



# 2. Strategic Planning & Goal Setting

## STRATEGIC PLANNING

Strategic planning is a disciplined effort. In the end, it produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does and why. With a focus on the future, effective strategic planning also articulates how an organization will know if it is successful. A successful strategic plan sets priorities, focuses energy and resources, strengthens operations, and ensures that employees and other stakeholders are working toward common goals. Strategic planning answers three key questions:

- Where are we?
- Where are we going?
- How will we get there?

### Where are we?

Consider the foundational elements of your mission statement, values and/or guiding principles, and SWOT (strengths, weaknesses, opportunities, threats) to assess where your business is – what is happening internally and externally – and determine what changes you need to make.

### Where are we going?

The future is impossible to predict, but contemplating scenarios will focus your attention and help you define the future for your business. Specifically, compare your organization to your competitors. What do you do best? What makes you unique? What can your organization potentially do better than any other organization? Answering these questions will help you formulate a picture of what your future make up will be and where you are headed.

### How will we get there?

This is the meat of your strategic plan. It's also the most time consuming. There are a number of routes from your current position to your vision, and picking the right one will determine how quickly or slowly you get to your final destination. Determine your strategy, set short and long term goals, and develop action items to get you there. Identify issues that surround management and monitoring of the action items.

Remember, strategic planning is about growing and improving your company. When you don't plan, the best you can hope for is maintenance of the status quo. Further down the line, you can expect challenges that will significantly damage or destroy your organization.

### The Seven Rules

In addition to answering the three questions above, effective strategic planning requires following 7 critical rules.

#### 1. Pick the right players.

Selecting who should be part of the planning team is an important question. It is essential that planning team members are people who are committed to the growth of the company, and who can provide valuable input to the process. Unless there is a key employee or manager you want to develop, this is not a time to include every member of your staff. Vet each team member, ensuring each is of the quality and stature (i.e. gets work done and is respected within the company) required to be part of the planning group. Members of the planning team must maintain complete





**The Planning Process**

- \_\_\_ Planning sessions take place offsite.
- \_\_\_ Team members practice creative and critical thinking.
- \_\_\_ The planning team assesses the external environment and internal competencies.
- \_\_\_ The planning team pinpoints measurable objectives reflecting the company's overall goals.
- \_\_\_ Objectives are logically arranged in a way that leads to achievement of goals.
- \_\_\_ The team identifies clear, well-defined action steps for implementing each core strategy.
- \_\_\_ Each functional area builds a yearly work plan under each core strategy.

**Vision and Mission**

- \_\_\_ The company's vision is shared at the very bottom of the organization.
- \_\_\_ The company has a written statement of corporate values and beliefs.
- \_\_\_ The company's mission statement defines the scope of business, who its customers are and its benefits to these customers.
- \_\_\_ The mission statement empowers all employees.
- \_\_\_ The mission statement guides day-to-day operations and serves as a foundation for decision-making.
- \_\_\_ The mission statement is periodically reviewed and updated as necessary.

**SWOT and Competitive Analysis**

- \_\_\_ The CEO can list four or five key strengths of the business.
- \_\_\_ The CEO is aware of key weaknesses in the business.
- \_\_\_ The company has a coherent system for capturing, reporting and analyzing information on customer choices.
- \_\_\_ The company knows the strengths, weaknesses and strategies of its key competitors.
- \_\_\_ Data is stored or filed in ways that allow easy retrieval of useful planning information.
- \_\_\_ The executive team regularly addresses the company's future competitive status.

**Implementation**

- \_\_\_ The CEO communicates the final plan to employees and responds to their concerns.
- \_\_\_ The timetable for implementation is realistic.
- \_\_\_ Checkpoints have been scheduled for assessing progress toward strategic planning goals.
- \_\_\_ Regular follow-up meetings by senior management take place after the plan is created.
- \_\_\_ The management team has consensus on the company's strategic direction.
- \_\_\_ The organizational structure supports the strategic plan.
- \_\_\_ The strategic plan drives budgets, human resources and other operations.



## Ensuring Goal Implementation

When everyone returns to their jobs after goal setting exercises, enthusiasm for the goals can be buried by the demands of day-to-day business. The first step is to develop action plans based on the goals -- complete with incentives and consequences for non-performance.

## Accountability

Discussing consequences is critical in any goals-to-action plan. Consider adopting a "three strikes and you're off the team" approach. Peer pressure and the threat of humiliation create intense expectations of performance, enough to cause significant action.

## Monthly Management Meetings

Once your goals and action plans are set, schedule monthly management meetings to monitor progress. The original planning group should meet for a 90-minute session to recap the previous month, acknowledge progress and examine shortfalls, amend the plan if it needs to be changed, and clarify the action plan for the next 30 days.

## Coaching for Goals

Implementing goals that were set months ago requires discipline. The planning group has to follow through with its direct reports. The managers need the discipline to make the goals a priority over day-to-day troubles in a business.

## When Goal Setting Goes Wrong

Too often organizations set goals that are quickly set aside. Examine roadblocks if you have a pattern of abandoning organizational or corporate goals.

### *Ten Organizational Roadblocks*

1. Lack of clear-cut responsibilities around the goals
2. Lack of a tracking system
3. Lack of an accountability system
4. Lack of commitment
5. Lack of buy-in from people who are expected to fulfill the goals
6. Ineffective communication
7. Lack of time or resources
8. Too many goals are financially driven
9. Focusing on too many or too few goals
10. Goals aren't tied to a longer-term vision

## Obstacles in Goal Setting

When an organization fails to meet goals, many factors may be at play. Typically, one of the following common denominators is present: a CEO with no passion for the goals that have been set; the goals are not precise; the goals are at cross-purposes with the CEO's self-image; fear of failure. Examine any and all obstacles to your organization's goals, looking particularly at any old patterns you, your team, or the organization as a whole has in abandoning specific goals.

## ASSESSMENT: GOAL SETTING

Print this page and place a check mark next to each sentence that speaks to your organization.

For each section, fill in a score based on the following scale:

5 — adhere to best practices, no improvement needed

4 -- area needs minimal improvement

3 - area needs moderate improvement

2 - area needs major improvement

1 — major problem area requiring new approach

### Organizational Goal-setting Style

We set goals annually, review them monthly, communicate them frequently and revise plans based on progress.

We meet most of our goals.

We apply the SMART test whenever we set goals.

Not all of our goals are financially driven. Approximately one-third of them are.

We connect our goals and action plans to an accountability system, and we follow through with rewards and consequences.

### Personal Goal-setting Style

I set goals, write them down, review them regularly, and complete them on time.

My goals are on my personal "radar" at all times.