

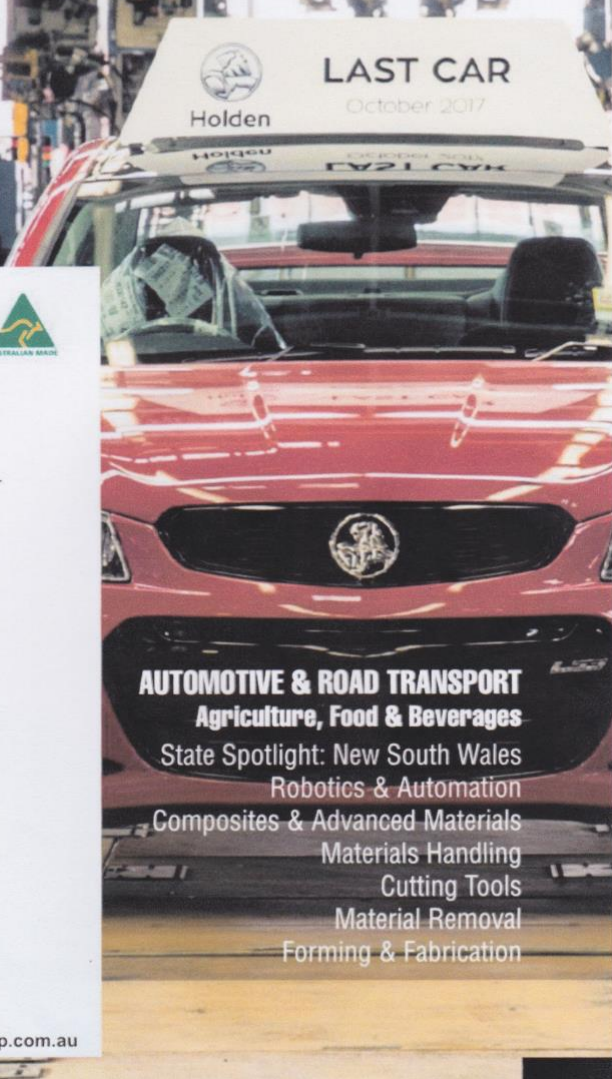
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# Top tips for managing the strategic planning process

Lloyd Snowden shares key steps for companies looking to successfully manage the strategic planning process.

For any company, strategic planning is central to swift and reliable decision-making. Done well, strategic planning brings shared ownership of the business direction, and its challenges and opportunities, right across an organisation.

The best companies have an integrated strategic planning process that defines the business direction over five years or more. The principle objective should be to establish and manage the vision, strategy, and direction needed to become a top-performing business.

## 1. Understand the internal and external business environment

The fundamental first step to planning what type of business you want to be, is to understand what type of business you are. Start by gathering all the relevant information both from inside and outside the company, so you get a firm perspective on your products and services, your competition and future business opportunities. By fully analysing and understanding your market offering, you can properly define your company's value proposition, play to its strengths and address its weaknesses.

It is also important to have a properly balanced view of the goals and targets of all the company's major stakeholders, and to examine your products and services portfolio accordingly.

## 2. Define your vision, mission and values

Next, create meaningful vision and mission statements; these should be inspiring and memorable and understood by all staff. Avoid platitudinous statements such as, "we aspire to provide the highest quality and best customer service in everything we do"; it won't mean much to anyone.

The leadership team should also capture the business' core values in a separate value statement.

## 3. Develop your Strategic Plan

Once your mission, vision and values are set, it's time for the leadership team to bring them to life in a strategic plan. You'll typically need four to six strategic business objectives (SBOs) that will be the driving force for change in the business over the next five to 10 years. They should be simple statements such as 'Grow the business by 30% in the next five years'. This will make sure there is a mutual awareness of the direction the business is moving in.

## 4. Bring the future forward

Though your strategic business objectives may be long-term, it's crucial that they are kept in the present day. People throughout your entire organisation, must understand the strategic direction of the business to make effective and well-informed decisions today, which will have a positive effect tomorrow. This means you must have clear 'roadmaps' and 'critical success factors' for all your core processes. These drive long-term business goals into the here and now.

## 5. Deploy your strategy

Your strategic plan should be waiting in writing, alongside copious information you've recorded in guiding your strategic process. You are now ready to deploy this across the breadth of your organisation, cascading material down through the business. As a result, each individual will understand your long-term plans, mission and vision, and get behind them.

It's simple but not straightforward. You'll need a proper deployment process, which prioritises your SBOs (strategic business objectives) and determines the skills and capabilities you need for projects. Your existing corporate communications infrastructure can be used for this torrent of information. This will ensure the greatest possible understanding and commitment throughout the organisation, as well as facilitating valuable peer-to-peer discussion.

By the end, each employee should have grasped their role in the strategic plan and have clear targets and objectives.

## 6. Evaluate and control

How are things going? You'll only know if you set up both formal and informal periodic reviews at all levels to confirm everything is on track. The external business environment is constantly evolving and unforeseen changes will occur. Therefore, the strategic plan needs to be continually reviewed to ensure it remains relevant to the organisation.

Furthermore, try to ensure the strategic plan is systematically and rigorously analysed for risk; contingency plans exist to mitigate identified risks. As well as including a monthly review of the strategic plan into your Integrated Business Planning process, there are two other important reviews you should conduct: an annual diagnostic review of the strategy deployment, plus six-monthly informal reflection reviews.

## 7. Measure performance

Monitoring is one thing, measuring is another. You'll need a set of balanced measures to assess your performance against your strategic business objectives, and to drive improvement. These measures should be hierarchically structured and integrated so the impact of performance on the business is visible and understood by everyone.

## 8. Develop behaviours and competencies

All too often when implementing business transformation programmes, organisations overlook the importance of their people. It is essential you recognise that people are the key drivers and that success depends on your organisation's ability to cultivate the right environment for change. You'll need strong leadership, shared ownership and excellent communication. Harnessing the unique skills, talents and proficiencies of your team, with individual accountabilities, ensures success across the whole business.

**Lloyd Snowden is Associate at Oliver Wight – a consultancy firm which believes sustainable business improvement can only be delivered by your own people; so, unlike other consultancy firms, Oliver Wight transfers its knowledge to you. Pioneers of Sales and Operations Planning and originators of the fundamentals behind supply chain planning, Oliver Wight professionals are the acknowledged industry thought leaders for Integrated Business Planning (IBP).**

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