



YOUR BUSINESS'S NEW YEAR'S RESOLUTION:

Create a Strategic Plan

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With the advent of a new year and a new decade comes an opportunity to take stock of your business's competitive position in the market. 2020 brings with it cautious optimism on the wave of a long-cycle economic expansion, but also political uncertainties around the globe. Moreover, continued innovation and disruptive technologies abound, leaving those that are not staying abreast of such advances at risk of obsolescence. In short, it has never been more critical to dedicate time to assessing market risks and opportunities and building consensus internally on the optimal go-forward strategy for your business.

A strategic-planning process is beneficial not only for executive leadership, but all stakeholders across an organization. A three or five-year plan takes stock of the current state of the business, assesses external market conditions, outlines the strategies the company intends to pursue in the future, evaluates internal teams and systems, and identifies new opportunities for growth. While the broad planning process in and of itself is beneficial in that it gives a voice to key stakeholders and helps build consensus as to the most important strategic objectives of the firm, the most crucial factor for lasting success in the strategic-planning process is leadership's demonstrated commitment to executing the plan alongside the day-to-day decision-makers within a

company. The most common mistakes firms make in failing to extract full value from a strategic planning process is a lack of accountability in terms of follow-through of the plan, and insufficient resource allocation to effectuate the strategic goals. The steps of the process outlined below allow leaders and employees to formulate a strategic plan and convert its finalized guidelines into tangible actions with appropriate accountability mechanisms in place to ensure progress towards strategic objectives.

STEP 1

EVALUATE THE CURRENT STATE OF THE BUSINESS

The first step in the strategic-planning process typically involves assessing the company's principal strengths and weaknesses and overall competitive position in the market. There are many approaches to systematically conducting this exercise, but many companies find success by using frameworks such as SWOT (Strengths, Weaknesses, Opportunities and Threats) or PESTLE (Political, Economic, Social, Technological, Legal, and Environmental) analyses as guiding methodologies. Utilizing a framework helps to expose both internal factors

that leaders can influence – such as human capital, product offerings, core competencies, and intellectual property – and external variables that could threaten the business’s operations, such as new competition, market trends and rising costs of doing business.

Companies that are the most successful in this initial stage are those that involve a cadre of decision-makers and leaders from a diverse set of functional backgrounds from within the company. As with anything, diverse opinions, perspectives and discourse are key during this phase. That said, it is important to strike an appropriate balance in the number of individuals involved in the process to stay organized and focused on the task at hand.

STEP 2

OUTLINE STRATEGIC OBJECTIVES AND VISION

Gauging the accelerators and inhibitors to a company’s success may prove easier than setting the goals that will launch the company on a trajectory towards change. In the second step, leaders should list the objectives that they believe the organization should target within the next three to five years or beyond. The objectives often address existing opportunities or

underlying problems unveiled through the evaluation of the current state of the business. It is important to get alignment and build consensus on these strategic objectives and to understand what the achievement of these goals looks like so that progress toward completing them can be measured.

STEP 3

PRIORITIZE

Leaders immersed in the third stage narrow down the list of objectives they collected into concrete projects that require prioritization. Harvard Business Review refers to this step as the “hierarchy of purpose.” As the Review notes, companies should prioritize their projects based on their alignment with the company’s Purpose, People, and Performance. Does the organization have the capacity – including an adequate supply of technological, financial and human capital – to accomplish the goals? Do they align with the organization’s purpose and key competencies? Once the objectives have been prioritized, timelines for implementation and completion should be established. Many companies find success utilizing the SMART framework for goal setting, where goals should be Specific, Measurable, Achievable, Realistic, and Time-Bound.

