

# STRATEGIC PLANNING SIMPLIFIED



**The Systems Thinking Approach<sup>®</sup>**  
**to**  
**Building High Performance**  
**Teams and Organizations**

**Stephen Haines**

*Founder and CEO*

**Haines Centre for Strategic Management**

## Strategic Planning Simplified

*The Systems Thinking Approach™ to Building a High Performance Business*

Second Edition

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## To the Reader

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This book was initially based on research begun in 1990. In the years since, Systems Thinking has steadily risen in prominence as the most comprehensive and effective methodology for understanding and solving organizational, team, and individual problems. Systems Thinking has become the essential mindset for 21st Century success. Here's the reason why:

Nature includes an amazing variety of interrelated life forms, habitats, and behaviors. Organizations also vary widely in their products, operations and environment, and like natural systems, every organization, team, and individual has core foundations in common, which are either functioning well or not. Systems Thinking, also known as Strategic Thinking, is a comprehensive, insightful, and effective way of understanding systems, with a methodology that can be applied to restore balance that leads to optimal results.

This book is a Systems Thinking Approach™ to Strategic Planning. It's written in an easy-to-follow, workbook style that enables you to apply it immediately and specifically to your own unique situation. Systems Thinking is like viewing something from a distance, with a broad perspective which considers a "subject" in its environmental context. We call this the "helicopter view." Systems Thinking also focuses on individual components of an organization and their functioning within the larger whole. Both views are essential to understanding the functioning of an organization or team, that leads to maximizing and optimizing their function.

Many businesses fail to perform up to their full potential because they do not understand how organizations function best, or do not know how to get there. This book will help you see the little picture within the big picture, and to chart a course with all members pulling in the same direction, for the common goal of achieving success.

The Systems Thinking Approach provides a framework for setting up organizations and teams in ways that maximize productivity and growth. It encourages participation ("buy-in") and operates as a template for problem-solving. Because it addresses fundamental issues, it fits so many diverse types of team and business problems. Strategic Planning, with the Systems Thinking Approach is based on the "*natural way the world works*" – efficiently and optimally.

Please contact us at Haines Centre, for a free catalogue of all of our books, materials, and resources, or visit our website at [www.HainesCentre.com](http://www.HainesCentre.com). I can be reached personally at: [Stephen@HainesCentre.com](mailto:Stephen@HainesCentre.com). We wish you every success!

Stephen G. Haines

Founder & CEO, Haines Centre for Strategic Management

## About This Book

Successful Strategic Planning presents a reinvented model of strategic planning for the twenty-first century. Its objective is to help teams, departments, and businesses of all sizes and types to plan and implement strategies in an efficient, holistic, and integrated manner—in short, to become high-performance teams and organizations. You will learn how to:

- Become educated and organized about strategic planning
- Develop a plan that identifies your ideal vision of the future, specific measures of success, and core strategies
- Ensure successful implementation
- Build and sustain high performance – over the long term

This “self-paced” workbook has numerous “action” assignments that teach you to write and reflect on all the key elements of a comprehensive strategic business plan.

## About The Author

Stephen Haines is the world’s foremost authority in the field of Strategic Management and the Systems Thinking Approach. He is the owner and founder of Haines Centre for Strategic Management. As a business strategist and facilitator of difficult executive groups, his background includes extensive board of director and senior executive experience in international and Fortune 500 firms, as a member of eight top management teams.

The highlight of his corporate career was Executive Vice President and Chief Administrative Officer of Imperial Corporation of America, a \$13 billion nationwide financial services company.

He has also been president of University Associates Consulting and Training Services and is a 1968 graduate of the U.S. Naval Academy with multiple advanced degrees in Management, Human Resources and Organizational Development.

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### Dedication

This book is dedicated to all my clients,  
from whom I have learned and continue to learn so much.

It is also dedicated to my wife, Jayne, the love of my life,  
whom I've known since high school.

She is not only very understanding and supportive of my writings,  
but, as my business partner and business manager, she has kept  
me superbly organized and happy in my work and my life.

I love you, Jayne!

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### ***Introduction – Three Premises***

Because strategic planning is a confusing and often discredited concept, we have researched and clarified what it is all about and demystified its terminology. A simple framework based on the following common-sense principles and premises will show you how to strategically plan successfully and profitably.

First, planning is an integral part of management and leadership, not a fad, activity, or exercise to be completed and then abandoned. Planning should be part of a comprehensive strategic system guiding the day-to-day management of your lives and businesses toward achieving your vision.

Second, “people support what they help create.”

Thus, today’s leadership and management practices, including strategic planning, must foster the involvement and participation at all levels that will create a critical mass for change. Otherwise, good plans will not get implemented. The only long-term competitive advantage that any organization can have today is its management style. Executives and managers must successfully lead in a proactive and participate way to unlock the ideas, skills, and motivation of their employees.

Third, true Systems Thinking begins with defining your ideal vision of the future. Then you think backward through the strategic steps that will accomplish that vision. This focus on desired outcomes distinguishes strategic planning from other forms of planning. Other forms merely move your business incrementally forward based only on your current direction and level of performance, not an ideal future vision.

### ***Welcome to the World of Strategic Thinking and Planning***

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## Part I

### Step #1: Plan-to-Plan

#### The Educating and Organizing Step

We must become architects of the future, not defenders of the decline.

#### ***Getting Started with Backwards Thinking***

Every moment spent planning saves three to four in execution.

Strategic planning is often poorly accomplished, though not by intent or incompetence of planners, managers, and others. It is often due to a lack of preplanning; what we call Step 1: Plan-to-Plan. It is the educating and organizing step that is vital to engineering success up front before getting into the actual development of your strategic plan.

Strategic planning is a dynamic, backwards-thinking process by the collective leadership of the team, department or organization. They define their ideal future vision and core strategies necessary for consistent and meaningful annual operating plans and budgets. Then they drive the achievement and measurement of this vision.

#### ***Three Goals in Strategic Management***

In other words, every team, department or organization has the same three goals when it comes to this.

Goal #1: Develop strategic/business plans and documents.

Goal #2: Ensure its successful implementation and change.

Goal #3: Build and sustain high performance over the long term.

Begin by conducting an Executive Briefing and Plan-to-Plan day. This allows everyone involved in your process to become educated and organized about strategic planning. This first step is often overlooked, with disastrous consequences later on when the planning process or its implementation fails.

#### ***Premise #1: Planning and Change are the primary jobs of Leadership***

Any organization embarking on strategic planning must first decide if it is an event, a process, a change in roles, or a change in the way day-to-day business is run. While the complete answer is all of these, strategic planning must culminate in a significant change in the way daily business is conducted. This is an essential difference between our model and most others that end up not getting implemented.

To further understand how to proceed from good planning to successful day-to-day implementation of your plan, answer the following question:

Action: What are the five generally accepted functions of management (and where does planning fit in)?

- 1.
- 2.
- 3.
- 4.
- 5.

If you described planning, organizing, staffing, directing and controlling, in that order, you answered correctly. Thus, this process is a Strategic Management process—Strategic Planning plus Change Management—not just planning (the first function of management) but the entire management of change through all five functions of management.

As simple as it might seem, most people have forgotten that planning is the primary function of management and should lead all of its other functions. The crush of other management fads and theories has caused us to lose sight of the basics. Remember, our goal is always to clarify and simplify.

Installing a management structure to implement strategic planning and change is the new way to run your business. Strategic plans are only blueprints; management's second step is to implement the plans and manage change based on a strategic plan, and system.

If you don't want anything to change, why bother to plan?

Our strategic planning and structure of managing change focuses on the difficult implementation of real change in the diverse behaviors that collectively make up an organization's culture. Making the customer the focus within an entire organization (or even within a team or department) requires continual reinforcement of new behaviors. You must counter the natural human tendency to repeat familiar behaviors and past habits. Thus, it cannot be stressed too early that strategic planning and managing change must be championed over the long haul by a single-minded dedication of the leaders doing the planning.

Although developing a strategic plan/document is an obvious Goal #1, the only true goals are #2 ensuring its successful implementation and change, and Goal #3 Sustaining high performance over the long term.

### ***Premise #2: "People Support What They Help Create"***

Any team, department, or organization's first year of strategic planning involves setting in place the necessary plans and documents. A core planning team of 8 to 12 (15 max) people from your collective leadership and key stakeholders (anyone with a stake in the success or failure of your plan) should lead the process, do the hard work, and make the decisions. A crucial task of the planning team is to hold consensus-building meetings involving the rest of management, staff, and other stakeholders.

Because people support what they help create, you should not plan in a vacuum. Instead, involve the people who matter to you (or who will help with implementation) as you plan. Gather their input as each draft document is developed as well as when it is finalized. If you wait until you are finished planning, others will be less likely to support you in implementation. In addition, you will get a host of new and different ideas to improve the quality of your plan.



### ***Information-Sharing and Feedback Meeting***

The best way to successfully involve others is through face-to-face discussions. Listing the following points up front will help you be focused and successful:

### ***Parallel Involvement Process Meetings***

Purpose (and Agenda):

To explain the strategic planning effort and your role/involvement in it

To understand the draft documents clearly

To give input and feedback to take back to the full core planning team

Guarantee: Your feedback will be seriously considered

Limitation: Input is being gathered from many different people. Therefore, it is impossible for each person's input to be automatically placed into the final document exactly as desired.

Overall Meeting Purpose:

1. This is an information sharing and input/feedback meeting.
2. It is not a decision-making meeting. The Core Planning Team at their next meeting, based on your feedback, will do this.

The "Magic" is in the Iteration

How to get the best answers?

1. Creativity comes from
  - intense dialogue/thought
  - time to get away from and reflect on doing your day-to-day job.
  - a second or even third intense dialogue
  - in the Parallel Involvement Process
  - in the next planning meeting
2. Testing via the Parallel Involvement Process is the crucible to:
  - improve the quality of the answers
  - develop "buy in" and commitment to the answer.

The question is – when are you "ready" for closure?

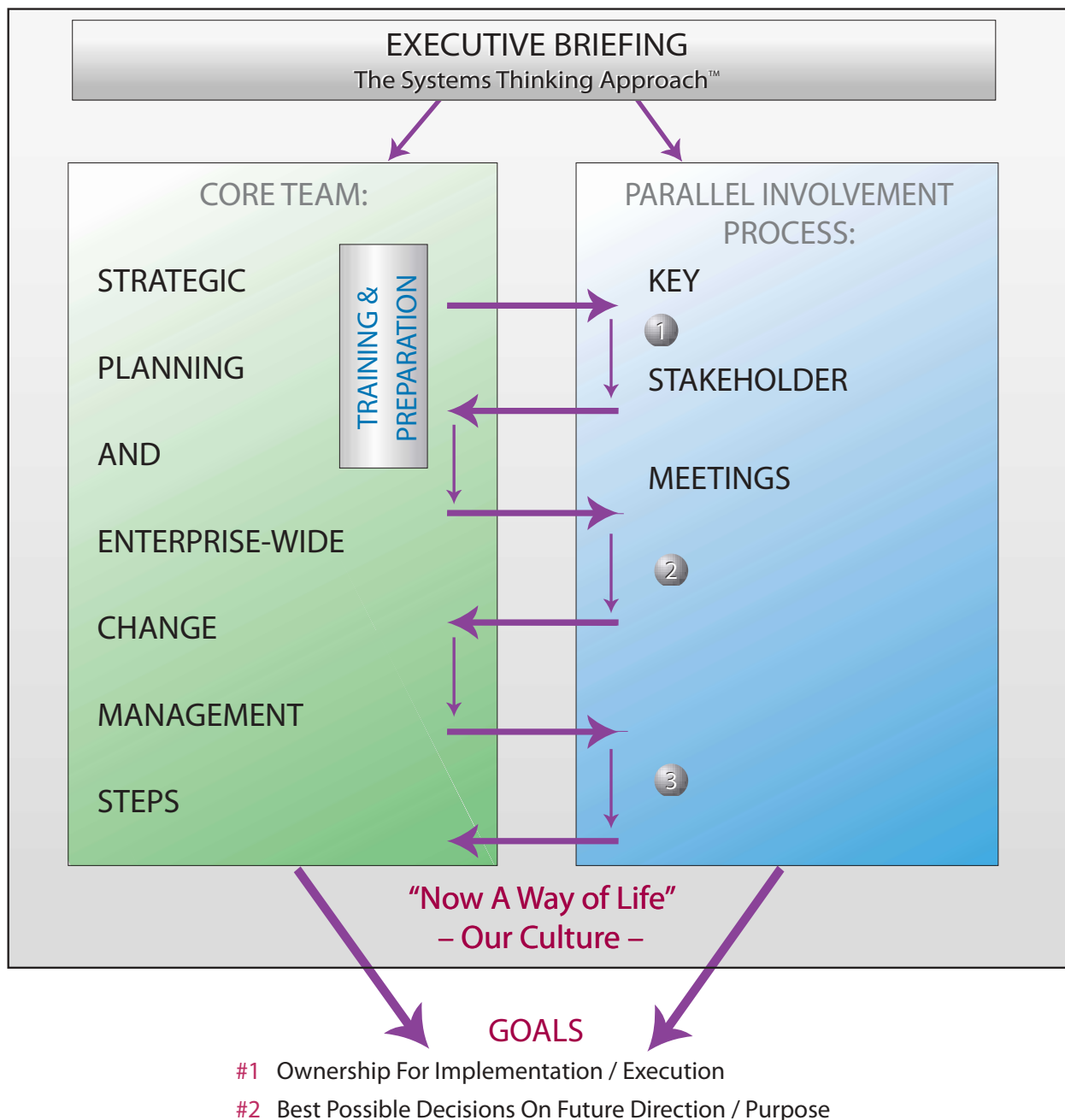
The ability to generate active involvement of all key stakeholders via this parallel process requires professional skills and practice by the collective leadership. Keep in mind – these are input, sharing and feedback meetings. There are no problem-solving or decision-making meetings. The core planning team at its next meeting, once it seriously considers the feedback, does that. For a visual picture of how this works, see the picture on the next page.

## PARALLEL INVOLVEMENT PROCESS

"People Support What They Help Create"

INSTEAD OF D.A.D.: Decide, Announce, Defend

### SET UP THE PLANNING & CHANGE COMMUNITY



### ***Leadership Practices***

Skills in being a good trainer, coach, and facilitator are now required to plan and implement strategically. Involvement, participation, and empowerment are the bywords. Leadership is all about specifying and inspiring a shared future vision, then enlisting and enabling others to act and be empowered in support of it.

Any planning process that does not include leaders being open to involvement and empowerment of others, as well as open to personal influence, will have serious problems with implementation. Without this give and take, the process of implementing your plan and managing change will encounter so much resistance (and continuation of the conceptual status quo) that the plan's success will be in jeopardy.

Each functional team of even the smallest organization must develop 12-month plans and budgets under this strategic plan umbrella. Developing these annual plans empowers leaders (and their teams) throughout the organization.

Finally, each individual in your team, department, or organization should be evaluated on:

1. His or her contribution to the desired results (i.e., core strategies)
2. The behaviors (i.e., core values) specified and desired in your strategic plan.

The concept of linking levels of planning into a system is commonly overlooked; a serious omission. This linkage is what we call "strategic consistency, yet operational flexibility." It is the hallmark of good leadership and management practices.

Over the long term, good management and leadership is the only thing that distinguishes one organization from another.

### ***Premise #3: Use Systems Thinking – focus on outcomes – serve the customer!***

Systems (or Backwards) Thinking is a five-phase framework to "clarify and simplify" your planning and implementation. Earlier versions of strategic planning dealt mostly with the present and forecasted into the future. Today's planning, however, must begin with your future in mind. Why? It is a common-sense notion, just like knowing where you want to end up before you get into your car to drive somewhere.

Careful goal selection is the primary criterion of success in all the literature on organizations, teams, and individuals. This means first establishing a vision of your future as well as your purpose and meaning mission. Then finish your planning.

If we really want to create a high-performance organization, department, or team, planning and implementation must fit and work together as a system. The word "system" is, however, often overused and frequently misunderstood. To ensure that we are thinking alike, let's define it.

A system is made up of a set of components that work together for the overall objective of the whole (output).

Action: In the space below (and next page, if needed, diagram or draw a simple picture, flow chart, or graph, etc., that visually describes the functioning of all systems. (Hint: consider the elements and processes that are common to all systems.)

*Now, compare your system with ours...*

## THE SYSTEMS THINKING APPROACH®

"The Natural Way the World Works"

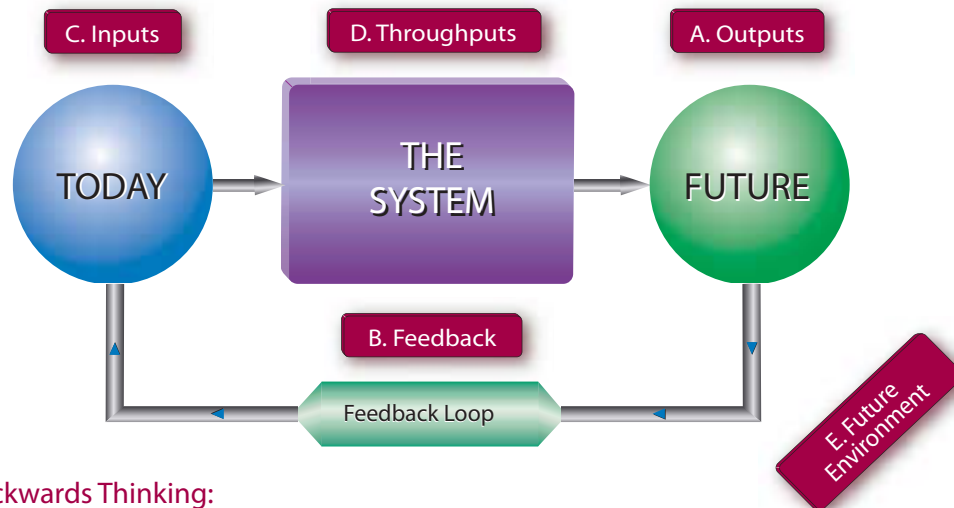
"A New Orientation to Life" – Our Core Technology

### STRATEGIC THINKING

"From Complexity to Simplicity"

#### Systems:

Systems are made up of a set of components that work together for the overall objective of the whole (output).



#### Backwards Thinking:

#### Five Strategic Thinking Questions – In Sequence:

- A** Where do we want to be? (i.e., our ends, outcomes, purposes, goals, holistic vision)
- B** How will we know when we get there? (i.e., the customers' needs and wants connected into a quantifiable feedback system)
- C** Where are we now? (i.e., today's issues and problems)
- D** How do we get there? (i.e., close the gap from C → A in a complete, holistic way)
- E** Ongoing:  
What will/may change in your environment in the future?

#### vs. Analytic Thinking Which:

- 1** Starts with today and the current state, issues, and problems
- 2** Breaks the issues and/or problems into their smallest components
- 3** Solves each component separately (i.e., maximizes the solution)
- 4** Has no far-reaching vision or goal (just the absence of a problem)

NOTE: In Systems Thinking, the whole is primary and the parts are secondary (not vice-versa).

"If you don't know where you're going, any road will get you there."

#### Why Thinking Matters

"How you think... is how you act... is how you are."

***Systems Thinking (Backwards Thinking):***

- Phase A: Ideal Future Vision (output) Future State
- Phase B: Measuring Success (feedback loop)
- Phase C: Developing Core Strategies (input) Current State
- Phase D: Ensuring Successful Implementation (throughput) Transition State
- Phase E: The Ever-Changing Environment

The first four of these elements correspond to the four phases of our strategic planning framework, the fifth being understood as the dynamic and ever-changing environment within which the system operates. We begin at Phase A, the ideal future vision we want to achieve (system output). Then, we work backward to the present and plan the strategies to achieve that vision.

