



4 COMPONENTS OF STRATEGIC PLANNING

An Essential Guide to Strategy

Adapted from The Executive Guide to Facilitating Strategy

WHAT'S INSIDE?

The Whys - 5 Reasons to Plan	Page 3
The How - The Drivers Model	Page 4
The Whats - Terms and Definitions	Page 8
The Who - Knowing How to Choose Your Facilitator	Page 10

Developing an effective strategic plan for your organization is not an easy task, but with the right guidance, it is absolutely possible. While there are different models that work for different organizations, at the core of strategic planning are universal components that every leader needs to know in order to develop a strategy that works. These components include:

- 1 The Whys – 5 Reasons to Plan:** In order to develop a strategy, start with an understanding of why you need to do this and get the leaders at your organization on board with this. The stronger the realization is to put together a strategic approach, the more committed you and your leaders will be to carry out your plan.
- 2 The How – The Drivers Model:** Leadership Strategies (LSI) has developed the Drivers Model, a method for taking a strategic approach to addressing a business situation. The model provides a simple communication tool for helping organizations construct a strategic plan. The model is fully scalable and applies to Fortune 500 companies, non-profit organizations, government agencies, a field office, an individual department, a work team, etc.
- 3 The Whats – Terms and Definitions:** Whether this is your first time or your tenth time developing a strategy, this is crucial. At the most basic level is a need for consensus on what each part of your strategy means. Did you know that a mission and a vision statement are not the same things? Get your group in unison when defining the whats.
- 4 The Who – Knowing How to Choose Your Facilitator:** Last but certainly not least is the critical piece of WHO is guiding your group throughout strategic planning. Strategy work is important and delicate. Without the guidance of an expert who will remain neutral but committed, the planning can be more challenging than it already is. Making an informed decision in selecting the right person to lead your group is a big component of your work.

COMPONENT 1: THE WHYS – 5 REASONS TO PLAN

The first part in beginning your strategy work is agreement on the why – your purpose in doing this in the first place.

Developing strategy takes time and resources. It requires the time and commitment of some of the most highly-paid and highly-experienced people in your organization. So, if your team isn't willing to invest in what is needed, we recommend that you don't do it. Poor planning is often worse than no planning at all.

So, why do you need a strategy? Why take time for planning? There are many reasons. But, LSI's Drivers Model focuses on five in particular:

1. To set direction and priorities:

First and foremost, you need a strategy because it sets the direction and establishes priorities for your organization. It defines your organization's view of success and prioritizes the activities that will make this view your reality. The strategy will help your people know what they should be working on, and what they should be working on first.

Without a clearly-defined and articulated strategy, you may very well find that your priority initiatives - the ones that will drive the highest success - are being given secondary treatment.

2. To get everyone on the same page:

If you find that you have departments working to achieve different aims or going in different directions, you need a strategy.

Once you define your strategic direction, you can get operations, sales, marketing, administration, manufacturing, and all other departments moving together to achieve the organization's goals.

3. To simplify decision making:

If your leadership team has trouble saying no to new ideas or potential initiatives, you need a strategy. Why? Your strategy will have already prioritized the activities necessary for success. Priorities make it easier to say no to distracting initiatives.

4. To drive alignment:

Many organizations have hard-working people putting their best efforts into areas that have little to no effect on strategic success. They're essentially majoring in the minors—because their activities aren't aligned with the priorities. Your strategy serves as the vehicle for answering the question, "How can we better align all our resources to maximize our strategic success?"

5. To communicate the message:

Many leaders walk around with a virtual strategy locked in their heads—they know where their organization needs to be and the key activities that will get it there. Unfortunately, the strategy isn't down on paper and hasn't been communicated thoroughly. As a result, few people are acting on it.

When your staff, suppliers, and even customers know where you're going, you allow even greater opportunities for people to help you maximize your success in getting there.

.....
*So, which of those reasons apply to you and your organization?
Once you recognize the need to plan, you now have the role of becoming the catalyst – for facilitating the buy-in and commitment of your leadership team and the rest of your organization.*

COMPONENT 2: THE HOW - THE DRIVERS MODEL

Many executives see planning, and specifically strategic planning, as a highly challenging and complex activity. The Drivers Model provides an approach that is elegantly simple, yet robust and comprehensive enough to serve Fortune 500 companies, non-profit organizations, government agencies, field offices, individual departments, work teams, and more.

