

Calling It Strategic Doesn't Make It So!



I am constantly reminded that just because a company projects a successful persona on the outside doesn't mean that they are actually savvy on the inside.

I received a telephone call a few days ago from a senior vice president affiliated with a major Fortune 500 company. He asked a number of questions. One in particular stunned me.

The conversation went something like this.

Joe (not real name): "How do you know if something is really strategic?"

Marcia: "It depends, tell me more."

Joe: "As you know, our industry has been hit hard and things aren't going very well. We had our annual planning session today and as I looked at all the flip charts around the room a gnawing feeling came over me. What if everything up on the walls amounted to nothing more than a wish and a prayer? What if our strategies weren't really strategies? This is why I'm calling you. How can we tell if our strategies are good, if those are the best things for us to be working on?"

Marcia: "That's an excellent question. You would be amazed at how many people don't stop to ask just that, how do I know if what I am doing is the right thing to be doing? What planning process are you using?"

Joe: "We cover a lot of information - full market analysis, environmental scans, develop our SWOT (Strengths-Weakness- Opportunities-Threats), and then move into goals, target objectives and strategies. But nothing in that process really tells us if our strategies are actually the right things to be doing."

Once again I had confirmation. Just because a company projects a successful image doesn't mean they operate

efficiently by doing the right things. Many companies spend thousands of dollars on strategic planning, sales planning, and planning of all kinds, yet most of their goals never become realities. One of the main reasons is that they either had "strategies" that weren't strategic or they had the right answers to the wrong problems. What is even more astounding is that many of these plans are developed by very expensive 'Big 4' type consulting firms.

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I find the word 'strategy' to be a lot like the word 'love', much used and little understood. You can say you love someone without actually being in love with them. And you can call something strategic, but that doesn't necessarily make it so.

Think back to your last strategic planning event, were the outcomes planned really strategic? Did they give you that added leverage and momentum to position you where you wanted to be? Did you use processes that enabled you to discover your Strategic Leverage Zone? Did they even introduce the benefits of operating in the zone?

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Thankfully, my years at General Electric exposed me to many of the factors that influence and ultimately drive how strategy is crafted. Here are just two of the factors to keep in mind in order to create 'strategic' strategies.

Begin by reviewing your potential barriers to success. Think through the circumstances of how, where, and when, "Murphy's law" could show up.

Then take a look at the strengths you must leverage, things that must go right for you to seize and maximize your opportunities.

At a minimum, your strategies must address one of the following factors - either overcome a weakness, threat, or barrier, or help you leverage a strength, seize an opportunity or meet a critical success factor.

Now, if you can address both at the same time, run and do it NOW. You have what we in business call "low hanging fruit" or "a no-brainer". Let's face it, if you can do just one thing that can both eliminate a barrier and at the same time, achieve one of your critical success factors, you have a true winner.

However, if you address just one of those two factors, you are still on your way to developing strategies that will enable you to achieve your goals and objectives.

Whenever your follow-through actions are geared to prevent barriers or move you closer to your goals, then your actions are strategic.

For example, let us say you have a goal to increase your real estate investments and you have as an objective to buy rental property in a particular school district in the next 6 months. Then, depending on your circumstances, here is how you could go about making sure your strategies and actions were the right ones to make your goal a reality.

- A barrier that could stand in your way of success could be your debt to income ratio. Therefore, potential strategies could be to payoff credit cards, close certain accounts or reduce credit limits, etc.
- A critical success factor certainly would be having sufficient cash for the down payment. Therefore, a possible strategy could be to establish a budget, open an investment savings account, etc.

Whether you are the one responsible for creating the vision or you are given goals and objectives to meet, strategic thinking is no longer reserved for just members of the executive team.

Actions that improve your debt to income ratio or increase your ability to have the required down payment would be the right strategies to be implementing. Why? Because they specifically and strategically move you towards realizing your goal of increasing your real estate investments in the next 6 months.

Whether you are the one responsible for creating the vision or you are given goals and objectives to meet, strategic thinking is no longer reserved for just members of the executive team. Growth, profitability and results are everyone's responsibility. Therefore, we all need to learn to think and act strategically on a daily basis.

A simple technique to make sure everyone is comfortable with the components of strategy and their inter-relationships, is to cover the why, what and how of every project. In addition to giving them perspective, it gives them a framework for execution. Here is why.

Objectives are the measurable goals that you need to achieve to realize the vision. They are the why you are doing what you are doing?

Your objective will be achieved by pursuing one or more **strategies**. Those are the executable processes that set the tone and direction for **what** needs to be done.

Tactics are the actions that are needed to execute the strategies. Actions describe **how** things will be done.

The old adage of "build your plan and work your plan" is no guarantee of success. Let me encourage you not to wait for a formal project review or status meeting to blow the dust off of your current plans. Take the time now before it is too late, to apply your new understanding of strategy to your most important goals.

Bring your team together and discuss these principles. Teams that understand strategy in action always out perform, achieve and exceed their goals. Arming everyone with an understanding of strategy may just be the silver bullet they need to stop failure dead in its tracks.