A Rolling Stone Gathers No Moss:

Prevent Your Strategic Plan From Stagnating

By John W. Myrna

Just as a rolling stone gathers no moss, a strategic plan that's actually used will gather no dust. Too often, companies devote time and energy to developing strategic plans, only to never look at them again once they have been printed out. This article explains the critical importance of actually using and implementing your company's strategic plan, and offers practical tips for avoiding the most common traps that keep a strategic plan sitting, ignored, on a shelf. I recently asked the CEO of one of our longest-standing strategic planning clients how they fared during the worst of the economic downturn. "Well, John, industry demand dropped over 30 percent, some big players failed or were purchased, and every customer demanded a discount."

"But how did *your* company do?" I asked him. "Not so bad," he replied. "We upgraded our production facility as planned, continued to invest in expanding our product line, and remained profitable. In fact, we are growing again."

How was this company able to manage themselves through tough times and continue to support investment in the future? The answer is that over the past decade, their executive team, driven by a shared vision of the future, had identified and implemented strategic goals that literally changed the company's status quo. They had dramatically increased their ability to sustain investments in the future and manage risk.

Based on the shared vision contained in the living document that is their strategic plan, the company's executives dramatically increased their capabilities. For example, they:

- Developed flexible staffing strategies with cross-training, added a third shift, and optimized a full-time/temporary worker mix based on real-time demand.
- Developed sophisticated bidding strategies that allow them to increase the percentage of bids won and managed for profit.
- Diversified their customer base, minimizing the impact of their largest customer going out of business.
- Increased their financial strength, lowering debt and increasing their credit rating.

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- Put reporting in place and trained managers/supervisors to understand and use those reports to make real-time adjustments.
- Upgraded their management systems, enabling more efficient production scheduling and capturing true costs.

Our client company avoided the four most common traps that keep strategic plans on the shelf. They are:

1. Mismanaging people who do not implement as asked.
2. Undermining personal motivation and ownership.
3. Losing momentum in the face of daily operational needs.
4. Failing to accept how the "real world" works.

Let us explore each of these traps, one by one.

Trap No. 1. Mismanaging people who do not implement as asked

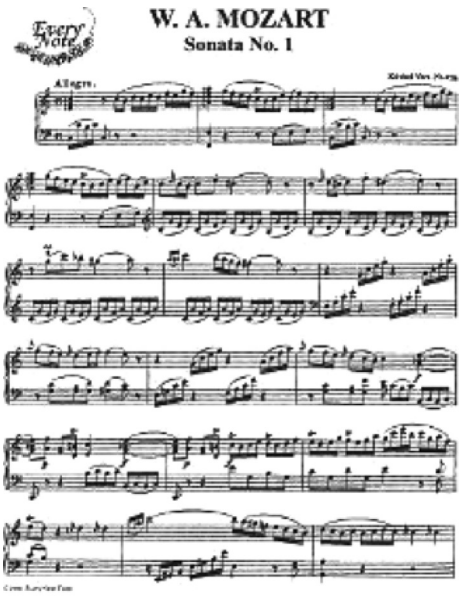
The first trap is mismanaging your team by failing to grapple with the four reasons that people do not implement as asked. If you do not deal with these factors, your strategic plan will not be put into action. Why do people fail to do what you have asked them to do? I have posed this question to hundreds of strategic planning teams, and the "why" boils down to four primary reasons. Successful implementation of your strategic plan starts with addressing each of these.

The first reason for failing to implement as requested is simply that "people do not realize you really want them to do what you have asked". As a CEO, I would literally be bubbling over with ideas. Every day, I would bombard my people with dozens of things I would like them to do. After a while, my blizzard of requests morphed into background noise for them. I may have had four or five major strategic goals, but no one "heard" them buried in all that noise. You need to highlight and repeatedly emphasize your small set of strategic goals. This starts with written, published documentation and continues with ongoing communications. Forget what your high school English teacher said, redundancy is not only acceptable, it is absolutely required.

