

How to Avoid the Top Strategic Management Failures

Proven Strategies to Increase the Value of Your Next Strategic Plan's Success

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Strategic planning is regarded as one of the most powerful management tools used by management gurus and business executives alike. One of the leading causes of business failure is not having a Strategic Plan and management process in place to achieve results year after year.

A Strategic Plan serves as a road map to provide direction and focus as well as to align the organizational team from board of directors and senior management to front-line leadership and employees. A good plan establishes the specific results that are to be achieved. It includes shared Core Strategies as a way to achieve the intended results and establishes a course of action for realizing them. A Strategic Plan helps the various departments/work units within an organization to align their work activities with the shared Core Strategies and strategic goals.

Many organizations develop plans but fail to realize the benefits of their plans. They focus only on planning and do not have an implementation and change management process. A yearly Strategic Management System and cycle integrates both planning and implementation. It provides a comprehensive system to lead, manage, and change one's total organization in a conscious, well-planned, integrated fashion based on its strategies and a proven process that works to develop and achieve one's Ideal Future Vision.

In spite of Strategic Planning being a powerful process, all too often, however, Strategic Planning falls short of the mark for one or more of the following 13 reasons. Each of these shortcomings can be rectified; the first step is recognizing the mistake(s) and then taking appropriate action to correct each.

This report is based on 15 years of direct experience and Best Practices research of the authors and partners of the Centre for Strategic Management.

ROI for Strategic Planning

The real test of a Strategic Plan is whether it gets implemented and delivers the intended results

—Marcelene Anderson

1. INEFFECTIVE PRE-PLANNING

In all areas of life, success is best planned for in advance. This is especially true for Strategic Planning. One common mistake is a failure to educate and organize the leadership team properly prior to planning. It typically results in an unstructured approach, reducing the effectiveness of the planning process and, ultimately, the plan. Action-oriented firms often make this mistake, only to pay for it later.

Lay The Foundation For Success

The goals of the pre-planning phase include educating the senior management team in order to develop a common understanding and terms regarding planning and change; determining the key issues to be addressed; organizing a successful planning process or series of sessions; tailoring the planning for the best implementation of the plan; and assessing organizational and leadership readiness for planning as well as implementation. In addition, a plan is put in place to address

issues arising from the environmental assessment to support successful planning and implementation.

2. PASSIVE TOP MANAGEMENT COMMITMENT

More than half of Strategic Plans fail because commitment from the top is half-hearted or sporadic, when leaders do not actively participate in the planning process, delegating it to others. Without CEO and senior leadership, the plan lacks support to take it forward and it dies an early death.

Planning And Change Are The Primary Job Of Leaders

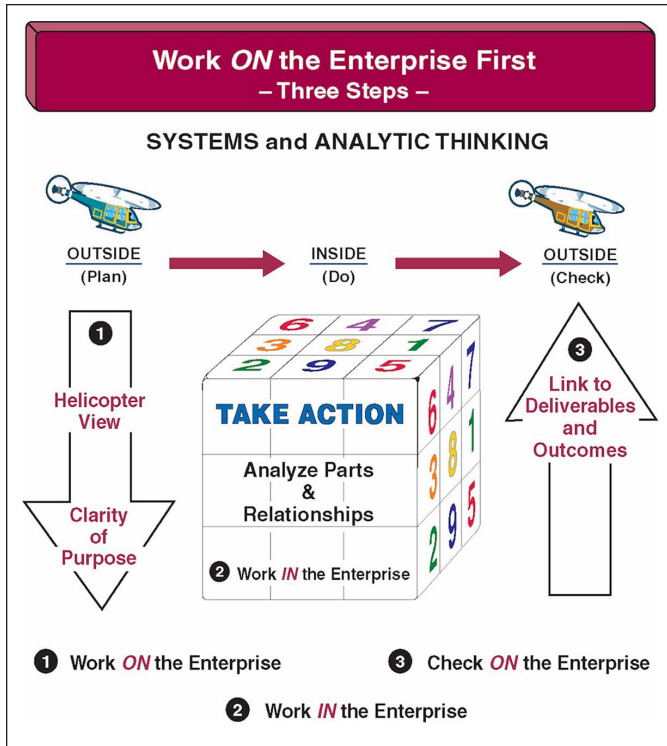
If you desire a Strategic Planning and change process that is successful, you will need a firm consensus and active commitment from your top management. Senior leaders must play an active, visible role—not only in initiating the Strategic Plan, but also in following through.

