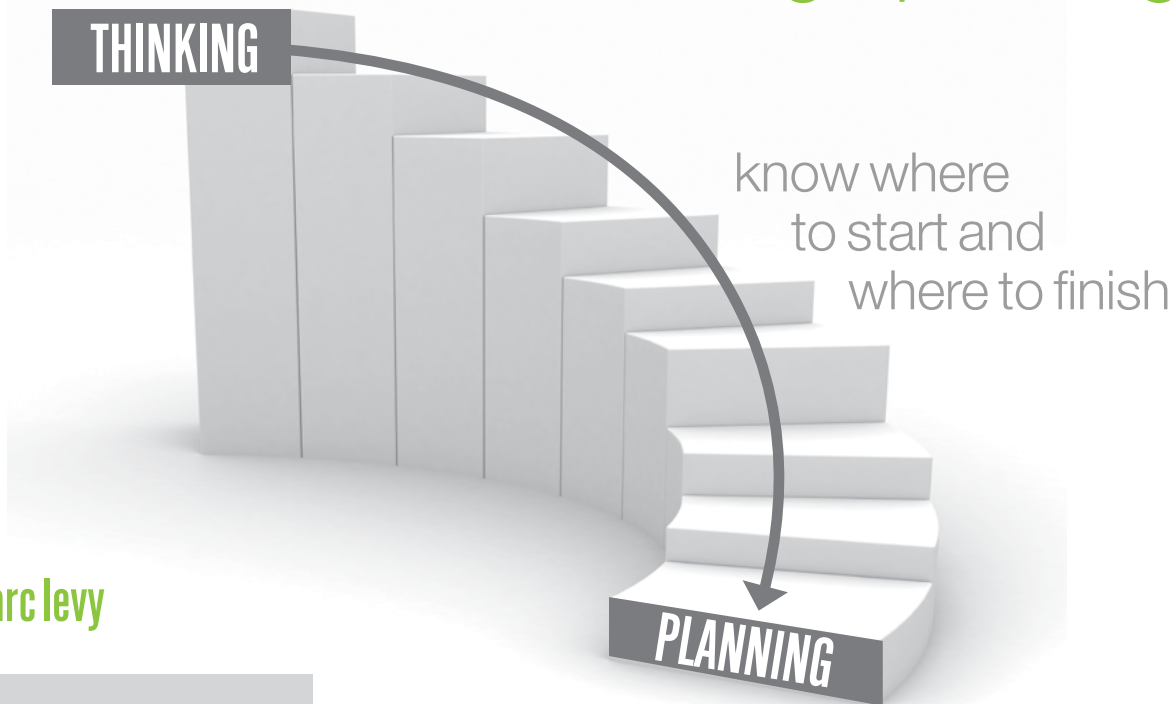


strategic thinking before strategic planning



by marc levy

Right thinking

A strategy without a plan is too conceptual. A plan without a strategy is hollow. What is your strategy and what does it mean for what you are actually going to do?

Timeless strategic questions (strategic thinking), which resonate with our clients, must be satisfactorily answered 'upstairs' before clients move 'downstairs' to strategic planning.

Strategic plans should comprise strategic objectives and attendant measures, priority initiatives and a measurement monitoring and review cycle.

Helping clients with their strategy and planning processes is a major part of our practice.

This year our firm will help nearly 50 organisations with their annual strategy and planning cycles – conducting analysis, taking executive teams and boards offsite, documenting strategic plans, and assisting them with implementation, measurement, monitoring and review. I've personally helped more than 100 organisations with their strategy and planning work over 20 years.

In this work we are frequently asked about the interplay between strategy and strategic planning. Are they the same thing or not? There is a rich body of literature on this topic, typically lauding adaptive strategy development and lampooning rigid strategic planning.

We have a different view about the value of planning, and the confluence and complementarity of the two disciplines. A strategy without a plan is too conceptual. What does the strategy mean for what you are actually going to do? It is certainly possible to draft a strategic plan having paid little or no consideration to central strategic questions like where are you going to compete and how are you going to win. However, a plan without a strategy is hollow.

Our work in this area is inspired by leading international strategy academics and practitioners, like Jeanne Liedtka (1998), Ken Favaro (2013), Roger Martin (Lafley & Martin 2013) and Robert Kaplan and David Norton (2008).

Exhibit 1 (overleaf) makes the distinction between strategic thinking and strategic planning. As it shows, the former tends to be more divergent, creative and synthetic and the latter more analytical, convergent; the former can disrupt an organisation's agenda the latter align it.

We centre our strategy work with clients on a handful of strategic questions. We've written about strategic questions before (refer [Right Lane Review June 2014](#)). As shown in exhibit 2 we sometimes employ Roger Martin's five strategic questions (2012) to focus clients' strategy development efforts.

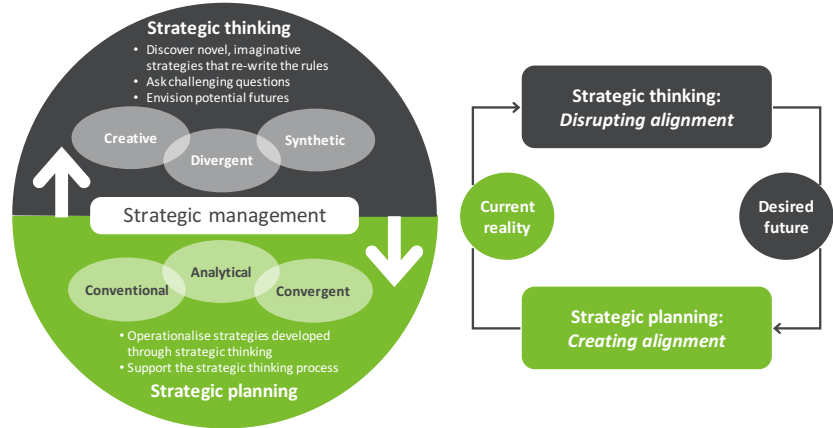
These timeless strategic questions, which resonate with our clients, must be satisfactorily answered 'upstairs' before clients move 'downstairs' to strategic planning, the elements of which are perhaps best reflected in the work of the creators of the balanced scorecard, Robert Kaplan and David Norton (1998). Their work suggests that strategic plans should comprise strategic objectives and attendant measures, priority initiatives and a measurement monitoring and review cycle.

