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Strategic Momentum

By Mary Adams and Michael Oleksak

What image comes to mind when you read the words strategic planning? Probably a ponderous annual process that ends with the publication of a big book destined for a long shelf life – with the emphasis on the word shelf. A good analogy is firing an old-fashioned cannon. Those huge weapons were heavy and required lots of time and resources just to get into place. Then when everything was finally ready, you took a single shot that might or might not hit its target.

Today's market requires a different kind of process, more like firing a 21st century precision field weapon. Taking minimal resources to move, arm, and shoot, such weapons offer maximum flexibility for tracking fast-moving targets. You can easily adjust your aim after each shot, taking into account changes in the wind and other environmental factors. It is a continuous learning process.

And that is what strategic planning should be: a dynamic process that allows you to develop and adapt strategy as needed all year long, to create and sustain something that ancient artillery could never achieve -- momentum.

To create strategic momentum, you need the organizational equivalents of ready, aim, fire: *information, insight, action*.

Information

Information is the fuel that ignites and sustains strategic momentum. The challenge is to develop a diverse data set that you then revisit and refresh periodically. The set should be focused on your particular market and business but not so narrowly as to exclude outside influences and opportunities, which often lead to innovation.

Data gathering itself is as much art as science, in that there are no strict guidelines to follow. To get ideas, use



the Internet, attend industry seminars, read widely in business and technology. Follow eBay's example and talk about strategy with your customers and stakeholders. In addition to closely tracking trends on their own site and in related markets, this company flies a couple dozen stakeholders to their headquarters each month for face-to-face conversations with CEO Meg Whitman and her team.

The best advice is to go for a variety of data types and sources:

- Internal and external
- Hard and soft
- Written and oral
- Quantitative and qualitative
- Facts and instincts
- Managers and employees
- Stakeholders and patients

Areas that you should be tracking regularly include:

- Direct local market
- Regional/national market
- Demographics of patient base
- Competitors and comparable businesses
- Regulatory/reimbursement environment
- Financial information
- Management information

As important as the data you collect is, what you do with it is even more important. Is it regularly disseminated to your management team in a usable form? One way to ensure this is to incorporate critical measures into a set of customized analytical reports issued on a periodic basis.

The field of strategic planning has generated many theories and paradigms that can help you analyze information, among them Michael Porter's five-pronged industry analysis, stakeholder analyses, and customer segmentation. Each of these approaches has been widely written about. In their book *Strategic and Competitive Analysis: Methods and Techniques for Analyzing Business Competition*, Craig S. Fleisher and Bebette E. Bensoussan (Prentice Hall, 2002) summarize more than 20 strategic analysis tools, including their theoretical background, strengths and weaknesses, and how to use them. Use this and other management resources to create a tool kit that includes a number of different approaches. Just as you wouldn't want a toolbox with a lone hammer in it, you don't want to rely on a single theory or tool to develop your business.

Insight

If information is the fuel for strategic momentum, insight is the engine. Henry Mintzberg, one of the world's authorities on strategy (and also one of its greatest critics), once wrote that "strategic planning is neither." In other words, strategy cannot be formed through methodical processes like planning – at least not planning alone. Strategy can arise from casual conversations or flashes of inspiration, but most organizations cannot afford to wait for serendipity to strike. What is needed is insight: a step beyond analysis that allows you to synthesize all the available information, to see the forest instead of the tree, to grasp the big picture.

Maintaining a consistent flow of data and analysis will foster insight. So will the periodic use of one or more of the following techniques:

- Structured and unstructured conversations about specific challenges or opportunities
- Exercises such as brainstorming, process mapping and SWOT (strengths, weaknesses, opportunities, and threats)
- Experiments that are loosely defined and allow participants a certain amount of trial and error
- Initiatives that encourage groups deep within an organization to learn about an issue and develop grassroots solutions.

These kinds of approaches are most helpful when used outside the normal budget and financial review process, and before you plunge into formal planning. Too often, planning without fresh information and thinking leads to nothing more than tweaking the status quo. Strategic momentum comes from breaking through the status quo and reaching new levels of performance. This is why companies like Bank of America have started holding two-day strategy sessions each quarter.

Action

Once you have a shared vision of the future and a strategy to get you there, you are ready to plot your course. The most important planning step is the development of action plans that commit individuals to complete key tasks in a specific way and by a specific deadline. If your team has been provided with a stimulating set of quality data and well-structured opportunities to think proactively about the future, they will know what to do. Action will be inevitable.

Executing your strategy and plans requires that you constantly adapt to new developments, external changes, and lessons learned during implementation. To do this, to maintain strategic momentum, you must have good measurement data, and not only financial data. Identifying leading indicators – indicators of customer service, employee knowledge, brand strength, patient satisfaction, competitive position -- can be a much

more powerful and timely way to measure performance. Thus the current popularity of Kaplan and Norton's balanced scorecard, corporate dashboards of indicators, and similar approaches to tracking and reporting critical measures.

These three components – information, insight, and action – will allow you to make strategic planning a part of what you do every day. By ensuring a continuous flow of qualitative and quantitative data to your team, creating opportunities for strategic thinking stimulated by outside information and inside experience, and measuring your progress to provide continuous feedback on what works, you can create organizational momentum that will not flag even when individuals do.

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