The Top Common Strategic Management Failures

1. Ineffective pre-planning.
2. Passive top management commitment.
3. Violating the "People support what they help create" principle.
4. Having only a yearly weekend retreat.
5. Too few planning and change resources.
6. Developing Mission, Vision, and Value statements that lack substance.
7. Conducting business as usual after developing the plan.
8. Seeing the Plan document as an end in itself.
9. Not having a scorecard to track progress.
10. Failing to integrate planning at all levels of the organization.
11. Keeping planning separate from day-to-day management.
12. Failing to implement an effective yearly review and update process.
13. Trying to facilitate the process by yourself.

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3. VIOLATING THE “PEOPLE SUPPORT WHAT THEY HELP CREATE” PRINCIPLE

Another problem arises when leaders do not engage key stakeholders, resulting in a plan where there is limited ownership and no real understanding of it. Inadequate involvement of employees and other key stakeholders creates a closed and secretive environment, causing resistance to change and results Failure to engage stakeholders has serious implications for the actualization of the plan.

Engage Key Stakeholders To Create Ownership For The Plan And Results
Because people are the ones who will implement plans, their commitment to the plan is essential. During the pre-planning step, leaders need to determine who will participate in the planning process and how to engage other key stakeholders throughout the planning and implementation process. Knowing that people support that which they help to create, it is essential to determine how you will engage your stakeholders in the Plan-to-Plan phase, throughout the creation of the plan, and its implementation.

4. HAVING A YEARLY WEEKEND RETREAT ONLY

Some organizations hold weekend retreats at luxury sites for the top management team and board members. These retreats frequently include extensive and expensive social time and superficial, sophisticated planning documents that are not typically plans to be implemented; they are “all form and little substance.”

Make A Serious Time Commitment

Like any other important endeavor, planning requires a serious and realistic time commitment for a leadership team to think together and create a quality plan. Thinking together strategically and

proactively can be one of the most important investments it makes in its future. To ensure adequate time for planning is allocated within the organization’s time requirements, a realistic schedule for each step of the planning process should be established in the pre-planning phase.

5. TOO FEW PLANNING AND CHANGE RESOURCES

A similar mistake that undermines the effectiveness of plans, is failing to set aside adequate financial resources for the implementation of plans. Without sufficient resources, the implementation of the strategies, plans, and changes are doomed. Moreover, having insufficient resources communicates a lack of commitment to the plan and discourages managers and employees who are responsible for implementing plans.

Commit Resources For The Implementation Of Plans/ Changes

In order to effectively manage the transition towards your strategic directions and goals, you need resources, both people and money. Along with allocating adequate time for planning, it is vital to set aside financial resources for the implementation of Strategic Plans and change initiatives in the budget for ac-

tivities such as leadership meetings, change workshops, tracking Key Success Measures/ goals, communications and roll-out, skills training (leadership/change management), external facilitator/consultant services, key stakeholder meetings, business unit/program planning, yearly review and follow up, and strategic change projects.

6. DEVELOPING MISSION, VISION, AND VALUE STATEMENTS THAT LACK SUBSTANCE

One popular trend has been for executive teams to develop Mission, Vision, and Values statements that typically end up as wall placards. Although popular, these well-intentioned but often hollow statements frequently result in employee cynicism, rather than inspiration. In addition, only developing Mission, Vision, and Value statements without measurable targets/ goals, strategies, and action plans creates a false sense that the organization has a plan for moving towards its Ideal Future.

Turn Mission, Vision, and Values into Measurable Criteria/Goals

Establishing the organization’s Ideal Future, its Mission, Vision, and Values, is an important foundation for developing the Strategic Plan; but it is not enough. The Ideal Future can be used to establish criteria to measure progress towards the organization’s Mission, Vision, and Values, and as a basis to plan how to bridge the gap between where the organization is and where it wants to be.