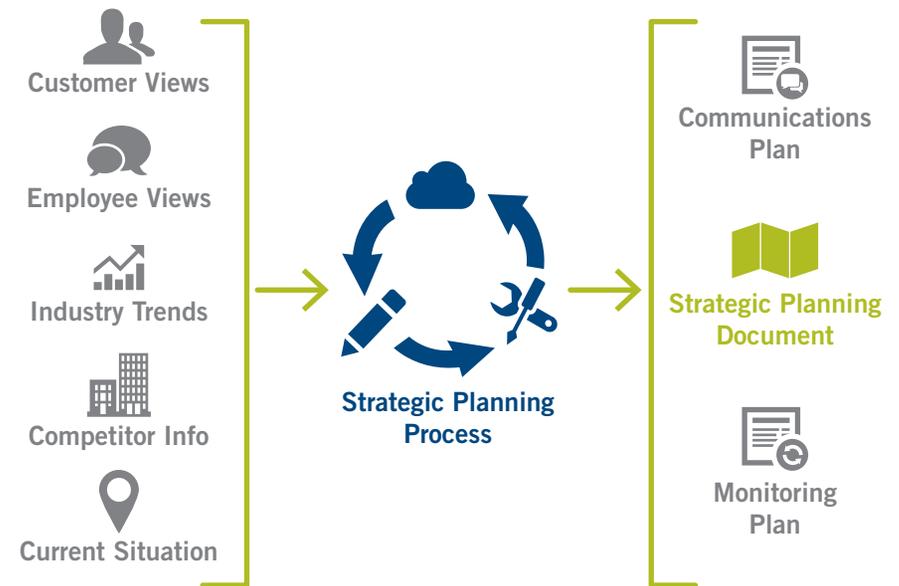
Three Phases for Strategic Planning Success



LSI's strategic planning services are built to guide organizations throughout each phase – based on the need of the organization. Created in 1992, the Drivers Model is LSI's leading unique process for carrying an organization's plan forward through the phases. LSI's experienced strategy facilitators define the model in four major steps:

Step 1: Situation Assessment – Where are we now?

Understanding the current situation is vital to identifying the approaches needed to drive success. A full understanding of the current situation includes an analysis of several areas. What follows is a sample list of assessment areas and one or two of the key questions to be answered for each.



- **Customers** – What are their current and future needs? What are their perceptions of our performance?
- **Employees** – What are their perceptions of our organization and how we can improve? How can we make them more effective in their roles?
- **Industry trends** – What have been recent shifts in the industry? What shifts are anticipated for the future?
- **Competitors** – How do we compare against our competitors? What are their recent and anticipated initiatives?
- **Performance trends** – How are we performing by product, by market, by channel?
- **Recent goals and initiatives** – How are we achieving against our plan? How successful have we been with recent initiatives?
- **Organization profile** – What are our strengths and areas for improvement with regard to our organization structure, processes, technology, culture, etc.?

Often, planning teams summarize the current situation information into a SWOT: a summary of the organizations key strengths, weaknesses, opportunities and threats.

Step 2. Strategic Direction – Where do we want to be?

The heart of strategic direction setting is this second step. In our Drivers Model, the information from the situation assessment is combined with the understanding of future trends to develop the vision statement and the mission statement.

- **Vision** – the organization’s preferred picture of the future
- **Mission** – the overall purpose of the organization (i.e., what the organization does, for whom it does it, and the benefit)

Sample Strategic Plan Extract:



The strategic direction setting also includes the defining of **goals and objectives**.

- **Goals** – the broad, long-term aims that define accomplishment of the mission
- **Objectives** – specific, quantifiable, realistic targets that measure the accomplishment of a goal over a specified period of time.

Each goal has a specific set of objectives, as shown below for the membership goal.

Sample Strategic Plan Extract:



The objectives establish the bar for the rest of the planning effort. All the strategies, action plans and investments should be focused on achieving one or more of the plan objectives. Therefore, it is critical that you select the right objectives for measuring success. Establishing objectives is perhaps the toughest work in planning.

The planning effort also includes establishing Guiding Principles - general guidelines that set the foundation for how the organization will operate. Guiding principles are more than just a statement of values. Guiding principles also describe the actions the organization will take based on the values.

