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# HOW TO PLAN

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By Rob Eskridge

“As the world becomes more interconnected and business becomes more complex and dynamic, work must become more “learningful.” It is no longer sufficient to have one person learning for the organization, a Ford or a Sloan or a Watson. It’s just not possible any longer to “figure it out” from the top, and have everyone else following the orders of the “grand strategist.” The organizations that will truly excel in the future will be the organizations that discover how to tap people’s commitment and capacity to learn at all levels in an organization.

“ ‘The ability to learn faster than your competitors’, said Arie De Geus, head of planning for Royal Dutch/Shell, ‘may be the only sustainable competitive advantage.’”

*From “The Fifth Discipline” Senge, Peter. © 1994 Currency Doubleday Press.*

**Plans are the outcome of management learning. Achieving consensus on strategy is the primary benefit. To be successful, this consensus learning process must be managed.**

## **Planning begins well before the offsite**

We’ve done our own learning about how to design and manage a strategic planning or strategic marketing process. Here are our lessons in planning best practices:

1. Select the issues which planning must address. Not every business issue should be addressed by a planning process. Some issues should simply be delegated or solved quickly. To determine which issues to address, consider using our Crossroads Issues process to get started on your planning.
2. Appoint a planning team with some members who have subject matter expertise on the crossroads issues and others who have formal authority to approve and implement plans.
3. Decide who will coordinate meeting logistics and preparation, who will lead the meeting processes, and who will record the outcomes.

*(Growth Management Center offers all three of these services to our clients.)*

4. Announce a date far enough in advance to enable preparation, but soon enough to circumvent premature decisions on the issues. If you are going to involve a facilitator or consultant, get their available dates before you lock into a meeting date with your team.
5. Negotiate a venue away from the office, preferably one with cell phone jamming devices. Prohibit sliced ham and turkey sandwich platters with potato salad, coleslaw and chocolate cake. Don’t bring a PowerPoint projector. Order flip charts. Bring your own markers. And consider bringing your team to the Growth Management Center on Donner Lake.

6. Initiate preparation by writing a summary of the issues which will be addressed, and listing available needed information which will put all planning team members on a level playing field and facilitate the decision process.
7. Assign preparation tasks. Require handouts but outlaw projector presentations. (Using PowerPoint to develop the handouts is OK.) They get in the way of group discussion. Just trust us on this one. Give a deadline three days prior to the meeting for preparation materials. Insist that every handout contain page numbers (even if handwritten) and documentation of information sources.
8. Develop an agenda. Start with an exercise to transition participants' mindsets from their day jobs to the planning challenges at hand. End with a recap of decisions made and likely next steps. Allow time for unwinding or exercise in the evening before or after dinner. Trust us on this one, too. Even if you don't need our assistance facilitating the meeting or providing the planning center, consider our assistance developing the planning agenda. Planning and management process design is a core competency for us. The most common processes we use are documented on the <Resources> pages of this web site. Several are available without charge.
9. Copy and distribute preparation information two working days before the planning meeting, with a memo asking all participants to:
  - Clear the decks of phone calls and commitments so they can truly participate in the meeting in comfort (important!)
  - Alert their families, assistants, subordinates of the meeting room front desk phone number, in case of life threatening emergencies since cell phone will not be operating.
  - Scan through the preparation information (with a pencil and highlighter in hand) to make notes and prepare for strategy discussions.

### **Enjoy your planning session**

10. Enjoy the planning session. It's a rare treat for a management team or planning group to invest two or three days focused on the future of their company, unencumbered by the press of daily business. If you can't turn off the cell phones, don't pretend it's a planning session. Engaging with business-as-usual tasks will do more than anything to insure a business-as-usual plan for the future. Our minds require transition into planning. Phone calls and emails retard or prohibit that transition.

### **Crystallize the Learning**

There are a number of follow up steps which can assist to crystallize the learning after your planning meeting:

11. Distribute meeting notes ASAP following the meeting. Meeting notes have a half life of two days. Every two days they are half as meaningful. Participants need them to jog the memory and make handwritten notes of implications for their own function. Quickly distributed, unedited notes are much more valuable to participants than polished notes which take weeks to get out. The notes should follow the agenda chronologically.

12. Summarize and distribute key communication points to be included for top line employee briefing. Everyone back at the ranch wants to know what happened at the meeting. Even if all actions were confidential, brief employees on the success of the meeting and the timing for announcing decisions. News will leak out, so you are better off to control the information by sharing what you can, rather than letting the grapevine take over.
13. Thank all participants and acknowledge their contributions in a meaningful way.
14. Reformat meeting notes into a plan document. Be explicit about business strategy and objectives which emerge. Sequence the objectives, not by importance but by the chronological order which action plans should be developed for implementation.
15. Let us know how your meeting went. We have a passion about leading productive planning sessions. We keep learning. You can also use the <Resources> part of this web site as a resource for implementing plans.

