

Building the Bridge from Vision to Results:

Ten Pillars of Successful Strategic Planning

BY ROBERT SILVERMAN



WHEN APPROACHED CORRECTLY, AN INTEGRATED STRATEGIC planning process can drive sustained success for companies at all levels of maturity. It can provide an alignment that helps the company evolve into a strategically focused organization. It can link a common corporate vision with executable objectives and measures that improve operating results and growth. It can be a roadmap for companies trying to proactively address opportunities or challenges in an evolving marketplace, a blueprint for firms looking to acquire or be acquired, or a catalyst of growth for organizations trying to reach the next level.

But if done wrong, strategic planning can be a colossal waste of time that drains resources and shifts focus away from critical priorities. How, then, can executives ensure success? What follows are ten pillars that can help executives build a bridge from vision to results.

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1. Don't Wait for It To Rain

Many firms convince themselves that they do not need to go through a strategic planning process because their business is going well or well enough. However, to paraphrase JFK, the time to fix the roof is before it starts raining. The problem is that without management attention, things age quickly and badly in a business. As Harvard Business School's Benson Shapiro once put it, when left to their own natural aging processes, revenues rot, costs climb, teams tire, service sinks and profits plummet and all of this can happen quite rapidly.

If you consider that strategies take from nine to 15 months to implement, and organizational change takes 12 to 24 months to take root, you'll see that it's dangerous to wait until problems crop up. The strategy process is akin to good health and exercise: There is never enough time, the payoff always seems to be too far off and immediate priorities always make it easy to push it off until tomorrow. But, tomorrow can be too late.

2. Beware Myopic Incrementalism

A common approach to planning for many firms is simply to stick a financial number on the wall and direct all business units to hit it. The strategy devolves into "Become a \$1 Billion Firm in Three Years" or "Grow by 10% per Year." This approach makes it easy to lose track of where you are and where you need to go. I call this behavior myopic incrementalism because it gives very little strategic direction to executives and can lead to short-sighted, small-increment thinking. As a result, the company ends up with business unit plans that are operational, tactical and short-sighted in nature. You're just pushing the boat a bit farther out to sea, without charting where you're really going.

3. Strategy is About Aligning Moving Parts

A business has many moving parts and can only become a high-performing machine when all of these parts are operating in harmony. Many companies focus too narrowly on specific areas (e.g., financial results, sales and marketing programs, acquisitions or IT investments) without addressing the overall strategy holistically.

Just one example of this narrow field of vision is evidenced by recent studies by David Norton and Robert Kaplan (Harvard Business Review, October 2005) that found 67% of HR and IT strategies are not developed in alignment with business unit or corporate strategies.

To be effective, a strategy needs to be holistic, with all of the company's core business drivers aligned and balanced. Companies often find themselves continually changing sales and marketing models, strategic alliances or organization charts in the same way you might end up continually replacing tires on a car that is out of alignment.

4. Strategy Demands Context

One of the most valuable components of the strategy process is the internal and external assessment phase. To be successful, a strategy needs to be anchored in the core capabilities of the company executing it. Without an unbiased internal assessment



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and benchmarking that gives the executive team a clear understanding of their assets, limitations, culture and capacity, companies risk implementing strategies that are suboptimal or not executable.

Likewise, it is critical to build the strategy on a clear perspective of the direction (not just the current state) of the company's markets and ecosystem. For example, a company operating in a market where buyers are increasingly migrating toward bundled, end-to-end solutions may need to fundamentally change how it looks at both alliances and competitors.

5. The Brilliance is in the Questions

All too often, organizations shortcut the strategic planning process by asking the same old questions in the same old way—and get the same old stale answers. The brilliance of a successful strategy is not so much in the answers but in the questions that are asked. Companies often mistakenly only ask questions they already know the answer to or, in the worst case, only ask questions that measure what they know they are good at.

It is further critical to challenge the status quo and all assumptions engrained into the management team because of past success or failures. I've seen clients make profound changes in how they view themselves, their markets, their business drivers and their measures of success simply by asking different questions or even asking the same questions differently.

6. It's Not the Tool, It's How You Use It

There are dozens of valuable analytical models and tools available. However, these merely guide specific parts of the strategic thinking process and should not be mistaken for the strategy itself. Moreover, each has its own particular strengths, weaknesses and optimal application and can be dangerous if used incorrectly or out of context with the overall planning process.

For example, a growth-share matrix analysis may imply that a company's core business is a cash cow that should be milked to fund investment in new markets, while a more thorough five-forces analysis would have identified shifting market dynamics and new entrants that threaten to wipe away that very same core business in the absence of new investment.

Underlying all of these pillars is the core principle that is the foundation of successful strategic planning: strategy is a process, not just a deliverable.

7. Strategy and Execution Each Have Little Value Without the Other

A strategy is a roadmap to take you from vision to reality and the success of a strategy comes in its execution. The only way a strategy is successful is if the organization has the understanding, direction and tools to correctly execute it. The flip side of this is that companies that execute well but without a vision can run smoothly right into a wall. To paraphrase an old proverb, a vision without execution is a daydream...but execution without a vision is a nightmare. The goal is to link strategy down to execution, and the remaining pillars address what is needed for this to happen.