Step 3. Implementation Planning – How do we plan to get there?

Once the objectives are established, the next step is to develop the road map for achieving the direction. For the road map to be viable, however, it must focus on three areas in particular.

- The barriers to achieving the goals and objectives indicate those challenges which the organization must overcome to achieve

COMPONENT 2: THE HOW - THE DRIVERS MODEL (continued)

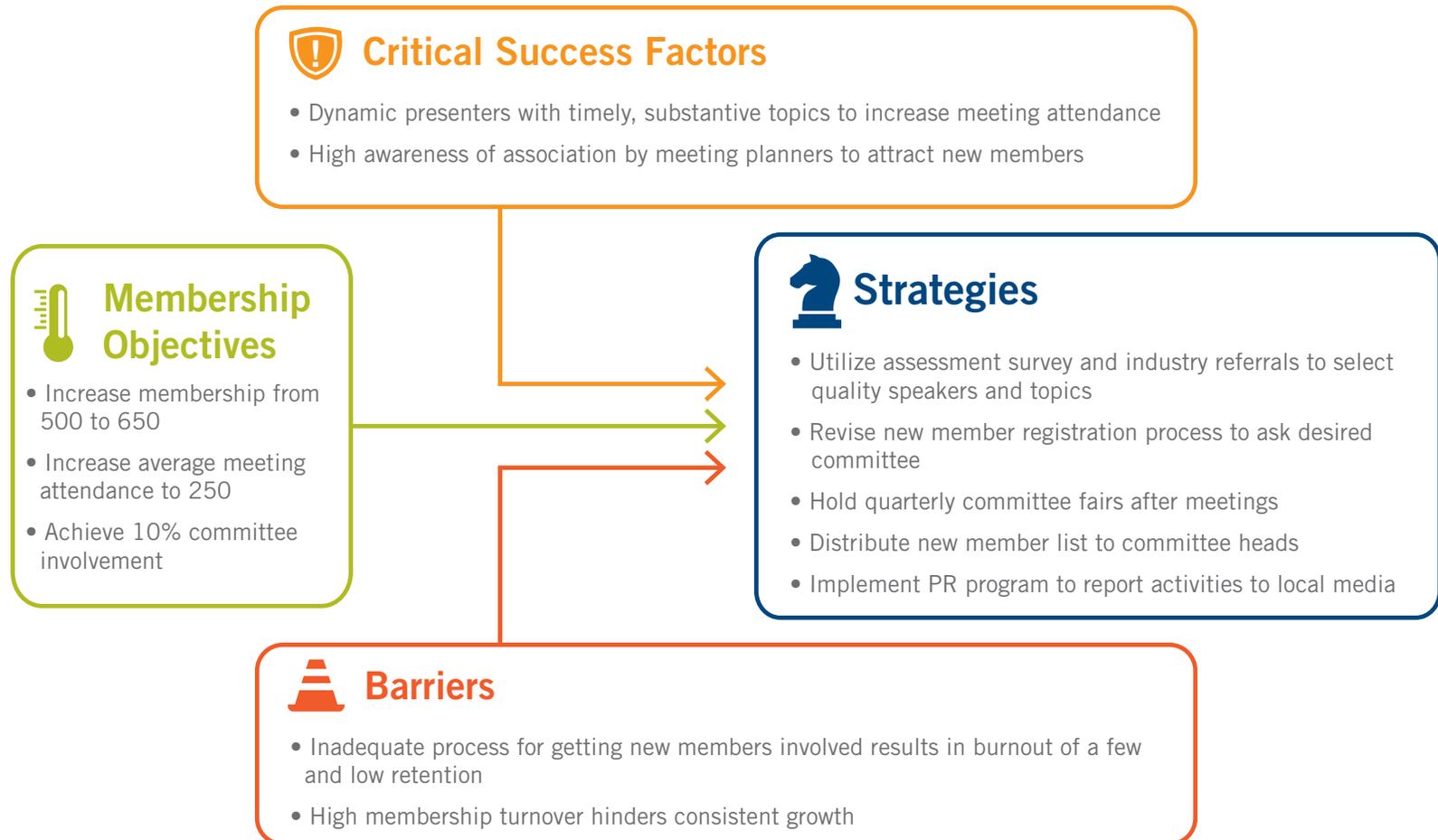
its strategic direction. Barriers answer the following questions: “Why haven’t we achieved our goals already? What is standing in our way?”

