Most Strategy Is Not Strategy

By Tim Gallagher

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BEST PRACTICES FOR STRATEGIC PLANNING

While hundreds of management books have been written about great strategy, much less has been written about how to run a great strategic planning process, and even less that could be considered a "how-to" guide for practitioners. If you're reading this, it may well be because the task of creating a strategic plan is in your lap. This is the first in a series of articles that will detail important ingredients for success as well as pitfalls to avoid based on my work over almost 20 years helping organizations—from Fortune 100 companies to governments to large not-for-profits—build strategies.

Strategic planning is often approached with more emphasis on process than emphasis on the quality of strategic thinking. The results are predictable: plans that are collections of relatively bland initiatives, or lots of detail work that quickly becomes irrelevant. The problem is in the process itself: like the cheese that contains no cheese—the strategy planning process didn't actually include any real strategic planning.

Winston Churchill was famously credited as saying "Plans are useless, but planning is invaluable." The most important end-product of a good planning process isn't the plan on paper-- it's having a powerful, new perspective about the business. It's the quality of that perspective that fosters bold, on-target initiatives and helps to ensure that if future conditions change, the strategy can be readily and smartly revised. But how do you ensure your planning process is fostering something as intangible—and hard to quantify—as a powerful new perspective?

Much of the answer lies in the kinds of discussions you're having as you build the plan. First, make sure you're analyzing data openly and without bias. We all have a tendency to focus on things that confirm our existing beliefs and to dismiss things that don't fit the pattern, and that tendency becomes amplified in an organizational context. Analyses are often cut in ways that bury the data that offers novel insight, by individuals more eager to show conventional patterns than surprises. Make sure you're having conversations that encourage people to come forward with data that doesn't fit the pattern and propose novel explanations. Second, make sure you're pushing people to engage in the kind of hypothetical, "if-then-then-what" discussions that lead to real strategy. "If we do X, our competitor will likely respond with Y or Z, and then we'll need to be ready to do A or B." Strategic planning conversations often stop at the "If we do X.." step. But its precisely the questions that follow that lead to a conversation that's actually about strategy.

The design of the overall planning process is also important. Many organizations follow a regimented, one-way stepwise process when doing strategic planning. Often, it starts with some kind of situation analysis, then proceeds to setting goals, designing initiatives, implementation planning, and finally to a long phase of execution. It's a point, then close-your-eyes, then shoot formula that seldom leads to breakthrough strategies. There are often no real validation steps in the planning phase, no plan B's, or even future decision points. The focus is on reaching maximum closure and forcing alignment around a single path forward. I've seen strategic plans created via these kinds of processes rendered useless within weeks of completion by a single, unexpected change in the marketplace. Often they required months of effort and hundreds of hours of senior management time to create.

Here's a quick self-assessment to determine if you could benefit from strategic planning that is more strategic:

☐ 1. We invest a lot of time in strategic planning, but we don't feel we consistently get the kind of breakthrough thinking we'd like.

☐ 2. When we do surface breakthrough opportunities, they typically happen outside the formal planning process.

☐ 3. Our plans seem to quickly become outmoded-- we invest a lot of time in planning detail that doesn't get executed.

☐ 4. We often critique ourselves for not thinking or acting "strategically enough."

So what's the unlock for organizations that want more real strategy in their strategy?

Here are a couple of breakthrough tips for the next time you're launching into strategic planning mode:

1. Rethink what it means to be "done" with the strategic plan.
In many organizations, strategic planning is approached as a task with a single deliverable at the end. There is a wealth of management literature about how startups find their way by continuously running experiments and refining their approach to the marketplace. Much of that insight is directly relevant to strategic planning in large, established organizations. Aim toward a strategic plan that's less about hard-wiring and up-front decisions, and more about defining a set of experiments that you'll run, defining multiple potential paths forward, and specifying the trigger-points that will tee up future decisions and actions at the appropriate times.

2. Don't ever let yourself say "we're past that step."
Nobody likes to reopen a can of worms, but remember that the ultimate goal of strategic planning is not whether you followed a neat, stage-gate process and finished on time. If your process is too stepwise and one-way—for example, doing all of the situation analysis or initiative scoping up front-- you're likely to neglect insights that emerge at later stages in the planning process. Include several loop-back points in the planning process, and prepare your team—who may be expecting a very linear process—to expect loop-backs. Encourage participants to bring new opportunities and salient information to the table at any time, not just at the "appropriate" step in the process.

3. Create more opportunities for true strategic thinking-- particularly structured discussions around scenarios, and second-order moves.

Good planning doesn't stop at "We will do X." It goes at least as far as "If we do X, the market may do Y or Z, and we should be ready to do A or B." Assume every action you take triggers a change in your competitor's strategy or market ecosystem, and your response to that reaction needs to be as well thought-out as your initial move. Make sure the richness of that thinking is captured in the plan documentation so that you can leverage it as conditions change.
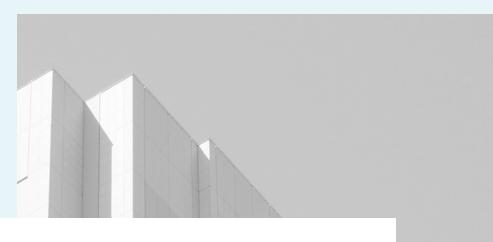
4. Reward a different kind of accountability than just hitting milestones defined up-front.

Having actions, milestones and targets all set forth in strategic plan creates easy marching orders, but excessively hard-wired strategic plans often put initiative owners in the unwinnable and demoralizing position of being asked to march down a path that's no longer in synch with the realities they're facing. Or worse, they follow the plan blindly, regardless of the consequences. If feet are dragging or deadlines are being missed, have a way to assess whether the problem is in execution or the strategy itself-- and if it's the latter, have a process whereby the strategy can be readily and openly revised.

5. Be ready to halt a strategy that's no longer working and do it with as much fanfare as you gave the strategy when it launched.

Often defunct strategies are just put out to pasture, where they continue to consume resources, or initiatives are refocused to try and preserve a sense of continuity ("We don't want to change the name of the initiative, because we spent so much time debating it.") In my experience, the internal confusion created by these approaches is far greater than just hitting stop and getting to work on a new strategy. That means having a standing group that's actively monitoring the strategy and empowered to hit the stop button (hard, if necessary.)

Tim Gallagher

STRATEGY. NEW GROWTH. ORGANIZATIONAL PERFORMANCE.

Tim helps executives and Boards of corporations and public institutions including Fortune 100 companies, universities, governments, private equity firms, not-for-profits, and successful early-stage companies to create strategies and build operational capabilities. He has worked in a wide range of industries including airlines, business services, electronics, consumer products, and manufacturing.

Tim brings an active and collaborative problem-solving approach to the most difficult strategic and organizational questions facing today's leaders.

Formerly, Tim was a Partner with McKinsey & Company, and was a member of McKinsey's Strategy and High Technology practices.

Tim holds undergraduate and MBA degrees from Stanford University.

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