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WHITE PAPER

# Plan to Succeed

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In 1980, Fortune Magazine published a prestigious list of the top 100 American public corporations based on revenues. By 2001, 26% of these companies were no longer on the list. Some were no longer even in business.

The question is, did these companies plan to fail or simply fail to plan?

If you asked their key executives, they would likely tell you that the companies struggled with strategic planning – the critical process of defining clear organizational goals and developing strategies to reach them. A strategic plan gives a company its direction, helping its leaders navigate the often-treacherous waters of today's ever-changing marketplace.

## The Importance of Planning

Do you remember when “The Big Three” defined the standard for quality and excellence in automobile manufacturing? Times have certainly changed. In recent years, globalization and the rapid growth of technology have created an increasingly dynamic, complex, and hyper-competitive business environment. The effect of this accelerated change is clear: if your corporation is not planning to control its own future, your competitors will control it for you. To survive, your business must plan to succeed.

## Does Your Business Plan to Succeed?

There’s a big difference between planning and planning to succeed. If you’re unsure of the difference, ask yourself the following questions: Do the leaders of your company have a meaningful strategic plan? Is that plan understood and endorsed by your executives? By your employees? Do your employees even believe what their leaders are telling them? According to a 2005 Harris poll, only 37% of American workers believe that “top management displays integrity and morality.” Many other studies point to a major disconnect between CEOs’ and employees’ beliefs.

These studies demonstrate what you may already know in your gut: corporate malfeasance is not the sole reason companies fail. Most businesses fail because their leaders fail to adequately prepare the company to deal with change. It is critical to see past day-to-day pressures and plan for the long term. But even if you develop a sound strategic plan, it won’t lead to success unless your employees understand and support it.

## The Three Criteria of a Meaningful Strategic Plan

Given the rapid pace of change in business and the disturbing disconnect between employer and employee beliefs, how do you create a strategic plan that will ensure your company’s continued success? You have to make your plans meaningful – to everyone in your company – by doing the following:

- Treat your strategic plan as a living entity.
- Make sure everyone understands and buys into your strategic plan.
- Consistently implement and execute your plan.

## Treat Your Strategic Plan as a Living Entity

Think your strategic plan should be written in stone? Then consider this: barely thirty years ago, electronics industry experts believed that IBM’s mainframe would be the dominant computer of the future. Obviously, competition and shifting world conditions can change things. To manage variables like these, you must treat your strategic plan as a living entity. According to Charles Koch, CEO of Koch Industries, your strategic plan should be a living entity built upon “a business vision that begins and ends with value creation.” He should know what he’s talking about, under his guidance Koch Industries has grown to be the largest privately owned company in the world. Since 1960, investments in his company have provided a rate of return 16 times greater than the S&P 500.



But how do you treat your strategic plan as a living entity? Review it and if necessary modify it. When conducting your review ask for employees' input. Their front-line experiences provide a unique perspective, offering invaluable opinions and knowledge. Additionally, make sure you assess your plan from the perspective of value creation. Ask leaders and employees if your products and services will still be creating value next year, in five years, even in 10 years. Answering these tough questions and making plan revisions, if necessary, will help your company stay ahead of the curve.

### **Make Sure Everyone Understands and Buys into Your Strategic Plan**

To be meaningful, your strategic plan must be endorsed by your entire workforce. But before they support it, they must first understand it. Unfortunately, too many senior executives believe that once they've uttered the "magic words" of their strategic plan, everyone automatically understands them. Furthermore, these executives also believe that just because they've shared their strategic directives, everyone in the organization supports their plans. While junior executives and department managers may nod their heads in agreement, they are quite likely to ignore everything that was said, and go back to business as usual.

Garnering support for your strategic plan is not simple. Countless surveys support Bruce Katcher's, President of Discovery Surveys, statement that "only 53% of employees believe the information they receive from senior management." Given this harsh reality, how do you bridge the gap between your leader's strategic vision, and what your employees really believe?

Jack Welch would say that communication is the key. During his tenure as CEO of GE, he personally facilitated work sessions in his now famous "pit" to ensure everyone understood what was being communicated. He believed that "good communication is simply everyone having the same set of facts," and he conducted business accordingly.

Use Jack Welch's definition of communication when you share your strategic plan. Make sure you present it in language that all your employees – from customer service to sales to senior management – can understand. Explain to employees how their day-to-day responsibilities can help the company achieve its strategic goals, and you will gain the support you need.

### **Consistently Execute Your Plan**

Finally, no plan has real meaning unless it is properly executed. Your leaders must have the courage to "pull the trigger" and implement what you've planned. Sometimes this requires your key executives to take a calculated risk – even without all of the desired information.

Imagine, if you will, the tremendous planning that had to be involved in the Normandy Invasion during World War II. Think of how General Eisenhower must have felt on the planned day of invasion, when he received word that the weather had turned bad, making the landings even more dangerous. He waited one day. Then, after being advised of a slight improvement in weather conditions, he said simply, "O.K., we'll go." Over 156,000 allied troops were sent to free Europe from the Nazis. Fortunately, when it was needed, the free world had a leader who could execute decisively.

Likewise, once your strategic plan is created, you must implement it. As William Pollard, Chairman of Service Master, Fortune Magazine's number one rated service company in America, has said, "It is not always what we know or analyze before we make a decision that makes it a good decision. It is what we do after we make the decision to implement and execute that makes it a good decision."

### **Applying the Lessons**

So, what are the common bonds among the messages of these legendary leaders? They each took the time to develop their own plans. Although they shared similar philosophies, they did not blindly apply someone else's plan. Each ensured that the essence of his plan was communicated and understood throughout the company. And, finally, these leaders implemented and executed decisively.



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