STEP 4

ASSIGN OWNERSHIP, ALLOCATE RESOURCES, AND MAINTAIN FOCUS

The final step in the strategic planning process is the most important: delegating project ownership, allocating necessary resources, and maintain focus. This is where most organizations fail to glean the full value and utility from their strategic planning process. Some of the greatest obstacles include a lukewarm or nonexistent demonstration of commitment from leadership, a lack of focus from team members and ultimately no action taken on the plan's proposals, resulting in a wasted planning process and a final product that collects dust on a shelf. Assigning "owners" to specific projects and scheduling check-in meetings allows all participants to prioritize their time so that they leave room in their daily schedules for working on large-scale endeavors. Unless this demonstrated commitment is maintained, it becomes all too easy to push strategic objectives aside and chase everyday "fire drills" and immediate deliverables.

Likewise, if additional resources are needed to effectuate strategic goals (say the launch of a new business line), appropriate steps need to be taken to ensure this objective is resourced appropriately in terms of human, technological, and financial capital.

CONCLUSION

WORKING TOGETHER TO ENACT A STRATEGIC PLAN

The strategic-planning process requires much deliberation and hard work from multiple parties, yet the benefits of a strategic plan are worth the time invested in them. A well-crafted and thoughtful plan can increase a company's reputation and stability, in addition to boost its profits.

Leaders who work alongside their employees and display their commitment to the plan will motivate their workforce and help accomplish the plan's objectives quicker. Any leader can congregate a task force to create a plan or ask employees to execute one, but the most successful leaders work to bring the ideas expressed in the plan to fruition. Leaders and teams that demonstrate dedicated collaboration will see their strategic plans become reality and advance their companies' long-term prosperity. Now is the time to make sure your company is set up for success in 2020 and beyond.

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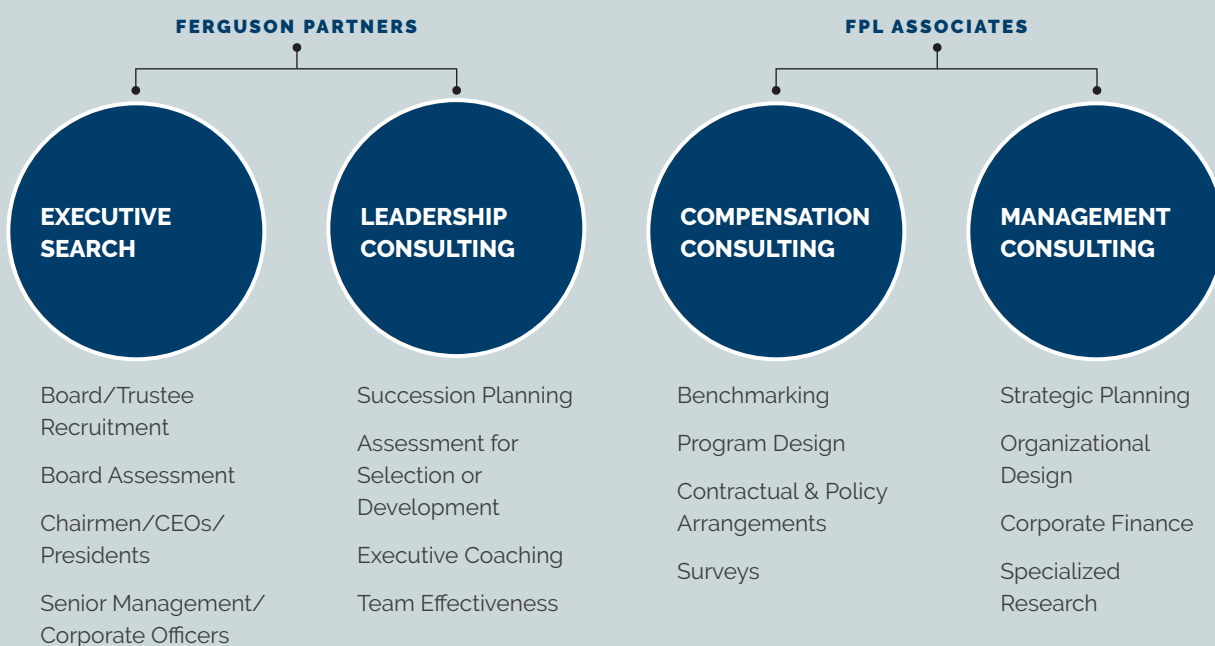
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