



The Relevance of Strategic Planning

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RELIAS

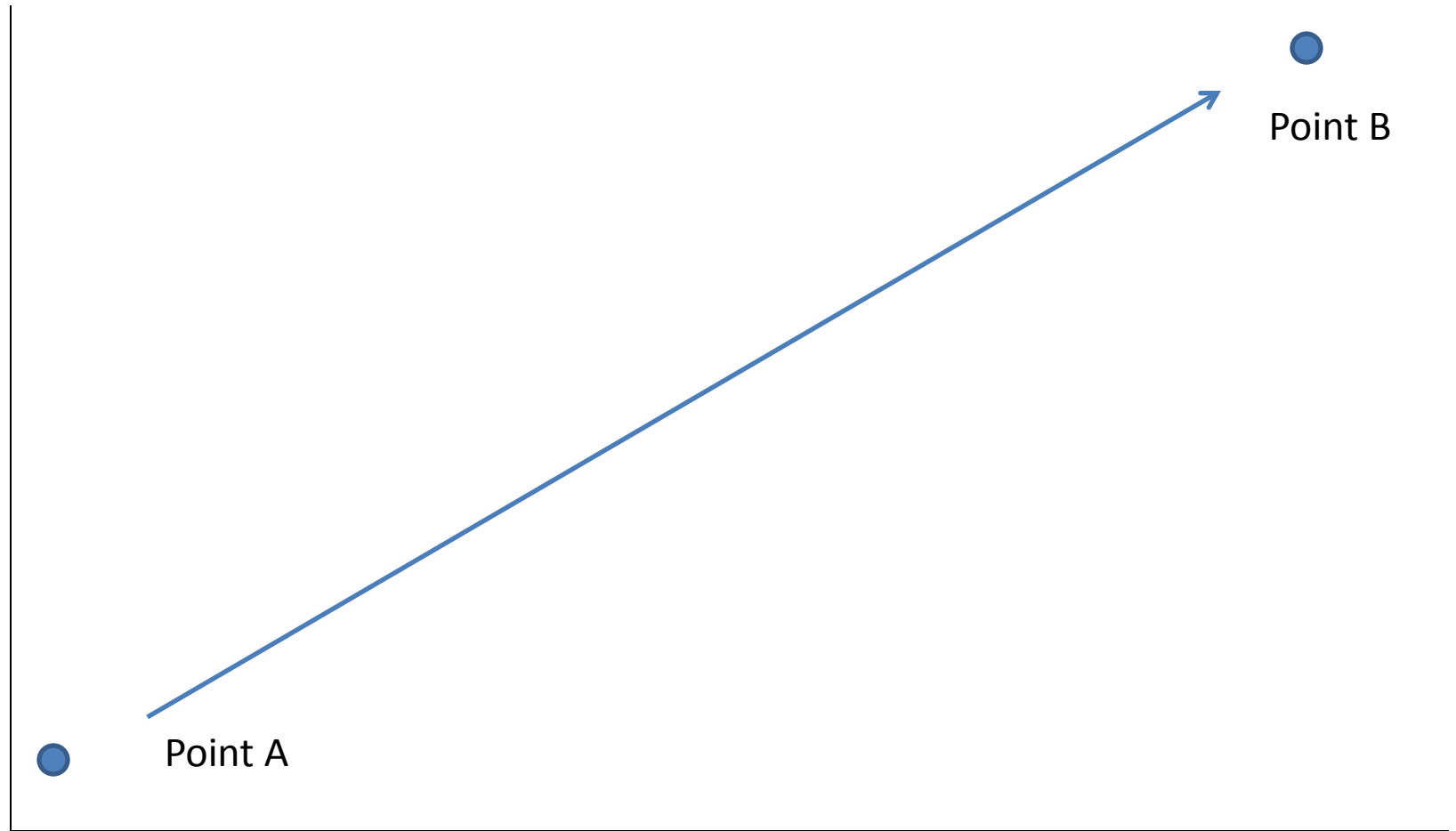
The Real Essential Need

Relevance

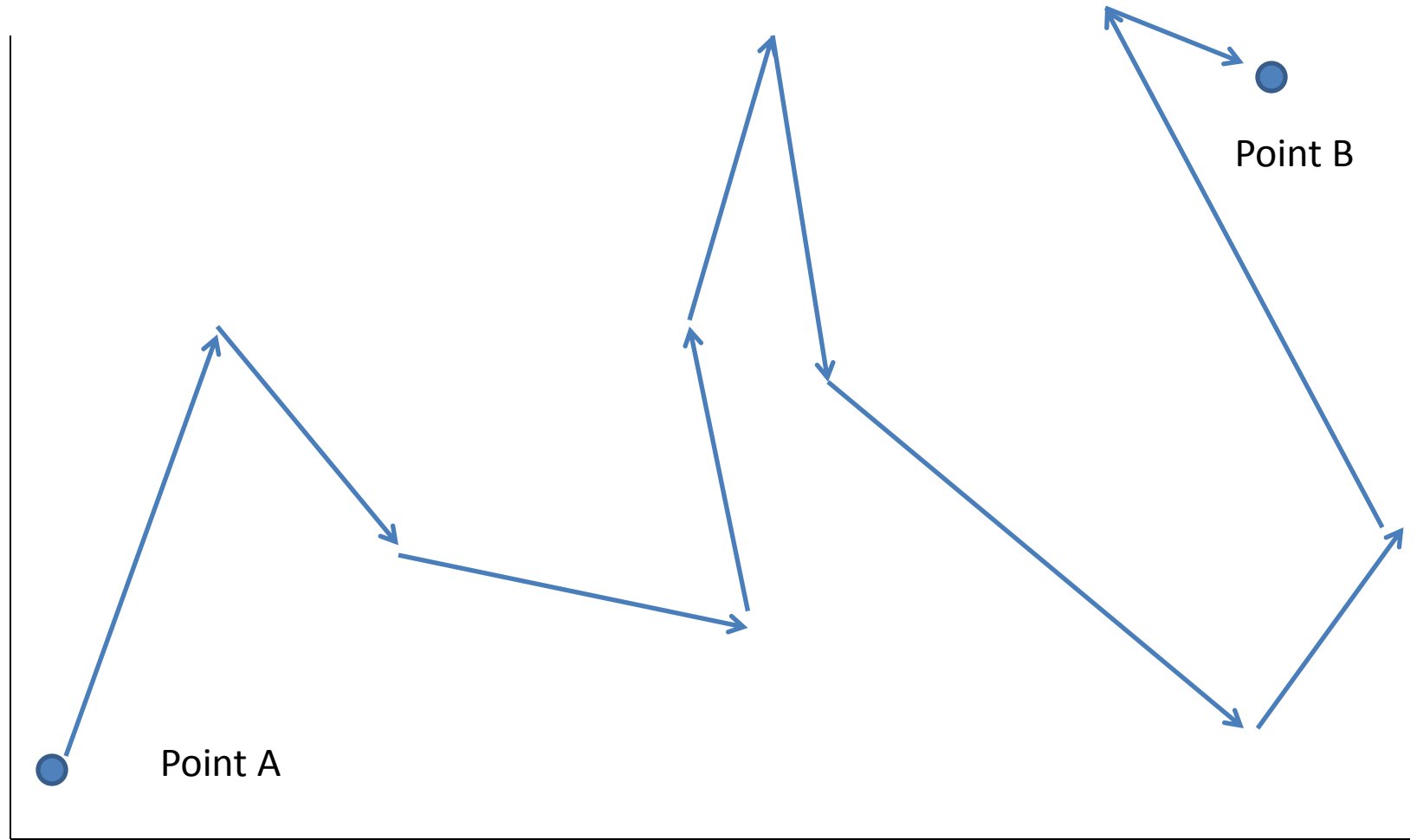
“[My company’s] Existence is no more than the precarious attainment of relevance in an intensely mobile flux of past, present, and future.”

- Susan Sontag [with liberties]

Let's Gain Clarity



Let's Gain Clarity



Strategic Planning Framework

- Starts with Owner
- (Ultimately) Requires the Team
- A Process, not an Event

Five Essential Steps

- Owner Homework
- Team Homework
- Multi-day Planning Meeting
- Financial Plan Development
- Ongoing Measurement

1. Owner Homework

- Why do you work? (Core Motivation)
- What do you want to be when you grow up? (Vision)
- What do you do? What is your 'sandbox'? (Mission)
- What do you stand for? What are the lines in the sand? (Values)
- What is your long term objective? (Exit Strategy)

