

# Prepare Your Organization to Capitalize on Change

## **De-Mystifying the Strategic Planning Process**

### **How exceptional leaders use planning to strengthen their competitive advantage**

An interactive workshop for owners, executives & leadership teams

November 11, 2004 featuring Greg Bustin, author of *Take Charge! How Leaders Profit From Change*.

Administaff and ERG are offering this session valued at \$350 for just \$75 per person - or \$300 for a management team of five persons - plus you'll receive Bustin's new book at no additional cost.

Exceptional leaders use the planning process as a framework to confront change, set a course of action and secure buy-in throughout the organization.

More than 5,000 years ago, ancient Egypt was emerging from a period of uncertainty and discontinuity and was becoming a unified nation-state. As the Egyptians adapted to the changes brought on by this unification, King Djoser commissioned the world's first pyramid about 2950 BC, establishing a reign of 21 years that is thought to have been politically and economically stable. The Greek historian Herodotus believed – and the Bible supports this belief – that the pyramids were constructed by slaves, but more recent evidence strongly suggests these wonders of the world were planned, designed and built by a skilled workforce of thousands of volunteers led by the vizier, or head of state, who was tasked with building the king's pyramid.

The pyramids – and your infrastructure surrounding their planning and construction – hold valuable lessons for leaders responsible for creating a framework within an organization that must address change, including insights into planning and implementing significant initiatives.

Your changes may not be as sweeping as those of an emerging civilization nor as grand as the design and construction of pyramids, but times of change still make employees and bankers nervous and make investors impatient for innovation, growth and profitability.

### **Advantages of effective planning**

The planning process is the single best way to prepare your organization to capitalize on change. When conducted effectively, the planning process:

- Breaks down barriers between departments, business units and geographic regions so problems and opportunities are viewed holistically
- Brings focus to an issue
- Provides a safe harbor for what we call "possibility thinking"
- Achieves alignment among the senior management team
- Establishes specific objectives and a plan of action
- Helps motivate your team to implement the plan and achieve the objective

In well-run companies, the planning process is an annual or semi-annual mechanism for reviewing current situations, establishing objectives for the coming year and beyond, and plotting a course of action to accomplish the objectives. Such companies review performance against established objectives quarterly, monthly and sometimes even weekly, at each phase making adjustments based on changing priorities and accomplishments to date.

To oversimplify, they are two basic approaches to planning. One process is a budget approach where the current budget is a platform upon which next year's plans and budgets are built.

The second process is a zero-based budget method that approaches planning from more of a management by objective perspective.

The best companies, though interested in budgeting, leverage the planning process to give them something more.

They see the planning process as a springboard to identify and evaluate new opportunities, consider new strategies and discuss objectives that may at first seem unattainable. It's a process emphasizing objective-setting first and budgeting second. The problem with this type of planning is that it requires more effort to view all aspects of your operation from a clean-slate perspective. This approach will also force you to confront uncomfortable realities, but when done right, it brings exhilaration, inspiration and reward.

### **Lessons of the pyramids**

As you and your team balance the need for fast, sustainable results against the strategic long-term interests of your business, keep in mind principles that are essential as you undertake any strategic planning process.

In my book, I explore the secrets of the pyramids to discover the four principles that undergird effective planning. We'll examine one of the four here now.

*Decide how good you want to be.* The ancient Egyptians considered it critically important that when they died "their physical body should continue to exist on earth, so they could progress properly through the afterlife," writes historian Dr. Aidan Dodson. Because of this belief, "providing proper eternal accommodation for the body after they had died was very important to them." Hence Egyptian leaders took every step possible to make their final resting place the best it could be.

This is the first principle of effective planning: aim for excellence. Begin your planning process for aiming for excellence and examining opportunities for continuous improvement, rather than maintaining the status quo.

Southwest Airlines uses its annual planning process to identify new ways to make itself better. Each year, the company identifies one to three corporate goals (i.e., "improve the airport experience"), and then this goal cascades down to departments that develop strategies, action items and budgets, and then onto all employees, then onto suppliers and, ultimately, to customers. It's the type of planning, thinking and implementation that has made Southwest Airlines number one in customer satisfaction for three consecutive years and a high flier on Wall Street.

"All men dream: but not equally," said T.E. Lawrence, better known as Lawrence of Arabia. "Those who dream by night in the dusty recesses of their minds wake in the day to find that it was vanity. But the dreamers of the day are dangerous men, for they may act their dream with open eyes, to make it possible." ■