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Effective strategic plan implementation

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There has been much controversy concerning the value of strategic planning in today's turbulent business environment. Much of the debate may be a product of the many interpretations of the strategic planning concept. Strategic planning can be a tedious, non-creative, bureaucratic process that adds no value to an organization's strategic decision-making process; it, however, has the potential to be a powerful tool to enhance the strategic capabilities of any organization. The difference may reflect the conception, understanding, and the ways that organizations actually do strategic planning. A strong indication of this misunderstanding is that a significant number of business executives, members of associations, and other not-for-profit organizations are proposing that their organizations do not have problems of planning, but of implementation. I propose that many problems organizations encounter in strategy implementation are due to the use of non-exiting, incomplete, improvised, or poorly defined planning processes.

Implementation or formulation problems?

It is common for business organizations engaged in manufacturing to discuss the concept of "poor manufacturability." This is the name given to situations in which the engineering department of a company designs a new product that may be attractive to potential customers, but is very expensive and difficult to manufacture. This type of problem is the result of marketing departments identifying customer needs and sending the information to the engineering department. The engineering department will, in turn, design the products and give the specifications to the manufacturing department to pro- duce them. The information is mostly uni-directional and there is little opportunity for timely feedback.

Manufacturing, engineering, and marketing blame one another for all the problems that a product may encounter. Error, waste, and the inability of meeting production schedules are blamed on manufacturing that, in turn, blames engineering for a bad product design. It is the same with strategic planning; who's doing the planning and who's doing the implementing?

Some companies are attempting to remedy this by reorganizing their development activities around the pro- duct development process. In this mode, cross-functional teams made up of representatives from various relevant departments are involved in the various stages of the product development process, allowing for interactive feedback and a final product design that will reflect the needs of the different departments. The final result? Products that are successful in the marketplace.

Planning implementability

The implementation problem of strategic planning in any association actually follows a similar rationale to that of the problem of manufacturability. Senior executives frequently

formulate their strategic plans in isolation. Once the plans are complete, they expect the rest of the organization enthusiastically to implement those plans. They look at the formulation process as independent of the implementation process and do not take into account the "implementability" of the resulting plans at the formulation stage. The rest of the organization, on the other hand, looks at those plans with apprehension.

Middle and lower level management conclude, from their points-of-view, that many things in the plans do not make sense. They may not understand the plans or may find them incomplete, incoherent, risky, and/or difficult to implement. As a result, the cycle of senior management blaming implementation and the rest of the organization blaming the plans begins.

Successful plan implementation

The key element to have successful plan implementation is to have a good process and planning system. Too often, senior management of associations and other nonprofits get together in a meeting and, usually with the help of a facilitator, spend two to four days producing a strategic plan. They share the plan with the rest of the organization and expect everybody to see the wisdom of their plan and enthusiastically and promptly be committed to implementing the plan. This situation is like asking a group of subordinates to climb a very tall ladder that has only one weak step in the middle, yet does not have any steps at the bottom or at the top.

The modern concept of planning processes suggests that managers of companies or officers (and perhaps even members of the association) should be brought into the overall planning process from the outset, including analyzing the environment, identifying opportunities and threats, as well as strengths and weaknesses, and making recommendations for what needs to be done. This process must be organized so that each manager or member will be responsible for the planning activities that are relevant to his or her area of responsibility. The integration and coordination of these planning activities will comprise the overall organizational plan.

Since each manager or officer is an active participant in the planning process, the plans will reflect managerial or membership concerns, perceptions, and experiences, and will— more than likely—be strongly supported by the entire organization.

Understanding planning systems

The planning process in an organization is driven by the planning system. A planning system comprises the organizational mechanisms and processes that guide, facilitate, and control the planning and the implementation process. It provides a framework for the orderly formulation and implementation of the strategic and operational plans. This framework provides a mechanism for the development and maintenance of the strategic information system needed to make relevant strategic decisions, timely activities of strategy formulation, coordination of those activities throughout the organization, and effective implementation of selected strategies.

Organizations that lack effective planning systems too often start planning efforts that fail due to the formulation of uninformed strategies, resistance to change, inconsistencies among the strategies from different organizational units, the lack of follow-up, and the absence of established mechanisms for effective implementation.

Planning systems should evolve, but can be accelerated

Every association engages in some type of planning activities, which may differ widely in nature and sophistication. Some organizations may have rudimentary planning processes and systems while others may have developed highly sophisticated planning and implementation systems. An organization cannot reach a sophisticated planning system overnight.

Strategic planning is an institutional effort that develops through better planning process design, learning, and trial- and-error-processes. Often, however, organizations can accelerate the development of their planning processes and systems, avoid many mistakes, and significantly enhance the implementability of their plans. The acceleration of this evolution of planning processes can be achieved by making planning processes and systems consistent with the following guidelines:

1. Build your informational platform. Often managers and other decision-makers are not able to articulate the information they need to make specific decisions. As a result, many times they cannot achieve closure because they do not feel they know enough to make the required decisions. Informed strategic decisions lead to the formulation of more powerful strategies. Many organizations, however, do not have a clear methodology to identify and produce the necessary information for effective strategic decision-making. Executives that get together to formulate strategies without the necessary information will have to rely on their particular perceptions of reality. A discussion based on a variety of perceptions of reality will either produce low quality strategies or will result in an endless and unproductive discussion that will not lead to any kind of effective conclusion.

