

STRATEGY IN MOTION OVERVIEW

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What is the Pain

Many Owners/CEO/Presidents and their Leaders are alone, stressed (carrying the “load” of the company), and paranoid (many times “protecting” others). Many think they are supposed to have all the answers. Others have outgrown their structure and have no time to balance their lives.

Thinking differently requires new information. Engagement of others requires letting go. Strategic planning is the catalyst for new information and team-based decision making. Statistics show proactive change happens less than 10% of the time. Most of us don't like change.

Strategic planning gets the plan “out of their head,” gains valuable input and engagement of the team, and helps ensure the long-term sustainability of the company.



Why strategy?

Companies with a strategy are 12% more profitable. A strategy provides focus, alignment on strategic direction, key goals and helps simplify decision-making. The goal is to win, and a critical part of strategy is resource allocation - where to focus to win. Having a clear strategy helps you choose when to say “yes” and when to say “no” to specific markets, products/services, customers, employees, initiatives, and actions.

A strategy creates one vision within the company built on core values and a purpose. With a unified framework well-communicated across the organization, your leadership team and your employees can support key choices and understand the long-term goals. This provides better front-line thinking, better decision making, and better results.

What is strategy?

Strategy is a plan to achieve one or more long-term goals under conditions of uncertainty. We develop a plan to win in business, strengthening our position to overcome the competition. You start by understanding your strengths and weaknesses, those of your competitors, and planning accordingly. Strategy also considers external trends and challenges which become key opportunities and threats. A good plan helps define where we

should compete and what unique value we bring. Beyond beating the competition and winning new customers, you determine which battles to take on and which to walk away from. In strategy, we want as many wins as we can get with as few wasted resources as possible.

Why do plans fail?

- Lack of integration of the essence of organization. Culture is not considered, and the strategy does not define core values and purpose.
- Little commitment of members. Key leaders are not engaged in the process.
- Ignores "business-based" realities. The leaders don't take time to "look-up" and consider what is happening around them.
- Your current business is not "in control". It is difficult to do long-term strategic plan and change when your operations is not in control and predictable. The first rule of process improvement is that a process needs to be predictable before it can be sustainably changed.
- Lack of implementation and accountability. Once the plan is rolled out, there is not a structure to track, follow-up, and review progress.
- Resource allocation - insufficient focus on the where to say "yes" because you don't ever say "no."
- Keep doing the same things & expecting different results. That's the definition of "Insanity", enough said.

What makes a process successful?

All successful strategic processes start with understanding what is important to the key stakeholders, challenging internal and external assumptions, and, most importantly, engaging the leadership, management team, team members, customers, board and sometimes the entire community. Gaining support pays enormous dividends when it is time to implement; you have people ready and willing to get on board, go into action, prepared to run a marathon.

Also, take the time to plan and spend time Listening and Learning before you jump into the answers.

What makes *Strategy in Motion™* different?

Strategy in Motion™ was built for growth oriented mid-sized companies who are early on the strategic plan journey. This may be the first time the leadership has invested in a formal team-based strategic planning process. This process has curated best practices from all the strategic "gurus": Michael Porter, Jim Collins, Robert S. Kaplan, Patrick Lencioni, and many others.

Many processes stop at the Plan. **Strategy in Motion** pushes the companies through to implementation and strategic management by including key activities and tools to keep the process moving forward.

With twenty plus years of experience and more than 300 strategic plans completed, the **SIM** process has been proven repeatedly. It is simple yet comprehensive. Targeted and, at times, tough work, the process moves you through the activities, so you don't "get stuck."

The **Strategy in Motion** process pushes you as a leader to love what you do and grow further into the journey and responsibility of leadership - helping your team carefully learn the process of strategic planning and behaviors to make impactful decision.

The process encourages diligence and commitment, so your team has the power to conquer the vision.

STRATEGY *IN MOTION*



1 LISTEN AND LEARN

- » Complete strategic assessment
- » Understand stakeholder goals
- » Listen to employees and customers
- » Analyze external environment

2 PLAN DEVELOPMENT

- » Agree on current reality
- » Define desired state
- » Determine strategic choices
- » Outline strategic priorities

3 IMPLEMENTATION

- » Create scorecards and plans
- » Update structure
- » Link to teams
- » Communicate to organization

4 STRATEGIC MANAGEMENT

- » "Look up" monthly
- » Assess quarterly
- » Update annually
- » Invest in training

Phase 1: Listen and Learn

You start the process by assessing what data and information you already have available and determining what further research is needed. This includes an *internal* analysis with customer and employee surveys and an *external* analysis, including industry, market, and competitor research. *The Steps:*

- **Complete Strategic Assessment** This task captures what you know today about your business (what work has already been done) and identifies where the gaps are. At this point, I highly recommend discussion on who to include on the Strategic Planning Team and to identify a Strategic Process Owner. I

consider the Strategic Process Owner is the on-going internal strategic planning champion. They keep the process working and improving.

➤ **Understand Stakeholder Goals**

A critical first step to capture what the key stakeholders want and are willing to do. Use the *Stakeholder Goals tool* to collect both company performance indicator metrics, key organizational goals, as well as personal and life goals.

