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Top tips for managing the strategic planning process

By Lloyd Snowden



The best companies have an integrated strategic planning process that clearly defines the business direction over five years or more

For any company, strategic planning is central to swift and reliable decision-making. Done well, it brings shared ownership of the business direction and its challenges and opportunities, right across an organisation, along with improved communication and understanding among all employees that is essential to effective business judgements.

The best companies have an integrated strategic planning process that clearly defines the business direction over five years or more. The principle objective should be to establish and manage the vision, strategy and direction needed to become a top-performing business and improve a company's competitive position. Here are our key steps to successfully manage the strategic planning process.

1. Understand the internal and external business environment

The fundamental first step is to understand what type of business you are. Start by gathering all the relevant information both from inside and outside the company, so you get a firm perspective on your products and services, your competition and future business opportunities. By fully analysing and understanding your market offering, you can properly define your company's value proposition, play to its strengths and address its weaknesses. It is also important to have a properly balanced view of the goals and targets of all the company's major stakeholders, and to examine your products and services portfolio accordingly. Naturally, you can't be all things to all men (or women) but one thing you can't compromise on is having the voice of the customer fully reflected in your product strategy.

2. Define your vision, mission and values

Research done, you should now be able to create meaningful vision and mission statements; these should be inspiring and memorable, and truly represent the ambitions of the company and its stakeholders. Most importantly, they need to be understood and

supported by all members of staff. Avoid platitudinous statements such as 'we aspire to provide the highest quality and best customer service in everything we do'; it won't mean much to anyone. The leadership team should also capture the business' core values in a separate value statement. These are the guiding principles needed to be embraced by the entire organisation to develop the right environment to drive and support your strategic plan and supporting programmes.

3. Develop your strategic plan

Once your mission, vision and values are set, it's time for the leadership team to bring them to life in a strategic plan. You'll typically need four to six strategic business objectives (SBOs) that will be the driving force for change in the business over the next five to 10 years. They should be simple statements such as 'grow the business by 30% in the next five years'. This will make sure there is a mutual awareness of the direction the business is moving in and understanding of how employees' own roles contribute to success. You'll also be able to establish a measurements hierarchy to monitor progress.

4. Bring the future forward

Though your strategic business objectives may be long term, it is crucial that they are kept in the present day. People, throughout your entire organisation, must understand the strategic direction of the business to make effective and well-informed decisions today, which will have a positive effect tomorrow.

This means you must have clear 'roadmaps' and 'critical success factors' for all your core processes (products and services, demand, supply and finance) plus the supporting functions (people operations, IT, quality, data and so on) stretching over the five to 10-year period of the strategic plan. These drive long-term business goals into the here and now.

5. Deploy your strategy

Your strategic plan should be in written form, and the copious information you've recorded in guiding your strategic process

should be stored. You are now ready to deploy this across the breadth of your organisation, cascading material down through the business. As a result, each and every individual will understand your long-term plans, mission and vision, and get behind them.

Sounds easy? It's simple, but not straightforward. You'll need a proper deployment process, which prioritises your SBOs and determines the skills and capabilities you need for projects.

Your existing corporate communications infrastructure can be used for this torrent of information. This will ensure the greatest possible understanding and commitment throughout the organisation, as well as facilitating valuable peer-to-peer discussion. By the end, each employee should have grasped their role in the strategic plan and have clear targets and objectives.

6. Evaluate and control

How are things going? You'll only know if you set up both formal and informal periodic reviews at all levels to confirm everything is on track. The external business environment is constantly evolving and unforeseen changes will occur. Therefore, the strategic plan needs to be continually reviewed to ensure it remains relevant to the organisation under the prevailing circumstances. Furthermore, try to ensure the strategic plan is systematically and rigorously analysed for risk; contingency plans exist to mitigate identified risks. As well as including a monthly review of the strategic plan into your inte-

grated business planning process, there are two other important additional reviews you should conduct: an annual diagnostic review of the strategy deployment, plus six-monthly informal reflection reviews, involving key staff members.

7. Measure performance

Monitoring is one thing, measuring is another. You'll need a set of balanced measures to assess your performance against your strategic business objectives, and to drive improvement. These measures should be hierarchically structured and integrated so the impact of performance on the business is clearly visible and understood by everyone.

8. Develop behaviours and competencies

All too often when implementing business transformation programmes, organisations launch into tackling their processes with enthusiasm, but overlook the importance of their people. If you want to implement a sustainable strategic plan, it is essential you recognise that people are the key drivers, and that success depends on your organisation's ability to cultivate the right environment for change.

You'll need strong leadership, shared ownership up and down the organisation, and excellent communication. Harnessing the unique skills, talents and proficiencies of your team, with individual accountabilities, ensures success across the whole business.



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