

Top 7 Strategic Planning Mistakes

by Helen M. Mitchell

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Data shows that 90% of strategy plans are never effectively implemented and 30% of those companies on the top of their industry won't be there in five years.

Strategy remains one of the most widely discussed and debated topics in the world of modern organizations.

Strategy is choosing to perform different activities that can be preserved and that will provide a sustainable competitive advantage. Part science. Part art.

“Everything in our world – from marketing to technology to distribution to capital markets – is changing faster than ever and not always in the same direction” – (Fast Company Magazine, 2005) How do you plan around that?

Seven common mistakes which trap companies into being a planning fatality statistic are:

1. **Lack of Integration.** Planning is just the first step. For strategy to be effective it must be aligned and integrated with the organizational or people plans and the operational or business plans. Also integrate the strategic thinking into business conversations

and meetings to become strategic execution.

- 2. Looking at only a part of the business and not the whole.** Provide equal consideration to “how” the organization functions and behaves and adjust the processes accordingly. Align performance and compensation to address the “who” “why” people work. People, processes and technology are the engine that will move the strategy forward and careful planning will increase the probability of success.
- 3. Not thinking BIG enough.** Good thinking should result in ideas that will differentiate you from the competition with a sustainable advantage. The real winners will reinvent their industry with radical and innovative ideas.
- 4. Limiting future thinking based on current reality.** Work from “what could be”, not “what is”. Don’t let the limitations of current reality limit your future. Your people and operational plans are the tools to drive the changes required to meet your future.
- 5. Not including key stakeholders.** People best support that which they help create. World view has become so broad that it is impossible for one person or group of executives to see every advantage. Involve key employees representing all levels, suppliers, vendors or other key influencers. You will not only include differing opinions but creating a sense of ownership.
- 6. Ignoring the data.** If you are not working with reliable current financial, market and employee data, then get it. An objective perspective will eliminate much of the guesswork. Resist the temptation to discount or change the data just because it leads you to a different conclusion.
- 7. Not measuring key activities aligned with the vision.** Performance management, compensation, financial metrics and the balanced scorecard should all reveal tactical progress against the strategic plan. You get what you measure.

Acquire knowledge ▪ Create ▪ Innovate ▪ Execute ▪ Measure ▪ Adjust