- Phase A: Output defines your ideal future success in your own terms: “Where do we want to be in the future at time X?”
- Phase B: Feedback loop measures key measures and reports on the status of the results.
- Phase C: Inputs of assessments of where you are today are the primary means to develop core strategies to achieve your ideal vision.
- Phase D: Throughput consists of a set of specific actions to ensure successful implementation of your plan.
- Phase E: (ongoing) What is/will or may change in the environment in the future?

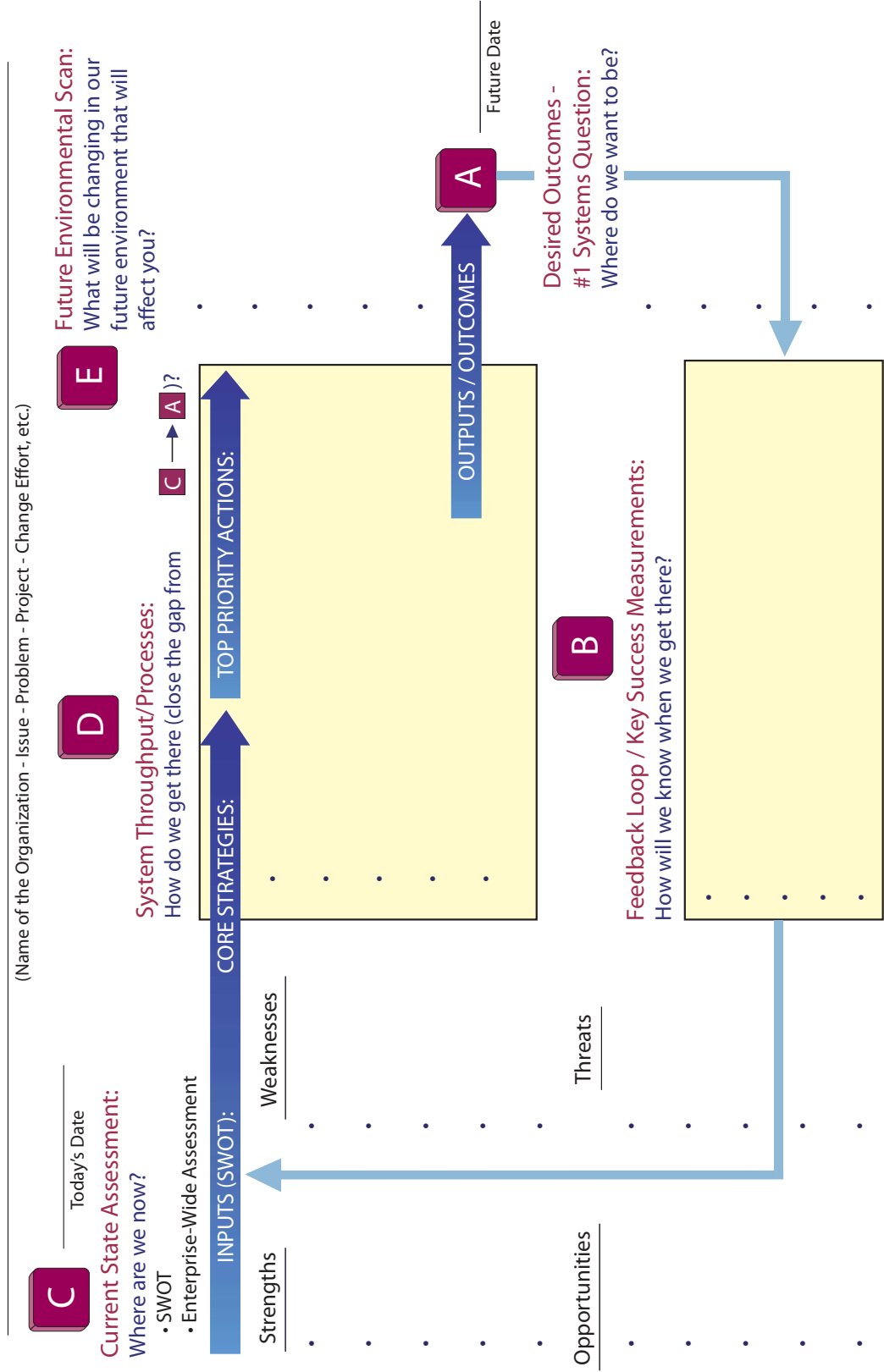
Strategic planning must start with the output (outcomes, ends, desired results or goals), since we want to be proactive in creating our ideal future. This is what distinguishes it from traditional long-range and other forms of planning. They usually start with the present—focusing primarily on problem-solving existing issues—rather than having a vision of success and profitability to achieve. They are piecemeal analytic approaches to a systems problem; they also fail to address the plan-to-implement step.

Phases A, B, C, D and E, and their sequence, are true Strategic and Systems Thinking and are essential to a high level of success. The following diagram illustrates these five phases and the ten steps (explained in detail in upcoming sections) of Successful Strategic Planning.

# STRATEGIC THINKING – ABCs TEMPLATE

## "The Science of Systems Thinking"

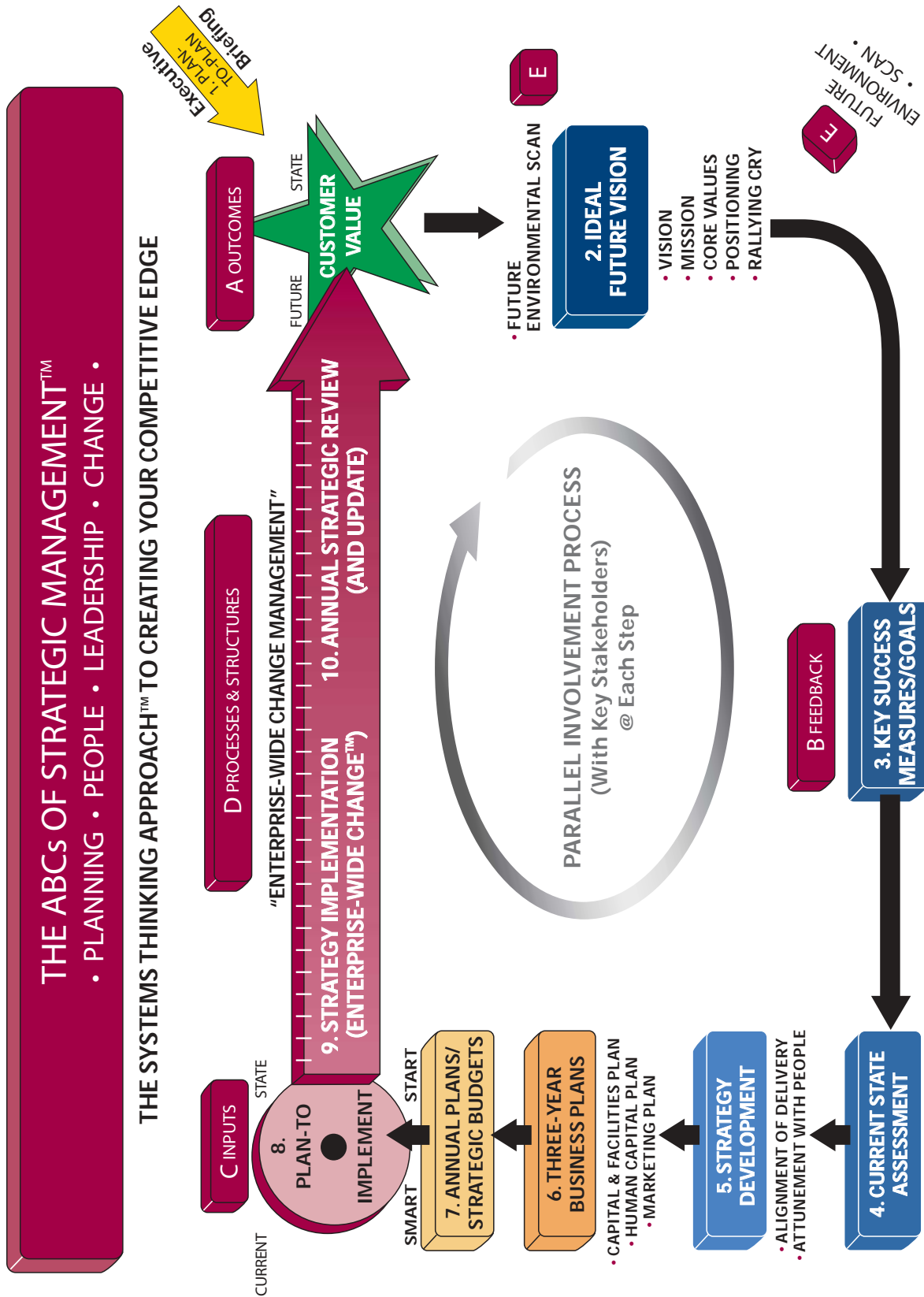
Desired Outcome – "Clarify and Simplify Your Thinking" – About Your Project



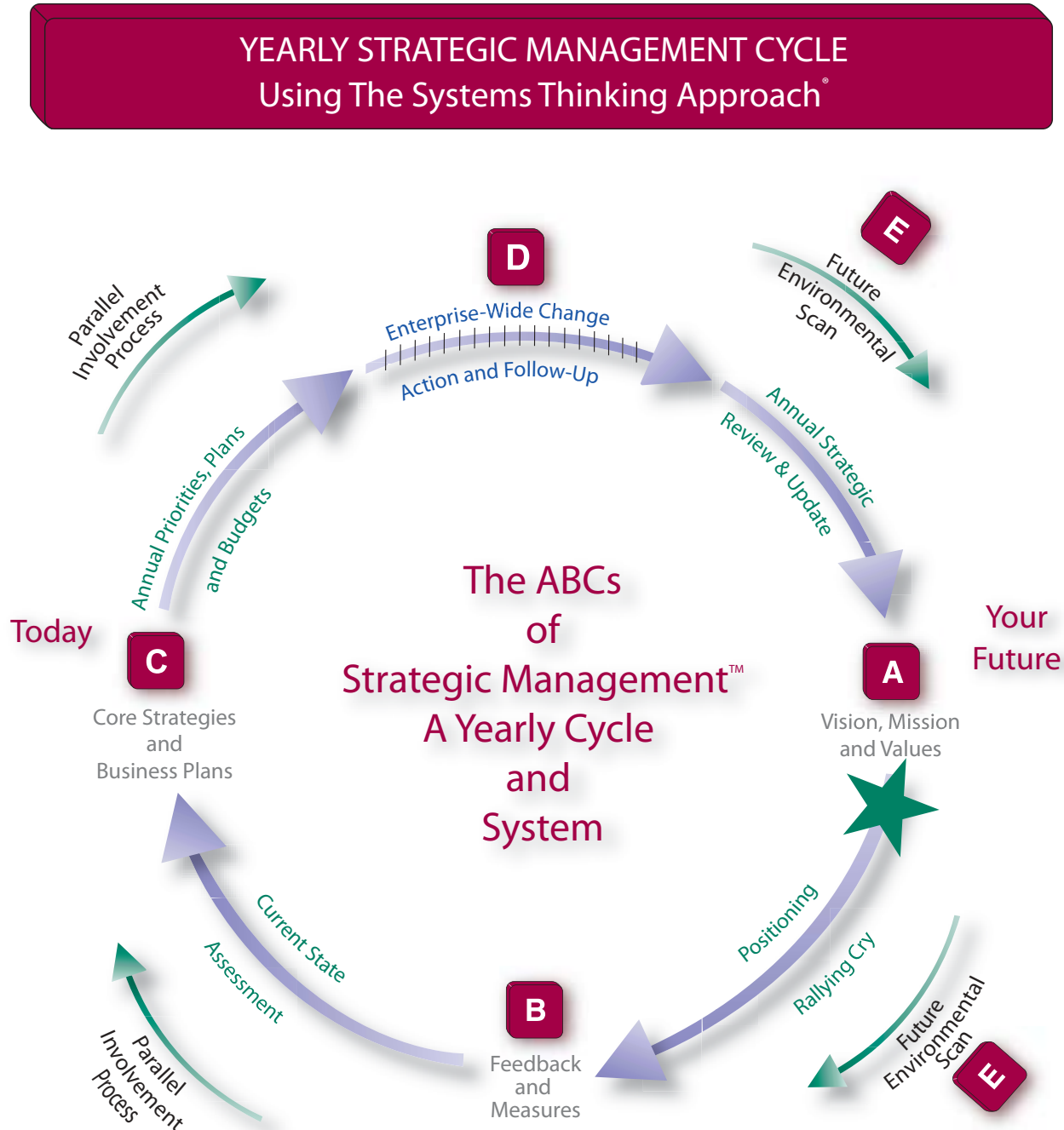


The Strategic Planning Model on the next page is based on over 15 years of solid experience, using it in the real world with many individuals, teams, departments and organizations in 7 continents.

Remember, an outcome-oriented system focuses on serving the customer.



Note: For those of you who are more right-brained thinkers, we have developed a different visual of the model that says the same thing, only in a right-brained format to show that this is a “Yearly Management Cycle.”



“Thinking Backwards to the Future”

### Phase **E** Future Environmental Scan

"The only limits, as always, are those of vision."

– Eleanor Roosevelt

We are in the era of revolutionary change. It is fundamental, radical, and global. These are incredible times of transformation typified by high growth and market opportunity; worldwide expansion and competition; corporate mergers, acquisitions, and other restructurings; and downsizing, obsolescence, and unforeseen events representing a shift in the business paradigm.

What are the implications of all this revolutionary change?

Action: Scan the environment around your own strategic planning entity. Consider social, competitive, economic/environmental, political, technical, industry, and customer influences.

Answer the following question 1) individually and then 2) discuss as a group.

#### **Environmental Trends**

What are the environmental trends – projections – opportunities – threats facing us over the life of our Strategic Plan?

Action: Start brainstorming here:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Action: Now, use the SKEPTIC Framework on the next page to be Systemic and Comprehensive about your Scan.

Based on your initial environmental scanning, do you need to collect any further information or scan again?

Action: Document the environmental scanning already done on the following form.

Future Environmental	SKEPTIC	Scanning/Trends
List the 5-10 environmental trends - projections - opportunities - threats facing you over the life of your plan:		
S	Socio-Demographics (People/Society):	
K	Competition/Substitutes:	
E	Economics:	E Ecology:
P	Politica /Regulatory:	
T	Technical:	
I	Industry/Suppliers:	
C	Customer/Citizens:	

***Initial Environmental Scan***

Instructions: List any additional initial environmental scanning that needs to be conducted at the beginning of the strategic planning process.

To Do List

What to collect?	Who?	By when?

To deal with these radical changes in our lives and careers, we must honestly join this transformation, since there is no resisting it. It is a time for new visions, strategies, programs, and actions—revolution, not evolution.

***Critical Issues List***

Action: In order to ground your planning process, complete the following task:

What are the 5-10 most important critical issues facing us today as an organization?

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.

Note: Keep this list in mind throughout the planning process, to keep the focus on real issues.

### ***Benefits of Our Systems Thinking Approach™ and Strategic Planning***

Our strategic planning model provides the following benefits:

1. A beginning visionary process encourages leaders to develop a shared vision of the future and to communicate core values and strategies. It aligns everyone's personal and professional goals to the same end—the customer. This empowers employees, reduces conflict, and makes decision making easier.
2. A set of specific and quantifiable measures can be developed that identify success (including customer satisfaction) year after year.
3. Stakeholders help to create your future, rather than being overwhelmed by and resistant to change.
4. You can proactively adapt to a changing global world and a turbulent marketplace. People and organizations can improve their competitive advantage over the competition by a thorough analysis of Key Success Measures, environmental influences, and core strategies.
5. The planning team will learn to function as a highly effective executive team in support of the strategic plan. This modeling of cross-functional teamwork is essential to successful implementation of teams, departments, and organizations of any size.
6. This is an intensive development and strategic-orientation process for a new or aspiring executive, union leader, or team leader.
7. Setting priorities and focusing will help you determine precise budget cuts and spending priorities during tough employment, career, business and economic times.
8. Executives, employees, and individuals alike will make sense out of today's confusing business strategies.
9. This is also a new way of thinking at the macro-strategic level, rather than the micro-operational level alone.

Action: List the top five benefits you will gain from strategic planning:

- 1.
- 2.
- 3.
- 4.
- 5.



### ***Common Mistakes***

Mistakes abound in strategic planning, such as:

- Failing to define your ideal future vision in the beginning
- Failing to clarify and simplify—Keep It Simple Simon (KISS)
- Failing to integrate planning at all levels
- Keeping planning separate from day-to-day management
- Developing only superficial vision, mission, and values statements
- Having yearly weekend retreats only and calling them strategic planning
- Failing to design / complete an effective implementation process
- Forgetting that people support what they help create
- Conducting “business as usual” after strategically planning otherwise
- Failing to make tough choices on future directions and obsolete tasks
- Lacking a scoreboard that measures what’s important, not what’s easy
- Having a scattershot and analytically oriented approach to planning as an activity
- Neglecting to gauge yourself against the competition
- Conducting only long-range financial forecasting
- Using confusing terminology and language

Action: Based on this list, what planning mistakes have you made in the past that you might make in the future unless you follow this system’s approach?

- 1.
- 2.
- 3.
- 4.
- 5.

### Other Choices

Having seen the environmental changes going on all around you and having listed the strategic issues you face, what choice do you really have? The real question is not if, but how, you are going to address these issues.

Are you skeptical of the value of planning? If you are honest, you will probably be somewhat skeptical. Productive skepticism tells you the truth about what will work or not work in planning and implementation. So, listen to the skepticism and problem-solve the issues brought up. Those issues and barriers are your keys to successful implementation.

At this choice point, list your top 3-5 concerns.

Concerns/Barriers	Actions to Solve Concerns
1.	
2.	
3.	
4.	
5.	

### Step 1: Plan-To-Plan

As you do Step 1: Plan-to-Plan, skepticism will keep you honest and ensure that any planning you do has a practical value and payoff. Hopefully, at this point, our system has laid to rest many of your unproductive reasons to be skeptical.

Action: What are you strategically planning for?

- A. A small-to medium-sized organization
- B. A department, team, or function
- C. A major project

Action: How long into the future are you planning for (3 years, 5 years, etc.)?

***Other Choices (continued)***

Action: Identify the key stakeholders you may want on your core planning team – those who will gain or lose by the success or failure of your strategic plan.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Action: Circle the top 3-7 people that you must involve heavily in planning, the ones you will need a positive commitment from for successful implementation later.

***Planning Team Membership***

Your planning team should include “all” members of your top management team. Invite a representative cross-section of key stakeholders to create a good give-and-take dialogue. However, strategic planning is not about being nice to each other, but having the right people in the room, working on the right (difficult) issues.

For effective group dynamics, 6-8 people are best, and 15 is the maximum to be productive. Groups larger than 15 people will probably require a professional facilitator.

Consider these personal qualities when choosing your planning team members:

- a clear sense of direction
- ownership and commitment (especially senior and middle management)
- key players with real information
- key informal leaders to help with successful implementation
- stakeholders with a broad perspective
- staff support group
- a mix of job and cultural diversity

Be sure they are willing to have an organization-wide perspective and orientation. The status quo, narrow perspectives and interests, and partisanship must be abandoned.

Strategic planning is not a collection of special interest groups, but individuals willing to collectively examine the team, department, or organization's ideal future in a holistic way. Defining and achieving your vision, mission, or purpose in today's changing environment is the paramount goal of your planning team.

Action: Now, list your core planning team members:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

It may be helpful for each team member and your other stakeholders to have a copy of this book.