The second reason is that "people do not want to do it". In my experience this is seldom due to stubbornness. Employees want their companies to succeed. Over the years, your company's culture has shaped the things and actions that should be prioritized for the company to succeed. In fact, one of the most important aspects of company culture is how employees prioritize their daily actions. There is seldom an implementation issue when a strategic goal aligns with an employee's sense of what's important. Changing the status quo usually requires changing the definition of what's important. When a market tightens, for example, and requires more aggressive attention to billing for added value, it may be hard for employees to prioritize capturing and billing for all the extra services that used to be "bundled free" in the price before.

The third reason for implementation failure is that "people do not know how to do it". Dealing with this reason can be as simple as investing in training. I once worked with a brilliant software developer who often told me he had no idea how to implement a feature. When I created a rough prototype demonstrating how it could be done, his response was "ah ha!" and was then followed within days with an implementation. If an employee does not have the skill to do it, or the attitude or aptitude to learn, you must assign the task to someone else. That someone else may be an outside consultant or a new employee.

The fourth reason is "people do not have a system to keep up the momentum once they begin". I will say more about the solution to this later, but suffice it to say that without a formal system, everyone tends to be what in the Army we called OBE – overcome by events.



Source: Everynote.com (1774)
Figure 1 W.A. Mozart, Sonata No. 1

Trap No. 2. Undermining personal motivation and ownership

The second trap that causes strategic plans to gather dust is failing to create a planning experience and then sustain an environment that encourages personal motivation and ownership. Every manager has lamented the lack of employee motivation, ownership, and personal accountability. What is the magic behind companies whose employees exhibit these behaviors?

Think about the experience of reading a play versus attending an excellent performance of that play. Or have you ever read sheet music and then attended an excellent performance of the piece? Which form best ignited your passion? Mozart's piano sonatas are not meant to be read as sheet music; they are meant to be experienced. While the notes written on the paper do not vary, every performance is different – the venue, interaction with the audience, the effect of weather and humidity on the instruments, and the state of mind of the performers, to mention but a few variables (Figure 1).

In the same way, a strategic plan is not meant to be read. It is meant to be implemented. Let me say that again. A strategic plan is meant to be implemented.

That implementation starts with the engagement of the hearts and souls of the senior team in a well-organized and facilitated planning meeting that develops a consensus answer to the three strategic questions:

1. Where are we today?
2. Where do we want to be in the future?
3. What parts of today's status quo do we need to change in order to get there?

The key elements of creating a positive strategic planning experience are these:

- Soliciting independent thoughts about the organization's major issues beforehand gets individuals thinking about the future.
- Sustaining interactions between team members as they pool their collective insights to create a short, understood, prioritized, and actionable list of current issues will build trust and understanding.

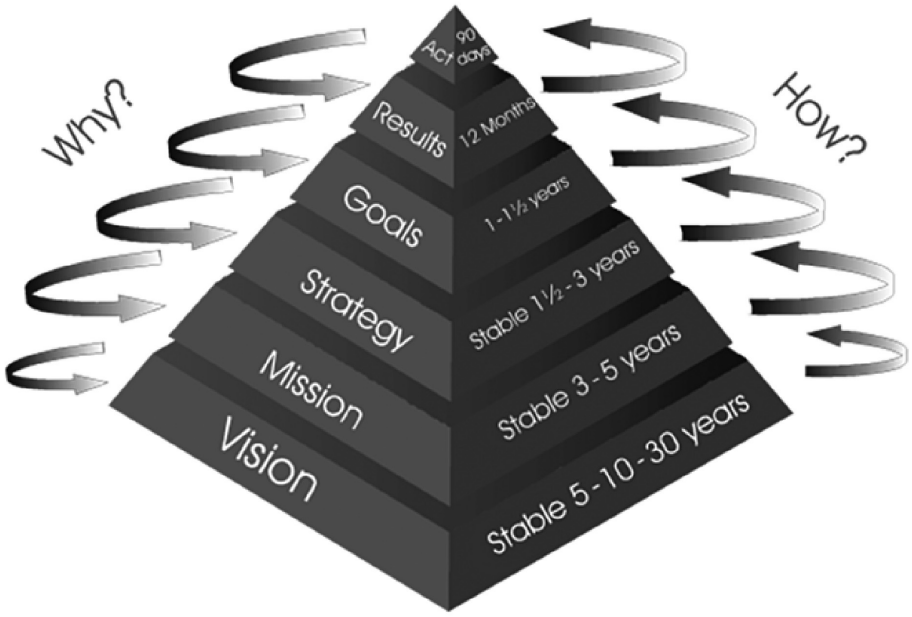


Figure 2 Progress Pyramid

- Building a shared visualization of the future they are all striving to reach helps create the framework that informs their daily focus and prioritization.
- Identifying this year's focus on status quo changes will accelerate the motion toward the shared visualization of the future.

