

LEVINE ON LEADERSHIP

The secrets to a successful strategic plan

Last year I addressed a group of marketing execs for large national law firms. I took a show of hands of people who had strategic plans. Only about 20 percent of them raised their hands. Strategic planning is like exercise and eating right – we all know we should do it, but we never think we have the time. So at this time of year, when we're making personal resolutions to start fresh and do all the right things for ourselves, I'd like to challenge business leaders to do the same thing for their organizations. There's no better place to start than strategic business planning, because without a good plan, you'll never achieve what you should in 2006.

Our firm has done dozens of plans for businesses with sales ranging from \$10 million to \$5 billion dollar organizations, public and private, not-for-profit and family owned. Here are six important lessons we've learned about getting a solid plan in place.

1. Begin with data.

Root your plan in reality. Assemble a packet of relevant data about the industry, economic trends and current performance. Share the packet with everyone who will be involved in developing your strategy. Starting the process with data immediately depersonalizes the discussion and focuses it on the right things.

2. Make sure you have the right people at the table.

In several cases, we've been paid to come in behind some of the biggest strategy firms in the world to get the plans executed. Our clients didn't understand why the \$2 million plan they just paid for was sitting on a shelf going no where. The reason is always the same – the strategy was

developed in some corner office and the people who were key to its implementation had been left out of the process. That creates two problems: the strategy wasn't as good as it could have been because the people who knew the organization best didn't have any input. They didn't own the plan and felt no commitment to its success, because they weren't included in its development. I've seen this mistake made more often than any other. Avoid it. Involve the management team and, where it makes sense, your best

operational thinkers in crafting your strategy.

3. Start with the big picture and then get increasingly specific.

Begin with the long view. Define your organization's vision by asking yourselves, "If everything goes right, where will the organization be in 10 years?" Using that vision to guide you, define your organization's purpose for the next two years. This becomes your mission. Write a two- or three-sentence description of both. Using the vision and mission as your targets, define specific strategic initiatives that will get you there. When you've figured out what initiatives you will undertake in the next two quarters, relentlessly drill down to define what you will do (e.g. tactics), who will be responsible and what milestones you will aim to hit when. Specificity increases accountability, which dramatically increases the likelihood that you'll achieve the desired results.

4. Prioritize.

Many organizations choke on this. They have a lot of ideas and they want to do them all. They find it almost impossible to focus in on one or two. But it is critical to focus your efforts on the high-impact initiatives that will

get you the most return. Choose one or two initiatives that give you the most bang for the buck and put all you have into executing them. Don't jeopardize it by biting off more than you can chew.

5. Communicate, communicate, communicate.

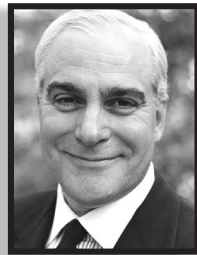
If you don't communicate consistently throughout the planning and implementation processes, the plan will fail. Establish a regular time and place to engage key people throughout the planning process. Then use that same forum to regularly update the team on progress and address issues that arise. In our firm, we have an 8:30 Monday morning call. We are fanatically committed to it. Wherever team members are across the country, they make that call.

6. Measure results to improve them.

For each initiative, define specific metrics that will tell you if you are getting the desired results. For example, sales numbers, customer satisfaction, or product quality. Take a baseline reading on each metric so you know where you started and set a specific target for improvement. Regularly measure and discuss progress. This increases accountability, which in turn improves results.

Setting a clear direction for our organization is our primary responsibility as leaders. If you are not entering the new year with a solid strategic plan in place, resolve to develop one in the first quarter. Then make revisiting and refocusing the plan part of your annual budgeting process in years to come.

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