

How to Develop Strategic Plans Based on Strategic Vision

Are your organization's strategic plans lacking substance? They might be if they are developed without a clear strategic vision in mind. Neglecting to be "externally aware" can lead to incomplete plans, and failing to articulate a vision can create a gap in the foundation of those plans. This comprehensive guide provides step-by-step instructions for crafting strategic plans based on these two crucial elements.

The United States Office of Personnel Management has identified a list of succession competencies, ranging from fundamental to the highest level of "*knowledge, skills, and abilities*." Among executive-level managers, only two competencies are emphasized: vision and external awareness. Disregarding these critical elements compromises the integrity of strategic plans and jeopardizes their future-oriented nature.

The term "strategic planning" may initially seem daunting to many managers. They typically identify themselves as controllers, directors, or planners, but not necessarily as "strategists." However, when broken down, the strategic planning process offers an opportunity to leverage present strengths to mitigate future weaknesses.

Fundamentally, the process involves five steps.

1. Begin by Asking Questions

Renowned management expert Peter Drucker once stated that exceptional leaders know how to ask the right questions. From questions, ideas emerge, and as Mark Van Doren advises, we should welcome these ideas royally, for among them may lie a truly impactful one. Similarly, experienced strategic planners initiate the planning process with a series of questions. These questions serve as the framework within which critical decisions are made. The more questions posed, the greater the likelihood of discovering those that will guide us toward the best ideas, leading to informed decisions.

Here are just a few questions to stimulate thinking during the initial step of the planning process. These questions can be applied by strategic planners at any level within the organization:

- What pressing issues do we currently face?
- What challenges are anticipated in the future?
- How has technology influenced our business operations thus far?
- How might technology impact our future business practices?
- What are our strengths and areas of excellence?
- What are our weaknesses and areas in need of improvement?
- What aspects require enhancement?
- What performance measurements will indicate our progress?
- What aspects should be eliminated?
- How are we contributing to the community and the larger world?
- Have we clearly defined our ethical stance?
- Are we thinking globally while acting locally?
- What important tasks are we neglecting?
- What kind of training should we plan for?
- What demands might customers make in the future?
- What opportunities are we currently overlooking?
- What mistakes have been made recently by others in our industry?

- What resources are being wasted due to a defensive posture?
- What ideas have already been implemented?
- Which customer complaints could lead to innovative products or services?
- How would we describe our organizational culture presently?
- How might our culture evolve?
- What sets us apart from others?
- Are there morale issues within our organization?
- What potential areas of profit are we neglecting?
- What are we doing to foster creativity?
- What unique qualities will we need in the future?
- How can we shape that outcome?
- By what standards or values do we wish to be known?
- What demands might employees have?
- How can we engage them more effectively?
- What will future customers desire?
- Does our mission drive us?
- What is our current vision?
- How aware are employees of our vision?
- How familiar are customers and suppliers with our vision?
- How can we enhance communication about our adjusted vision and new strategic plans to those who matter most to us?
- What obstacles hinder the optimal utilization of resources?
- How much commitment are we willing to make and to what extent?
- What safety considerations should concern us?
- What constitutes an ideal workplace?
- Who embodies the qualities of an ideal leader?
- How would we define an ideal company?
- What characterizes an ideal product or service?
- Who represents the ideal employee?
- What messages are we conveying?
- What distinctions are becoming blurred?
- What form might future competition take?
- What market trends should we closely monitor?
- What sets us apart competitively?
- What gaps need to be addressed?
- Which risks are worth taking?
- How can we expand our market reach?
- What fundamental principles can we agree upon?
- What misconceptions surround our efforts?
- What are the realities we face?
- What potential combinations might lead to improvement or increased profits?
- Have we considered every possible negative scenario?
- Do we have contingency plans in place to address them?
- What are our top priorities?

- What values guide our decisions?
- What philosophy has endured since the organization's inception?
- How much significance should we place on author Warren Bennis' prediction: "The factory of the future will have only two employees, a man and a dog. The man will be there to feed the dog. The dog will be there to keep the man from touching the equipment"?

2. Assess the Impact of External Events on the Vision, Avoiding Excessive Influence from "Transient Brilliance"

Prussian military strategist Karl von Clausewitz cautioned against giving too much weight to transient events, particularly those that appear brilliant in nature. The challenge in strategic planning lies in discerning which events are indeed transient and which will significantly shape the organization's future. Holding the title of "manager" does not bestow omniscience upon us. Hence, our best course of action is to proceed with planning while remaining open to necessary adaptations.