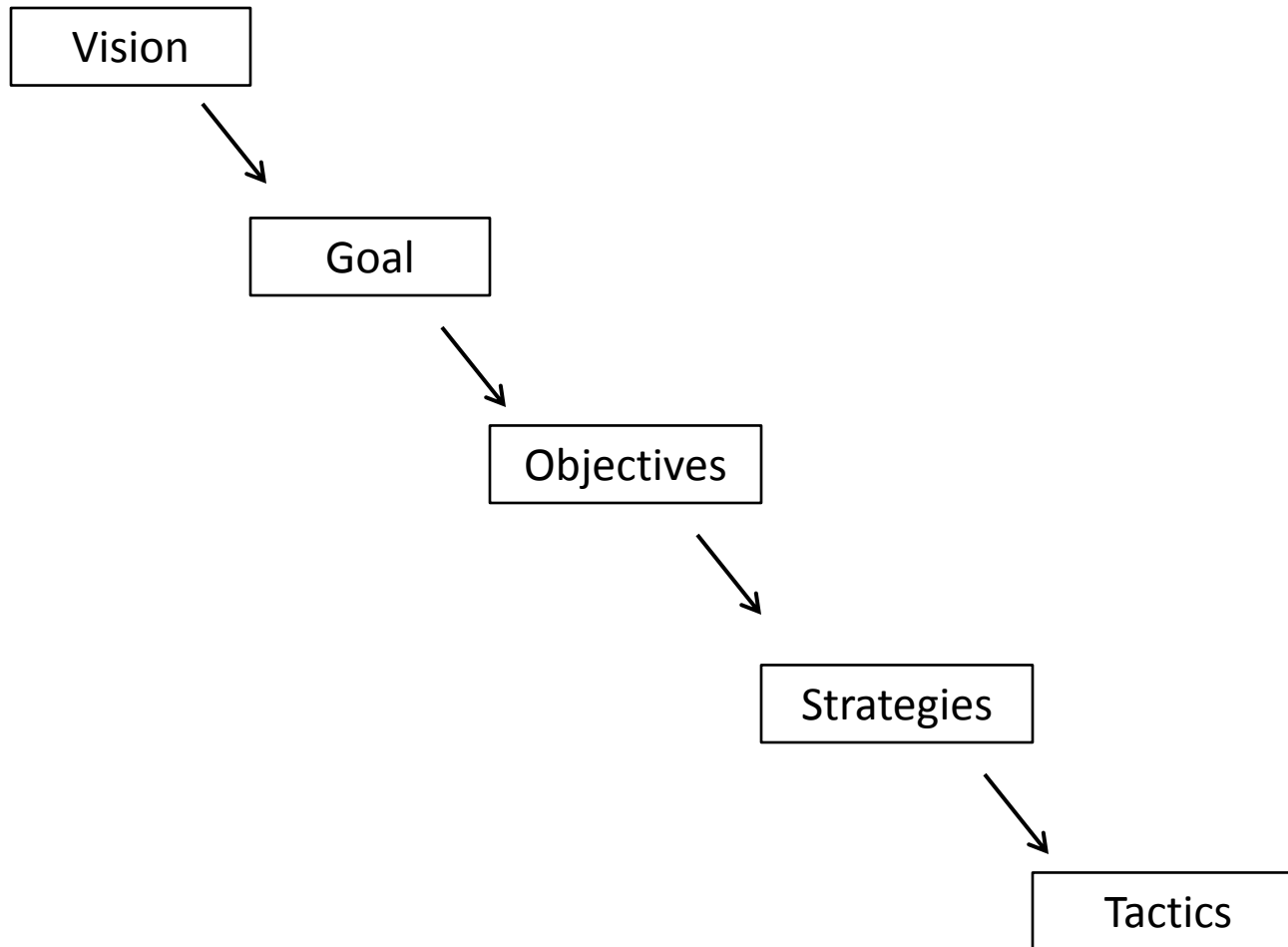
2. Team Homework

- (Mission, Vision, Values)
- The Motorcycle Exercise
- The 3 biggest things the business must get accomplished in the next year
- Their #1 objective (from the business' perspective)
- 5 Strengths, Weaknesses, Opportunities and Threats for the business

3. The Meeting

- Off-site!
- The attendees
- Dump and catalogue your data
 - Discuss and validate your SWOT items
 - Is Point B still possible given your SWOT analysis?
- Triage the SWOT items
 - Critical
 - Nice to Have
 - Can wait for another day
- Align and validate your objectives from the homework

The Hard Work



Objectives

- How many?
- Make them SMART
- Set them at organizational and department levels
- There has to be absolute clarity at this meeting

The Who

- You know what you intend on doing
- You know when you intend on doing it
- You probably even know where you intend on doing it
- None of this means squat if you are challenged by the WHO?

Reality

- Most head coaches get fired because they have lousy personnel, not because they can't coach

Assessment

- It's a painful process if done well
- Why?
- Because it's perceived as personal, not business
- You won't win the Super Bowl with a Division III quality quarterback
- The GE model

Strategies and Tactics

- The rest of the meeting is spent developing strategies against the objectives, and tactics against the strategies

4. Financial Plan

- Bottom up or Top Down?
- Who has to deliver? Where is the accountability?
- Create a model that incorporates all elements of the business as discretely as possible and distribute to all relevant stakeholders
- Income statement should create itself
- Ensure it conforms to objectives

5. Measurement

- You have a plan – use it!
- Define KPI's that drive activity that will deliver against objectives
 - Measure weekly
- Operational review monthly against operating and financial plan

Ops Review Example

- Budget and variance analysis
 - Discuss ‘misses’
 - Accomplishments and achievements last 30 days
 - Roadblocks and challenges
 - Cross-organizational support needed
 - 30 day action plan

Today's Key Points

- If you are not relevant to your market, your business will die
- The owner must do their homework – motivation, vision, mission, values, exit strategy. What is you're the company's Point B?
- The Team must be an integral part of the process. Ultimately the Team delivers on the plan.
- A planning meeting must take place off-site and it must produce complete clarity relative to objectives and expectations

Key Points

- Honest, candid evaluation of human capital is essential if the organization is to succeed
- A financial plan must be developed from the bottom up to provide buy-in and an operational roadmap
- KPIs must be developed and used to drive performance
- Regular operational reviews must be conducted to establish a culture of accountability



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