

## Strategic Planning – Pitfalls in Implementation

In our strategic planning work, we often work with companies who have tried strategic planning before. Almost inevitably, the companies we meet were disappointed in the results they got before using Simplified Strategic Planning. While some of these disappointments can be attributed to poor strategy or process issues, many - perhaps a third - were disappointed because the plan failed to lead to good implementation of the strategy.

This is a shame, because your management team puts some of its best thinking into your strategic plans. Often, the team is quite excited about the vision portrayed by your strategies. So, how is it that strategic plans are so often poorly implemented?

In our experience, there are five main root causes of poor implementation. Some of these are very closely linked to each other - that is, it's common to see pairs of these issues operating in tandem. But, ultimately, each of these items, by itself, can torpedo your strategy implementation:

1. The plan is not linked to implementation
2. The implementation lacks follow-through
3. The implementation is given insufficient resources
4. Managers change their objectives too quickly
5. The plan attempts too much too quickly

Let's examine each of these issues, and how to mitigate its negative effects on strategy implementation at your company.

### **1. The plan is not linked to implementation.**

This one is unfortunately, very common. In many cases, the plan's issues can be traced back to a consultant who wanted to sell each step of the implementation as a separate service, but sometimes, it arises from sheer ignorance of the pitfalls of strategic planning. Many people who attempt strategic planning for the first time assume that once the strategies are written down, the organization has a plan. In a sense, this is true - written strategies are, technically, a plan. Writing your vision down, however, doesn't guarantee that it will come to pass. If it did, we'd all be living in the utopia of the mission statements most of us labored over in the 1980s and 1990s.

The clearest symptom that a plan isn't linked to implementation is an absence of clear, measurable objectives and related action plans that define, at a fairly low level, who is going to do what, when, how much it will cost and when it will happen. Sometimes this happens when the process stops after identifying strategies and goals, and sometimes the objectives are set, but no action plans are created (often because there are just too many objectives).

The simplest remedy for this problem, of course, is to follow a process that drives implementation by progressing beyond strategies and goals to measurable objectives and appropriate strategic-level action plans. Yes, this takes more time than the cheap and cheerful one -or two- day retreat that a lot of companies seem to like, but it has such a profound impact on the results generated by the plan that it is time well spent.

## **2. The implementation lacks follow-through**

Sometimes, we see companies that do a decent job of linking their strategies to objectives and action plans, but still lose steam in the implementation part of the planning cycle. A lack of follow-through is one of the most common causes of this "petering out".

The best indication of poor follow-through is action plans that haven't been updated since the plan was completed, or perhaps a month or two afterwards. The team set up their implementation plans with good intentions, but then dropped the ball as more urgent activities drove strategy implementation out of their minds. This is common because the very best strategies are never urgent - they are undertaken well ahead of time, because time and money can usually be traded off in strategy implementation. Companies that choose to spend time when they have it - even when the strategic initiative is not urgent - are almost always more efficient.

To remedy the lack of follow-through requires commitment from the highest level of the management team. If the owner, president, or CEO insists upon a serious, routine periodic review of progress on strategy implementation, it is highly unlikely that your company will drop the ball. Practically speaking, this means you must keep to the monthly monitoring process that we outline in the Simplified Strategic Planning seminar and manual.

## **3. The implementation is given insufficient resources**

Another way of stating this is "implementation is given insufficient priority". It's not uncommon to see, in a company that is relatively strapped for management resources, that action plan step postponement is a heavily used tool in the management team's time management. It is always easier to postpone a strategic action than, say, to hire a new executive.

A common symptom of this issue is action plans where many steps are postponed two or three times before completion. Implementation is still progressing, but at a much slower pace than originally intended.

Fixing this issue isn't always easy. Naturally, if you have the money, adding horsepower to your management team can help. Giving executives clear priorities, especially about the relationship between their routine operational responsibilities and strategic responsibilities, can also help. Finally, be aware that this issue may actually be issue number 5 (the plan attempts too much too quickly) in disguise. It's difficult, if not impossible, to distinguish between trying to do too much and having too little to do it with, because they are essentially two ends of the same stick.

#### **4. Managers change their objectives too quickly**

In some companies, the main strategy implementation amounts to a kind of corporate "short attention span". Many of these companies don't make much headway in their strategy implementation because they are never heading in one direction long enough for the strategy to pick up steam.

A common symptom of this implementation issue is a company that seems to be perpetually in the middle of dramatic changes. In a company with a sound, consistent strategy, change is occurring, but change tends to flow around the strategy, because the strategy represents a stable, unchanging reality, such as "Starbucks customers like good coffee in a good environment".

Another symptom is the classic "flavor of the month" syndrome, where the company shifts direction every month or two based upon the viewpoint of the management guru that is currently in favor with the top executives. This is a dangerous problem, as many of today's management gurus espouse strategic outlooks that are diametrically opposed. For example, "The Experience Economy" espouses a strong, service-centered specialty strategy, while "Nuts!" centers on a focused commodity strategy. You might succeed in shoehorning both of these outlooks into one company, but you are just as likely to end up with a train wreck.

The annual planning process, and strict discipline around that process, is the best antidote we know to "short attention span". The key here is to make sure you have sound strategic reasons for every change you make in your objectives (and no, "there's a lot of money to be made" is NOT a sound strategic reason). Likewise, test every change against the wisdom that is inherent in your own strategy. If it fits, great - but when it doesn't, be very wary of making changes because of small, temporary changes in your marketplace or (worse) your reading list.

#### **5. The plan attempts too much too quickly**

This is probably the second most common issue, and, as we said, sometimes difficult to distinguish from issue 3 (The implementation is given insufficient resources). As managers, and as teams, we all seem to have eyes that are much bigger than our stomachs. If five objectives are good, ten must be better, right?

Well, wrong... ten objectives are almost always worse, from an implementation perspective, than five. There are two key reasons for this. First, we psychologically tend to focus more on items when they are limited in quantity. Everyone in your company is likely to know your company's objectives if you only have four or five. If you have forty-two (we call this a "laundry list"), chances are no one will know most of them, and few will even care. This is not because your employees are bad - rather, it's because it's not humanly possible for a group of people to remember and properly prioritize forty-two objectives.

The solution for this issue is simple, but often difficult. Don't let yourself tackle more objectives than you can handle. If you had trouble with nine last year, try seven this

year. In our experience, implementation is optimized somewhere between five and ten objectives, depending on the organization, its culture and resources.

These are just a few of the most common implementation issues we run into in our work as strategy consultants, assisting companies like your own in strategic planning. It's not exhaustive, but hopefully, as you get out your plans for this year, you will think about taking some of the steps outlined here to improve your implementation.

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