strategic impact

five ways to disrupt your strategic planning process

by dr marc levy

One of the main functions of strategy teams is to choreograph the strategic planning process. This is the typically triennial or quinquennial process of strategic thinking and planning that culminates in the minting of a new strategic plan. Over the years, these processes can become formulaic and tedious – neutralised by disparate stakeholder demands, dominated by the sometimes heavy work of planning and budgeting, cascading and aligning.

Sound familiar? In this article we suggest five ways to disrupt your next strategic planning process, and bring back the strategic impact.

1. Try one or more different frameworks

When Canadian academic Jeanne Liedtka said that strategic planning should be freed from the unilateral imposition of frameworks and techniques (Liedtka 1998), she struck a chord with us at Right Lane. Some organisations become captive to one framework or another – for example, Playing to Win (Lafley & Martin 2012) or Kaplan & Norton's strategy maps and scorecards (Kaplan & Norton 2008). These are excellent frameworks; but managers should draw on a 'rich repertoire' of techniques as the choice of a singular approach surely contains thinking.

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2. Test your strategy with strategic questions or tests

We often ask clients Roger Martin's classic strategic questions – What's your galvanising aspiration? Where will you compete? How will you win? What capabilities do you need to build? What management systems do you need to put in place? We have our own longer list that draws on Martin's work with A.G. Lafley (Lafley & Martin 2012). Please refer to sidebar.

At the start of a new strategy process we sometimes ask clients to read through the list of questions and identify those that they don't believe that they can answer to their own satisfaction. Any blank stares and we know we're onto something that might extend the client during their strategic planning process.

Sydney-based McKinsey partner Chris Bradley and colleagues developed 'ten tests' of a good strategy (Bradley et al. 2011). The tests give pause for reflection. Does your organisation's current strategy pass all of them? Will your intended strategic planning process enable all of them to be answered? If not, any failings you identify may help give focus to your efforts to disrupt your next strategic planning process.

3. Entertain heretical thinkers

Most organisations have them: often gnarly, deep thinkers who harbour different views about what they think your organisation should be doing but isn't. We've met many dissenters over the years who've challenged whether a board and management team had the right capabilities for the future, or how the organisation approaches strategic decision making, or the organisation's 'where to compete' choices. Seek out these heretics. Create safe spaces for them to share their dissenting views. They might extend or challenge the dominant thinking.

4. Do a more thorough diagnostic review

We work primarily for mid-sized organisations. Some are reluctant to invest in deep diagnostic reviews – covering, for example, a perspective on future market structure, trends in technology and consumer behaviour, and financial benchmarking – that might unearth new insights.

We sometimes encounter the view that managerial judgement trumps analysis and the attendant insight; but over hundreds of strategy engagements, we've found that the former is usually substantially strengthened by the latter.

5. Start from a different source

Most executives and directors have seen strategic planning processes up close. They frequently have a preferred 'entry point' or way of approaching strategy. We've seen lots of different entry points – industry analysis, a CEO's unwavering aspiration, a long term actuarial forecast, a set of questions that need answering, and so on. We encourage clients to view their strategy through more than one of these lenses, as oftentimes – at the risk of torturing the metaphor – a different lens can bring the landscape into sharper focus.

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Seeking out different perspectives is the consistent theme of the five ideas presented in this article. Jeanne Liedtka again: 'Concepts, frameworks, techniques – all provide us with new windows that help us to escape the limitations imposed by our own inevitably narrow ways of seeing our world'. If you want to disrupt your next strategic planning process, extend your viewpoint.

References

Bradley, C, Hirt, M & Smit, S 2011 'Have you tested your strategy lately', *McKinsey Quarterly*, January

Kaplan, R & Norton, D 2008 *Execution Premium: Linking Strategy to Operations for Competitive Advantage*, Harvard Business School Publishing, Boston, Massachusetts

Lafley, A & Martin, R 2012 *Playing to win: How strategy really works*, Harvard Business Review Press

Liedtka, J 1998 *'Linking strategic thinking with strategic planning'*, Strategy and Leadership, vol. 1, pp. 120-129

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Ten strategic questions you need to ask

1. Why do we do what we do? What's the problem or opportunity in the world with which we are engaging?
2. Who are our primary customers?
3. What do we want to be famous for?
4. Where will we compete, specifically?
5. What is our winning move/s?
6. How will we add value to our stakeholders?
7. How does our strategy rest on insight that only we have?
8. How does our strategy put us ahead of the market?
9. What capabilities do we need to be successful in the future?
10. What could a competitor do to hurt us?

This is an extract from the Right Lane Review June 2014 article Ten strategic questions you need to ask. For full article including references visit www.rightlane.com.au

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