

# STRATEGIC PLANNING:

## A ROADMAP FOR ORGANIZATIONAL DIFFERENTIATION, AGILITY, AND EXECUTION

In today's Internet age, you can find pretty much anything online. It's easy to waste countless hours scrolling through cat photos and squander even more time scrolling through Instagram, only to realize that everyone else's life is better than yours and that you must have the latest fill-in-the-blank item that the algorithm gods strategically placed in your feed. You can find a recipe for the world's best pumpkin pie and can even find what exactly is in mincemeat pie.

You can also find all sorts of quotes about strategy, like: "You have to be fast on your feet and adaptive or else a strategy is useless" and "Strategy is a pattern in a stream of decisions." You can even find strategy-adjacent quotes like "Even if you're on the right track, you'll get run over if you just sit there."

While these may be catchy, they're not all that helpful when it comes to implementation of an organization's strategy. Catherine Cole, writing for Harvard Business School (2020), noted:

"According to research ... 85% of executive leadership teams spend less than one hour per month discussing strategy, and 50% spend no time at all. The research also reveals that, on average, 95% of a company's employees don't understand strategy at all."

Think about that: 95% of employees don't understand strategy at all! While this is astounding, it should not be all that surprising if executive leaders rarely discuss strategy. Cole continues by saying, "It's no wonder, then, that 90% of businesses fail to meet their strategic targets. Before an organization can reap the rewards of its business strategy, planning must take place to ensure its strategy remains agile and executable."

So what exactly is strategy, and how does an organization plan for and ensure its strategy is agile and executable? To answer this, we'll look to Michael Porter, writing for Harvard Business Review (1996), where he states there are three underlying strategic positions that organizations need to be aware of:

1. Strategy is the creation of a unique and valuable position, involving a different set of activities
2. Strategy requires you to make trade-offs in competing, including choosing what not to do
3. Strategy involves creating 'fit' among a company's activities

Complementing Porter's three underlying strategic positions listed above, A.G. Lafley and Roger Martin, in their book *Playing to Win: How Strategy Really Works* (2013), indicate that "strategy is an integrated set of choices that uniquely positions the firm in its industry so as to create sustainable advantage and superior value relative to the competition." Lafley and Martin elaborate more by stating that "strategy is a coordinated and integrated set of five choices: a winning aspiration, where to play, how to win, core capabilities, and management systems."

Cole describes strategic planning as being the "ongoing organizational process of using available knowledge to document a business's intended direction." While traditional thinking might have you convinced that strategic planning helps an organization chart a direction that includes becoming better than the competition, Porter sees things differently; he argues, "Strategy is about setting yourself apart from the competition. It's *not* [emphasis added] a matter of being better at what you do – it's a matter of being different at what you do."

Strategic planning involves making choices – sometimes difficult ones – that will shape the future of an organization. All organizations – big and small – are faced with making these decisions in one way or another. Peter Drucker said, "If you want something new, you have to stop something old." Porter echoes that by saying, "The essence of strategy is choosing what not to do." What choices are you and your organization currently facing? Are there practices that you need to decide to no longer carry out? Are there items you need to decide to no longer produce or grow or focus on? How might these decisions impact your future? How might these choices help you to differentiate your organization from the competition? It's in these differences that customers decide who/what is better for them.

While the future is unknown, it is essential that organizations make every effort to make strategic choices and plan for what could be the next phase of their operations. John Kotter says, "Leaders establish the vision for the future and set the strategy for getting there; they cause change." Change is disruptive ... and essential. How is your strategy preparing for you for change, for an unknown future?" Are you and your leaders talking about strategy enough to help cast vision and inspire employees to carry it out into the future?

At Morrison, our focus has always been on recognizing, respecting, and meeting the needs of our clients. We have assisted many with strategic and long-term planning, helping to meet the needs of organizations as they plan for a successful future.

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