Do not get me wrong. There is a great value in having a written strategic plan, especially one that is available shortly after the planning meeting. However, the written plan is not a replacement for the planning experience itself. The written plan serves as a tool to remind people of the discussions and decisions they made in the planning meeting. You need a complete plan, one that documents in succinct, clear fashion your long-term vision, mission, and strategy, along with the shorter-term strategic goals, this year's key result measures, and 90-day tactical action steps. (We have visualized this a progress pyramid – Figure 2.)

To be effective, the plan needs to be one part of an ongoing strategic planning process that empowers change. Otherwise, your strategic plan will join the thousands of other strategic plans sitting on corporate shelves, collecting dust.

Trap No. 3. Losing momentum in the face of daily operational needs

I have also asked the most successful strategic planning teams I have worked with to identify the common elements that enabled them to sustain their implementation work. They have identified four key elements in the process, which we have captured as "The Progress Accelerator™" (Figure 3).

Agreement is the first phase in the cycle. It is necessary to agree

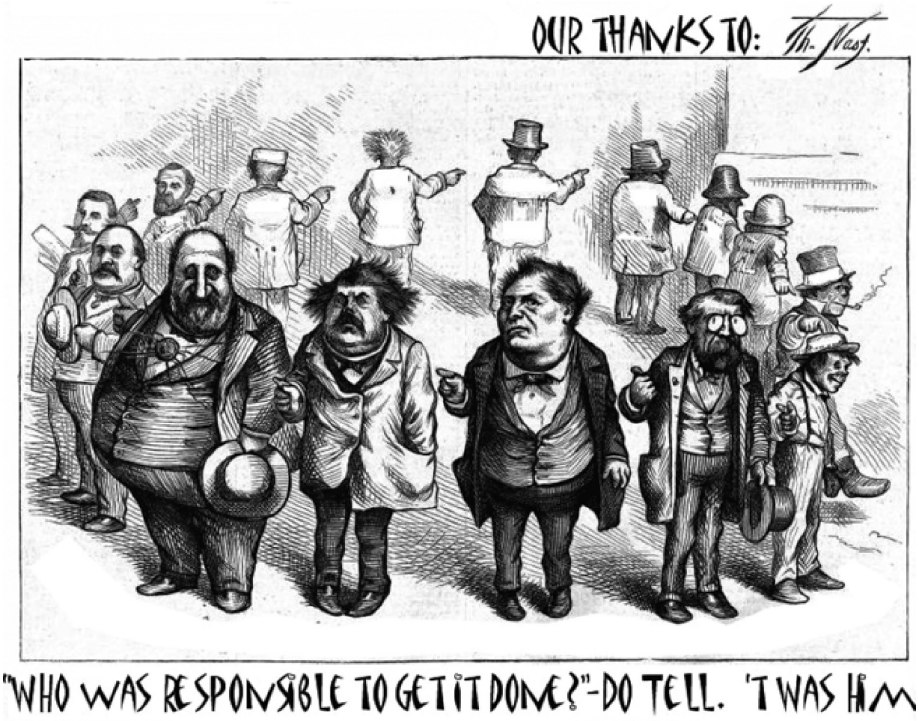
Figure 3 Progress Accelerator

on the priority of issues, tactical approach, and expected outcomes among the appropriate stakeholders. At a strategic level, this agreement is best reached between the CEO and the senior team during a two-day meeting and documented in the strategic plan. At a tactical level, reaching this agreement can be as simple as the huddle football players hold before every play.

