

Strategic Planning is back... with a difference

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Following the feedback from our subscribers, we have decided to introduce a new section: this "Strategic Planning" section's objective is twofold:

- to give Competitive Intelligence professionals a better understanding of how they can get within the strategy process
- to help Strategic Planning professionals understand trends and tools in their profession

In this introductory article, we will spend some time reviewing exactly what one means by Strategic Planning. We then will define some of the parameters of the Strategic Planning process as it is evolving into the next century. We will finish by describing some of the roles of people involved in the process. In future issues, we will elaborate on some of the tools most used in the industry.

Introduction to Strategic Planning

Evolution from budgeting to strategic leadership

Strategic Planning seems to be in fashion again, but isn't there a very different definition of what one means when using the term "Strategic Planning? " Indeed, the notion of planning has evolved in the last thirty years:

- **The 60s: Strategic Planning does not exist yet**, but companies make heavy use of extended budgeting, and forecasting.
- **The 70s: Long Range Planning to Strategic Planning.** Corporations divide the Strategic Planning process into two phases: the corporate and business units. Strategies are designed in parallel, but meet through the operational plans and budgets. The Corporate Planning department prepares planning guidelines, and the Business Planning team in the division reviews the market sector, benchmarks the company's products and services, assesses economic trends, etc...
- **The 80s: Strategic Planning to Strategic Management.** Management takes charge of strategy. One can observe an increased employee participation, and greater use of strategy software.
- **The 90s Strategic Management to Strategic Leadership.** After the heavy downsizing, which occurred during the recession of the early 90s, most major corporations have emerged leaner and fitter. The large planning departments and the other central staff groups have been cut back, but this has left a communication gap which top management in progressive companies are now trying to bridge through exercising personal leadership and by introducing a more participative, team-based management style. The three main areas for debate are the following:

- Strategy formulation
- Strategic vision (check the [Vision worksheet](#) from the Simplified Strategic Planning site)
- Strategy implementation

This meant **democratizing** the strategy process to involve a large group of people along the lines of the General Electric workout process (see our future issue).

Strategic Planning today and tomorrow

The annual planning round is being replaced by management debates on strategic issues. Companies are moving to "Real-Time strategy:" the planning system frequently consists of a template projected on the screen that the teams can fill as they go (3M)-Strategic Planning will continue to evolve, but some trends are already emerging:

- **Annual planning round proved too cumbersome** and inflexible to cope with fast-moving technology markets.
- **Planners are removed** in order to allow managers to manage: strategic planners are found to put a break on the line management. Presidents and CEOs want the Strategic Planning task to rest on the shoulders of the line managers.
- There will be more **space allocated for the innovative thinking**, rather than a bureaucratic process.
- **Strategy as a dialog.** Arie de Geus, author of *The Living Company*, and long-time director of group planning at Royal Dutch Shell, believes that the real purpose of Strategic Planning is not to predict the future, attempting to get it "right," ***but to change mental models of the key decision-makers by broadening their perceptions and reframing their perspectives.***
- **Management bears the task** of aligning the organization behind the strategy.
- **Focus on customer needs more than competition.**
- Spend more time on **communications**, especially post-plan communications.

Who is responsible for the Strategic Planning in the organization ?

Although terms such as "Entrepreneur" or "Intrapreneur" or "organizational developer" have started to emerge, people involved with Strategic Planning can share very different roles. The main categories include:

Strategic Planner The Strategic Planner's role consists of helping the organization to gather, analyze and organize information. He/she tracks industry and competitive trends, develops forecasting models and scenario analysis, examines strategic performance, spots emerging market opportunities, identifies business threats, looks for novel strategic solutions, and develops creative action plans. Strategic Planners usually serve in a support or staff role. Various jobs in this function include: product development, product managers, change agent, Strategic Planner, transformation agent, vice-president of corporate planning. The Strategic Planner must be comfortable with numbers, but not obsessed with them, creative, have good synthesis and integration skills, excellent communication skills, excellent political savvy, and be able to dialogue with people from all ranks in the organization

Strategic Manager Strategic Managers have lead roles in the strategy planning and strategy implementation activities of an organization. They are usually found in higher levels of management where they have greater authority and can make strategic decisions for the firm. The CEO is the most visible and critical strategic manager. Any manager who is responsible for a unit or division, responsible for profit and loss outcomes, and has direct authority over a major piece of the business is a Strategic Manager. Jobs include: vice-president, director, general manager, division head, CEO, member of the board of directors. Skills include excellent leadership, the ability to see the big picture, a visionary, the ability to see how the parts relate to each other and the big picture, the ability to sell the vision.

Strategic Cost Analyst A strategic cost analyst determines the costs of business activities within organizations. He/she uses such tools as activity-based costing and break-even analysis to determine the true opportunity cost of resources devoted to various corporate activities. He/she plays an important role in determining which business units to retain and grow and is involved in the budgeting process. People in this position often find their job difficult to describe to outsiders, but it's essential.

Management Consultant Consultants are analysts and advisors of business. They are problem solvers, they bridge gaps in expertise for companies, and they are brought in for independent expertise and opinions.

Transformation Agent is a person whose job is to work closely with teams of people who control change in the firm. Calls for a dynamic, humanistic person with a composed character.

Need more information?

[The Living Company](#) by Arie de Geus

[Applied Strategic Planning](#): by J. William Pfeiffer. A Comprehensive Guide by Leonard Goodstein, Timothy Nolan (Contributor),

[Team-Based Strategic Planning](#) : by C. Davis Fogg. Complete Guide to Structuring, Facilitating and Implementing the Process

[Strategic Planning for Public and Nonprofit Organizations](#) : by John M. Bryson. A Guide to Strengthening and Sustaining Organizational Achievement (Jossey-Bass Public adm.

[High Impact Tools and Activities for Strategic Planning](#) : by Rod Napier, Patrick Sanaghan, Clint Sidle, Patrick Saraghan . Creative Techniques for Facilitating Your Organization's Planning Process