➤ **Listen to Employees, Customers, and Advisors**

We believe “Feedback is a Gift,” and strategy includes listening to feedback to understand the “internal” view of your company. Use the *Strategic Survey tools for organization, board, and customers* to capture perceptions of your current business and tell you where your strengths and gaps might be. Listening and analyzing your findings adds to your understanding of the position of your business with customers, against your competitors, and in the market. You will also uncover what your employees and customers believe need to change

➤ **Analyze the External Environment**

Explore the “key competition” in your key markets. Use the *Competitor Analysis tool* to find out how you stack up against your competition, where they’re successful and where they aren’t, and learn from what they’re doing.

Understand key macro and market trends and challenges. Use the *7 Factors Analysis tool* to analyze the External Environment. The key is to focus on trends and challenges that will question your company assumptions (what we believe to be true for us to be successful). Look for what would impact your company in the next three years and keep your attention on your business and the environment you want to operate in.

Phase 2: Plan Development

This includes your vision, core purpose, core values, and critical strategic choices requiring investment and focus. This is an interactive process with working sessions, allowing different perspectives, and then coming together behind aligned strategic priorities. Use *the Strategic Plan Summary Tool* to capture these discussions. *The Steps:*

Agree on Current Reality - where are we.

- **Survey data summary:** From all your survey data, in which areas do you shine, and which require attention? Any new opportunities to grow and explore?
- **The competition:** What do you notice as you review the competitor data you've gathered? Is there an overall pattern of opportunity or threat? Is it by product/service, geography, or client size? Where do you compete most

successfully? Finally, what are competitors doing that you should start doing, and what should you stop doing.

- **7-Factor Analysis:** What responses did you note as you reviewed the Trend/Challenges column? What areas will help your business, and which might hurt it?
- **SWOT:** uses your Internal analysis to summarize your Strengths and Weakness and your External analysis to summarize your Opportunities and Threats.

Define Desired State - where are we going

- **Core values:** These are essential characteristics that the organization should exhibit to define successful team members.
- **Core purpose:** The core purpose encapsulates why the organization exists – beyond the what.
- **Vision:** Where do you want to be in 5 to 10 years? What will you look like as an organization, and how would you know you'd made it? The answer comes in two parts. The first part is a vision statement, and the second is the measurable BHAG.

Define Strategic Choices - how will we close the gap

- **Where will we win:** where should we invest/build, hold/grow, divest/harvest?
- **Markets / Geographies:** how will these change over the next 3-5 years?
- **Products / Services:** how will these change in the next 3-5 years?
- **Competitive Advantage:** what is our unique value proposition and how do we measure it?

Define Strategic Priorities - what are the key focus areas to make or break achieving our vision. Use the *Strategic Priority Plan tool* with champions, teams, outcomes, and initiatives/projects.

Phase 3: Implementation

This is where the rubber meets the road with scorecards, action plans, and communication focused on the strategy. Many companies get anxious when accountability increases, and some even “freeze” at this stage. Our process and tools will help you over the speed bump. Completing your *Implementation Checklist tool* will allow you to account for everything you need to get done. *The Steps:*

- **Create Scorecards and Action Plans:** You need both the *Strategy Scorecard tool* to measure longer-term outcomes and a *Run-the-Business Scorecard tool* to focus on weekly and monthly KPIs. These scorecards are critical to predict and control your current business while adjusting and changing your strategy.

- **Update the Structure:** “Structure follows strategy” and many times the organization needs to consider the longer goals and invest in their current structure with key hires and key technologies.
- **Link to your teams:** Companies should define the teams, identify the champions (leaders of the team), and clarify the structure to build the rhythm. Building a meeting calendar can channel conversation with the right people in the room, and meetings become much more effective. We recommend three key teams: Executive Team, Strategic Team, and the Operational Team.
- **Communicate your strategy to the organization:** Communication plans need focus on and investment. These should consider who needs to know what, when and include different channels (all-company meetings, emails, one-on-one meetings, websites, videos, training manuals, etc.). The goal is to reach all your key stakeholders so they will retain the key information.

Phase 4: Strategic Management

The company starts to link the strategy throughout the organization, allocate resources to support the plan, and continually assess the plan’s effect, making necessary improvements. You stick with your plan, you improve, and you set time to assess how it is going and update as needed. *The Steps:*

- **Look-Up Monthly** - Monthly track progress and consider what “has changed.” Focus on initiatives and projects.
- **Assess Quarterly** - Quarterly working sessions evaluate strategic pictures, ensure goals are on-track, and course correct as needed.
- **Update Annually** - Step back and assess who the process is working, update the necessary tools, and plan for the next 3-5 years. The annual update revisits the overall strategic plan and sets goals and priorities for the following year.
- **Invest in Training** - This is continuous and on-going and should be relevant training to execute your plan. Relevant training is a working knowledge of the process of Strategic Planning and the methods and tools used to support the build and execution of a Strategic Plan.

20% of leadership time should be spent on strategy and building a healthy culture. Many leaders spend only **5%**.

As you work the strategic process, you will add tools and build capacity. It is amazing to see how far a company has come in three years of commitment to the process. Rinse and repeat, not one and done.