Accountability refers to personal accountability or responsibility for completing a task and producing the agreed-upon outcome. Whether for a tactical action step or key result measure, one (and only one) person must be designated as accountable. There will always be multiple people involved, but without a single point of accountability you get the situation that sports commentator Lou Holtz referred to before a nationally televised sporting event. He recounted a Charles Osgood poem about four people named Everybody, Somebody, Anybody, and Nobody and equated them with football players who had just lost a game (see also Figure 4):

> There was an important job to be done and Everybody was sure Somebody would do it. Anybody could have done it, but Nobody did it. Somebody got angry about that, because it was Everybody's job. Everybody thought Anybody could do it, but Nobody realized that Everybody wouldn't do it. It ended up that Everybody blamed Somebody when Nobody did what Anybody could have done.

Action is tactical. It is a burst of activity that moves us closer to the desired outcome. One person is personally accountable for making sure it happens, and there is a specific time period during which it will be completed. Texas Instruments called this the W3 model – What will get done, Who will be accountable to make it happen, and When it will be completed.



Source: Adapted from Harpweek.com (2001)

Figure 4 Thomas Nast cartoon, Harper's Weekly, during coverage of the Tammany Hall scandal, 1871

Action requires resources. In the short run, resources can come from a combination of reprioritizing existing work and additional hiring and contracting. For most organizations, this is a limited source of help. Long-term, the best approach is to create additional resources through a robust delegation program. Delegation creates the resources required for implementation while increasing organizational productivity, solving succession issues, increasing retention, and preventing burnout.

Assessment, the fourth phase, is accomplished in a meeting. Assess tactical actions at meetings held as a daily, weekly, or monthly "huddle" that starts with a question about what your team may have learned about previous plays, weak spots, etc. Strategically, senior management needs to close out the year's strategic goals during an annual two-day meeting. Closing last year's goals requires that management identify where the status quo has actually changed, and evaluate the company's success at achieving its goals.

By creating a virtuous cycle, a company can accelerate implementation while reducing the waste and quality hits that come from poor communications.

Trap No. 4. Failing to accept how the "real world" works

In the real world, implementation can be stymied by overreach, negative words, premature tactical planning, and a failure to "connect the dots."

Without a disciplined process, teams tend to overreach, identifying ten times as many objectives as they can realistically implement. This is due in part to the fact that in a planning meeting, people forget that

90 percent of available resources are already committed to meeting day-to-day obligations. In the words of the great twentieth century designer Ludwig Mies van der Rohe, "less is more" – the KISS principle phrased more elegantly.

Years ago I was invited to attend one of my CEO peer's strategic planning meetings. At the start of the meeting they read through the list of three dozen "good ideas" from last year's meeting, only one or two of which had been implemented. Two days later, we all read the list of "good ideas" discussed at this year's meeting. There was no prioritization. Pareto's 80/20 rule would suggest that if you focus on implementing the most valuable 20 percent – only seven of three dozen items – you would realize 80 percent of the potential value. Instead, by listing every item in a non-prioritized manner, this team created a burst of noise rather than a call to action. An unrealistically large, un-prioritized list of objectives won't ever get implemented in the "real world."

Interestingly, the words you use affect your outcomes. For example, I ban the use of the word drafts because a draft plan is an excuse to delay implementation. I promote driving as quickly as possible to a version 1.0 plan. (You are always working to enhance and extend as you work to version 2.0, 3.0, and so on.) I used to talk about planning retreats until the CEO of one of our clients told me to change the wording. "I hate the word 'retreat,'" he said, "because it suggests losing ground." Another word to ban is try. When someone says they will try to get it done, that is code for it will not get done. (As Yoda said in the movie "Star Wars": "Do or do not. There is no try.") Be aware of the action words you use. Use the phrase "when we finish" rather than "if we finish." I prefer to have teams drive to positive ends, setting an objective to increase employee and customer retention rather than "reduce turnover." In the real world, the language you use matters a great deal.

On the subject of premature tactical planning, I have observed much confusion regarding five-year strategic plans. It is common for teams to feel obligated to write one to five years of detailed action steps. In practice, they commit to developing those action plans "soon," but building a one-to-five-year, detailed action plan in the real world ends up being a big task that keeps being put off to "next week." In fact, the tactical window extends only 90 days. Tactical action depends heavily on what you have recently learned and what resources are currently available. In practice, action steps with due dates beyond 90 days end up being vague and usually inappropriate when you actually approach the due dates. The other real-world issue is that action steps need suspense dates, i.e. the required completion date of a task. Strategic objectives are usually important but seldom urgent. Suspense dates, especially ones that the CEO and team hold people to, become urgent. The winning combination is personal accountability for achieving results before a defined suspense date.