### **Search for Conclusions, Not Answers**

The majority of time in a productive planning session should engage the planning team in thoughtful analysis, reflection on their company's current situation and speculation on future possibilities which results in a set of strategic decision choices. Some of these options, in some form, will be adopted as primary elements of the company's strategic direction.

### **Look Beyond the Obvious**

Some of the decision choices which a company faces may have already entered the management team's "priority setting" discussions. These may be recommendations or proposals by managers or department heads for investments to improve efficiency and add new capabilities. Or customers may be requesting specific alterations of product design or pricing structure. Just being alert to customers and employees will surface these obvious or near-obvious possibilities; but this isn't the level of thinking that creates strong, sustainable competitive advantages in the marketplace which are measured by the ability to command higher prices than competition or more consistent profitability. Strategic thinking goes well beyond a survey of current wisdom to initiate an in-depth debate about the company's situation - compared to competitors' capabilities, compared to customers' emerging expectations, compared to the best practices and most progressive thinking available in the industry. Conclusions are the result of this debate.

### **How to Conclude about the Company's Situation**

Solicit perspectives other than your own. Introduce a variety of viewpoints, and don't push for consensus yet. Let different opinions co-exist. That's how paradigms are broken.

Imagine sitting in a room with a group of subject matter experts who have been asked to use their own expertise to challenge and stimulate your perspectives. Imagine inviting people who really know:

- What competitors think of your company and its capabilities.
- How technology will revolutionize your industry.
- Economics of your factory or service delivery organization.

- How customers react after a purchase, especially loyal customers.
- What influence the economy will have on demand.
- When trends in other industries will hit yours.
- Analysis of those trends and the rate at which they will impact each industry segment.
- Raw material and labor input trends.
- How competitors segment the market, and how that thinking will impact their product design and pricing.

Although these perspectives have already been introduced in the BEA, there is nothing like an informed debate on their relative importance to break the paradigms. This is not a matter of assigning members of the management team to play the “devil’s advocate” role. A hollow, frustrating discussion would result. It’s a matter of drawing out solid conclusions about the future of your company, based on good knowledge of and insight into the business environment, triggered by informal viewpoints different than your own.

### **Conclusions Come in Seven Flavors**

There’s not a mathematical relationship which tells you how many conclusions will emerge as output from every hour of planning discussions; but there are some rules of thumb which can serve as guidelines or even incentives to keep going on what often begins as a frustrating process.

*Verification. Some of your conclusions (up to 70%) may be only verification of information or trends which you already know. You’ll recognize these by looking for:*

1. Assumptions - Projections into the future of elements in the business environment which form the factual foundation of your planning.
2. Trends - The general tendency, current style or fashion, or direction of products and services on the industry’s leading edge.
3. Strengths and Problems - Elements of your current business situation which will influence the company’s strategic direction, positively or negatively.

*Clarification. Other conclusions (possibly 20%) may clarify aspects of the industry or company which you already knew. Watch for:*

4. Opportunities and Threats - Elements of possible future situations which might influence strategic decision choices, positively or negatively.
5. Distinct possibilities - Opportunities which are compelling in their attractiveness and urgency.

*Revelation. Diligently moving through conclusions which verify and clarify existing knowledge is the price to be paid for a few insightful, valuable, actionable revelations (rarely more than 10% of your conclusions). These are exciting conjectures which include:*

6. Ahhah’s - Flashes of insight which shift the way you think about your business.

7. Imperatives - Overarching priorities which are probably critical for success, though no consensus has been achieved on these priorities yet.

### **Tell the Real Story**

These process tips will help you to develop meaningful conclusions:

- Use reflections on the Crossroads Issues to identify perspectives or points of view which will assist with the conclusions discussions.
- Go for volume. Get a lot of conclusions onto the table before sorting or debating or prioritizing them.
- Take a second look at the imperatives - to get the “altitude” right. Strategy emerges from engaging in “mezzanine” or “helicopter” thinking, at a higher altitude than tactical programs or an organizational view, but not as high an altitude as a mission or vision discussions. Set the altitude at “climbing toward cruising,” without crop dusting, but without supersonic flight, either.

### **Process Overview**

The conclusions process always begins with a SPOT Check (Strengths, Problems, Opportunities, Threats), then progresses through a series of planning processes which vary the planning team’s perspectives on the business to include a marketplace viewpoint as well as internal perspectives. The SPOT Check is then updated following each of these processes. Finally, a set of strategic decision choices are identified, including choices about the company’s target market, development of products and services, and distribution channel evolution.

Always start the SPOT Check by acknowledging “intelligent, hard-working, committed management team” as a core strength. Then shift your perspective to the customer’s viewpoint and start to draw out conclusions.

John Wooden is quoted as having said “It’s what you learn after you know it all that counts.” Use the conclusions to solidify your company culture as a true learning organization.

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