To work effectively, any group larger than 6-8 people probably needs a facilitator or trainer. Especially in planning, even with fewer than eight people, it is often more effective to have a facilitator guide the planning process, as well as handle the logistics / mechanics. Let members focus on the plan's content.

***Other Choices (continued)***

Action: It is important to be clear on how the planning team will make decisions. Determine if you are going to use the following consensus method or another decision-making method.

***Consensus Decision Making***

- Take the time we need.
- Do it as a team.
- “Actively support” the group decision, even if it is not the exact one you would personally make.
- Present all sides to an issue in a full discussion, but limit time.
- Test for consensus.
- Focus on the substance of the discussion – the spirit or intent.
- Use prioritization techniques before discussions.
- Decision may be tentative (a draft) and subject to the validation/changes made by other key stakeholders, or a later, second review.

### ***Identify Potential Barriers To The Strategic Planning Process***

Review the following list of potential barriers in the strategic planning process. Place a ✓ in front of items that you are encountering currently.

- Lack of senior management belief and commitment to planning or to the plan-to-plan step
- Group size too large or small to include the collective leadership
- No cultural belief in or rewards for planning
- No time/resource commitment to plan; unrealistic expectations; process rushed
- Day-to-day growth and pressures too dominant
- Adapting the strategic planning model to your unique situation
- Unwillingness to be visionary, proactive, and creative
- Avoidance of tough choices; failure to set priorities and focus budgets
- Reactive, low-risk, no rewards; low reinforcement for strategic thinking
- Difficulty in conceiving of factors to measure success
- Past history and mistakes in previous planning attempts
- Perseverance needed in completing the planning process itself
- Frequently changing priorities and focus; not persevering on one track; inconsistent decisions
- No management of implementation and process of change
- Difficulty in keeping up momentum in implementation
- Low commitment to the final products of the strategic plan
- Failure to provide the needed resources (financial and personnel) to implement
- Poor information on social, competitive, economic, political, technical, industry, and customer influences.
- Differing directions / priorities among business / organizational units
- Conflicts, politics, lack of interpersonal skills among top management when working together

### Readiness Steps and Actions

**Actions:** Complete the following list of steps and actions to ensure you have taken into consideration all the potential barriers to success.

- What are the 3-5 most important readiness issues for us as an organization?
  - 1.
  - 2.
  - 3.
  - 4.
  - 5.
- What prework or other actions should we take to cope with them?
- You are now ready to design, build, and sustain a customer-focused, high-performance unit, team, department and/or business.

## Part II

### Developing a Strategic Plan (and Document)

"If you always do what you've always done,  
you'll always get what you've always gotten."

#### Phase **A**: Creating Your Ideal Future

**Use Backward Thinking to begin creating your ideal future**

#### ***Step 2: Your Ideal Future Vision***

This is the place to actually begin strategic planning. We begin at the end (or desired outcomes) and work backwards later to achieve this vision. This step is concerned with formulating dreams that are worth believing in and fighting for. The cry "It can't be done!" is irrelevant.

***The three challenges met in this step are to:***

- ✓ Develop a Vision Statement: your shared hopes, dreams and shared image of the future.
- ✓ Draft a Mission Statement and clear positioning why your organization exists, what business it's in, and whom it serves.
- ✓ Articulate Core Values: these will guide your day-to-day behavior and collectively create your desired organizational culture.

#### ***Develop A Vision Statement***

If you are part of a larger organization, does it have its own future vision? If so, you may want to adopt it as your own and skip this vision exercise.

**Action:** Get yourself into a relaxed state and focus on the ideal future you want.

First, list your current boundaries using the following categories. They will help you identify the limits of your current thinking.

Possible Boundaries:

- Our markets, customers
- Our values, culture
- Our core competencies and capabilities
- Our driving forces, distinctive characteristics



Be Creative – Be Innovative – Be Limitless

**Exercise:**

[illegible]

Once you have brainstormed your Ideal Future Vision, then share it either with a 4-5 person subgroup or directly with the entire planning team. The goal of this challenge is to develop a consensus around one Ideal Vision statement. Often it is important to first list a set of bullet statements for each concept that you can agree upon. From these, write a short, positive, and inspiring vision statement.

## Our Vision Statement

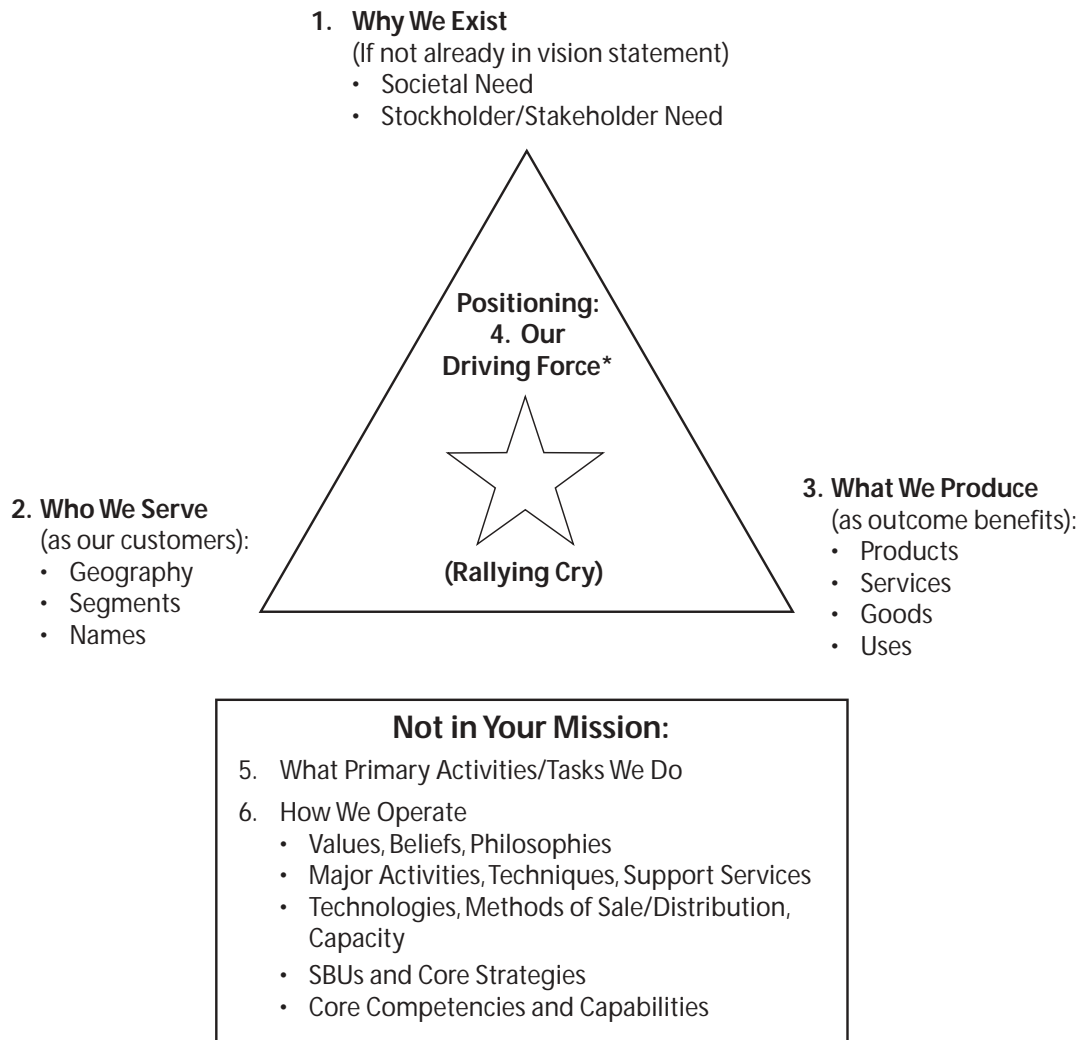
Action: From the items listed/written on the previous page, write a short, positive, and inspiring vision statement.

- First Draft
- Second Draft (consensus)
- Now share this with your key stakeholders and gain their feedback to refine and finalize the document.

### Draft A Mission Statement

A mission statement tends to be more realistic than a vision statement and answers three key questions: who, what and why. A fourth question, How do we operate?, is listed here to highlight what a mission is not. See the following Mission Development Triangle.

### MISSION DEVELOPMENT TRIANGLE EXERCISE



**\*Note:** Your Driving Force/Positioning can be either a who, a what, a why, or a how, but it must position you in the marketplace differently from your competitors.

### ***Mission Development Exercise***

Complete the exercise below individually. Don't worry about getting the perfect words yet. Just get your key concepts down on paper. Note that question 1. Why do we exist?, links back to your vision statement. Answer the questions for the way you want to be in the future in year \_\_\_\_\_ (end of planning horizon).

1. Why do we exist (option: include this in your vision)?

2. Whom do we serve?

3. What do we produce as outcome benefits?

4. The fourth question – Our Positioning – will be answered on the next page.

Action: Next, meet in subgroups or as a total planning team, and / or with key stakeholders and agree on your answers to the three questions.

***Positioning Exercise***

Positioning: The essence of a good mission statement is defining your unique or better “position” in the workplace that is different, unique or better in the eyes of your customer vs. your competition and... that causes them to do business with you instead.

The options for you to choose from are on the “Star Model” on the next page:

# VALUE-ADDED STAR POSITIONING

## YOUR COMPETITIVE BUSINESS ADVANTAGE – CREATING CUSTOMER VALUE THROUGH:

### C = Personal Choice

Fashion, Control, Self, Customized,  
Tailored, Variety, Individuality, My/Me,  
Comprehensive Choices, Mass Customization

### R = Delivery Responsiveness

Fast Delivery, Convenience, Methods, Timing,  
Speed, Distribution, Flexibility, Access,  
Ease of Doing Business, Support Services,  
Delivery Channels, Cooperation

### Customer

### Service

### S = Caring Service

Personal Service, Values, Feeling Important,  
Customer Relationships, Respect, Caring, Feelings  
Emotions, Recovery Strategy, Integrity, Empathy,  
Sensitivity, Familiar, Trust, Cultural, Experience

### Q = High Quality (Products & Services)

Features, Authentic, Simplicity, Information,  
Technology, Accuracy, Knowledge, Performance,  
Reliability, Functional, Durability, Uses, Consistency,  
Stability, Soundness, Unique, Innovative, Experiences

### T = Total Cost

Psychological Cost, Price, Life Cycle, Risk,  
Opportunity Costs, Waste/Environment,  
Working Conditions, Product/Services Costs

CREATING  
CUSTOMER  
VALUE

## Value Proposition:

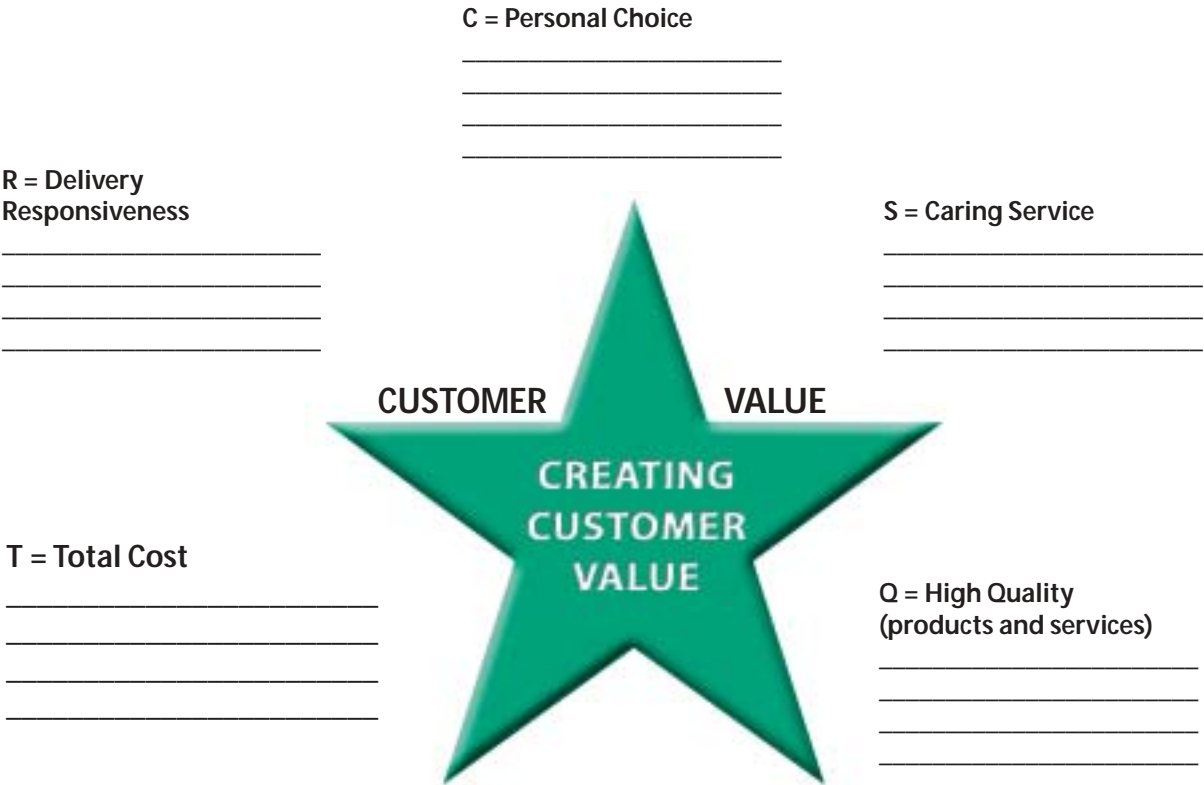
$$\text{Brand/Recognition/Positioning} = \text{Perceived Customer Value} = \frac{\text{Outputs}}{\text{Inputs}} = \frac{\text{What I Get}}{\text{What I Must Give}} = \text{Benefits}$$

VALUE-ADDED STAR POSITIONING

Anticipating Customers' Wants and Needs for Products, Services and the Intangibles  
– Using the Systems Thinking Approach™ –

Perceived Customer Value =  $\frac{\text{Outputs}}{\text{Inputs}}$  = THE "VALUE PROPOSITION"

Question: What does this Value-Added Star Positioning mean to you? Define it in your own words.



THREE LEVELS OF COMPETITIVENESS

Level #1 - Competitive Edge
Level #2 - Competitive
Level #3 - Uncompetitive

**Exercise:**

1. Evaluate your three levels of Positioning/Competition on the previous page.
2. Then, list your desired Positioning here.



Action: Now write your full mission statement: It should include the Positioning and should be:

- feasible, understandable, and concise
- broad and continuing in nature, but not so broad as to be meaningless
- stated in terms of output (results) rather than activities (inputs or throughputs)
- worded specifically and purposefully (especially the names of your customers, products, and services)

Use these criteria while keeping the questions from the Mission Development Triangle in mind.

For example: Our Mission is to serve...(customers) with the...(products and services) in order to achieve...(why we exist).

Our Mission is:

Now share this with your key stakeholders in a Parallel Involvement Process for feedback to refine and finalize the document.

***Draft A Mission Statement (continued)***

A clear customer definition is necessary since every team, department, and organization should have the purpose of serving someone else. Otherwise, the world would be in even more chaos than it is now, as everyone selfishly pursued his or her own needs. Our only true purpose is customer satisfaction.

“What goes around comes around.”

The fundamental truth of this statement often gets lost in the press of business and the stress of our personal lives. We cannot lose our service and customer focus.

Another key concept often gets lost in teams, departments, and organizations. We lose sight of the fact that our job is to serve the customer, or to serve someone else who does. Support teams and human resources (HR), finance, and legal departments sometimes resent their perceived secondary roles.

The point is not that others in the organization are any better than the support teams, but that others in the organization are their customers. The support team or department's job is to serve other employees, by which they serve the customer who buys your products and services.

Identifying, legitimizing, and resolving this dilemma is a key component of mission development. This is why consulting with other key stakeholders (including your internal and external customers) is so important.

### ***Customer Focus Exercise***

To fully appreciate the concept of customer focus, we have developed the “Key Commandments of Customer-Focused Organizations.” Do you give lip service to this core concept or do you take it seriously?

Action: Reach a group consensus on your current state of being customer focused on a 1-10 scale (1 is lowest). Be honest; this exercise will tell you where you stand today, and what kind of future challenge awaits you in this area.

#### ***Key Commandments of Customer-Focused Organizations:***

Rating:

- \_\_\_ 1. Are “close to the customer” – especially senior executives (i.e., see, touch, feel, meet and dialogue with them face-to-face on a regular basis out in the marketplace).
- \_\_\_ 2. Executives – include the customers in their decisions, focus groups, meetings, planning and deliberations.
- \_\_\_ 3. Know and anticipate the customers’ needs, wants and desire – continually, as they change.
- \_\_\_ 4. Surpassing customer needs is the driving force of the entire organization.
- \_\_\_ 5. Survey the customers’ satisfaction with our products and services on a regular basis
- \_\_\_ 6. Have a clear “positioning” in the marketplace vs. the competition in the eyes of the customer.
- \_\_\_ 7. Focus on Creating Customer Value – i.e., “value-added” benefits to the customer through our Star ★ Results Model (Quality products and services, Customer Choice, Responsiveness, delivery, speed, Service vs. Total Cost of doing business with you).
- \_\_\_ 8. Set quality customer-service standards – expectations that are specific and measurable to each department.
- \_\_\_ 9. Customer Service Standards are based on customer input and focus groups.
- \_\_\_ 10. Require everyone in the organization to experience moments of truth by meeting and serving the customer directly...at least one day every year.
- \_\_\_ 11. Focus and reengineer the business processes based on the customer needs and perceptions... and do it across all functions.
- \_\_\_ 12. Focus the organization structure based on the marketplace – i.e., structure the organization by customer markets (1 customer = 1 representative).
- \_\_\_ 13. Reward customer-focused behaviors (especially cross-functional teams that work together to serve the customer).
- \_\_\_ 14. Have a clear policy...and the heavy use of recovery strategies to surpass customer expectations.
- \_\_\_ 15. Hire and promote “customer friendly” people.

### ***Articulate Your Core Values***

Core values guide our day-to-day behaviors and collectively create the desired culture of the organization. Sometimes called our beliefs and philosophies, they are few in number and usually meet the following criteria:

- They form a collective organization-wide belief. While individual values can be different, an organization requires values shared as a unit.
- They determine the norms or standards of acceptable behavior concerning how to approach your work.
- They are enduring and consistent over time. They are one of the last things you would want to give up (even in difficult times).
- They are driven by, and crystallized from, the top leadership in the entity.

**Organizational/Team Values Exercise**

Complete Column 2: Select 10 of the following values that have the most importance to your organization's future success. Then complete Column 1 in the same way. Do this exercise individually.

Column 1: The way it is now:	Column 2: The way you think it should be:	
_____	_____	1. Long-term strategic perspective
_____	_____	2. Energizing leadership
_____	_____	3. Innovation / risk taking
_____	_____	4. Teamwork / collaboration
_____	_____	5. Recognition of achievements
_____	_____	6. Wise use of resources
_____	_____	7. Quality work / products / services
_____	_____	8. Contribution to society
_____	_____	9. Continuous improvement
_____	_____	10. Safe and orderly environment
_____	_____	11. Positive organizational management
_____	_____	12. High staff productivity / performance
_____	_____	13. Customer service / sensitivity
_____	_____	14. Ethical and legal behavior
_____	_____	15. Stability / security
_____	_____	16. Profitability / cost consciousness
_____	_____	17. Employee development / growth
_____	_____	18. Organization growth
_____	_____	19. Openness / trust / positive confrontation
_____	_____	20. Respect / caring for individuals
_____	_____	21. Quality of work life
_____	_____	22. High staff satisfaction / morale
_____	_____	23. Decision making at lowest level
_____	_____	24. Employees involved prior to decisions
_____	_____	25. Employee self-initiative / freedom
_____	_____	26. Diversity and equal opportunity

***Articulate Core Values (continued)***

Action: Compare your answers with a subgroup or the full planning team. The goal is to develop a consensus for your desired organizational values (and a document to reflect that). You should agree on a small number (3-6) of these core values. Then, list the elements that fully define them in a useful way.