The strategy development should precede the planning; because, for example, you can't make a good fist of initiative prioritisation and resource allocation unless you've 'been granular' about where to compete (Bradley et al 2011). Equally, there's not much point creating a galvanising aspiration if you can't action it.

We frequently tell the story of a healthcare client who identified seven distinct customer cohorts as equally important. This was not a recipe for focus and the client needed to think through prioritisation of these customers, before it could start on objective setting.

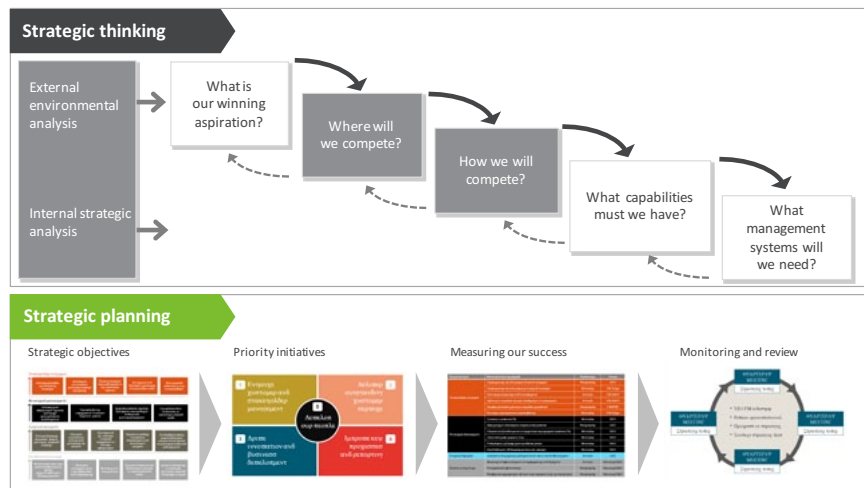
We are not the first to make this observation about the distinction between strategy and planning. Ken Favaro (2013) makes a similar point in his work on the 'strategic five' and the 'corporate five'. However, much of the literature unhelpfully sets strategy and planning up as a trade off or dichotomy. We believe that they are necessarily complementary and entwined.

Exhibit 1: Strategic thinking and strategic planning



Source: Adapted by Right Lane Consulting from: Heracleous, L 1998 'Strategic thinking or strategic planning', *Long Range Planning*, Vol. 31, No. 3, pp. 481-487; Liedtka, J 1998 'Linking strategic thinking with strategic planning', *Strategy and Leadership*, vol. 1, pp. 120-129.

Exhibit 2: Five strategic questions



Sources: Right Lane Consulting 2014; Lafley, A & Martin, R 2013, *Playing to win: How strategy really works*, Harvard Business Review Press, Boston; Kaplan, R & Norton, D 2008, *Execution premium: linking strategy to operations for competitive advantage*, Harvard Business School Publishing, Boston.

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want to know more?

If you would like Right Lane to help with your strategy and planning process, contact **Marc Levy:**

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About Right Lane

Right Lane is a flourishing, top quality, ethical management consulting firm.

We employ our distinctive ideas and processes, and our absolute commitment to delivery, to help clients we care about pursue their inspiring missions.

We work alongside clients who do great work within the sectors they operate, and we are excited to be involved in creating outcomes that truly make a difference.

We are an ethical consulting firm with a strong belief in the work we do, and with a passion to give back to the broader community with the skills and expertise available within our walls.

Right Lane was established in 1997 to help private, not for profit and public sector clients to clarify and accelerate their future plans. Over the past 17 years, we have helped the executive teams and boards of more than 100 organisations to define and adapt their direction and strategy, identify and clarify their priorities, align their efforts with their aspirations, get their major projects started and finished, and measure and improve their performance.

Our areas of focus

- Developing and managing strategy and planning processes for clients
- Leading strategic growth projects, such as pre-merger analysis, pricing, new product feasibility, marketing expenditure effectiveness and growth options evaluation
- Implementing strategy through aligning and engaging the organisation, and measuring and monitoring performance
- Assisting clients with governance projects – from board culture and capabilities to board appraisals and reviews

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In 2015 Right Lane became Australia's first B Corp certified strategy consulting firm.

This follows Right Lane's decision in 2011 to adopt 'for benefit' principles, including reasonable returns, inclusive ownership, stakeholder governance, transparency, and social and environmental responsibility. Capping our return on shareholder funds at reasonable levels, rather than seeking to maximise financial returns, has allowed our firm to pursue our purpose to contribute to a better society by helping organisations that do good, do better.

B Corporations are a new kind of company that uses the power of business to solve social and environmental problems. Certified B Corporations meet higher standards of social and environmental performance, transparency, and accountability. The performance standards measure a company's impact on all its stakeholders, including workers, suppliers, community, and the environment. It's like Fair Trade certification but for the whole business.