7. CONDUCTING BUSINESS AS USUAL AFTER DEVELOPING THE PLAN

One of the most common errors in Strategic Planning occurs when the team approaches planning with a “business as usual” mentality, going through the motions only, creating

THE 3 GOALS OF STRATEGIC MANAGEMENT

- #1. Develop Strategic/Business Plans and Documents.
- #2. Ensure its Successful Implementation.
- #3. Build and Sustain High Performance.

the illusion that it has done Strategic Planning. Such a team isn't willing to identify, much less implement, needed changes. Their focus is "working in the business," neglecting the need to "work on the business."

Use Your Plan As A Springboard for Change

Why plan if you want to maintain the status quo or don't want to bring about change? During the pre-planning phase, it is essential to identify the key issues that the planning process needs to address. In addition, it is vital to establish a Senior Leadership Team who will be responsible for the implementation of the plan down through and across the organization. They need to set up a Strategic Management Process to keep the plan on track over time. A new mindset needs to be put in place—the need to "work on the business" as well as "in the business" in order to bring about the needed changes and desired results.

8. SEEING THE DOCUMENT AS AN END IN ITSELF

Another common misconception is to regard the planning document as the end goal. Such plans develop the SPOTS syndrome, Strategic Plan on Top Shelf. Having a well thought out plan without using it is like drawing up a blueprint to build a house, and then ignoring it in the construction phase.

Using Your Document as a Road map

Developing your plan or blueprint is only the first goal of the process contributing 20 percent of success towards achieving your desired future. The greatest challenge is Goal #2—the implementation of the plan accounting for 40 percent of successfully achieving desired results. Goal #3, building and sustaining a high performance organization to achieve results over time, accounts for the remaining 40 percent.

9. NOT HAVING A SCORECARD TO TRACK PROGRESS

Unless methods for measuring organizational success are clearly defined, progress will be virtually impossible to determine. Without Key Success Measures/goals in place, you will be tempted to measure what is easy, instead of what is important and strategic. Another common mistake of many plans is limiting its Key Success Measures to only financial performance measures.

Measuring What is Important

It is vital to measure what is important rather than activity measures or what is easy. Clear holistic targets should include measuring employee satisfaction that contributes to customer satisfaction, that in turn contributes to financial and operational goals as well as measures of the organization's intended contributions to society. Clear targets are essential to enable an organization to continuously improve its performance results towards its intended goals on an ongoing basis.

10. FAILING TO INTEGRATE PLANNING AT ALL LEVELS

Goal #1 is to develop a plan, but unless the plan is integrated at all levels, strategic misalignment and disconnections occur, often resulting in frustration and conflict. When plans are not integrated between various levels and functions of the organization, change fails to take place and important activities fall between the cracks and blame occurs.

Cascade the Plan Down Through the Organization

For strategic changes and key results to occur, the Strategic Plan, Mission, Vision, Values, Key Success Measures/goals, and Core Strategies must be cascaded through each level. Targeted results and strategies must be cascaded down from senior management and the board of directors to middle management, from middle managers to front-line employees where it is reflected in employee objectives for which they are rewarded. If failure occurs on any level, only limited change can occur.

11. KEEPING PLANNING SEPARATE FROM DAY-TO-DAY MANAGEMENT

The most common mistake in both public and private organizations alike is treating Strategic Planning as a process separate from daily management, not as a way to reinvent the way we do business day-to-day. Planning is frequently treated as an exercise to get out of the way in order to get back to the "real work."

Integrate the Strategic Plan with Daily Management

One of the keys to success is having a systematic, disciplined implementation process. It begins with a Plan-to-Implement day that signals to the entire organization the implementation process has begun. In addition to ongoing management processes, regular monthly check-ups and quarterly review meetings provide a process for accountability and to track progress with the management team and key stakeholders. Both monthly and quarterly meetings are vital to maintain team alignment towards the plan, foster inter-departmental/functional communication, and celebrate progress towards the plan. The implementation process, led by the organization's Strategic Change Leadership Team, is responsible for initiating and maintaining the plan's implementation.

12. FAILING TO KEEP THE PLAN CURRENT

Under the pressure of "servicing today's business," it is easy for leaders to neglect the importance of keeping their blueprint or plan current and signing off changes as is done in construction. Most organizations are well intentioned but, without a deliberate process, implementation is typically delayed or done in a haphazard manner. Unless the plan is reviewed at the end of each year and kept up to date, it becomes regarded as out of date. Think of these plans as "living, breathing documents."