In the real world, people do not recognize progress or connect the dots. You need to feed the souls of your team members and periodically take some time to identify and celebrate everything you have accomplished and tie the accomplishments back to your plan. If you do not, people will lose faith that the plan is working. Many times they lose faith because they do not realize that when their organization does not have the tools to achieve their objectives, it is strategic and smart to spend the first couple of years of a strategic plan creating those tools. Let me illustrate this with the story of Russia's Peter the "Pretty Darn Good."

Having the world's largest army was not enough to establish Russia as a world power. The czar, Peter, realized the country needed to have a warm-water port. The Baltic Sea was controlled by Sweden in the north, while the Black Sea was controlled by the Ottoman Empire. With his large army, "Peter the Pretty Darn Good" marched to the Black Sea. However, the Russian army was soundly defeated by the Ottomans, a massive disaster for Russian forces. Analyzing his defeat, Peter and his team recognized that since the army was not enough to win, they also needed a navy. "Build me a navy," the czar ordered. "But we have no shipyards," his team responded. "So build me shipyards," the czar commanded. "But we have no shipbuilders," the team said.

So the implementation team, Peter included, fanned out over Europe and apprenticed in the art of shipbuilding. They then returned to Russia and built the shipyards, which then built the ships. Finally, with the help of America's John Paul Jones, Russia built and manned a fleet. It took nearly a quarter of a century, but eventually, with 48 ships, 800 galleys, foreign officers and Russian crews, Peter was victorious in conquering the vast lands on the Baltic coast, soundly defeating Sweden. Russia gained access to European trade and St Petersburg became her major seaport. Peter became known as "Peter the Great."

The same process holds true for companies. As you enter a new market or product area, there will be a learning curve. You will probably need to look outside the company to gain the expertise you need. You will have to remember that it takes preparation to reach your own particular warm-water port. Hang in there. Building the shipyard is indeed progress toward your goal, even when you have not yet launched a single ship.

Plan for "luck"

When success happens, employees too often credit it to "luck." This is particularly true regarding the results of planning. Employees assume that somehow a strategic plan is purely deterministic and since you could not have predicted when a success would happen, it had to be pure chance. But it is not – you can plan for "luck." Remember that strategy is a shared visualization of where your team wants to be within three to five years. Each day your team members must ask themselves if what they are doing is consistent with producing that outcome. With the shared visualization – the picture on the jigsaw puzzle box – you are prepared to recognize opportunities when they enter your market space. Note that you cannot predict exactly when and what opportunity, only that over a long enough period of time there will be opportunities. With your daily actions, you prepare yourselves to recognize and act on those opportunities when they arrive.

Consider how Montana State University (MSU) and the Boeing Corporation solved a seemingly impossible communications problem in 1968. In the era before ubiquitous communications satellites, how could you communicate over the horizon between two locations that are not within line of sight? You needed something reliable to "bounce" radio signals off of. Electrons in ionized gas will in effect create a "mirror" in the sky that you can use to bounce the radio signal. When meteors enter earth's atmosphere and vaporize, they create such an ionized vapor trail.

The engineers at MSU and Boeing developed a system that could provide reliable communications 24 hours a day via meteor trails. On the surface, this solution appears absurd. How can you predict exactly when a meteor will enter earth's atmosphere? The answer is – you cannot. What you can predict is that over a reasonable period of time there will be enough meteors entering our atmosphere to get the job done. That is, as long as we have the capability to quickly recognize when a meteor enters our atmosphere and we have prepared a system to capitalize on that entry.

Remember that what makes a strategic plan "strategic" is its ability to change the status quo. You need to focus on creating a sustainable strategic planning process rather than simply engaging in a one-time event. Building implementation into your planning process from the very start and avoiding the four most common traps will keep your company's strategic plan from joining too many others in the "dustbin of history."

Ad astra per aspera – To the stars through difficulties.

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