work as “free agents,” and when customers demonstrate less loyalty to brand and community? How can you create a plan that builds ownership in both the process and the outcomes?

Elements of a Successful Strategic Thinking and Planning Effort

There are several elements that must be in place in order for your organization's strategic plan to play a compelling role in guiding your organization into the future, help you to respond effectively to the environment, and build employee ownership of their role in shaping this future. Here are those we consider to be the most important:

Make everyone responsible for strategic thinking and planning. Most strategic plans fail because they are developed by the “top” leadership of an organization. While there's nothing wrong with leadership developing a plan—in fact leaders should, by definition, have many critical ideas and insights about the future—failing to engage the entire organization in the strategic thinking process teaches people to see that thinking about the future and their role in it isn't their job. Engaging everyone at every level in a strategic planning process encourages them to be critical and strategic thinkers in their daily work and also gives them an opportunity to share what they know, from their own knowledge and experience, that can contribute to the larger strategic direction of the organization. The strategic insights that your “non-leaders” can bring to the process just might save your organization.

Begin with a shared vision of your organization's future. The whole point of strategic planning is to move your organization from where it is now to where it needs to be in the future. Defining what this desired destination or vision must be is one of the first steps you take in the strategic planning process. But this vision must be more than *your* vision of what you want to create or the goals you want your organization to achieve. It must be a vision that is widely shared by those who choose to work for you. Everyone at every level must know what this vision of the future is and, in order for it to be most powerful, it should directly influence the way they view and approach their work.



Involve your customers and suppliers in the process. Both your customers and suppliers care about your future. They want your organization to keep producing goods and services of value. Beyond their desire for success, however, are their own insights into the direction of the marketplace, emerging trends in the business, and ideas for new products and services. Invite your customers and suppliers to give you feedback on your current operations as part of the strategic planning process—but don't stop there. Ask them to share **their** vision of the future and what they see as some of the major challenges, needs, or issues that your organization will need to address.

Develop measures of effectiveness. Your organization's strategic plan is only as good as its ability to move your employees in a new direction and to give you feedback on the progress that you're making. A key element of an effective strategic plan is creating specific measures that will give you and your staffers a clear idea as to whether you're moving in the right direction. The measurement embedded in the strategic plan should make it clear when you're on—and off—track.

Make it dynamic and keep it dynamic. The best strategic plan is one that not only creates strategic thinkers throughout your organization but one that allows the plan to change—perhaps dramatically—in response to ongoing and emerging forces. When everyone in your organization is a strategic thinker, they are more likely to bring information to you and others about what they are learning from their customers and suppliers, what they read, or what they personally experience. And this information can and must help shape what your organization does today and what it will do tomorrow. For this reason, your strategic plan must be responsive and resilient. While it remains true to the larger vision of what is possible for the organization and what it hopes to create, *how* the organization gets there and even some aspects of *what* it strives to accomplish should be under constant reevaluation. A dynamic plan that integrates learning and discovery provides the best guidance for your organization's long-term success.

Where Do I Get Help for Strategic Planning?



Russell Consulting, Inc. provides an array of strategic planning and facilitation services. We can help you and your organization design—and achieve—its desired future by:

- Building leadership and employee commitment to the strategic planning process and outcomes
- Designing a planning process that fits the character and culture of your organization
- Facilitating “visioning” and values-defining sessions to create an organization-wide consensus on future direction, goals, guiding principles, and outcomes
- Conducting employee engagement/quality of worklife (QWL) surveys to help assess employee perceptions of the organization's strengths and areas for improvement
- Facilitating external stakeholder and customer surveys and focus groups to assess their perceptions of your organization and its desired vision
- Convening and facilitating a “Future Search Conference” to create a shared vision of the future for your organization among the diverse stakeholders who care about your work
- Building dynamic action plans that translate the vision and strategic issues into results through operational and tactical plans that identify organizational outcomes, expectations, performance measures, and accountabilities for each strategic issue.

Call **Russell Consulting, Inc.** today to explore ways in which we can turn your aspirations for the future into a reality.

Why call RCI to guide your strategic planning efforts? Because we, literally, wrote the book on it! Order **Strategic Planning Training** or **Strategic Planning 101** from RCI's Online Store today!

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