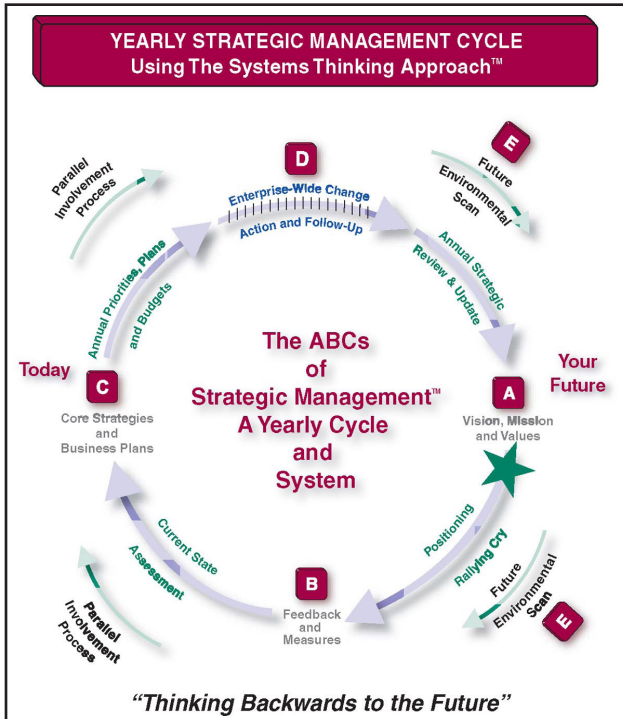
Put in Place a Self-Renewing, Perpetuating Strategic Management System

Your organization needs to put into place a self-renewing and self-perpetuating Strategic Management Process to keep your plan current and to ensure that your strategies will bring about change and results. As well as monthly and ongoing quarterly progress meetings, reviewing and updating the plan

The ABCs of Strategic Management™

THREE MAIN PREMISES:

- #1. Planning and Change are "the Primary" Job of Leaders.
- #2. "People Support What They Help Create."
- #3. Use Systems Thinking—Focus on Outcomes: Serve the Customer.



managers know their business but few are experts at designing and facilitating planning processes with the positive group dynamics necessary to enable a group to dialogue together about their future.

Utilize The Expertise Of Master Consultants/ Facilitators

You will need to determine whether you have a qualified internal facilitator that can lead your organization through the entire strategic and annual planning process. A professional facilitator, working with your internal resource persons, can go a long way towards saving time and money by helping you achieve results quicker. Depending on the size of the organization, you may want to train specific individuals to be organization-wide support facilitators.

- Core strategies that close the gap between your desired future and the current situation.
- Operational plans to realize results over time.
- Alignment at all levels of the organization and across functional areas.
- Timely execution of plans.
- Accountability for results.
- A monitoring process to keep plans on track and aligned.
- A process to keep your strategic and operational plans updated from year to year.
- Enhanced leadership to lead change and keep plans on track.
- Motivated teams and individual performers.

annually is Goal #3 and is essential to ensure it is still strategic today.

13. TRYING TO FACILITATE THE PROCESS YOURSELF

Facilitating planning yourself is often being penny wise and pound foolish. Trying to take your organization through the entire Strategic Planning and Change Process can lead to ineffective plans and delays. Leaders and

In summary strategic management provides exponential benefits including:

- A shared road map to the desired future, providing direction and focus.
- Specific measurable results or goals that serve as mileposts to track progress over time.

The 13 Vital Strategies to Increase the Value of Your Planning

1. Pre-plan to lay the foundation for success.
2. Actively led by the CEO and senior management.
3. Engage key stakeholders to create ownership for the plan and results.
4. Make a serious time commitment.
5. Commit resources for the implementation of plans/changes.
6. Turn Mission, Vision, and Values into measurable criteria.
7. Use your plan as a springboard for change.
8. Use your document as a road map.
9. Measure what is important.
10. Cascade the plan down through the organization.
11. Integrate the management process.
12. Put in place a self-renewing, perpetuating Strategic Management System.
13. Utilize the expertise of master consultants/facilitators.

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