

Strategic Planning: Launching Strategic Growth and Achieving Real Results

Session Summary

Introduction and Overview On May 1, 2007, **ReachSolutions**, a management consultancy, and Washington SmartCEO magazine held an exclusive breakfast seminar on launching strategic growth for 50 corporate executives representing 40 Washington area companies. The breakfast, held at the Tower Club in Vienna, Virginia, featured a panel of corporate leaders from highly successful companies who discussed their experiences implementing strategic planning to take their companies to a higher level. Moderated by Robert Silverman, CEO of management consultancy **ReachSolutions**, the panel included Tony Barclay, CEO of DAI, Jeff Copeland, CEO of fast-growing immixGroup, and Patrick Gross, one of the co-founders of American Management Systems and now a board director at Capital One, DAI and several other companies. The following provides a summary of the session.

Strategic Growth After opening introductions by SmartCEO publisher Craig Burris, Mr. Silverman set the context by contrasting **growth** with **strategic growth** and outlining the challenges that many firms have in sustaining growth when they lack a clear and balanced strategy. He discussed the importance of strategic planning as an ongoing business process

Key points made by Mr. Silverman:

- There are several ways for a company to grow but each requires unique strategic decisions, priorities and approaches to building the business
- Without strategic planning, companies end up making tactical decisions that have broad and long-term strategic implications, for good or bad
- Growing without a strategic approach can create challenges that make it difficult to sustain that growth and build a lasting company
- There are three reasons for implementing strategic planning:
 - Thinking “down the board” like a good chess master
 - Enabling your company to *make strategic decisions*
 - Empowering your people to *make decisions strategically*
- To achieve all of these, strategic planning should be viewed not as a deliverable or isolated event but as an ongoing business process.

Mr. Silverman then led the panel through a discussion of their own experiences with rapid growth and how they implemented strategic planning to ensure that their companies' growth was sustainable.

The Importance of Strategic Planning The panelists provided their perspectives on why strategic planning was important for their respective companies and roles. Mr. Copeland of immixGroup and Mr. Barclay of DAI described the history of their respective companies and the challenges non-strategic growth brought before they embarked on strategic planning. Each discussed their reasons for implementing strategic planning. “We wanted to make sure we were growing in the right direction and focusing on the right things to build a lasting company that increased in value,” said Mr. Copeland. Mr. Barclay said: “We needed to think more strategically about our growth.”

Mr. Gross drew on his experience on DAI's board as an example of why strategic planning is important to a company's board of directors. Mr. Gross explained: "The board challenged management to get outside assistance to help them implement a strategy process and teach the company how to think strategically. The bottom line is that the company came up with a great strategy that is balanced and achievable."

Key points made by the panel:

- Successfully growing companies need strategic planning to ensure that growth is sustainable and that the company builds lasting value
- Strategic planning can help companies look "outside their box" to identify emerging opportunities and threats they may not be addressing
- Strategic planning can be a valuable tool in aligning boards and management
- Strategic planning can help align the management team around clear objectives and improve the strategic decision-making acumen of the organization
- When done correctly, a strategic plan can make a company more nimble by providing direction, context, priorities and a decision-making framework to guide decision makers.

A Core Business Process

Panel members discussed the experiences each had in implementing his company's strategic planning processes. Mr. Barclay described the multi-phase approach undertaken by DAI, including the comprehensive internal and external assessment process and the rigorous approach followed to evaluate, narrow down and select the firm's strategic options. He described how DAI used the selection of the strategy leadership team and the involvement of broader sets of employees at discrete points to ensure wider adoption of the strategy. Mr. Copeland explained that immixGroup implemented a similar, phased approach but, as a small company, was able to be effective with fewer participants. Both emphasized the importance of driving the strategy down to actionable initiatives and performance measures to ensure execution.

Mr. Gross commented that while a board of directors can play different roles in the process depending on the company, it should make sure that the strategy is well thought out and that outside perspectives have been included. Perhaps most importantly, Mr. Gross said, the board needs to ensure that the strategy is internalized by the company and is not just a CEO's strategy.

Key points made by the panel:

- A well-designed, phased methodology will promote structured thinking
- An iterative approach can ensure refinement of thought and internal adoption
- Internal and external assessments are critical to providing strategic context
- Inclusion of a broader cross-section of employees at selected points can promote company-wide adoption
- Beyond facilitating the process, a third-party consultant with a depth of business strategy acumen can provide a valuable outside perspective.
- The board should be in a position to challenge the strategy but will rarely have the depth of knowledge of the business to drive the content of the strategy.

Real Results

The panel discussed the results they have seen from their strategy efforts. Mr. Copeland said he is pleased with the results immixGroup experienced. "We were able to make a fundamental shift in our business model and have embarked on several new initiatives while still maintaining growth and profitability," said Mr. Copeland. Mr. Barclay was similarly pleased with DAI's results. He explained that

DAI identified their highest priority growth targets and has launched major initiatives that were already bearing fruit. He was even more adamant about the impact the process is having on the way how his company's executive team operates. "We have a context within which the executive team is evaluating all decisions", he said. Mr. Barclay added: "One of the tests of a strategy is whether it is executed, and our operating plan, decisions and actions reflect this."

Mr. Gross saw significance in the *approach* DAI has taken toward its expansion into a strategic geographic market. "I don't think it would have been possible to organize an initiative of this magnitude and gotten the entire leadership of the company to commit to in this way without this process," emphasized Mr. Gross.

An Engaged Audience

The panel concluded by answering some excellent questions from a very engaged audience. One attendee asked the panelists how they had sorted through the conflicts, agendas and differences of opinion that arise when trying to bring senior executives to consensus. Mr. Copeland answered that there were several instances of strong differences of opinion during the planning sessions and the key was to make sure these were brought out onto the table. This was actually regarded as a big benefit of the process. "Without the process, these people would have kept those ideas in their heads and would be pursuing their agendas independently," explained Mr. Copeland.

Mr. Silverman described the iterative research and ranking process used in the DAI strategic planning process to bring their strategic leadership team to consensus on prioritizing potential new markets. Mr. Barclay added that this process helped the team learn how to think about market opportunities in a new way. "Strategy is about priorities and choices in a world of limited resources and you have to examine your opportunities on these terms," explained Mr. Silverman.

Another attendee asked how the panelists had communicated and "institutionalized" the plan in the minds of the entire staff. Mr. Barclay explained how the inclusive planning process helped make the strategy visible to DAI employees from the beginning with continuous updates, periodic wider staff involvement in select planning activities (assessment teams and surveys, for example) as well as all-hands meetings. Mr. Copeland explained that immixGroup actually keeps their entire strategic plan out on the employee portal and continually refers back to it in each operational planning cycle. He further emphasized that the strategy is communicated through individual performance and compensation goals, which is a language everyone understands.

More Than a Deliverable

Mr. Silverman wrapped up the session by emphasizing the key point that strategy is not a deliverable or even a set of static decisions. Rather, it is an ongoing process that provides a framework, direction and clear priorities that act as guidelines for the strategic and tactical decisions that companies must make every day. When viewed this way, strategic planning can help a company launch strategic growth that is sustainable, make decisions that achieve critical results and build a strategy-driven organization.

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