- While barriers address the challenges, the critical success factors identify those key conditions that must be met to achieve the goals. Critical success factors, typically no fewer than two and no more than seven per goal, serve as a guide for determining the strategies to be developed.

- The strategies that are undertaken (i.e., the road map) must drive achievement of the strategic direction by controlling the critical success factors and overcoming the barriers.

An important activity at this stage is the prioritization of strategies to determine the items to focus on first. For each priority strategy, an action plan is developed which details steps, responsibilities, costs and timetables. The action plans can then be summarized to identify resource requirements and to develop a resource plan to meet those requirements.

Sample Strategic Plan Extract:



Sample Resource Requirements

Prioritized Initiatives	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
3.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
5.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
6.	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Totals	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Step 4. Monitoring – How will we monitor progress?

Many organizations benefit simply from going through the process of creating a strategy. At this point, everyone is clear on where we are going and how we plan to get there. However, the key value to strategy development comes in the implementation of the plan. Unfortunately, all too often, strategic plans become space fillers on an executive’s bookshelf. To prevent this occurrence, we recommend a structured monitoring process every three-to-six months.

The structured review involves:

- Assessing progress on strategies
- Grading the current and projected performance against the objectives

- Identifying changes in the environment, new barriers, additional critical success factors
- Making adjustments to the objectives
- Re-establishing priorities for strategies, removing strategies and adding new strategies as needed

While often a sobering process, this detailed level of monitoring provides a method for ensuring that the long-term strategy stays on the front burners, despite the pressures of the day-to-day business operation.

.....
This component of your strategic planning work ensures you’re utilizing a method that will work for your organization. There is no need to reinvent the wheel – choose a scalable, proven approach, like the Drivers Model, that is designed to fit your organization.

COMPONENT 3: THE WHATS - TERMS AND DEFINITIONS

Don't get hung up on terminology. When your team is thinking strategically, the last thing you want to be doing is debating on what the terms should represent as part of your strategy. Follow this guide below:

Strategic Planning Terms and Definitions

Vision	A picture of the "preferred future"; a statement that describes how the future will look if the organization achieves its ultimate aims. <i>"The vehicles of choice for a value-focused world"</i>
Mission	A statement of the overall purpose of an organization. Describes what you do, for whom you do it and the benefit. <i>"Our mission is to provide the consumer with high quality, price competitive automobiles to meet their personal, business and recreational needs."</i>
Guiding Principles	General guidelines which set the foundation for how an organization will operate. <i>"Responsiveness to consumer needs will be a first priority in our operations. Therefore we will..."</i>
Goals	Broad, long-term aims that define accomplishment of the mission. <i>"Profitability - Maximize net income by increasing revenues and controlling costs."</i>
Objectives	Specific, quantifiable, realistic targets that measure the accomplishment of a goal over a specified period of time. <i>"Increase revenues by 12% in 1993. Limit increases in overhead costs to 2% in 1993. Achieve a 5% reduction in management staff through increased automation."</i>

Critical Success Factors	Major items or issues that must “go right” to achieve one or more objectives. <i>“Body styles that are pleasing to the public. Effective dealer network. Successful office automation project.”</i>
Barriers	Existing or potential challenges that hinder the achievement of one or more objectives. <i>“Inefficient northeast plant. Price competition from Japan manufacturers. Public perception of poor quality by USA.”</i>
Strategies	Broad activities required to achieve an objective, control a critical success factor, or overcome a barrier. <i>“Establish partnership with Japanese manufacturer to revamp the northeast plant. Implement program to widely promote our success as a quality producer.”</i>
Actions	Specific steps to be taken, by whom and by when, to implement a strategy. “Initiate discussions with PR firm on Quality Promotion BPC 2/1 Develop first draft of Promotion AKO 3/15 Review Promotion internally and update BPC 4/1”

.....
TIP: Guide your team to get intimate with these terms.

COMPONENT 4: THE WHO - KNOWING HOW TO CHOOSE YOUR FACILITATOR

If you've ever attempted leading a group through strategic planning, you know how difficult it can be to get the planning team engaged, dysfunction-free, willing to reach consensus (despite disagreement), and committed to following through with the plan when the strategy sessions end. This is why this last component – the who – is vital.