One of the most valuable yet often overlooked aspects of strategic planning can be found in daily news reports, extending beyond the confines of Wall Street. Whenever an event disrupts the established boundaries of conventional thinking, leaders must reevaluate existing policies and prepare for future possibilities. This is particularly true during times of crisis. The Oklahoma bombing, for example, should have prompted every organizational leader to ask, "Could it happen here? If so, are we adequately prepared?" Such scrutiny leads to fundamental planning considerations, such as the presence of an evacuation plan.

Realistically, the likelihood of a disaster occurring is slim. Nevertheless, with a minimal allocation of resources, contingency plans can be established. This applies to safety and security concerns (workplace violence, sexual harassment, substance abuse, natural disasters), financial matters (interest rates, mergers, healthcare costs), and technological advancements (e.g., the increasing number of telecommuters, which comprises nearly 15 percent of the workforce who work from home instead of an office). How do such statistics impact supervision, office space, schedules, and compensation?

At times, intuition guides us in prioritizing the multitude of potential influences affecting our operations. Other times, we seek advice from others. Therefore, when developing a strategic plan for a department, a supervisor may consult with fellow supervisors to gain a broader understanding of priorities and organizational emphases.

However, resources are limited, necessitating choices. The vision remains the definitive core. If safety is an integral part of the vision, decisions and plans will be formulated to ensure it. If profit is the overriding concern, efforts will be concentrated on that objective. If coevolution (the collaborative development of new markets among competitors, customers, and vendors) appears to be the most promising direction, initiatives will be initiated to foster such collaboration. If technology holds the greatest promise for the future, plans will be tailored accordingly.

3. Clearly Articulate the Vision

Vision has been described as the art of perceiving the invisible. It requires idealism, imagination, and courage to confront the unknown and discern the contours of possibilities, giving shape to what is barely visible. These shapes emerge within the context that provides the framework for their development.

Just as we see what we want to see, we create the ideal vision in our mind's eye. Motivational speakers often encourage individuals to create a list of 100 goals for their lives and relish the excitement of achieving them one by one. Similarly, as individuals and leaders, we can utilize a wide array of hopes, aspirations, and intentions to formulate our plans for the future. The answers to the questions posed in Step 1 can serve as a starting point, including the external events that necessitate thorough and comprehensive thinking. Only then can we formulate the overarching concepts that will lead to the vision and subsequently the plans to realize it.

Suppose a strategic planning committee comprises six individuals. The questions from Step 1 are categorized into six broad areas, with each person responsible for a specific area and its corresponding questions. They work to gather answers, measurements, and opinions inspired by these questions. Subsequently, each person formulates a statement highlighting the significance or value of their assigned area. Through this collaborative effort, the vision gradually emerges, always serving as the foundation for subsequent planning.

Let's consider a sample workplace vision statement, created by a first-line supervisor to define her objective. This vision evolved from an extensive process of asking numerous questions, categorizing them into six areas with multiple questions and answers. Once the broad picture has been refined, we can ascertain the essential elements required for maximum effectiveness.

Sample Vision: Provide a safe, functional work environment to accomplish required tasks.

With the essentials generally stated, planners can now transition to the specifics of procedural planning. This stage involves moving from the overarching umbrella of generalization to the specific elements that support it. We delve into the means that will lead to the desired outcome.

Examining the first adjective, "safe," prompts further questions, some of which can be answered by employees themselves. Conducting a survey that includes open-ended responses can provide valuable insights into the current level of safety experienced in the workplace. Gathering suggestions for enhancing safety is likely to yield valuable ideas. (For instance, Toyota of Japan receives over a million employee ideas each year, 95 percent of which are fully or partially implemented, as highlighted in Masaaki Imai's book, *Kaizen*.)

Establishing a focus group can serve as a benchmarking exercise, enabling us to learn from other organizations' efforts to improve safety beyond basic guidelines. Armed with this knowledge, the group can then make recommendations that will eventually be incorporated into the strategic plan. However, as author Gary Hamel observes, strategy must be "subversive" – challenging existing practices. Thus, those responsible for formulating the vision, developing the plans, and implementing them must proceed with caution throughout the process.

The second adjective, "functional," brings its antonym to mind: "dysfunctional." Are work units operating at optimal levels of efficiency, or are they plagued by internal conflicts? What barriers hinder their peak performance? Which stressors impact their productivity, and which can be eliminated or reduced? How much cooperation do they extend to both internal and external customers? Do they possess the necessary tools and training to perform effectively? Are they aligned with the organization's mission?

Answering these questions and numerous others is vital to realizing the vision of a functional and well-operating workplace. Such a workplace does not materialize naturally; leaders must plan for its emergence. As Peter Drucker wisely said, "The only things that evolve by themselves in an organization are disorder, friction, and malperformance."

