

A person with reddish-brown hair, wearing a green shirt and a dark wristband, is shown from the side, writing the words "STRATEGIC PLANNING" in large, orange, hand-drawn letters on a white surface. The person is holding an orange marker in their right hand. A small green square is visible in the top right corner of the page.

STRATEGIC PLANNING

EVEN THE MOST ACCURATE AND WELL-CRAFTED
PLAN WILL FAIL IF PEOPLE DON'T OWN IT, AND
TAKE ACCOUNTABILITY FOR DELIVERING IT.

DON'T BE MYTH LED

Executives at large and small corporations around the world dutifully gather their direct reports on an annual basis, sequester themselves for a few hours or a few days, and go through the often tedious process of developing a strategic plan.

They conclude this exercise with a plan that, if adhered to, will increase sales, make services shine, deliver new products, take market share, reduce costs, and ultimately secure their futures. At least, that's the story they tell us in business school.

The unfortunate reality is that most executive teams merely extrapolate objectives from last year's strategic plan, make minor adjustments for "exogenous factors", and tweak earlier versions of presentations that are likely to generate the same levels of half-hearted buy-in as their predecessors.

Professor Robert Kaplan of the Harvard Business School, and his associate, David Norton of the Balanced Scorecard Collaborative, estimate that up to 90% of all corporate strategies are not executed successfully. Beyond not being properly implemented, the strategies themselves are often problematic.

So what can executives do to make the most of the strategic planning process, yet avoid the pitfalls of poor design and implementation? First, they need to understand the myths that lead to wishful, wasteful, or less-than-worthwhile strategic planning efforts.

HAVING THE RIGHT
PEOPLE DEVELOP
THE STRATEGIC
PLAN IS CRITICAL
TO ITS SUCCESS.

MYTH 1
Content Is King

Most executives believe that if you get the content of your strategy right, the success of that strategy is a foregone conclusion. They assume that the substance of the strategy must be composed of realistic objectives and the most accurate and valid plans and information.

In their quest to develop a strategy that can withstand the scrutiny of these criteria — and board approval — companies often employ outside consulting and marketing firms to analyze, research, and benchmark their industry, competitors, and markets. In addition, they use such tools as SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to craft objectives that recognize past performance and account for current company circumstances. Sounds reasonable. And therein lies the problem.

What goes unrecognized and unaddressed is that no strategy can ever be right or comprehensive enough to account for all the events that might emerge in the implementation process. Hence, perfect content as a path to success is an illusion that leads to increasing investment of resources in the pursuit of the one true strategy that will win the day.

In reality, any strategy is only as good as the degree to which the people within the organization are committed to it. Even the most accurate and well-crafted plan will fail if people don't own it, and take accountability for delivering it.

Leaders who are looking to generate alignment and commitment behind a strategy cannot rely solely on the content of the strategy itself, but must address the context, or organizational culture, in which that strategy is to be executed. For any strategy

to succeed, authentic, courageous communication and ownership is essential. Only in such an environment can people deal with the real issues that must be addressed, truly commit their hearts and minds to the work at hand, and deal with the inevitable speed bumps that are part and parcel of any major strategy implementation.

MYTH 2
We Must Have Consensus

In the eyes of many leaders, the ultimate buy-in prize for the development phase of a strategic plan is consensus. They believe that, as long as everyone feels pretty good about the plan and has no strong objections, that's as good as it gets. The problem with a consensus-building approach is that it requires settling for the lowest common denominator everyone can agree with, rather than striving for solutions that take the organization to where it needs to be. Consensus is way too low a bar for the fulfillment of any strategic plan that requires substantive organizational change.

For example: One senior manager who was charged with developing a strategy for expanding his company's European operations used the tactic of interviewing all of his peers to determine the right course of action — from their point of view. He dutifully gathered the data, analyzed it, and presented it back to them in a management meeting. The result was that, despite his efforts, his peers disputed the strategy he had come up with. Why? Because it was viewed as his, not theirs. Even though they had given their input, and his strategy reflected a distilled view of their combined concerns, ideas, and recommendations, his peers weren't buying it.

Input into the strategy, but a lack of involvement in developing it, may create compliance, but being actively involved in

its generation creates commitment. There is an enormous difference.

To generate this commitment, executives need to set the bar at the higher goal of alignment. To reach alignment requires putting people's concerns, doubts, uncertainties, and water-cooler conversations on the table so they can be dealt with out in the open. Alignment is achieved when people leave the strategy discussions fully on board with whatever decision the group has reached.

MYTH 3 Exclusion Is Efficient

Strategic planning is typically an exclusive affair. Executives often believe that the fewer people involved in the process, the easier it will be. As such, they limit participation to a small group of business unit heads and/or a strategy development group.

But the ideal strategic planning team is not a matter of finding the perfect group size; it's about gathering together the right people. You must include those individuals who have the best sense about where the organization needs to go, as well as the people who are going to implement the agreed upon direction and objectives.

Unfortunately, it is often an elite group that is removed from the day-to-day issues of the business that do the strategy development. While the objective view these individuals provide can be useful, those who are tasked with implementing the strategy frequently respond to the output of this group with skepticism, cynicism, outright disbelief, and even resentment. Beyond the emotional cost, the lack of listening to input from those closest to the issues can have significant negative consequences.

In the end, having the right people in the room to develop the strategic plan is cru-

cial to its ultimate success. And the right people are almost always the senior leaders who own the key organizational components (and work teams) that will ultimately go on to fulfill the strategy.

MYTH 4 Communication Creates Commitment

Town halls, road shows, all-hands meetings, and webinars are all popular vehicles for spreading the word and gaining buy-in once the strategic plan has been crafted. Most senior executives tout these communication efforts as a critical step in helping the organization understand what the strategy means and what role each person plays in bringing it to fruition. While these types of events can help generate significant energy and excitement, they also contain serious pitfalls that can lead to cynicism rather than commitment.

One pitfall is the mistaken belief that employees are empty vessels just waiting for the word from above about where the company is headed and what they should be doing to help it succeed. Far from being empty, people are already full. Full of frustrations and disappointments about what executives have said they were going to do in the past and what they actually did. Full of promises made and not kept, and full from supporting leaders during good times and then being ignored – or abandoned – when times got tough.

Instead of focusing so much of their attention on outward communication, executives would do well to embrace the more meaningful mantra of “Listen, and then listen again.” Employees who have seen it all have little time — or need — for fanfare and hype. What they want to know is that their bosses understand and are committed to addressing the challenges they face in putting a strategy in place.

For example: If employees express concerns about a certain supervisor being a tyrant, will management listen and hold that person accountable for demonstrating the values leaders are promoting? If systems are broken or inadequate, will management hear the impact this has on staff and make sufficient investments to set things right? If employees are caught in the crossfire of feuding bosses, will leaders deal with the warring factions and ensure political gamesmanship is not tolerated?

Only by listening to what employees are saying, with both words and behaviours, will leaders become aware of and be able to address the issues preventing them from embracing the strategic objectives management is asking them to pursue. When this type of listening happens, and action is taken, commitment to the strategic plan follows.

Strategic planning is not an accounting and forecasting exercise. It's not a weekend off-site spent in a room hashing out who is willing to go along with what. And it's not a well-written bunch of words put to paper and placed in a binder. It is a living, breathing, organic leadership action. It requires not a calculator, but the courage and conviction to inspire everyone to be their best and get on the same page. As Academy Award-winning director Francis Ford Coppola famously said, “The first step in making a good movie is getting everyone involved to be making the same movie.”

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