Action: Draft a list of your agreed-upon core values. On next page, list the key behavioral elements/specifics of each one.

1. Core Value:

2. Core Value:

3. Core Value:

4. Core Value:

5. Core Value:

6. Core Value:

7. Core Value:

1. Core Value:

- 
- 
- 
- 
- 

2. Core Value:

- 
- 
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- 
- 

3. Core Value:

- 
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- 
- 

4. Core Value:

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- 
- 

5. Core Value:

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- 
- 
- 
- 

6. Core Value:

- 
- 
- 
- 
- 

7. Core Value:

- 
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- 
- 
-

### **Values Assessment**

You may want to assess how you are currently reinforcing these core values. See the following list of how core values should be used.

### **How Core Values Are Used**

The following are typical ideas of how core values should appear and be reinforced within an organization. Examine this list and place a ✓ in the left columns by the 3-6 uses that you need to begin doing or to improve upon a team, department or organization.

- \_\_\_\_\_ Orientation and assimilation
- \_\_\_\_\_ Job aids / descriptions
- \_\_\_\_\_ Internal communication (vehicles / publications)
- \_\_\_\_\_ Press releases, external publications, brochures
- \_\_\_\_\_ Image nation-wide
- \_\_\_\_\_ Recruiting handbook, selection criteria
- \_\_\_\_\_ How applicants are treated (vs. values)
- \_\_\_\_\_ How rewards for performance operate (vs. values), especially nonfinancial rewards
- \_\_\_\_\_ Explicit corporate philosophy / values statement—visuals on walls
- \_\_\_\_\_ Role of training / training programs (vs. values)
- \_\_\_\_\_ Corporate and product advertising
- \_\_\_\_\_ New customers and suppliers compared with current customer and supplier treatment and focus (vs. values)
- \_\_\_\_\_ Performance evaluation / appraisal forms (assess values adherence) / team rewards
- \_\_\_\_\_ New executive start-up
- \_\_\_\_\_ Policies and procedures (HR, finance, administrative, etc.) / day-to-day decisions
- \_\_\_\_\_ Cross-departmental events, flows, task forces
- \_\_\_\_\_ To whom and how promotions occur (values consequence assessed) / criteria
- \_\_\_\_\_ Executive leadership; ethical decisions, how we manage



- \_\_\_\_\_ Dealing with difficult times/issues (i.e., layoffs, reorganizations)
- \_\_\_\_\_ Strategy decisions
- \_\_\_\_\_ Managing change
- \_\_\_\_\_ Organization and job design
- \_\_\_\_\_ Resource allocation
- \_\_\_\_\_ Operational tasks of quality and service
- \_\_\_\_\_ Stakeholder relationships

Where else should they appear and be reinforced within your organization?

- 1.
- 2.
- 3.
- 4.
- 5.

***Articulate Core Values (continued)***

Action: Share and compare your answers with others and develop a list of action items you need to do right away (so you become an example immediately).

Employees are usually not very tolerant of teams, departments, and organizations that don't fully follow their own values immediately, especially once those values are formally approved and rolled out to the organization. This important difference causes impatience regarding values. Employee response to this list of values may contrast with that of other strategic planning documents, which people realistically know and allow the time necessary for achievement.

No one can unrealistically expect the behavior of leaders to change overnight to match the new values; 12-18 months is often necessary to change behavior fully.

***Action List – How to Improve Core Values***

Core Value	What To Do?	By When?	By Whom?

Now, share the Action List and the results of other Core Values actions with your key stakeholders for their feedback.

***You Are Now Ready To Implement Phase B...Read On!***

### **Phase **B**: Measuring Success: Ten Or Fewer Outcomes/Goals**

***Goal setting and careful goal selection are the number one criteria for success in all the literature.***

#### **Step 3: Key Success Measures/Goals**

These are quantifiable outcome measures of success in achieving any team, department, or organization's vision, mission, and core values on a year-by-year basis.

This step is necessary to ensure that you are continually moving toward achieving your ideal future vision. Having concrete success measures will help you answer these critical questions during implementation:

- How do I know if I am being successful?
- How do I know if I am getting into trouble?
- If off course, what corrective actions should I take?

In developing your Key Success Measures, first decide which areas define success for you.

If you want to do this step quickly, just use these four essential factors:

- ✓ Customer Satisfaction
- ✓ Employee Satisfaction
- ✓ Financial Results
- ✓ Key Operational Results

What are the key phrases from your vision, mission, and core values that define success for you?

Don't forget other key financial/operational areas.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

### Phase **B** : Measuring Success: Ten Or Fewer Outcomes (continued)

Once these areas are defined, specific measurements and yearly targets should be set. By limiting the number of measures to ten, you will focus on what's really important to your notion of success. A lack of focus is the major problem in almost all types of strategic planning. Key Success Measures should always measure what's really important (not just what's easy to measure). Typical customer satisfaction areas might include product quality, service, cost and value, speed, delivery and response time, as well as being environmentally responsive.

In the absence of clearly defined targets, we are forced to concentrate on activities and efforts...and we ultimately become enslaved by them.

It is crucial to this step that you understand the different and innovative ways you can measure almost anything. Thus, success measures must be specific and quantifiable measures in one of four ways:

- quality (as perceived by the customer or internally with zero defects)
- quantity (production numbers or rates; the presence or absence of a program, product, etc.)
- time (quarterly or annually)
- cost

These quantifiable measures will show whether you have achieved success.

Action: For each area that defines success, set a measurable outcome target or success measure for the final year in your planning horizon. This should be a realistic target that you are deeply committed to achieving.

Focus on the vital few key outputs, not the many trivial activities. The operative concept is key, not comprehensive, success measures.

If your planning year is not far enough out into the future to actually achieve your ideal vision, consider using a column to distinguish your ultimate target as well. It helps keep your eye on your ideal. You may also find you have too many Key Success Measures to be measured or just a comprehensive list of activities you are measuring. If so, go back and prioritize. Eliminate overlapping measures or those that are only the means to another outcome measure.

# KSM CONTINUOUS IMPROVEMENT MATRIX (BACKWARDS THINKING)

PRIVATE SAMPLE

KSM Overall Coordinator for is <u>Bob Brown, MIS Manager</u>				(Name/Title)				
KSM Areas (Headers) with Specific Factors for Each	Baseline Target	Intermediate Targets			Target	Ultimate Target	Specific KSM Coordinator	KSM Achievement Accountability
	2005	2006	2007	2008	2009			
1. Employee Satisfaction Factor: Conduct a yearly survey (vs. our Core Values) with a valid sample of our employees (use 10 point scale)	— Develop survey — Conduct it — Revise future targets	6.0/10	7.0/10	8.0/10	8.5/10	10/10	SH	
	— Determine their wants for quality products/ services (Focus Group) — Develop/conduct survey — Revise future targets — Benchmark vs. top 3 — Conduct assessment vs. 7 Tracks — Develop full program with milestones set	7.5/10	8.0/10	9.0/10	9.5/10	10/10		
B. Develop a “close to the customer culture”	— Use customer wants to set up program with evaluation scale; milestones	—	— To be determined during baseline (1999)	—	Full re- assessment/ refine plan	Culture achieved		
C. Set up a successful “Mystery Shopper Program”		—	— To be determined once program set (1999)	—		10/10		
3. Financial Viability Factors:	— Measures all factors — Revise future targets						DM	
A. ROE		TBD	—	—	—	—		
B. % Profit (NIAT)		10%/year	—	—	—	—		
C. EPS		TBD	—	—	—	—		
D. Revenue Growth per Year		15%/year	—	—	—	—		

Note: These baseline targets must go on Priority Actions List for first year's Annual Planning.

# KSM CONTINUOUS IMPROVEMENT MATRIX (BACKWARDS THINKING)

PUBLIC SAMPLE

KSM Overall Coordinator for is Mary Smith, Controller (Name/Title)

KSM Areas (Headers) with Specific Factors for Each	Baseline Target 2005	Intermediate Targets			Target 2009	Ultimate Target	Specific KSM Coordinator	KSM Achievement Accountability
		2006	2007	2008				
1. <i>Teamwork/Partnerships</i> Factors: A. # of partnerships in existence B. Yearly evaluation of their effectiveness vs. their charter (10 pt. scale)	— 0 — Develop Eval. System & Charter Format	5 9/10	8	10	13	All key areas 10/10	SH	
2. <i>Strategic Plan Effectively Implemented (i.e., Strategic Management System)</i> Factors: A. SCLSC meets regularly B. Yearly comprehensive map developed and followed each year C. All management evaluated in new appraisal form (using strategies and values as tools)—HR Audits D. Vital Few projects completed successfully E. Yearly SMS Review conducted —Action Plan developed —SP & Annual Plan updated	— 1 day/quarter — yes — 100% — develop appraisal; train mgmt. — develop plan to phase in all 4 with targets — leadership program completed — N/A	100% eval.				100% of all targets met	DM	
3. <i>Self-Funding</i> Factor: A. Percent of budget self-funding	— Develop game plan — Begin implementation with time tables	20% yes	40% yes	60% yes	90% yes	100%	CH	
4. <i>Decentralized Site Based Management Concept Functioning Effectively</i>	— Develop concept and terminology/evaluation tool — Train mgmt. on it — Benchmark it vs. top 3 competitors	Yearly independent assessment 33% effective	50% effective	75% effective	95% effective	100% effective	JM	

Note: These baseline targets must go on Priority Actions List for first year's Annual Planning.

KSM CONTINUOUS IMPROVEMENT MATRIX  
(BACKWARDS THINKING) PUBLIC SAMPLE

KSM Overall Coordinator for is		Mary Smith, Controller		(Name/Title)				
KSM Areas (Headers) with Specific Factors for Each	Baseline Target	Intermediate Targets			Target	Ultimate Target	Specific KSM Coordinator	KSM Achievement Accountability
	2005	2006	2007	2008	2009			

Note: These baseline targets must go on Priority Actions List for first year's Annual Planning.

Action: Once you have developed these measures and targets for your final planning year, it is time to develop your baseline target data for the current year.

Data is often missing, or does not exist for other than financial measures. This is normal. It is because you are being asked to measure what is important to your success, not what's easy to count. In some cases, success in the first baseline year consists of just two tasks: setting in place the measurement system and determining the success targets for the final year.

Action: Finally, set in place a system for measuring, tracking, and reporting these Key Success Measures on a regular basis. This is the same as we do with monthly and quarterly budgets and financial statements. The only difference is that we are comparing the planned targets versus the actual results of all the key measures for success in our future vision, not just finances alone.

Financial measures and viability are necessary, but not sufficient, for success.

Key Success Measures are pretty easy to describe and discuss. However, they are extremely difficult to develop qualitatively. Be sure to fine-tune your measures while you keep planning.



## Phase **C**: Developing And Converting Strategies To Actions

“Organizations are successful, not because of the hundred and one good little actions they take to save money on paper clips and telephone calls, but because of one or two major strategies that are brilliant.”

– Dr. Michael J. Kami

Phase C of our strategic planning model takes stock of current conditions and the status of your functioning today. Core strategies are then established to close the gap between the vision and today, along with a set of priority actions for the next year. These core strategies become the organizing framework to guide the rest of the planning process – from the strategic plan to the annual operational plan to the individual level of action and accountability.

### **Step 4: Current State Assessment**

This is the first step of Phase C. The operative concept here is honesty.

While there are many ways to conduct an organizational assessment, the most clear and simple way is to conduct an analysis of your internal strengths and weaknesses and your external opportunities and threats. Then, examine the gaps between this analysis and the organization’s vision for strategic and action implications.

In traditional forms of strategic planning, this step is the first and main step leading to long-range planning, which merely projects the current state of an organization incrementally (or “analytically”) into the future.

Note: If you want an “Organizational Diagnosis” online with instantaneous results on Best Practices Research, Haines Centre for Strategic Management® has one. It is simple and easy to fill out online. Contact the Centre at info@[HainesCentre.com](mailto:info@HainesCentre.com) or (619) 275-6528 if you are interested.

Action: On the next page conduct an analysis of your strengths, weaknesses, opportunities, and threats. Do only the left-hand column of each category at first (we will discuss the right-hand side later).

If you are doing this analysis for a department or part of a larger organization, keep in mind that “external” means external to your department. In your case, there are two externals, one inside and one outside of your area within the larger organization. You may, therefore, decide to have two external analyses completed.

### ***Internal Analysis***

Strengths (“Build”):	Actions:
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

Weaknesses (“Eliminate/Cope”):	Actions:
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

**External Analysis**

Opportunities ("Exploit"):		Action:
1.	1.	
2.	2.	
3.	3.	
4.	4.	
5.	5.	
6.	6.	
7.	7.	
8.	8.	
9.	9.	
10.	10.	

Threats ("Ease/Lower")		Action:
1.	1.	
2.	2.	
3.	3.	
4.	4.	
5.	5.	
6.	6.	
7.	7.	
8.	8.	
9.	9.	
10.	10.	

Action: Once you have analyzed your current state, review it with a subgroup, the whole planning team, and finally with your key stakeholders. Make additions or corrections as necessary. You may find that some issues have both strengths and weaknesses.

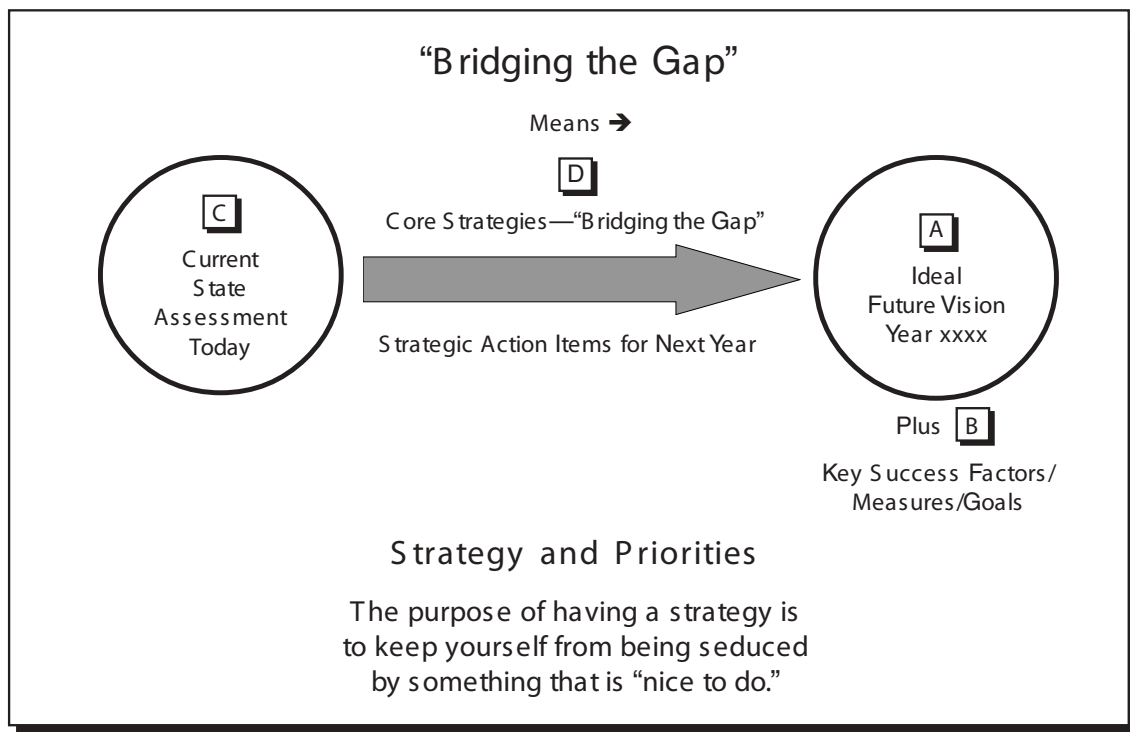
Action: Now, go back to your analysis and fill in the Actions required by each item listed (the right-hand column).

You should be able to brainstorm at least one action for each item you listed in the left column. It is not necessary to agree on all these actions. They are just initial thoughts to develop core strategies and their actions and priorities.

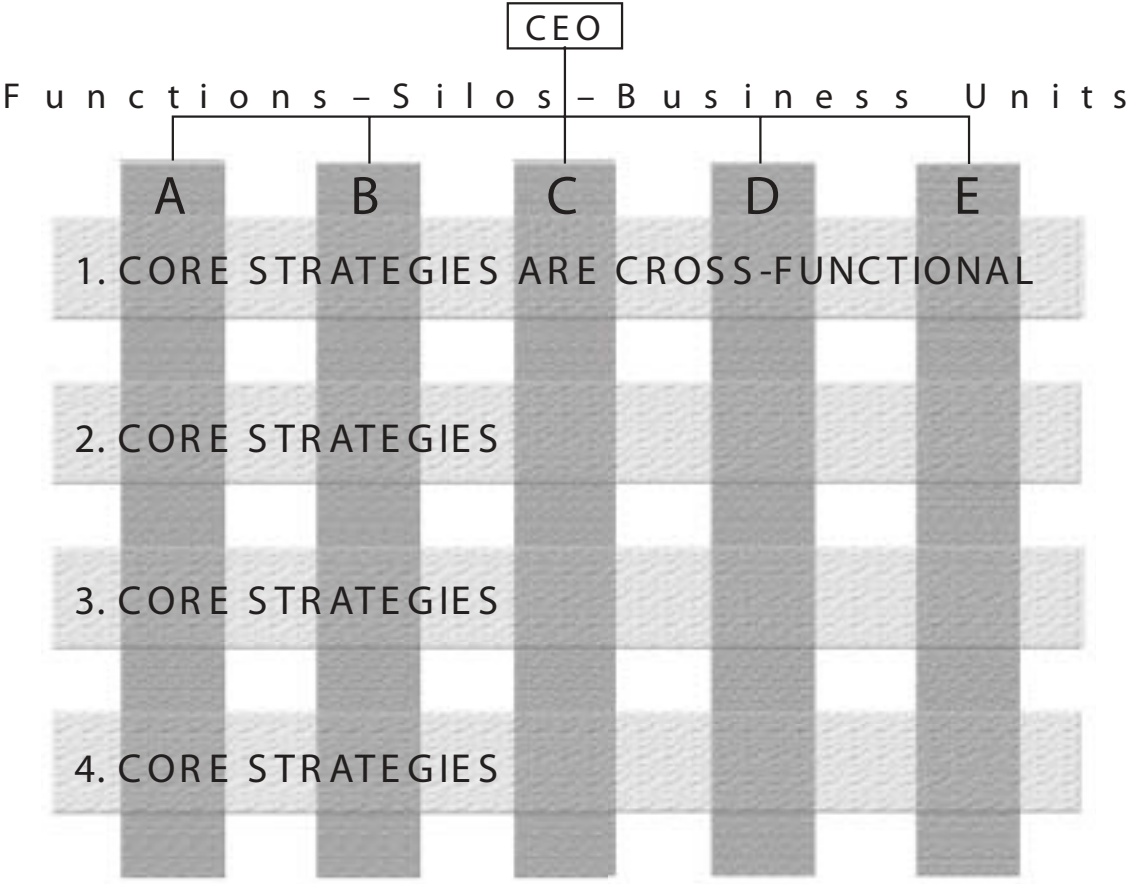
### Step 5: Core Strategy Development

What is Strategy?