8. Say It Clear, Say It Loud, Say It to Everyone

Often, leaders believe they have a strategy and presume executives and staff generally understand what the firm is trying to achieve, even when it hasn't been explicitly communicated to the organization. When I see clients with that mindset, I generally know there's trouble afoot. Clear and ongoing communication of the strategy is the first step in linking strategy down to execution. Moreover, front-line input and inclusion throughout the strategy process can be instrumental in promoting both understanding and ownership of the plan. In their research, Kaplan and Norton found that, on average, 95% of a company's employees are unaware of, or do not understand, its strategy. An organization that doesn't know what the strategy is can't possibly hope to execute it.

9. Performance Objectives are the Language

Performance measures are the most powerful yet underutilized mechanism to link strategy to execution. Performance objectives offer a universally understood language to communicate a strategy throughout the organization.

Six Things a Strategy Is NOT

Many firms make the mistake of believing that they have a strategic planning process when, in fact, they are doing something very different. It is important to clarify what a strategy is not.

- 1. A strategy is NOT an operating plan.** Operating plans tend to be short term (about one year) in nature and most often focus primarily on financial and other quantitative measures. Operating plans are valuable, logical extensions of a strategic plan but, without the context of a balanced, aligned strategy, they run the risk of driving organizations to do the wrong things well.
- 2. A strategy is NOT just a business plan.** Business plans are extremely valuable for assessing and defining the approach, resource requirements and ROI for investing in new markets or businesses but tend to be more market focused and less holistic than integrated business strategies.
- 3. A strategy is NOT just a vision or mission statement.** These are important and valuable as a start but, if not taken down to the next level, communicate insufficient guidance to the organization trying to execute.
- 4. A strategy is NOT an analytical model, technique, tool or matrix du jour.** There are dozens of very valuable analytical models and tools available but these are merely guides, not the strategy itself.
- 5. A strategy is NOT just a sales and marketing plan.** These address only one dimension of the business and usually do not achieve traction without alignment to the rest of the business.
- 6. A strategy is NOT merely a set of initiatives.** Initiatives are valuable activities that are a means to an end. However, it is the balanced, aligned strategy that defines that end and, without that context, even well-executed initiatives can become empty envelopes.



They are the key to ensuring that the strategy is executed. However, performance measures are often rendered strategically ineffective because they are not viewed in this context. They are often developed independently of the strategy process. They are often short-term, operational and tactical in nature.

They are often communicated top-down, without the two-way communication valuable to ensure clear understanding and buy-in. They are often not aligned across business units or down levels of the organization. Finally, they are often primarily financial in nature and not balanced across the more holistic dimensions that will drive sustained growth.

The surveys performed by Norton and Kaplan further found that, on average, 70% of middle managers and 90% of frontline employees have no performance incentives linked to the success or failure of their company's strategy implementation. Companies that do not build performance objectives within the context of a larger, integrated strategic plan miss a tremendous opportunity.

10. People Execute Strategies

People make strategies successful more often than strategies make people successful. One of the most critical dynamics determining success or failure of a business strategy is the nature of relationships between the people that make up the organization. However, this dynamic is often underestimated or even overlooked in developing the strategy. This is unfortunate because, when done right, the strategic planning process can actually bring issues to the fore, allowing participants to overcome organizational limitations and barriers. Beyond the sheer power of leveraging the experience and insights of your

**“Plans are nothing.
Planning is everything.”**

– Dwight D. Eisenhower

most valuable leaders, the strategic planning process is a tremendous opportunity to crystallize a shared vision, build a

greater sense of joint-ownership, increase communication and understanding and build a cohesive leadership team focused on moving the business in the right direction.

And Don't Forget the Foundation: Strategy Is a Process

Underlying all of these pillars is a principle that is the foundation of successful strategic planning: Strategy is a process. More than a one-time deliverable, it is a core business process that must be engrained into the fabric and business of the organization. The value of going through the integrated strategic planning process comes from bringing the management team together to define and embrace the vision, roadmap and milestones that will fundamentally guide the company into a successful future. An important product of the strategy process should be a cohesive management team with a shared vision and direction and the ability to think strategically about the decisions they make.

As Dwight D. Eisenhower once said, “Plans are nothing. Planning is everything.”



Characteristics of a Successful Integrated Business Strategy

When done right, the integrated strategic planning process can take a business to the next level or, at a minimum, protect it from running off a cliff. A successful integrated business strategy needs to be:

- Balanced, holistic and long-term in its scope.
- Developed with involvement and engagement from the entire management team.
- Built around a shared and well-communicated vision.
- Based on clear assessments of the organization and the dynamics of the evolving market and ecosystem.
- Balanced and strategically mapped across financial, customer, operational and organizational business drivers.
- Aligned across business units and lines of business.
- Explicit and well communicated.
- Driven down to objectives and performance measures that will become the roadmap and fuel for execution.
- Accomplished in a manner that builds a shared vision, ownership and cohesiveness amongst the leadership team that will need to execute it. But most importantly, strategy needs to be a process that is engrained into the fabric of the organization as a core business practice that helps keep the company continually focused on its strategic direction.

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