2. Democratize your strategic planning. An important activity in planning is the identification of the corporate vision, intent mission, and strategies. In a business organization, this is the responsibility of the board of directors and the senior management team. In associations, it's up to the board, elected officers, senior staff, and other stakeholders. Many organizations have found that the value of identifying the mission and strategies increases when participative approaches are used. The inclusion of a larger number of participants in the planning process (15 to 40) increases the intellectual power used in the formulation of strategies, provides a healthy diversity of perspectives, generates a widespread understanding of the plans and underlying foundations of those plans, and contributes to the generation of organizational commitment.

3. Give transparency to your process. It is not uncommon in organizations for middle management and lower management to feel a certain amount of apprehension towards the board and senior management. They may believe the board and senior management

do not understand their problems, that they may not even care—and yet they make all the decisions that affect the future of lower levels of management. By inviting representatives from different departments and management levels, the organization not only benefits from a diversity of opinions in their planning process but, if there is a good process, will also generate a feeling of trust and a sense of belonging among lower organizational levels and the among the entire membership in the case of associations.

4. Use the concept of parallelism. Strategy formulation, particularly in medium and large organizations, is a complex and fragmented activity that takes place in various planning meetings with different management teams at different levels, different functions, and at different times. In associations it may take place in various planning meetings with different committees and at different times. It is similar to a manufacturing process in which the pieces that are produced by different groups have a logical sequence and have to fit into an integrated product. However, the planning and implementation process is even more difficult because it comprises ideas and decisions rather than physical parts. The concept of parallelism calls for strategic decisions being made at the appropriate level and with the appropriate mix of people whose implementation responsibility parallels the particular set of strategic decisions being made. The flow of information and decisions should be coordinated in such a way that the organization ends up with an integrated and coherent strategy with all of the different groups of relevant organizational members committed to the overall strategy, feeling very comfortable with their particular strategic responsibility, and eager to begin the implementation process.

5. Implementation is further planning. There are at least two implementation strategies. The first is to conclude the planning sessions with a specific set of action plans that can be implemented readily. This sometimes works well with small organizations having rather simple problems. It does not work so well when dealing with medium and large organizations, or with organizations with complex problems. In this case the action plans formulated at the end of the meetings may be components of more complex problems. Implementing action plans that may be parts of a system of problems can lead to sub-optimization of solutions, internal contradictions, conflict, frustration, and an implementation nightmare. In this case the alternative strategy is more appropriate. The alternative strategy calls for additional planning in order to conceptualize and develop a solid understanding of actions needed before implementation takes place. This process results in the identification and formulation of the major organization-wide projects that are critical for the future of the organization. These projects are commonly named "strategic initiatives."

6. Develop management commitment. While most executives can get their subordinates to follow orders and comply with instructions, they are not as successful in obtaining management commitment. Senior executives generally agree that commitment is an essential element in strategy implementation; many planning efforts fail due to lack of commitment. Commitment needs to be developed in the very early stages of the planning

process. An essential ingredient for such commitment is the dedication of the CEO or board to the concept of strategy rather than to a specific strategy. The CEO and other top-level organizational members should encourage a critical assessment of their ideas by the management teams or organizational membership and modify those ideas based on that input. A leadership philosophy that includes a high level of participation in the strategy formulation process will go a long way toward fostering commitment. Commitment is also fostered when all staff, through the planning meetings and planning activities, are exposed to information about the organization's external environment, competitive environment, organizational resources, and other relevant issues. Furthermore, commitment develops when managers have the opportunity to analyze the implications of these issues relative to the organization and to contemplate challenges the organization is facing. The opportunities for managers to express concerns and ideas about key issues and future organizational directions and to perceive that their expertise is taken into account in the formulation of the strategic plan will also favorably influence the development of management commitment.

7. Give life to your process. Too often organizations forget that planning is also a human process. Planning and implementation processes should co-align the logical element needed in planning processes with effective intellectual and psychological processes. These human processes include the awareness that human beings, in order to arrive at a particular strategic decision, need to go through a process of shared discovery, interpreting, and understanding. The effective handling of these human processes can lead to strong consensus and high levels of commitment, resulting in better planning and effective implementation.

Planning as a competitive advantage

Every organization does strategic planning in one way or another. Most do it traditionally, while few have been able to move onto sophisticated ways. It is easy to see the need to formulate a strategic plan and go through the logical steps to do it. It is not that easy to develop processes that can at the same time co-align the logical process of planning with the not-so obvious logical needs of human beings. The few organizations that are able to develop sophisticated planning processes, however, are reaping considerable benefits.

Effective planning processes ignite the intellectual and emotional energy of entire management teams. Management is eager to take on the future. Managers share a strong mindset and develop strong consensus and significant commitment. They believe in what they need to do; they feel empowered and motivated; they are eager to implement their plans. Implementation is felt as an urgent need and managers find ways to overcome any obstacles in order to implement their plans. This kind of managerial mindset could make the difference between success and failure in today's challenging business environment.

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