- It is the criteria or basic approaches we use to guide individual and organizational behaviors toward the achievement of our organization's vision.
- It is also seen as the "major" or key ways, methods, and groups of activities we use to guide us in "bridging the gap" over the life of the strategic plan – from your Current State Assessment to your Ideal Future Vision.
- It defines the "how to's" or major ways we will use to get there – to the attainment of our vision and mission.
- Strategies should also be few in number; generally two-seven (maximum); the fewer strategies, the better to allow a focused direction by the organization.
- Strategies are the primary means to the end (Ideal Future Vision).



CORE STRATEGIES ARE LIKE THE WEBBING IN A CHAIR  
***“The Glue That Holds It All Together”***



Core strategy development bridges the gap between your ideal future vision and your current state.

You need a focused set of strategies as the primary means to achieve your ideal future vision. These strategies become the organizing principles and priorities used by everyone as a framework to set annual organizational, department/team, and individual goals and actions.

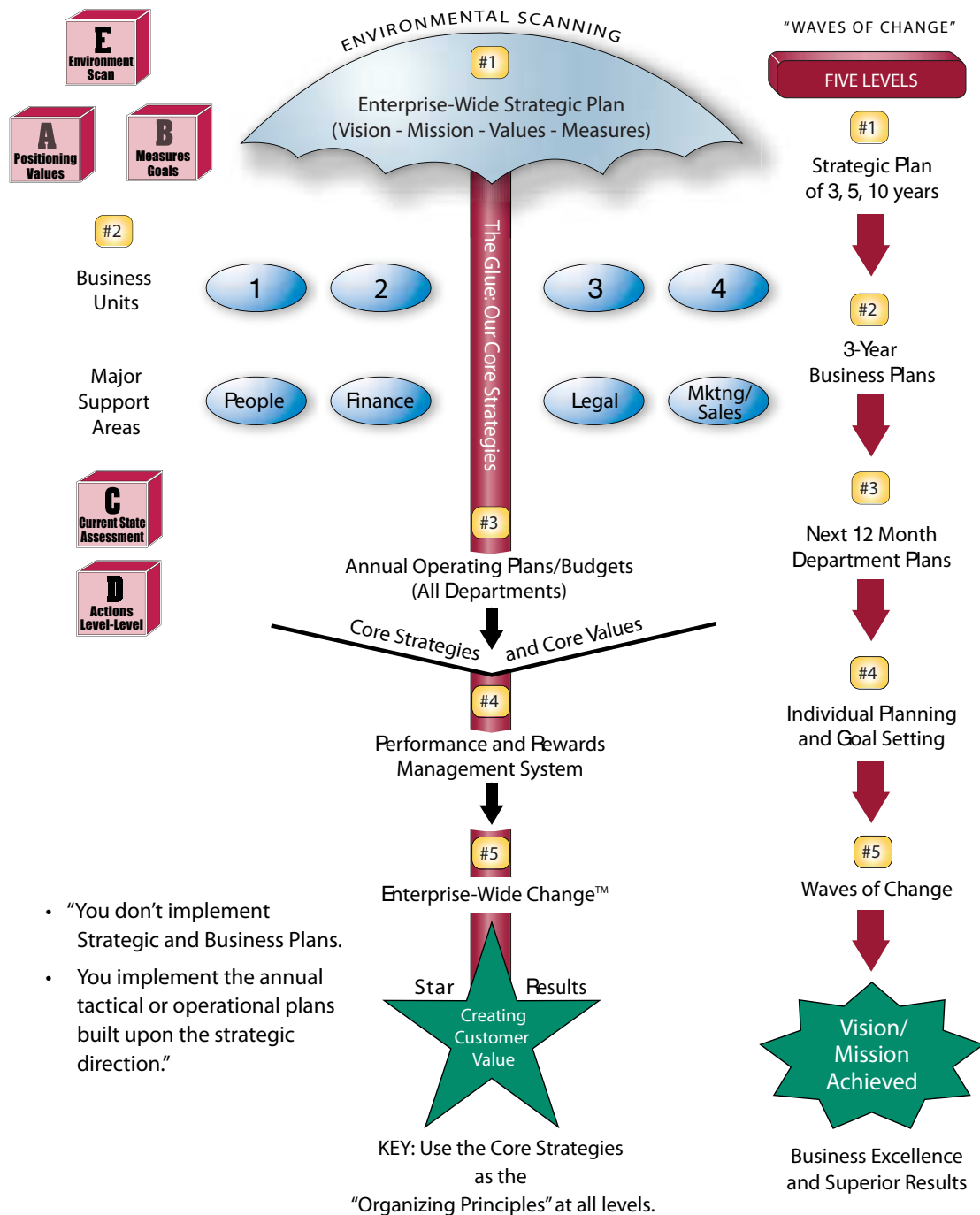
The 21st Century has seen a proliferation of new strategies as businesses try to cope with these revolutionary times. They include:

- Flexibility and opportunism in looking for bargains
- Business process reengineering enterprise-wide
- High-speed product development
- Horizontal integration of related products and by-products
- Networks, partnerships, and alliances
- Value-added consumer bargains
- Environmentally based or improved products
- Mass customization
- High technology/dot.coms
- Outsourcing
- Innovation
- People as a Competitive Edge
- Speed and responsiveness
- Ease and convenience of doing business with you

# THE CASCADE OF PLANNING™

The Systems Thinking Approach®

"STRATEGIC CONSISTENCY AND OPERATIONAL FLEXIBILITY"



### ***Action Planning***

These new strategies are in addition to the ones that have been popular in the 1990s, including: total quality management, empowerment, self-directed work teams, visionary leadership, customer service, capital leverage, divestitures, retrenchments, and cost reductions.

Beware of strategies that are only cost-cutting measures. These might include reorganizations, layoffs, business reengineering, and budget cutbacks. Cutting is definitely necessary, but not sufficient for success. Long-term strategies that build for the future focus on quality products and services that satisfy the customer. Cutting and building strategies are both needed.

Action: What are the 3-7 (maximum) core strategies you should pursue over the life of your planning horizon to achieve your ideal future vision?

Use the preceding lists and the analysis of your current state (including its required Actions) to help.

1.

2.

3.

4.

5.

6.

7.



Action: Refine this list of core strategies thoroughly with either a subgroup or the full planning team, and then with your other key stakeholders to ensure consensus.

Be sure to write these core strategies in the active tense, with an action verb and as a complete sentence. Give it a 1-3 word title (or handle), too. It must be crystal clear what actions you desire. If you did your planning process thoroughly up to this point, this list shouldn't be a problem to develop. You have probably been discussing them informally throughout the planning process as you developed earlier documents.

The fewer the number of core strategies, the better. Making tough choices here in order to focus is essential to success in almost all strategic planning. Teams, departments, and organizations that try to be "all things to all people" rarely succeed.

List Your Final Core Strategies here:

1.

2.

3.

4.

5.

6.

7.

### ***Core Strategies and Key Success Measures Compared***

(Means → Ends) Both are important but they are different.

Key Success Measures are sometimes confused with strategies.

1. Core Strategies are the primary “means” to the “end” (Ideal Future Vision).
2. Key Success Measures are usually output or final measurements of the “end” (Ideal Future Vision).

Both strategies and Key Success Measures are the “guts” or “meat” of strategic planning. They are two of three key parts of the strategic planning final document that are used by the Strategic Change Leadership Team to track the progress and success of your strategic plan (the second is your annual corporate priority actions).

In summary Key Success Measures are “outcome measures” of success. Core Strategies are the primary “means” to achieving the end (embodied by the outcome measures).

Thus to some people:

Key Success Measures = Goals and Core Strategies = Objectives (very confusing, right?)

### ***Changes In Your Core Strategies***

Since core strategies are crucial to success and profitability, it is not enough to have a good list of strategies in an active format and wording. In addition, a clear list of specific changes that these strategies entail is crucial.

Action: Complete the following list of changing core strategies (new or improved) and those that are continuing the same.

### ***Changing Core Strategies***

From:	To:
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

### **Continuing Core Strategies:**

1.
2.
3.
4.
5.

### ***Strategic Actions***

Action: On separate pieces of paper develop 5-15 actions (activities, organizational, priorities, changes) to accomplish during the planning horizon to achieve each core strategy.

Action: From the previous list further identify (with an asterisk) the top 2-4 action priorities for each core strategy over the next fiscal year. These provide direction for everyone in setting their team, department, section, and individual goals for the coming year.

At this point you have completed the basic phases and steps in strategic planning and backward thinking in the narrow sense of traditional planning (but not in our definition, though). Now it is time to cascade the strategic plan down to annual plans and budgets and eventually to individual performance appraisals.

### ***Step 6: Three-Year Business Planning***

This step is not applicable in this book. The three-year business plan applies only to large corporations with multiple strategic business units where they need to develop three-year business plans under the context of the overall strategic plan. For more information, contact the author directly at [stephen@hainescentre.com](mailto:stephen@hainescentre.com).

### ***Step 7: Annual Plans And Strategic Budgets***

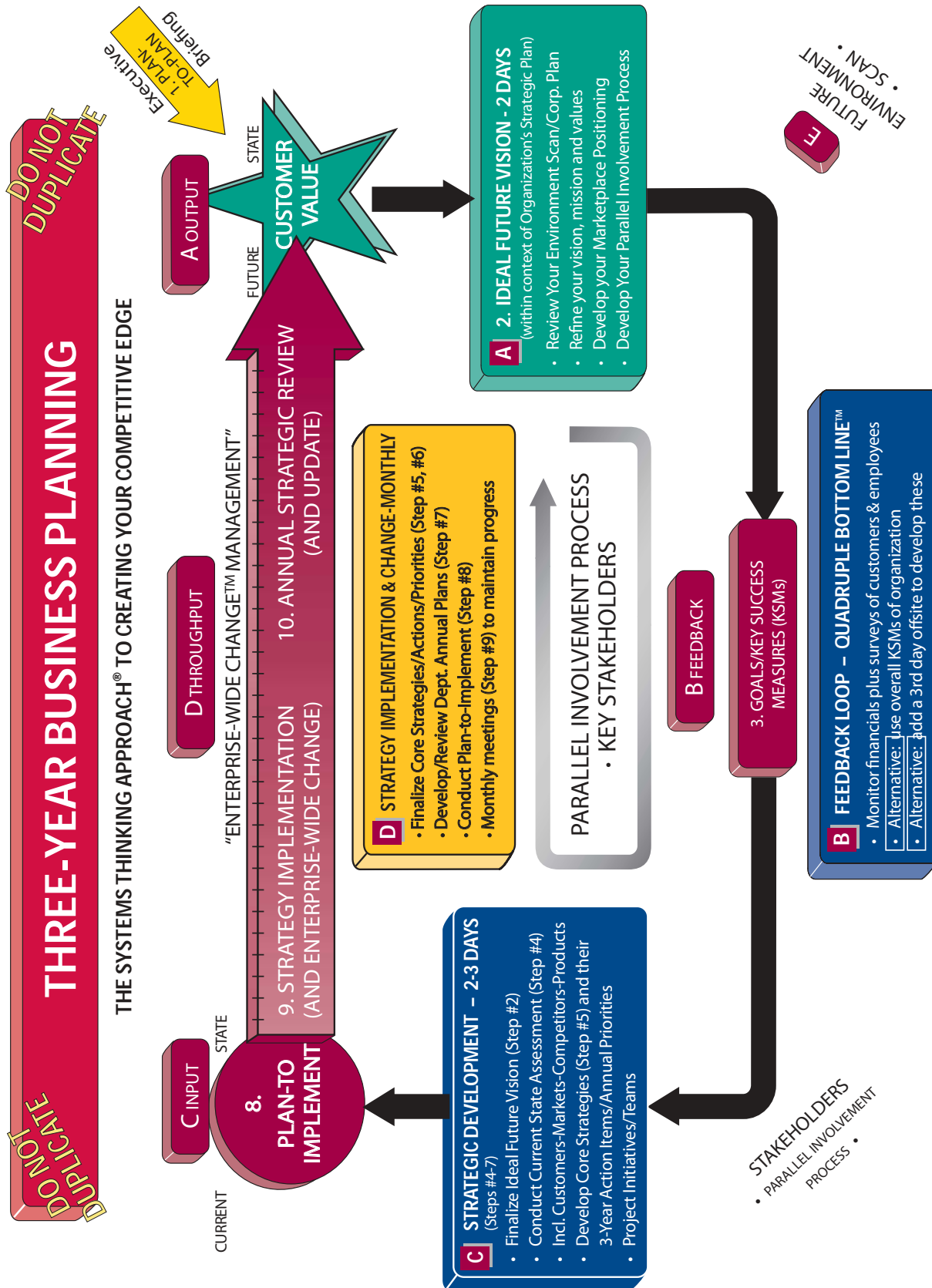
Annual plans and strategic budgets is where “the rubber meets the road.”

Excellence is a matter of doing 10,000 things right.

Begin by developing department or section plans for the next fiscal year. You also prioritize your tasks for the year and then provide the resources to implement your core strategies.

Action: Each department or unit in the entity you are planning for should fill out an Annual Plan for each core strategy.

Consistency in organizing all departments, teams, and sections under the same core strategies is the key to an integrated and thorough implementation. This cannot be stressed enough. By doing so, you will begin to think about achieving strategies to serve your customers rather than thinking about unit objectives



Department: \_\_\_\_\_ Date: \_\_\_\_\_  
Fiscal Year: \_\_\_\_\_

ANNUAL "WORK PLAN" FORMAT  
(AND FOR FUNCTIONAL/DIVISION WORK PLANS ALSO)

# \_\_\_\_\_: Strategy/Goals: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yearly Pri #	Action Items (Actions/Objectives/How? )	Support/Resources Needed	Who Responsible?	Who Else to Involve?	When Done?	How to Measure? (Optional)	Status

(If you need more forms to work this annual planning, this page may be reproduced without further permission from the publisher.)

and turf battles. For small teams completing this strategic planning process, it may be enough for you to complete one set of annual plans for the entire team.

### Strategic Actions (continued)

#### Large Group Review:

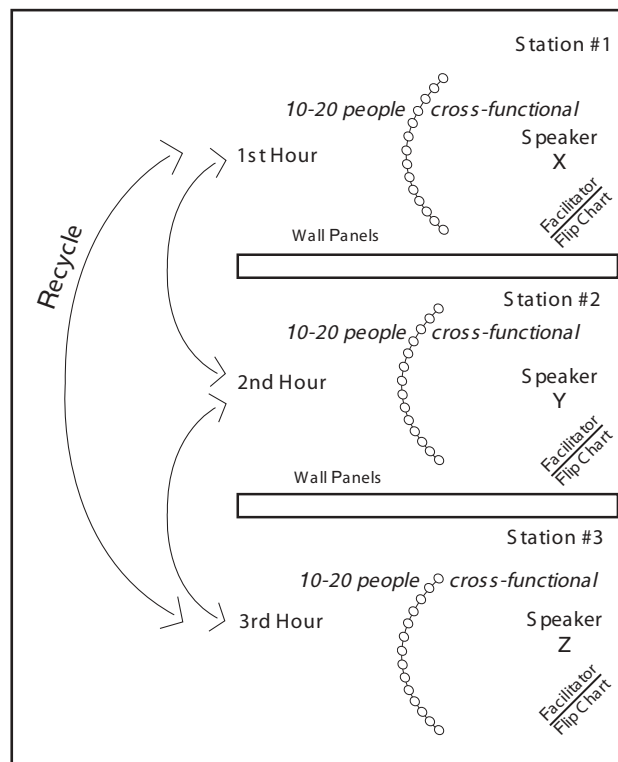
Action: It is not enough to have each team, department, unit, or section develop their own annual plans in isolation from others on the planning team. You also need a large-group annual review meeting of the full collective leadership (10-50 people can attend – possibly the entire department). At this meeting, all annual unit

## LARGE GROUP ANNUAL DEPARTMENT REVIEWS (AND LARGE GROUP – WHOLE SYSTEM – TEAM BUILDING)

The Concept:

1. *Small group* presentations by all major department heads (# = \_\_\_\_\_ Depts.) on their Department Annual Work Plans.
2. *Small group* presentations to the “collective” leadership/management of the entire organization (# = \_\_\_\_\_ collective management).

Large Ballroom:



Philosophy: Small group, cross-functional teams meeting together and moving around in hourly activities create greater interaction, more energy, commitment, understanding, buy-in, and teamwork to implement the Strategic Plan.

Large group "dog and pony" presentations are boring at best!

plans are shared, critiqued, and refined, based on their integrity to the yearly top priorities for each core strategy. However, do not do it in one big group but two to three smaller groups with simultaneous presentations, having participants rotate every 45 minutes to the next presentation. Thus, presenters do the same talk two to three times.

### ***Strategic Budgeting***

Once you have completed your annual plans, then it is time to change the way budgeting is traditionally done. Good strategic budgeting needs to follow (not lead) annual planning. This will enable you to achieve a more focused allocation of resources based on the strategic plan.

This also produces a tension between current allocations and future action priorities, which is normal and desired. It helps you focus time and energy toward your top future priorities (defined at the end of Step 5) versus just spending your limited resources in past habitual ways. It is important that you build a budget that focuses on your top 2-4 priorities for each core strategy. Hence, the importance of the column "support/resources needed" on the annual plan.

Action: A sample "resource allocation plan" and format is provided for your information. For those of you who are seriously concerned about the funding of your core strategies and action priorities, this is a good model to follow.

### ***Strategic Actions (continued)***

The past decade seems destined to be remembered for economic difficulties and the lack of funding and

revenues to operate. This seems to be the case for both public and private organizations across North America.

While it is not the purpose of this book to take you fully through strategic budgeting, we present 10 approaches regarding resource allocation and tight budgets.

***Ten Ways to Approach Resource Allocation:***

"If money was what it took to be a success, then how did Japan and Germany rise from the ashes?"

– Anonymous

**Approach #1: Macro allocations:**

Consider macro allocation by top management for each strategic business unit / major support department (i.e., a pie chart). Require reallocation within existing department resources to respond to new priorities (but be sure to allow more flexibility to switch funding and priorities).

**Approach #2: Activity level budgeting:**

Reexamine your organizational priorities at the "activity level," focusing all the way through the organization. Have everyone force rank their activities / projects / programs, along with budget and people cost implications.

**Approach #3: Require 5-10-15% budget cut projections and plans**

Ask for projected cuts of 5%, of 10%, and of 15% from each department, along with what plans / projects will be affected. Then cut departments individually and in different amounts based on your strategic priorities. Keep in mind those across-the-board cuts "take no management skills and are just a coward's way out of tough choices."

**Approach #4: Budget "hold-backs":**

Set aside X% (i.e., 2-5%) of your budget to create a pool of funds for strategic priorities within existing budgets, as well as to further new pilot programs/experiments to take you toward your vision of the future.

**Approach #5: New initiative programs:**

Have your employees recommend new initiative programs/projects that tie directly to the criteria in your strategic plan. Make sure budget and people costs/rationale are associated with each one. You can use



this for all new funding above last year's as well.

Note: The next five approaches should be started earlier in the year, so that their results in cost savings will be evident at budgeting time.

Approach #6: Work out the bureaucracy:

Set up a broader reengineering process:

- Eliminate bureaucracy
- Empower and delegate to staff
- Streamline workflow inefficiencies
- Eliminate "waste" within your departments

Approach #7: Reengineer your business's economic structure/processes:

Make major structural changes in the way you do business to lower cost (i.e., "aides" vs. full-fledged professionals). Doing more with less is what the 1990s are all about, but there are ways to approach this with foresight.

- Flatten your organization by continuously empowering employees.
- Lower manufacturing cost on non-value-added items.
- Radically reengineer your customer-focused business processes to be more streamlined, quicker, and lower in cost.
- Know your customer's priorities.
- Know and implement your span of control.
- Keep statistics – they'll flag patterns and give historical perspective.