Experienced, professional facilitators bring with them a series of highly-structured, pre-defined processes that create the framework for your strategic plan. They also have numerous tools and techniques that allow them to adapt to your people and the needs of the group. Strategic planning facilitators are able to help participants excel as a team in focusing on the issues, building a common vision and creating commitment to the actions that will bring that vision into reality!

When dealing with something as critical as a strategic plan, many organizations will invest time and dollars to train and build up the facilitation skills of internal resources to ensure a smooth planning process and desirable results. But, others choose to bring in outside professional facilitators with years of training, experience and proven results. This is the preferred option especially if:

- You don't have a clearly-defined, tested and proven approach for the strategic planning process
- There is a lack of experience in effectively facilitating strategic planning
- There are many strong opinions among the planning team
- You, the group leader, are strongly vested in a particular position, but want to be open to other possible
- The discussion is best guided by a neutral party to engender trust or participation

Six Questions to Ask When Choosing Your Facilitator

If you choose to bring in an outside facilitator, once you have narrowed the search to a handful of candidates, you need a finer screen to help you select one facilitator over another. We recommend the following six questions to help guide your selection:

1. "What questions do you have for me?"

Great facilitators know the 5Ps to prepare for your strategy work – the purpose, the products, the participants, the probable issues, and the process. Be wary of facilitators who want to describe how they can help you (their process) before they understand your needs (your purpose, desired products, participants and probable issues).

2. "What is your approach for getting the group interacting and focused?"

Some facilitators have great days but don't necessarily understand why. Consciously-competent facilitators know the keys to success. They understand what works, what generally doesn't, and why. Your facilitator should be able to describe techniques to get groups interacting right away, keeping focus and avoiding side issues.

3. "How will you address dysfunctional behavior?"

Great facilitators know that the key to dysfunction is preventing it from happening in the first place. Your facilitator should ask you about the participants, their issues and the problems typically seen in meetings. The facilitator should recommend actions such as establishing specific ground rules, holding conversations with particular participants, or other strategies for dysfunction prevention.

4. “What type of orientation will you need if we decide to move ahead?”

Great facilitators understand that the more they understand about your business, the less they will slow down the group. They will seek documentation and want to schedule a time to further discuss your organization, your products and your issues.

5. “What do your clients typically say they like about the way you facilitate?”

Listen specifically for what the person doesn't say. Most facilitators bring neutrality and control to a group. Great facilitators bring much more. Listen for words like 'great energy level,' or 'insightful questions,' or 'a process that allowed us to get so much more done,' or 'a way of herding the cats without getting anyone upset.'

6. “Based on what you have heard, what might the agenda be for the meeting?”

Great facilitators have a pool of common processes they have customized over and over again for clients. They know these processes cold and, in the middle of a session, can quickly pull from their resource pool and create a customized process on the spot if needed. Therefore, if facilitators are not willing to give you a “first thought” of how they might approach your needs, you might question if they will have the flexibility and speed to change course on the spot if needed.

.....
Of course, it is important to check references. And, it is even better to have the facilitator candidates spend 15-30 minutes facilitating the group or a subset of the group to see the facilitator in action and to assess fit with your group. Utilize a resource like www.findafacilitator.com to find the best facilitator for your strategy needs.

Bonus

CHECKLIST: Six Questions to Ask When Choosing Your Facilitator

- “What questions do you have for me?”
- “What is your approach for getting the group interacting and focused?”
- “How will you address dysfunctional behavior?”
- “What type of orientation will you need if we decide to move ahead?”
- “What do your clients typically say they like about the way you facilitate?”
- “Based on what you have heard, what might the agenda be for the meeting?”



Looking for a facilitator?

Go to www.findafacilitator.com and search through the free database.

ARE YOU READY FOR STRATEGIC PLANNING?

This guide is just the beginning of your passage to a successful strategic plan. Understanding what's involved in this level of work is an integral first step. Now that you have the basics, align your knowledge with additional support from experts. Be sure that your readiness for strategic planning is met with the expertise your organization needs to execute. [Contact us](#) for more strategic planning support from an experienced facilitator.

Connect with us.

leadstrat.com

800.824.2850

