



The Wrong — and Right — Way to Build a Strategic Plan

By Babak Armajani

Done well, it can serve as the centerpiece of an organization's work, guiding it in ways both large and small.

Here's a sure-fire formula for developing a strategic plan for your organization that is guaranteed to collect dust on the shelf:

Build the plan as a description of the status quo. Be sure that your mission statement describes all the things the organization does rather than its purpose. Make sure the plan is a checklist of things that need to be done. Don't put anything in the plan that you might not be able to accomplish. (After all, it could end up making you look bad.) Make sure to align the language of the plan with the organization's culture so that it does not provoke anyone.

Sometimes strategic plans are written as a perfunctory task. More often, strategic plans that provide powerful new direction end up getting lost in the day-to-day pressures of organization life.

By contrast, many of us have also served in organizations where the strategic plan was a centerpiece of all-important activity. It informed allocation of resources — not just an annual budget but the use of time and political capital as well. The plan was used as a guide in making difficult decisions and setting priorities for work. It was

the principal standard against which progress and performance was measured. And based on what was learned through action, the plan was regularly improved.

What accounts for the difference in whether or not a strategic plan gets used? Three things.

THE CONTENT OF THE PLAN MATTERS

If the existing strategic trajectory of an organization is working and is expected to work under projected future circumstances, there is no need for a plan. Strategic plans alter the trajectory of an organization, prepare it for new circumstances in the organization's environment, and/or are a response to an impending threat or opportunity. The strategic plans with the most vitality are those that reflect planned change.

Quite simply, the content of a well-used strategic plan describes five things: 1) in 10 words or less, the purpose of the organization (mission); 2) its desired future state (vision); 3) a few high-level approaches for changing the course of the organization (strategies); 4) a very few measures that reflect the extent to which the organization is moving toward its vision (indicators); and 5) a few principles that should guide day-to-day behavior (values). These five elements are important; what you call them is not.

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HOW THE PLAN IS DEVELOPED MATTERS

Often in an effort to be inclusive in strategic decision-making, we doom future use of strategic plans by muddling important distinctions in decision-making roles. With input from the ranks, formal leaders should define the organization's purpose and vision, how progress will be measured, and a few high-level strategies for achieving that vision. With input from formal leadership, the ranks should define a few common values that guide all actions and annual operating plans aligned with the strategies. Such a decision-making structure aligns responsibility for doing work with accountability for the results of that work.

Strategic plans are important leadership tools. They are also an essential element for empowering employees. When leadership direction is provided along with the measures that will be used to assess progress, then subordinate units in the organization can be freed to innovate in how the strategic objectives are realized.

Plans that include lengthy lists of activities to be carried out are stifling. People will find a way to neglect such plans.

HOW THE PLAN IS USED MATTERS

Organizations in which people are actively engaged over time in pursuing the strategic direction see strategic plans as part of a leadership process. This process, or cycle, might not always be as formal as I will describe here, but the concepts are there regardless of the terminology used.

Step 1: Develop a brief high-level strategic plan (as described above).

Step 2: Invest in your strategy. This is not just about budgeting, but also

includes investing time, leadership attention, project priorities, political capital and use of material assets. Nothing makes a strategic plan more quickly irrelevant than an organization that fails to reallocate all of these resources with emphasis on its strategy. Change will not happen without investment.

Step 3: Take strategic action. Many of our clients successfully use annual operating plans (sometimes called "business plans" or "work plans") as an intermediate tool for helping mid-level units apply strategic direction to their day-to-day work. These can be renewed every year or even more often.

Step 4: Make strategic assessment. Many organizations conduct monthly or quarterly operations reviews. The focus of these reviews is neither blame nor credit. The focus is *learning*. Sometimes that learning precipitates improvements in the strategy. Often it precipitates improvement in operations. This kind of activity is increasingly taking place at the gubernatorial and mayoral levels as well as within departments. Strategic plans are never perfect. Circumstances change. Strategic assessment keeps plans relevant.

The vitality of a strategic plan rests on keeping it simple and high-level; providing leadership direction and accountability for change while empowering subordinate units to pursue implementation; and using strategic planning in the context of strategic resourcing, strategic action and strategic assessment. That kind of strategic plan gets used every day. ■

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