Approach #8: Learning as a critical resource (increase skills and motivation):

Invest some time and energy in your most critical resource – learning. Are there other ways the existing HR could be used to achieve your vision – such as focus, motivation, commitment, new knowledge, technology, innovation and creativity, best practices emulation, leverage, or continuous improvement projects? Most organizations still treat people as a fixed asset with a fixed cost, rather than as a variable-output human element.

Approach #9: Recognition and reward programs:

Set up a "recognition program" rewarding actual documented cost savings, not suggestions. Suggestions are a dime a dozen – it's actual cost savings you really want.

Approach #10: Fundraising:

Start fund-raising as one of your important organizational functions. Acquire endowments/annuities for long-term funding. Recommend new ways to increase revenue, such as fund drives, alternative sources of funds, or "in-kind" donations and grants.

## PERFORMANCE APPRAISALS ... TIED TO STRATEGIC PLANNING

Performance Appraisals  
must be tied to support

#1

Your organization's Core Strategies (i.e., results)  
*and*

#2

Your organization's Core Values (i.e., behaviors)  
*and*

#3

Your own learning and growth (i.e., career development)  
(If you are serious about your Strategic Plan)

— Result: A Four Page Performance Management/Appraisal Form —

Cover Sheet	Results	Values	Career Development
	Strategies	Values	Objectives
	Plan/ Actual	Plan/Actual	Action Plan
	1.	1.	1. <b>X</b> : _____
	2.	2.	_____
	3.	3.	2. <b>Y</b> : _____
	4.	4.	_____
	5.		3. <b>Z</b> : _____
			_____
			_____
Summary			
Evaluation			

### ***Performance Management***

We will recommend a 4-page Performance Appraisal form as a key to good Performance Management.

## **Part III Plan to Implement**

“Change takes 3-5 years, even with concentrated and continual actions.”

– Stephen G. Haines



“Insanity...is doing the same things in the same way and expecting different results.”

### ***Phase : Implementing Change Successfully***

Proper planning prevents poor performance.

This phase does not concern strategic planning, but rather the beginning of successful implementation (Goal #2). However, in using the system’s thinking model and process, it is clear that there are three goals to accomplish. Now it is time to focus exclusively on the second of these: ensuring successful implementation of your strategic plan. None of the various strategic planning models mentioned earlier have the following step.

#### ***Step 8: Plan To Implement***

This step focuses on the process of educating and organizing to manage the change and implementation of the strategic plan. Thus, it deals with that difficult subject – change.

#### **Educational Briefing On Change**

The first thing to appreciate is how we experience change. The “Rollercoaster of Change” diagram simplifies and clarifies the basic psychology of individual and organizational change.

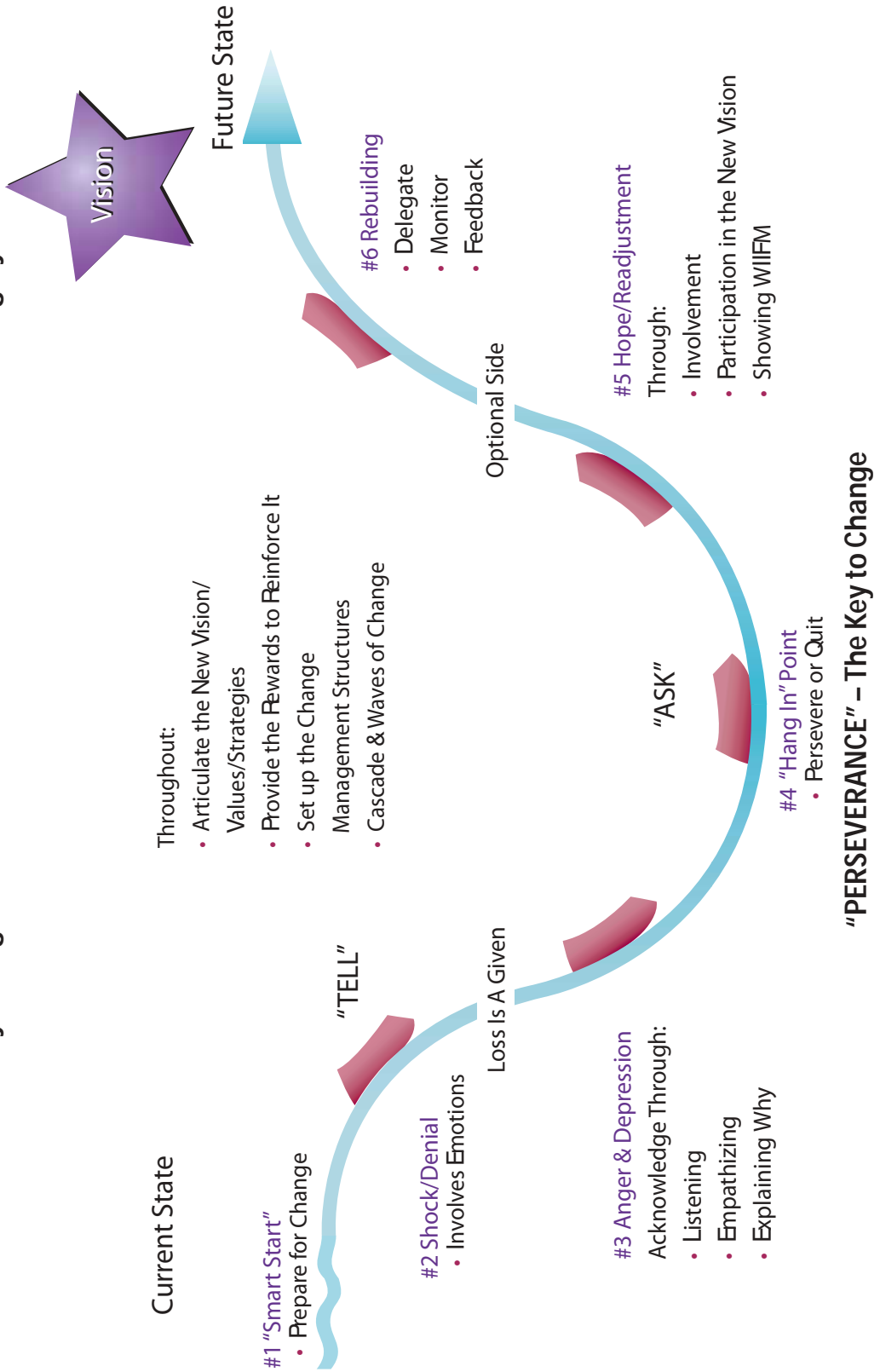
We have the Rollercoaster of Change™ Instrument online. If you want to see how you are currently functioning, contact the Centre at [info@hainescentre.com](mailto:info@hainescentre.com) or go to our website at [www.hainescentre.com](http://www.hainescentre.com) for a free 4-page article on the Rollercoaster of Change.

Action: Study this model’s six basic steps, keeping in mind that the reality of change is much more complex. Each employee goes through this at his or her own pace and depth in a process that must be managed. We often undergo a number of different changes at the same time (personal, professional, social,

# THE ROLLERCOASTER OF CHANGE™

DO NOT DUPLICATE

This Individual & Psychological Rollercoaster is "Natural – Normal – and Highly Predictable"



and spiritual). Focus on the bottoming-out point, where success or failure is often decided. When times get tough, perseverance and discipline in your thinking and acting are needed.

### ***Questions to Address***

There are major questions that you should keep in mind when implementing your changes:

1. Not “if” but “when” will start to go through shock / depression?
2. How deep is the trough? Is it different for each person? What are the implications?
3. How long does the trough take? Are employees and management at the same stage of change at the same time?
4. How do we manage change proactively?
5. Will we rebuild and fully achieve our vision?
6. At what level will we rebuild?
7. What new skills do we need to accomplish this?
8. How many different roller coasters will we experience in this change?
9. Are there other changes occurring at the same time for people?
10. Will we hang in and persevere at the bottom? How?
11. How will we deal with normal resistance?
12. How will we create a critical mass to support and achieve the desired changes?

Action: Discuss these questions of change fully among the full planning team.

### ***Educational Briefing (continued)***

Action: Make a list of the agreed-upon key points on change that will guide your implementation.

Key Points on Change:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

7.

8.

### ***Organizing For Implementation***

What we think, know, or believe is, in the end, of little consequence. The only consequence...is what we do.

Action: Use the prototype below to review and finalize your strategic planning document for use in a practical day-to-day fashion.

### ***Strategic Planning Document***

#### Sections/Documents

#### I. Introduction 3-6 pages

1. Cover sheet
2. Executive summary history
3. Strategic planning model
4. Acknowledgments
5. Table of contents
6. Environmental scanning and strategic issues

#### II. Ideal Future Vision and Strategies 12-15 pages

1. Vision/back-up elements
2. Mission
3. Core values/back-up elements
4. Key Success Measures /first year action plan
5. Current-state assessment
6. Three-year business plan (if applicable)
7. Core strategies and top priority actions
8. Annual plans and strategic budgeting

#### III. Implementation 2-4 pages

1. Summary of the leadership steering committee
2. Year #1 task checklist and schedule of implementation

Total: 17-25 pages

Now decide how you will communicate your plan to all your key stakeholders. For your convenience, the Centre has a Strategic Planning Template that can be used to prepare your strategic plan document. See Systems Thinking Press at [www.SystemsThinkingPress.com](http://www.SystemsThinkingPress.com)

### ***Organizing For Implementation (continued)***

#### Ideas for Initially Communicating the Strategic Plan

- Print the plan and distribute it with a simple cover letter.
- Develop handouts / overhead slides for standardized use by all executives.
- Hold an organization-wide managers' meeting to hear directly from the CEO/executive director and other members of the planning team (thank them for their help).
- Organize divisional / departmental all-employee meetings to ask questions about the plan and to pose concerns.
- Set up stakeholder meetings to review results and thank them for their help.
- Hold 2-day workshops to learn about strategic planning, to discuss the plan, and to build supporting plans at a unit/site or individual level.
- Display posters with planning themes.
- Hand out individual (plastic) cards with values, mission, and Key Success Measures.
- Produce videotapes of the CEO/executive director (or others) explaining the organization's vision and strategies to achieve that vision.
- Publish an internal newsletter, memo, or letter to introduce the plan (overall and in detail).
- Publish external news releases and special public feature stories.
- Give out report cards each quarter – shared with all stakeholders.

Now: How do we keep the plan alive over the next 3-5 years?

Action: Use this set of ideas as a guide to develop your communications game plan:

Communications Needed?	By Whom?	By When?

To achieve your desired changes, each leader must also manage two common problems. First,

changes must be nurtured, protected, encouraged, and rewarded in order to be achieved. Second, despite good intentions, the crises of day-to-day living and working drive out the focus on change, so that it is often never fully implemented.

Action: Set up a Strategic Change Leadership Team to combat these problems by guiding the changes dictated by the plan and establishing a yearly map to manage the change and implementation processes over the life of the planning horizon.

### ***The Strategic Change Leadership Team: Key To Success***

Changing behavior always requires deep feelings

The Strategic Change Leadership Team essential in successfully and profitably implementing your strategic plan. Implementation will fail without it. We have to manage change before it manages us.

#### **Team Guidelines**

A new way to run your business, giving equal weight to changes and to the ongoing daily management of the organization.

#### **Purposes**

1. To guide and control the implementation of any large-scale, organization-wide strategic planning/change undertaken.
2. To coordinate any other major performance improvement projects going on at the same time; to ensure fit with the time and energy demands of ongoing daily business activities.

#### **Committee Meeting Frequency**

1. Monthly checkups.
2. Quarterly reviews once the process is functioning smoothly (but more frequently the faster you want to implement).

#### **Criteria for Membership**

1. CEO (a must), and the senior management leadership team for today (and the future).
2. Informal or formal leaders from parts of the organization that are essential to implementation.
3. Core steering group members including the coordinator managing change, the key success measure coordinator, and internal facilitators.
4. Credible staff who understand the strategic plan developed.
5. Key stakeholders who share your vision and are willing to actively support it.

In addition to the committee itself, you also need to define a core steering group to manage the implementation process on a weekly and day-to-day level. One of the things the group can do is compile a



list of the top priority actions under each strategy for this current year and manage them closely.

In other words, it should become “the new way to run your business and life day-to-day.”

Action: Define your Strategic Change Leadership Team parameters below.

1. Team purpose:

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2. Team membership:

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3. Team core members:

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4. Specific involvement of your middle and first line supervisors (and other key players):

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5. Meeting frequency/length:

---

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6. Meeting location offsite:

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7. Communications to and involvement of other stakeholders:

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***The Strategic Change Leadership Team: Key to Success (continued)***

The leadership team and the planning team are very similar, their guidelines being almost alike:

- led by top management
- about 80-90% same membership
- size normally 15 or fewer members
- use of the consensus process and written communications after every meeting

The frequency and intensity of the steering committee meetings are less than those of the planning team. You should be putting all your energies into implementation tasks rather than meetings.

Teams typically hold one-day meetings in medium-to-large-size departments, business units, and organizations. Such meetings must be held regularly in order to pull back from the day-to-day activities, scan the landscape and status of the strategic plan, and replan its implementation as necessary.

You should institute a steering group to manage the implementation process on a weekly and day-to-day level. The group can compile a list of the top-priority actions under each strategy for the current year and manage them closely.

Summarize the parameters of the team to manage the implementation process on a weekly and day-to-day level. Use the following minimum agenda of mandatory items as a template for your meetings:

- Continually scan the changing environment for plan implications.
- Track, report and problem-solve key issues concerning Key Success Measures.
- Report and problem-solve any issues concerning the core strategies and their top-priority actions.

Finally, the team should establish a task checklist to ensure implementation of the plan, particularly until the first year's changes are completed.

Action: As a group, complete the first year's task checklist and add to it a month-by-month schedule of implementation meetings and activities to occur during the first year.

***Year #1: Task Checklist***

- Finalize the strategic plan and develop an initial communications plan.
- Establish an organization-wide annual plan reflecting the action priorities for each core strategy.
- Align budget to reflect the annual priorities (to be at least 33% effective in the first year – i.e., strategic budgeting).
- Build all department / division / unit annual plans around the organization-wide annual priorities / goals. Hold a peer review of them.
- (Optional) Implement three-year business plans for each strategic business unit / master support division / executive via mini strategic (over the next 12 months?) to verify, extend,

and integrate the organization-wide plan.

- Set up an ongoing leadership steering committee to manage the change process (meet bimonthly at first, then quarterly).
- Establish a task checklist for implementation and follow-up (month-by-month schedule).
- Establish a system / coordinator to monitor, track, and report Key Success Measures.
- Revise the performance management / appraisal and reward systems to support the desired vision.
- Examine your organizational structure as well as staff / succession planning to support the desired vision.
- Implement the desired change(s) in both the headquarters' departments and in units / sites / field locations.
- Put in place an environmental scanning system.
- Establish senior management's personal commitment to a set of tasks to lead implementation of the strategic plan.

Action: Now build a month-by-month schedule of implementation meetings and activities to occur during the first year. Be sure to include all dates from Year #1 Checklist.

### *Yearly Map of Implementation*

Month	Topics/Meetings
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

### ***The Strategic Change Leadership Team: Key to Success (continued)***

Set up internal staff to build your internal expert group with the skills (not just knowledge) to carry out your vision and core values.

- Ensure the key cross-departmental “Strategic Change Projects” are set up with clear accountability.
- Establish a critical mass for change (rational, political, cultural).
- Put teams in place to sponsor each core strategy.
- Direct resource allocation to fund the change process.
- Have two absolutely key training and development programs in place with a top-down fashion (a) Mastering Strategic Change, and (b) Visionary Leadership Practices and Skills.
- Set up the dates for the annual strategic review (and update).
- Add this schedule to your strategic planning document.

Obviously, not all of these steps must be included in everyone’s game plan. However, everyone should have a game plan to combat the failure to live up to his or her good intentions.

Teams, departments, business units, and organizations should be careful not to be “penny-wise and pound foolish.” Don’t fall prey to the tendency to put all your time, energies, and resources into planning and assume that the implementation will naturally follow. The failure to bridge the gap between planning and implementation can be a major problem. If your plan truly represents your top priorities, then use it don’t abandon it.

### ***Step 9: Strategy Implementation and Change***

“People do what we inspect...not what we expect.”

– Stephen Haines

To be successful, as strategic plan must be transformed into hundreds of positive individual plans and efforts, with a rewards and recognition system. This level of team, department, and organization integrity in support of your vision is difficult to achieve. It takes leadership and focus. Your belief that you can do it will lead to actions, which is the bottom line of strategic planning.

The leadership steering committee must lead the implementation by following up and correcting mistakes, and by bringing disciplined persistence and integrity to the plan.

Some people may not like the preceding quote on inspect versus expect. It is quite harsh, but the failure to understand this is a sickness of management today, in all types of organizations. While high expectations are nice, many managers are afraid to inspect and hold people accountable for performance.

Note: When companies choose not to establish a steering committee to ensure follow-up and inspection, they

usually later need assistance conducting the last step in planning: an annual strategic review. They find that they need to install a steering committee and restart their stalled implementation after all. Once these meetings are organized and held, implementation, follow-up, inspection, and results pick up speed.

### ***Step 10: Annual Strategic Review (and Update)***

This is similar to a yearly independent financial audit. It has two goals:

- Assess the status of how well your strategic plan has been achieved.
- Assess the implementation of your system of managing change.

This review has three main tasks:

- Reacting to changes in the environment and their implications for updating your core strategies.
- Update annual action priorities for the next 12 months for each core strategy and hold the annual large-group review meeting.
- Update your leadership steering committee's plan for success and its system for managing change.

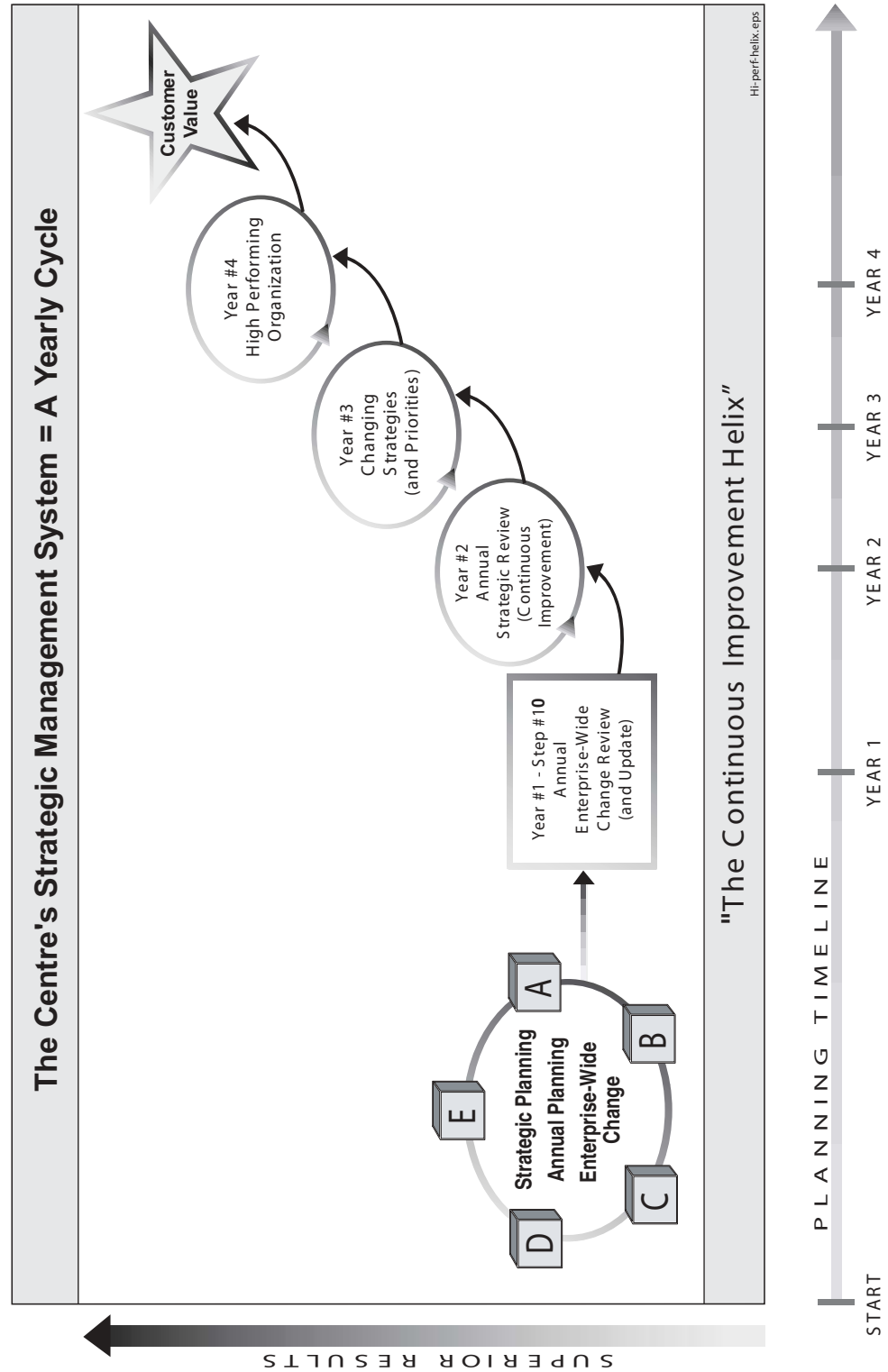
At this point you should have developed an excellent strategic plan for your entity. Now, your main "planning task" is to review and update it annually only as necessary, not redo it.

