



# Getting Ready for the 'Planning Season' - Part 1

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It's that time of the year when many organisations turn their minds to the new year. Planning and strategy formulation is an important part of the yearly cycle which helps set executive teams and their organisations and respective units up for success. This is the focus of this article while Part 2 will focus on senior teams and what they need to do to effectively lead the organisation (or their unit/division).

In this article, I will discuss how traditional strategic planning (and the yearly round of off-sites) often fails to deliver intended objectives. While many experience a sense of satisfaction (for many a kind of sugar-hit) at having come up with a plan, the glucose soon runs out and you're suddenly faced with a plan that doesn't accurately represent the current context or perhaps no longer even provides a useful pathway for the future. Think about, for example, the last plan (of any type) that you created or contributed to – and now think about how long that plan was a true indication of the prevailing context. Did it last three months? Two? One month?

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## The Illusion of Strategic Planning

Most of what we know to be 'strategic planning' is simply an illusion – one designed to make us feel comfortable about the year ahead, but often doesn't bear much resemblance to how the year ahead plays out.

“Traditional methods of planning simply don't work.”

The highly regarded management thinker, Henry Mintzberg, once mused:

“[Strategic planning is an oxymoron](#)”.

What he meant was that planning is analysis, while strategy is synthesis, and that the former cannot produce the latter. Planning gets you a plan, not necessarily a strategy. It's also hard to be truly 'strategic' given the constant changes buffeting businesses.

So we subject ourselves to the yearly planning process in an attempt to position the business for the new year. However, some global surveys of CEO's indicate that around 80% are not happy with their strategies, while a [study in 2015 of 400 CEOs](#) found that executional excellence was the number one issue (out of 80



issues) for Chief Executives around the world. In other words, the actual standard planning format and/or the execution of the plan is fundamentally flawed.

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## Five Myths About Strategic Planning

### 1. The way you plan is engaging and productive

Well, actually, for many people it's probably bit of a yawn. It may feel like 'here we go again' and not particularly engaging because it fails to capture the hearts and minds of people.

### 2. The process is robust

As discussed above, many processes are flawed because they fail to sufficiently take in to account the organisation's context or the linkages between that context and the organisation's own vision, mission (reason for being in business), strategy, operational plan and people.

### 3. It's agile

Too often the plan is approached in a way that over-estimates stability and predictability. In reality, most plans need regular revision and either major or minor course corrections. Would you rather row a boat across the Tasman with one course correction or several?

### 4. You've nailed it

In just about all aspects of life, we unwittingly suffer from a myriad of distortions, deceptions and biases. One of the most devastating is 'optimism bias' which is the belief that the future will be much better than the past and present – or what I call 'sunflowers and rainbow management'.

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## 5. It's balanced

Unfortunately, many organisations focus too heavily on the finish line and forget about building and maintaining the engine. In another words, there is too much emphasis on performance (the end game) and not enough on building team and organisational health (the engine). We need to invest much more time and effort in building a pathway to get there rather than focusing so intensely on the 'there'.

## Five Antidotes to Make Your Strategic Planning Fly

### 1. Create a Collective Ambition

This is a term first coined by Douglas Ready and Emily Truelove ([see HBR Dec. 2011](#)) to capture what successful companies did and can be thought of as a summary of how leaders and employees think about why they exist, what they hope to accomplish, how they will collaborate to achieve their ambition, and how their brand promise aligns with their core values. These companies didn't fall into the trap of pursuing a single ambition, such as profits; instead, their employees collaborate to shape a collective ambition that supersedes individual goals and takes into account the key elements required to achieve and sustain excellence. The example (below) is from the Four Seasons Hotel Group.

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Source: Ready and Truelove, *The Power of Collective Ambition*, HBR Dec. 2011

In a way, the model used is arbitrary. What matters is that these core components are picked up in some shape or form. It is surprising how many senior teams are not clear about these important areas. Yours will look different to this one of course, but the fact that people are aligned around these core areas is important.

## 2. Make the process robust

The process can be made more robust and valuable by ensuring that there are overt links between the macro (i.e. the external context, the organisation's 'reason for being' and its vision) with the micro (how you organise and convert your ambition in to actions).

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## 3. Make it agile

While you will have a core strategy based around your core business – you may choose to invest in a number of initiatives that are smaller in the investment required but could be considered experimental. This may be for example a new market that is left-of-field from the norm or a product or service that has higher inherent risks but potentially big pay-offs

## 4. Be Real

Create an environment and the necessary team skills to be able to challenge, challenge, challenge each other to create and then agree on the best options. Don't be seduced by the notion that what you successful in the past will make you success in the future. Innovation is key here ([learn more here](#)) as you learn to let go of initiatives and ways of working that no longer serve the future.

## 5. Balance Performance and Health

This is the biggie. Far too many organisations focus too heavily on performance to the detriment of building a healthy, thriving organisation. For companies to achieve sustainable excellence, they must be 'healthy'. This means they must actively manage both their performance and their health. In a [2010 survey](#) of companies undergoing transformations, it was revealed that organisations that focused on performance and health simultaneously **were nearly twice as successful** as those that focused on health alone and **nearly three times as successful** as those that focused on performance alone.

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Organisational health is about adapting to the present and shaping the future faster and better than the competition. Healthy organisations don't merely learn to adjust themselves to their current context or to challenges that lie just ahead; they create a capacity to learn and keep changing over time.

According to [research](#) and my own experience, you can build a healthy organisation by building in the following in to your strategic planning process:

## Building Organisational Health

### 1. Consider all nine capabilities of organisational health

Direction; accountability; co-ordination and control; external orientation; innovation and learning; leadership; culture and climate; capability and motivation.

### 2. Determine what "healthy" looks like

What would 'healthy' look like for your organisation in view of your change vision (which 3-5 capabilities will you become distinctive in?).

### 3. Uncover the root causes of mindsets

What are the root causes of mindsets support or undermine organisational health and reshape the work environment to create healthy mindsets?

### 4. Equip leaders to lead from a core of self-mastery

How will you ensure your leaders lead from a strong core of self-mastery while having the ability to mobilise people in a constructive way in service on common objectives?



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## 5. Ensure your Executive Team and other key teams are high performing *and* healthy

By ensuring your key teams are at their best, you will be fuelling the organisation with 'Premium' rather than 'Standard' or even worse – 'Sub-Standard' fuel.

## Healthy Team, Healthy Organisation!

The architects of everything discussed thus far is the Executive Team and other senior teams in the organisation. In Part 2, we will share and discuss a robust Team Charter Canvass which guides teams through a journey of nine areas, beginning with ensuring the organisation's mission and vision is clear (which should be the case if you have followed the Collective Ambition framework) – or if you're not the top team, ensuring a high level of understanding the mission and vision and then linking to it effectively.

## More information

If you would like further information about how we may be able to support you and your own organisation and team, then feel free to contact us on 1300 100 857 or at [support@theleadershipsphere.com.au](mailto:support@theleadershipsphere.com.au).