The verb "accomplish" prompts similar speculation. It encourages us to consider the level of quality required, the time frame within which tasks must be completed, the regulations or standards to adhere to, the potential need for rework, the customer segments to serve, and the available resources. The transformation from vision to strategy lies within a network of questions and answers, definitions, and thought-provoking scenarios. Challenges are inherent in this network, and ideally, both employees and strategists advocate for continuous improvement, continuously seeking new and improved ways to fulfill their respective responsibilities.

The term "required" prompts us to think about who the demanding parties might be in the future and what kind of expectations we may have to confront. Previously voiceless segments of the population are now asserting their rights, as seen in recent scandals involving women and minorities. Books like Walter Bogdanich's "The Great White Lie" exemplify patients and their families making demands that institutions, such as hospitals, must respond to.

Finally, the concept of "tasks" invites us to consider reengineering opportunities – the chance to design a process, system, or operation from scratch and then proceed accordingly. Engaging in such imaginative contemplation forces us to juxtapose reality with the ideal and determine the steps required to bridge the gap. It also compels us to identify redundant or wasteful tasks, those that consume excessive time, or fail to satisfy customers.

Being externally aware entails being attuned to both detrimental and opportunity-laden possibilities and integrating provisions for them into the vision statement itself.

4. Formulate Plans Aligned with the Vision

After analyzing the necessary process to transform the ideal vision into reality, we shift from visionary, concept-based strategic planning to operational planning—the practical, logistics-oriented framework that aligns with the support system in place for the vision. While less glamorous than the vision itself, operational planning focuses on the incremental steps that ultimately lead to achieving the visionary goal. It encompasses routine decisions that we face on a daily, quarterly, and even yearly basis.

Operational planning involves setting measurable objectives and determining the actions to be taken in a prioritized order. The plan anticipates potential problems and outlines strategies for solving them. This plan emerges from a process of contraction and expansion: the range of questions and external events led to narrowed categories and concepts, which further refined the vision. Subsequently, strategic decisions determine the procedures that will fulfill the vision's objectives. These procedures, in turn, encompass the multiple steps required for successful execution.

For operational planning to achieve maximum effectiveness, it must be easily understood by employees at all levels of the organization. Directions should be clear and concise, and reporting mechanisms must be thoroughly outlined. Problems that arise during operations should be addressed and resolved at the lowest possible level, whether it be the individual worker or the project team. If a resolution cannot be reached at that level, it is escalated to first-line supervision. If the issue is of significant magnitude to involve middle management, it is elevated to that level. However, it is essential that those closest to the process are the first to become involved and ideally remain engaged in the majority of situations. This allows senior management to focus on the activities for which they were hired.

Failure to address operational issues keeps the vision confined to the realm of potential, rendering it unrealized. Neglecting long-term strategy transforms future growth into a random possibility rather than an intentional objective pursued with determination along a deliberate course of action.

5. Execute the Plan and Foster Continuous Communication

Inadequate implementation planning undermines the strategic plan and its associated plans that can turn strategy into reality. Effective leaders understand the importance of consistently communicating both the spirit and the details of the new guidelines that will govern individual and organizational behaviors in the coming years.

When creating strategic plans, whether for a small work unit or a large corporate entity, managers strive to establish a connection between their area of responsibility and the broader organizational objectives. Change is inherent to such planning. Without embracing change, managers merely maintain the status quo instead of preparing for the future. The potential for change can be intimidating, as acknowledged by Graham Briggs, vice president of Charles River Data Systems, who describes strategic planning as "damn scary." It is undoubtedly easier to simply declare, "Next year will be better" and leave it at that. However, genuine improvement stems from more than wishful thinking; it arises from diligent planning in the present.

As work units or organizations stretch themselves to meet new demands, fresh opportunities emerge. However, without effective planning, we may remain oblivious to opportunity's knock, unresponsive to possibilities, and unaware of the potential impact of external events that carry long-term implications. In the words of renowned strategist Peter Drucker, "Long-range planning does not deal with future decisions, but with the future of present decisions."

To drive successful implementation, it is crucial to foster continuous communication. Leaders must consistently convey the essence and specific details of the strategic plan to ensure understanding and alignment across all levels of the organization. By doing so, they create a shared understanding of the envisioned future and the necessary actions to make it a reality. Regular communication helps employees remain attuned to the evolving landscape, adapt to changes, and stay motivated and committed to the plan's execution.

By embracing change, engaging in diligent planning, and fostering open and frequent communication, organizations can navigate the future with purpose and effectively turn their strategic plans into tangible achievements.