The annual task is now one of verifying your vision, mission, and core values, as well as checking your Key Success Measures and core strategies, while completely redoing your current state assessment yearly plans, priorities, and budgets. It is crucial to strategically manage the plan you have created.

# ANNUAL ENTERPRISE-WIDE STRATEGIC REVIEW (AND UPDATE)

## HIGH PERFORMING ORGANIZATIONS

The Systems Thinking Approach™

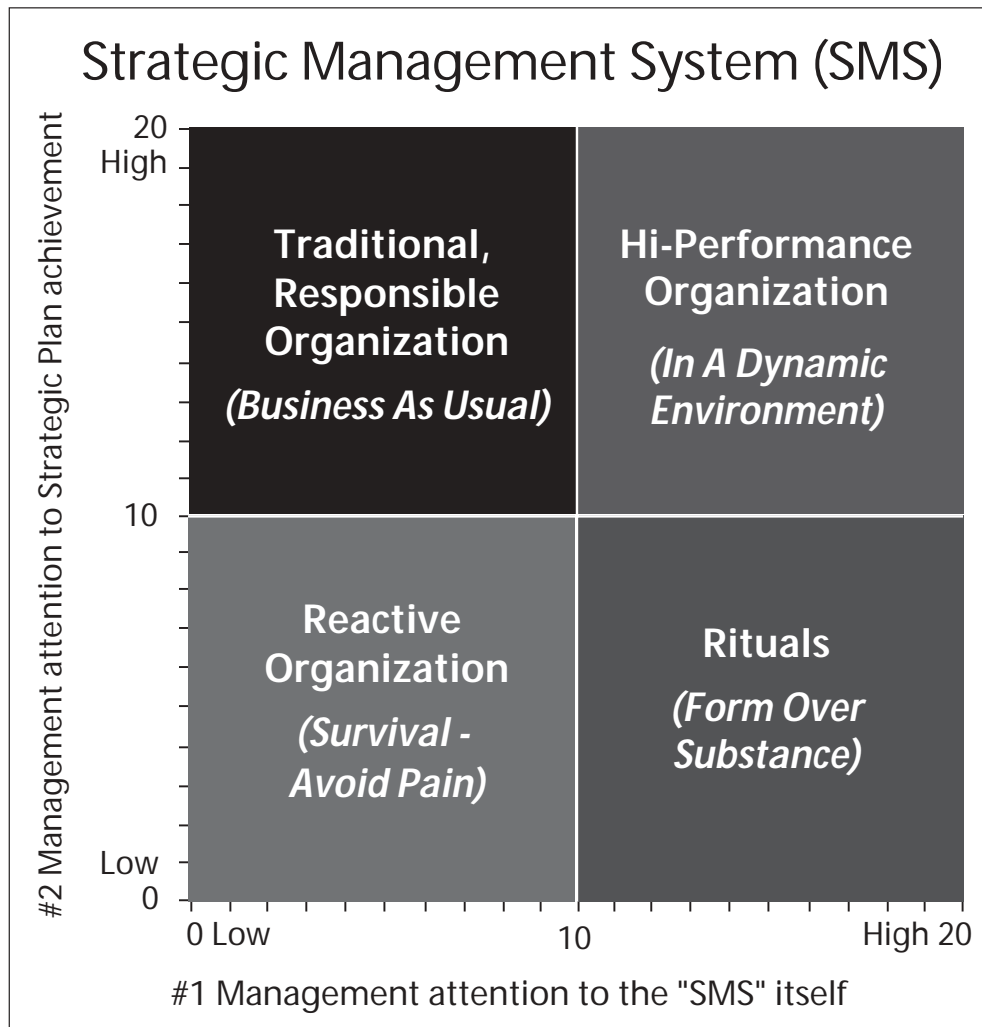


### ***Yearly Strategic Management Cycle***

Instructions: Based on the framework and example on the next page, each organization needs to conduct a yearly follow-up and diagnosis on how they are performing. This is key to "learning to be a high-performance organization."

### ***Annual Review and Update***

Instructions: Based on the framework below (#1 and #2), each organization needs to conduct a yearly follow-up and diagnosis on how they are performing. This is a key to "learning to be a high-performance organization."



## Summary

It is important for people to develop strategic plans for their teams, departments and businesses. However, once these plans are developed, it is crucial to have a system of managing strategically from these plans. Hence, the last piece of Successful Strategic Planning goes by the same name: Strategic Management System (SMS). All of your prework, planning, implementing, and updating steps are what we mean by the Strategic Management System as the new way to run your business.

For a visual representation of this Strategic Management System and its Annual Strategic Review (and Update), see the diagram on the next page.

## Three-Part Strategic Management Systems Solution

### Part I: Goal 1

Phases A, B, C: Develop a Strategic Plan / Document

Step 1: Plan-to-Plan (Educate and Organize for Planning)

- Organizational Diagnosis
- Executive Briefing
- Plan-to-Plan Tasks
- Visionary Leadership
- Team Building

Steps 2 - 7: Strategic Design

- Conduct Strategic Planning
- Competitive Strategies
- Customer Focused
- Annual Plans/Strategic Budgets

Step 8: Plan-to-Implement (Educate and Organize for Change)

- Bridging the Gap

### Goal 2

Phase D: Ensure Successful Implementation

Step 9: Build Changes

- Implementing Strategic Change
- Strategic Change Leadership Steering Committee

### Goal 3

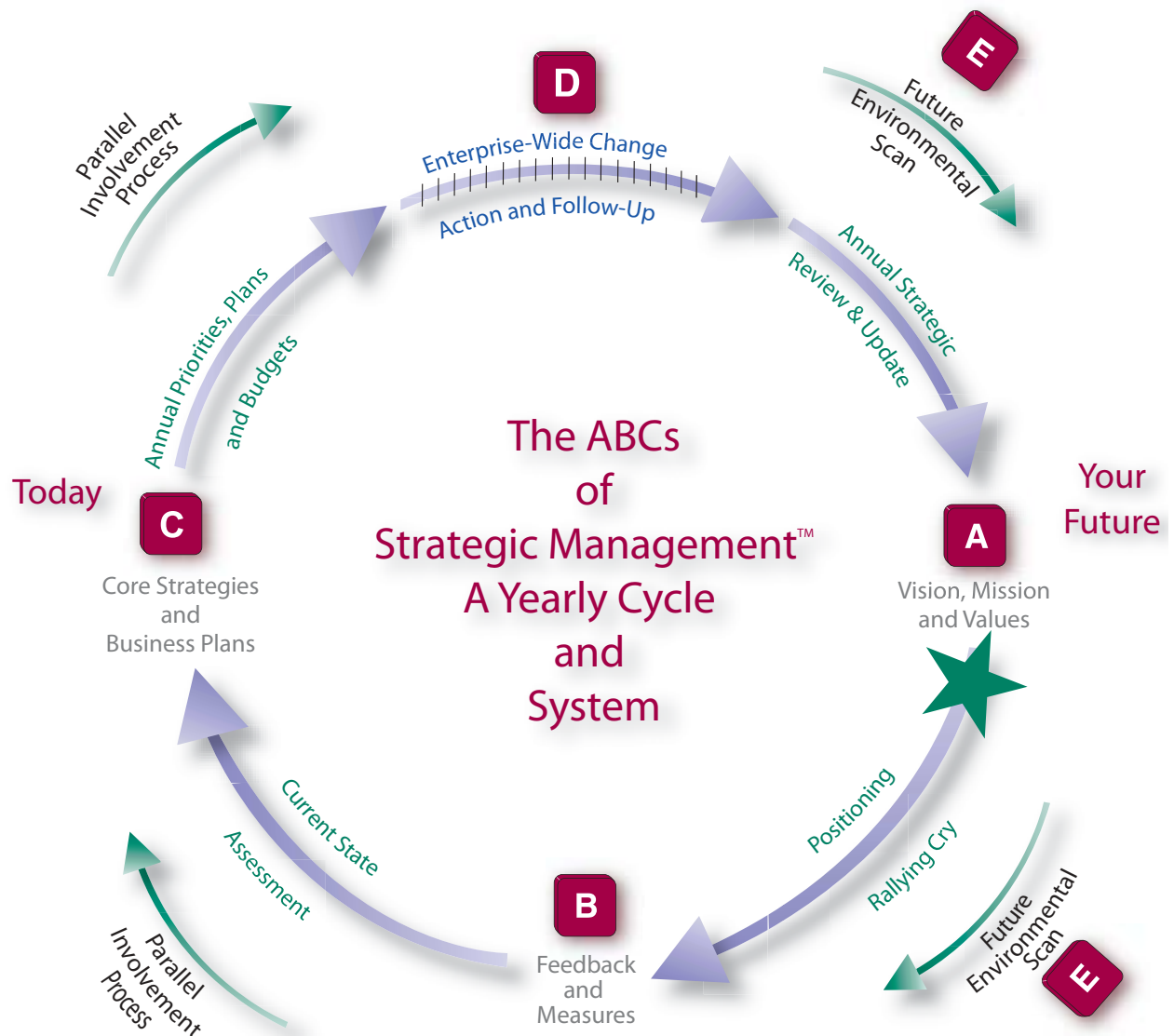
Step 10: Sustain Performance

- Annual Strategic Review (and Update): Independent Evaluation
- Increased Team Building
- Increased Leadership Development

**Bottom Line:** Create and Sustain a Customer-Focused High-Performance Organization



## YEARLY STRATEGIC MANAGEMENT CYCLE Using The Systems Thinking Approach®



## “Thinking Backwards to the Future”

## Part IV

### Facilitator Tips to Ensure Success

You can, and should, shape your own future, because if you don't, somebody else surely will.

#### Facilitator Tips

The following tips are for those planners, trainers, and consultants who want to teach or facilitate strategic planning efforts.

- Tip #1: The first items on any meeting agenda are a clear purpose and time frame.
- Tip #2: Be sure to get agreement and understanding from all planning team members each step of the way. Consensus decision making works best.
- Tip #3: To reach a consensus, answer these questions:
  - How and with whom are you going to communicate?
  - What documents do you want to get feedback on?
  - Whose job is it to communicate the plan and when does it have to be completed by?
  - In what usable form will feedback come to the next meeting?
  - How will you deal with the normal skeptics as you seek consensus?
  - Are you really willing to hear, listen, and act on the feedback you receive?
  - What other consensus-forming elements do you need to identify and resolve?
- Tip #4: The analysis of your current state (strengths, weaknesses, opportunities, threats) is an excellent way to first involve many key stakeholders in the process of reaching consensus. Decide whether others outside the planning team can develop this analysis (and action implications too).
- Tip #5: If the analysis of your current state is done by key stakeholders, the planning team's task would be to review and refine the analysis and action implications presented.
- Tip #6: Do each planning exercise individually first. Then, share and compare it with other planning team members to reach a consensus decision. If your planning group contains 10 - 15 people, in keeping with effective group dynamics you may use intermediate steps with 3 subgroups of about 4 - 5 people.
- Tip #7: An alternative way to begin drafting your ideal future vision is to do the personal values exercise in building openness, trust, and team spirit.
- Tip #8: In developing Key Success Measures, appoint a coordinator to develop, track, and measure these factors and report them to the steering committee on a regular basis. Achieving high rating on these factors is not this coordinator's role. It lies with the collective leadership and top management.
- Tip #9: A standard for meetings is every 4–6 weeks, to allow time for reflection.

- Tip #10: Make sure the leadership roles are clear and that the responsible person in your unit is fully in charge. Delegating planning to the facilitator or someone else is actually an abdication of the job and will not produce the ownership needed for successful implementation.
- Tip #11: Encourage skepticism in the group so that you bring to light and problem-solve all resistance and barriers to success.
- Tip #12: Don't react to posturing and polarizing statements. Ask for the reasoning behind people's opinions. The key role of the facilitator is to expand the range of information available to the planning team.
- Tip #13: Each group has its own pace, which you can help clarify or modify.
- Tip #14: The best documents are free of jargon and state direction and decisions in plain English, particularly your first drafts that will be circulated in building consensus.
- Tip #15: Balancing between content and process; know when to confront and when to back off.
- Tip #16: If things always go smoothly, you are not getting to the tough issues that require slugging-it-out perseverance.
- Tip #17: The facilitator's grip on the process should be neither loose nor tight; ownership and decisions continue to stay with the collective leadership.
- Tip #18: Building the planning document as you go is easier and gives a positive view of progress.
- Tip #19: Make liberal use of flip charts to demonstrate, focus discussions, test conclusions, sum up decisions, and give instructions.
- Tip #20: Be careful in adding new members to a planning team once you get started. You'll need to back up and slow down to help them join in.
- Tip #21: Use three subgroups (not two) to minimize "we-they" discussions, and use volunteers for some subgroups to increase ownership of the results.
- Tip #22: Facilitating planning group closure is a difficult task and should include active listening, summing up discussions accurately, testing for closure, and recording decisions in writing.
- Tip #23: Priority-setting is the key to success in all strategic planning. Forced ranking (or at least limiting priorities to the top three in rank) constitutes prioritizing, not categorizing as high-medium-low.

### ***Key Tips on "Facilitating Closure" in Executive Groups***

1. Set up ground rules in the beginning; especially consensus = "actively support."
2. Have a one-to-one conversation with the CEO about the bottom line of participation and participative management.
3. Get closure by being focused and disciplined, one topic at a time.
4. Get closure on easy topics first to get both positive movement and to isolate the difficult issues until last.
5. Wait to talk or intervene until they start repeating their ideas – i.e., saying the same thing or "going around the barn" a second time.
6. Test for closure – "I may be wrong, but are you saying that...."
7. Take a neutral position; help them get an answer that makes sense or is logical for them.
8. Getting closure is the goal – be non-judgmental/neutral as to what it is.
9. Stay above the debate; don't get caught up in one-to-one's with participants.
10. Often it is best to just sit and observe for ten minutes or more. Let them discuss and frame the issues; you just actively listen.
11. Follow where the energy takes them – passion vs. logic. Passion is great in support of the decision, but be sure logic backs it up. Be a devil's advocate; ask questions.
12. Randomly write down logic patterns on a flip chart; often the answer emerges.
13. Ask "why" – have them explain the logic/rationale behind their opinion.
14. Your job is to make it easy for the group to focus and talk openly. Protect the minority point of view.
15. Impartiality is key. If you have a bias, turn it into an open-ended question instead.
16. Too much content expertise can be a liability, as can too much commitment to the organization. Be calm/centered.
17. Come back later to reaffirm and solidify/clarify the earlier decision (two consensus checks) – i.e., sleep on it!
18. Root out hidden agendas: Ask "Why?" up to five times.
19. Influence often goes to whoever has the last word.
20. Ask them to collaborate on reaching consensus closure; you can't do it alone. In the extreme: "If you don't focus on closure, why should I? It's your meeting."
21. Go around the room to give everyone a chance to be heard. Closure often emerges as you do this.
22. Even the CEO must share the logic of his/her opinions and decisions. Is he/she willing to listen, be naive, learn and be wrong?

### ***Daily Key Leadership Practices***

1. *Watch for the Rubik's Cube Effect – "unintended consequences"*
2. *"Begin with the end in mind"*
3. *"SKEPTICs are my best friends"*
4. *"People do what we inspect, not what we expect"*
5. *"People support what they help create"*
6. *One page documents/simplicity at all times – kill bureaucracy*
7. *Thank you cards*
8. *Do a "random senseless act of kindness" daily*
9. *"Praise in public, criticize in private"*
10. *Encourage feedback – the breakfast of champions/debrief meetings and projects*
11. *Planning and change are the primary job of leaders*
12. *Look in the mirror first – self mastery*
13. *"The troops eat first"*
14. *Work for consensus – input first, then "actively support" the decision*
15. *"Take a helicopter view of life – job – issues "*

## SOME PRINCIPLES OF BEHAVIORAL SCIENCE

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**"We're All 13 Years Old Inside"**

Creative–Energized–Emotional–Immature–  
Fun Loving–Enthusiastic–Fearful

—Sheri Barker

### *Some Key Principles of the Science of Human Behavior*

#### I. Leadership of People

1. "Skeptics are my best friends."
2. "People support what they help create."
3. Assumptions & Thoughts → Behavior → Consequences: (ABCDE) Desired vs. Experienced—Unintended Consequences.
4. Peer pressure works quite well—there are always natural/informal leaders.
5. Consistency and integrity are the most important leadership behaviors to employees.
6. Give credit to others—let them give it to you.
7. Praise in public, criticize in private.
8. The troops eat first.
9. Start tight—then you can loosen up (Leadership 101).

#### II. Change

10. Change has predictable behaviors (The Rollercoaster of Change™).
11. The Rollercoaster of Change™ is natural, normal, and highly predictable.
12. People are naturally more energized and motivated if they are delegated an entire (whole) job with direct customer contact—Plan, Do, Control.
13. You cannot change others, only yourself—your reactions and your own behavior towards others.
14. If you find it hard to change your behavior and habits, think how hard it is for others to change.

## SOME PRINCIPLES OF BEHAVIORAL SCIENCE

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15. Fear does not motivate people to really change, especially long term on their own. They just “move enough” to respond to the perceived threat.
16. Organizations are dependency models at the lowest level of maturity. Most adults have risen above it to the independent or interdependent maturity level.
17. Don’t burn bridges or treat others with anything but dignity and respect—what goes around eventually comes around back to you.
18. The main question to ask in any situation is, “Are we making progress (towards our goals)?” “Are we making continuous improvement? Do we have problems and are they getting better?”

### III. Individuals

19. People dislike surprises. (Confidentiality is a myth anyway.)
20. I want input into decisions that effect me before the decision is final (do it with me, not to me).
21. “What’s In It For Me?” (WIIFM). We are all goal directed.
22. Saying “I’m sorry or you’re right or I apologize” are some of the toughest words to say in the English language—but honesty builds trust.
23. If you see or discover a mistake or wrong action, you are now part of the problem. You have only two choices: collude to be part of it or work to change it. Ignoring it is to collude to allow it to happen again.
24. Honoring the past allows for and frees me up to change in the future.
25. Having integrity gives you power—the power of honesty, the power of directness, and the power of trust.
26. You cannot injure or hurt my self esteem without my permission and collusion. Know where your limits and where your line of self-esteem are—protect them and don’t let others cross your line.
27. By understanding and empathizing with others first, you have then earned the right to disagree with them as a royal skeptic .

### IV. Theorists

28. Freud was right: Rewards and consequences and fears do drive behavior.
29. Skinner was right: Positive behavioral reinforcement works better than negative.
30. Freud was right: Most people avoid conflict and pain “like the plague.”

## SOME PRINCIPLES OF BEHAVIORAL SCIENCE

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31 What is realistic to expect given the current situation? (Harry Levinson)

32. Maslow was right: We have a Hierarchy of Needs:

- (1) Food, clothing, and shelter,
- (2) Safety and security,
- (3) Belongingness and love, which must be met for
- (4) Esteem, self esteem, and then
- (5) Self-actualization to fully blossom!

### V. Learning and Simplicity

- 33. Our retention fades fast—we need booster shots (4 times) with reinforcement regularly to retain new learnings and behaviors.
- 34. “Adults learn best by doing.” (Struggling accelerates the learning.)
- 35. Root causes are delayed in time and space—search for them.
- 36. We become more complex and set in our ways over time (complexity vs. simplicity).
- 37. Simplicity wins the Game of Change every time.
- 38. Feedback is a gift—the breakfast of champions—be open to it, model it for others.



# Reinventing Strategic Planning™

## A Researched Based 21st Century Success Framework

By Stephen Haines, Founder and CEO of the Haines Centre for Strategic Management®

### Reinventing vs. Reengineering

There has been much talk in the past 10 years about the term “reengineering this” or “reengineering that.” However, the Centre for Strategic Management® believes that what we have done over the past 13 years is “reinvented” the Strategic Planning Process. We differentiate our work from “reengineering” because our reinventing process started with a zero-based blank sheet of paper. We then completely reinvented a new Strategic Planning Process based on Systems Thinking for the first time. We turned it into a **21st Century Yearly Strategic Management System and Cycle** that high performance organizations use—resulting in many fundamental differences from the past.

This is contrasted with “refining” a Strategic Planning Process—which is fine tuning or tinkering with a few areas. This fine tuning comes under the heading of “Continuous Improvement,” part of the Total Quality Management (TQM) concept. “Reengineering” is a more radical redesign, still within the existing structure of what already exists, yet a radical (and important) improvement in efficiency. We at the Centre, however, started only with the proverbial blank sheet of paper and the Systems Thinking framework.

We asked ourselves the number one question from Systems Thinking, which is, “**What is the purpose, or goal, or outcome that we’re after?**” All past and most current Strategic Planning efforts do not start here—we do.

From that question, we answered with our now standard three goals for every organization:

- **Goal #1:** Develop strategic and annual plans and documents;
- **Goal #2:** Ensure successful roll out, implementation and change;
- **Goal #3:** Build and sustain high performance over the long term.

Within this set of three goals, we then asked ourselves, “What framework should we use?”

### The ABCs of Strategic Management™

Creating a Strategic Management System and Yearly Cycle is one of the three Corporate-wide Core Competencies required for sustained business excellence world wide.

—Stephen Haines

We quickly decided on the Systems Thinking Approach\* (based on the science General Systems Theory). It is a more normal and natural way for society and all of us as members of this planet to think and live than traditional linear and piecemeal/analytic thinking. All living systems naturally live within the General Systems Theory framework (and our copyrighted A-B-C-D-E “new orientation to life”). See the chart below for the five key points of General Systems Theory from this A-B-C-D-E framework. We put locators on this framework and called them Phase A, Phase B, Phase C, and so on. This gives us some “locator” places upon which to discuss and build our Strategic Planning and Change Processes and system. It is defined to meet the three goals we set out for ourselves and our clients through what we and others call a Yearly Strategic Management Cycle. Strategic Thinking Defined

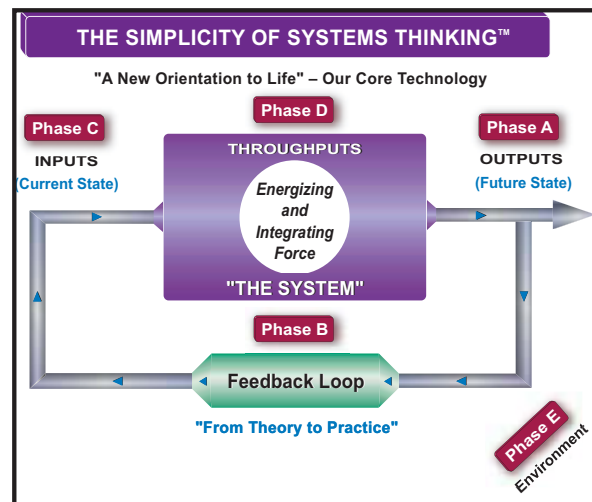
### The Reinventing Process

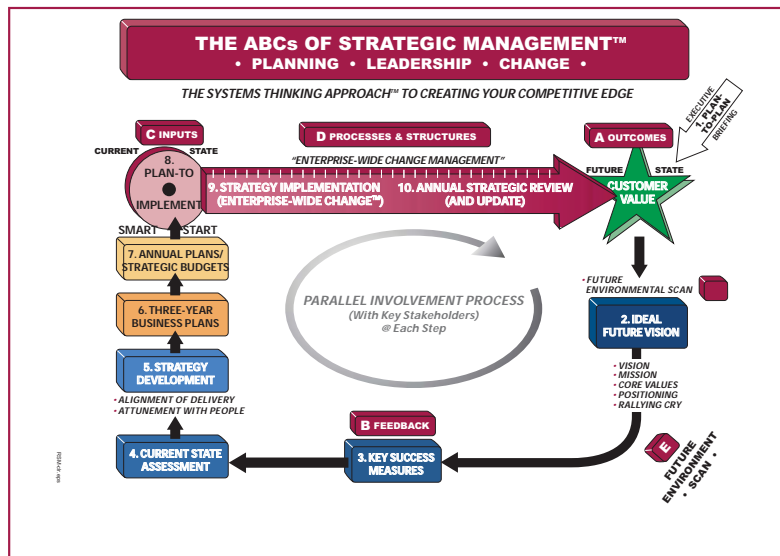
Once we set up the Systems Thinking Framework, we then started to figure out how to use it to reinvent the Strategic Planning and Change process into a Yearly Strategic Management Cycle. We conducted a 1991 literature search and an analysis and comparison of 27 different Strategic Planning and Change models for comparisons of the Strategic Planning and Change research with these other popular models, theories, and literature sources. We also further researched General Systems Theory as

the most general, logical way to describe any living system.

In particular, we looked at George Steiner’s 1979 landmark book in the field of Strategic Planning. We also drew heavily on my experiences as President of the Centre and as the chief planning executive for two major corporations. In addition, my experience as a senior executive and as an internal corporate consultant for over 20 years in the areas of change management, planning, and HR management were invaluable.

As the past-President of University Associates (UA) Consulting and Training Services, I was in charge of a prestigious international firm in the Strategic Planning and Change Management Consulting and Training field. UA had a then 1984 state-of-the-art Strategic and Systems Thinking Strategic Planning model entitled “Applied Strategic Planning.” However, by the 1990s it was in major need





of improvement. We also drew on the experiences of all the Centre partners and of lead external practitioners in Strategic Planning across North America including Michael Kami of IBM and Xerox fame; Russell Ackoff, a Renaissance Professor at the University of Pennsylvania; Bill Pfeiffer, Len Goodstein, and Tim Nolan, the authors of the Applied Strategic Planning model from UA; and Dr. Henry Migiore, the Dean of Oral Roberts University Business School for over 17 years.

Once we concluded this research, we built our first Strategic Planning and Change models using the A-B-C-D-E locators. Preceding our first finished model, we did a critique and analysis of numerous drafts by many leading practitioners and experts in the field. We used the Delphi Technique over and over again, then tested the model in real time with clients and in training programs.

Only then did we finalize it enough to memorialize it in both our four-color Strategic Planning and Change models. That was completed in 1992. However, **we now fine tune and revise these models each year** through continuous client feedback. They show us how to make the models work in daily practice.

Once we felt we knew enough and had perfected the frameworks successfully with clients for a period of years, we wrote two books on the topic. One is called *A Systems Thinking Approach® to Strategic Planning*

and *Management* (now 2nd edition) and the other is called *Successful Strategic Planning*. This writing forced us to continue to clarify all points of our practice in order to put them into writing in an **elegantly simple way** for the reader.

Finally, in 2002 we completed a comprehensive environmental scan and reexamined/fine-tuned our Strategic Management System to ensure it is now a 21st Century success framework (see page 4).

### The Results

As a result of our reinventing, we developed the strategic model that we use as a cornerstone of our practice (see Reinventing Strategic Management model above).

This Strategic Management System has 15 unique concepts and paradigm changes. These are very different from the popular models we studied even throughout the '90s and still up until today. What we ended up accomplishing is "reinventing" Strategic Planning into a systems model of a Strategic Management System that moves beyond planning alone into implementation. It includes a Plan-to-Plan phase and a Plan-to-Implement phase. The steps include team building and leadership skill building as a part of the planning.

### Parallel Process

It also includes the need for the process of planning to reinforce the concept that **"people support what they help create."** Thus, there is a need for a Parallel Process that involves all key stakeholders. Buy-in is key to implementation.

### Where to Start and Why

Overall, it is a systems approach that starts with a Futuristic Environmental Scan, and then defines the Ideal Future Vision, Mission, and Values you want to achieve (your outcomes/end state first). Other models begin with a Current State Assessment—we do not.

Only after scanning the future environment and defining your Ideal Future should you develop a Current State Assessment (or SWOT—Strengths, Weaknesses, Opportunities, and Threats) and strategies to **"close the gap"** and achieve this vision. Without starting with the future, there is no "gap"—just problem solving "more of the same." The systems approach transcends Strategic Planning into implementation at the annual planning and budgeting level. Then it moves to change management and implementation via our Business Excellence Architecture model. It ultimately leads to updating and recycling the Strategic Plan on a yearly basis, another new, yet common-sense, concept.

### Experiential Process, Too

At a more macro level, the process itself is very experiential. We believe in helping clients find their own answers and meaning in the plan, not our answers. This is based on adult learning theory where, **"adults learn best by doing."** We translate this to our common sense concept of **"people support what they help create."**

### Your Competitive Edge

Once clients have been through our process, we find these typical kinds of competitive edges result for them:

1. A Yearly Strategic Management System and Cycle is instituted as a new way to run their company more effectively and more efficiently. We find it focuses the direction of the entire organization from top to bottom.

2. Executives and middle managers develop themselves strategically and conceptually as leaders and build an executive team and teamwork that cascades down through all levels of management. In fact, we find that a strong empowering and values-based culture begins to develop.
3. The typical bottom-line results clients desire show up dramatically in the second year. Great progress is made towards their "Business Excellence"—their vision and achieving their measures of success. Specifics obviously depend on whether the company is in the public, private, or not-for-profit sector. However, all of those who seriously build this Strategic Management System based on their Strategic Plan are well on their way to achieving their Ideal Future Vision. We see them achieve a Quadruple Bottom Line. To wit, (1) not only do we see solid private sector financial results, but we also find the other kinds of bottom-line achievements such as (2) increased customer and (3)

employee satisfaction as well as (4) better contributions to society.

4. Ultimately each organization begins to be much clearer on what their competitive "positioning" in the marketplace is and find themselves moving positively in that direction, to the delight of their customers.

The Centre has reinvented Strategic Planning starting from a zero-based blank sheet of paper. We used Systems Thinking and our A-B-C-D-E framework. We researched the 27 different authors mentioned earlier to figure out how to make sure that it was an integrated Strategic Management Process. We wanted a new way to run the business in a more strategic way. When clients tailor this system to their needs and institutionalize it in the second year, the competitive edge they seek is on track and positive results flow.

### ***In Summary: A Strategic Management System—"The Imperative for Survival"***

Organizations need a Systems Thinking Approach\* to a Strategic Management System with a Yearly Cycle to become high performing organizations (not just budgeting cycles).

Another in the  
ABCs of Strategic Management™  
Series.

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## **Strategic Planning vs. Strategic Management**

**(The #2 Required Core Competency of All Organizations)**

### **Analytical Thinking Traditional Strategic Planning "A Project"**

vs.

### **Systems Thinking Strategic Management System "A New Way to Run the Business"**

1. Project (beginning and ending)..	vs.	1. Continuous/ongoing process with Yearly Strategic Management System and Cycle/review to stay on "track."
2. Staff written.	vs.	2. CEO, line leadership driven/staff supported.
3. Focus on today/extrapolation into the future.	vs.	3. Start with Future Ideal and work backwards.
4. "Motherhood/apple pie" words.	vs.	4. Outcome measures and action plans set/accountability tracked.
5. Big Strategic Planning document as end.	vs.	5. Execution/change management/customer focus is the goal; single documents of one page each (KISS).
6. Senior leadership/planning department answers only (we/they).	vs.	6. Key stakeholder feedback/commitment also (Parallel Process)—"people support what they help create."
7. Weekend retreat.	vs.	7. Strategic change in our roles/behaviors day-to-day.
8. Strategic level only.	vs.	8. Integrated into business units, annual and daily decision-making levels, too, via the glue of core strategies/core values.
9. Individual change projects (TQM, service, empowerment, value chain, etc.).	vs.	9. Customer-focused positioning and value-added delivery as the focus for all projects.
10. Single event—one time only, every five years.	vs.	10. Annual Strategic Review (and Update) each year.
11. Environmental scan of today only—yearly.	vs.	11. Future environmental scan/quarterly reviews continuously.
12. Analytical tools/analysis focus.	vs.	12. Focus on strategy, commitment, and buy-in.
13. Units/departments/silo mentality goals.	vs.	13. Shared strategies as the glue and organizing forces for all departments.
14. Hierarchy/controls.	vs.	14. Customer-focused and values-driven empowerment.
15. Organization structure remains the same	vs.	15. Strategic Business Redesign ("Watertight Integrity").

## What is Different About Our Reinventing Strategic Planning (For the 21st Century)

21st Century Environmental Scan	New Strategic Management Concepts (Leadership, Planning, Change)
1. Dynamic environment.	1. Importance of regular environmental scan—do first.
2. Desire for clear and broader results.	2. Measurement focused—"quadruple bottom line."
3. Very complex world.	3. Simplicity is key—rule of three/of one.
4. More competitive environment/drive to commodity/price only.	4. Unique positioning is essential—the right answer does count.
5. Non-linear future environment/major disruptions.	5. Ideal Future Vision is place to start, not Current State Assessment.
6. More demanding customers.	6. "Data-based decision making"—planning team with an external customer orientation are key, not just senior management (support jobs).
7. More skeptical and less engaged employees.	7. Parallel Process and large group annual department review meeting—maximum involvement of rest of management/key employees.
8. More diverse employee culture, background, ethnicity, age, and values.	8. Glue of core strategies and core values key to Cascade of Planning and implementation—with accountability of performance and rewards.
9. Attention span shorter/more "noise" in the world (concept of entropy—all things run down and die).	9. Need for monthly and quarterly progress review meetings and Annual Strategic Review (and Update)—"buy-in and stay-in" are both key.
10. No one has all the answers or skills—how to make sense of all the books, fads, theories.	10. Leadership development done concurrently with planning and implementation to stay abreast of new concepts and assimilate the learning for us (Corporate-wide Core Competency #1).
11. "Long term" is nothing without "shorter term" successful implementation and change linked to longer term.	11. Create a Strategic Management System and Annual Cycle as a new way to run the business (Corporate-wide Core Competency #2).
12. Complexity within all organizations.	12. Need Strategic Business Redesign for "water-tight integrity"—systems view, understanding, and challenge of change (Corporate-wide Core Competency #3).
13. Faster pace of work and life.	13. Tailored Strategic Management System to your unique needs, from "micro" to "quick" to "comprehensive" Strategic Planning.
14. Faster pace and variety of changes.	14. Flexibility and agility of implementation are key—"emergent strategies" a way of life (plan is a living, breathing document).



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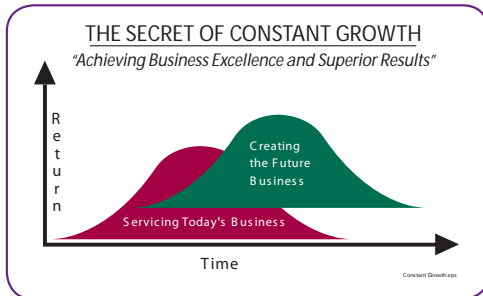
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## Enhance Your "Strategic IQ"™!

The Centre's Smart Start: Strategic IQ™ Audit, Executive Briefing and Plan-To-Plan Sessions are designed to establish a common set of principles and knowledge on the specific Strategic Management project that your organization needs to develop or improve. By using this Systems Thinking Approach® principles, and Audit results, you can develop an Enterprise-Wide Planning and Change Game Plan for successful execution. Build your capacity to achieve and sustain business excellence and superior results.

**Achieve Organizational Clarity, Simplicity and Superior Results!**

### EXECUTIVE BRIEFING / SMART START OUTLINE

#### DAY ONE-STRATEGIC AUDIT

**Initial meeting with CEO on purposes/introductions/wants**

- Initial meeting with Senior Management on Strategic IQ Audit
- **Begin Strategic IQ Audit Process-** Conduct analysis of business documents (economic, customer, operational and strategic).

**Continue Strategic IQ Audit Process -**

- Hold 1-1 data collection sessions as necessary
- Client Objectives meeting with CEO and other decision makers

#### DAY TWO-EXECUTIVE BRIEFING/PLAN-TO-PLAN

**Executive Briefing:** "Educating and Assessing"

- Choose from eight Strategic Management Topics
- Learn the research on Proven Best Practices
- Assess your organization vs. these Best Practices

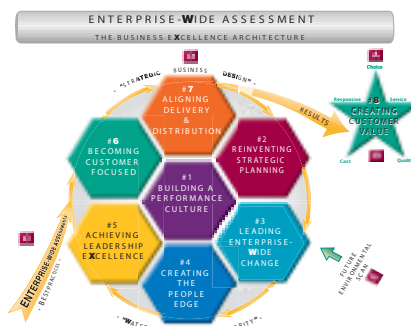
**Plan-To-Plan Tasks:** "Organizing and Tailoring"

- Organize and engineer success up front
- Tailor the change process to your needs
- Present Strategic IQ™ Audit Results
- Build a practical and realistic "Game Plan"

### EIGHT EXECUTIVE BRIEFING DAY TOPICS

**Strategic Management: The Systems Thinking Approach®**

1. Becoming a Strategic and Systems Thinker
2. Reinventing Strategic Planning
3. Leading Enterprise-Wide Change
4. Creating the People Edge (Strategic HR Management)



5. Achieving Leadership Excellence
6. Becoming Customer Focused
7. Aligning Delivery & Distribution (Business Planning)
8. Creating Customer Value (Positioning & Design)

### The Systems Thinking Approach® Science-Based Proven Research

- We are Interpreters and Translators of Proven Best Practices Research from the Science of Living Systems.
  - We tailor these Best Practices into powerful, practical and easy to use, simple tools.
- We own Systems Thinking Press® the "Premier Publisher and Clearinghouse for Systems Thinking Resources".
- Visit our web site [www.SystemsThinkingPress.com](http://www.SystemsThinkingPress.com) • Learn about ALL our Strategic Management Materials.

**"Failing to Plan is Planning to Fail"**

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- Achieving Your Ideal Future

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