



CHAPTER 1

Why Plan?

The nicest thing about not planning is that failure comes as a complete surprise rather than being preceded by a period of worry and depression.

~ John Harvey-Jones

Everybody plans, whether it is a vocation, a vacation, or a vaccination. Some plans remain firmly wedged between one's ears, some come to light on scraps of paper, and others resemble major movie manuscripts.

So why plan? To paraphrase Dr. Phil, you can't work the plan if you don't have a plan. Plans move vision to reality, intentions to results, and purpose to performance.

Vision ⇒ Reality

Intentions ⇒ Results

Purpose ⇒ Performance

Strategic management is a continuum of thinking, planning, and acting on purpose. First, you think of outcomes you favor most; second, you plan steps to accomplish those outcomes; and third, you take action to get results.



Alan Kay, one of the earliest pioneers of personal computing and inventor of object-oriented programming said, “The best way to predict the future is to invent it.” Planning is our attempt to achieve more by taking authority over the future. We do that by anticipating the future and implementing in the present

Planning for the future, however, will always run ahead of reality and, as such, is often in conflict with, and opposed by, proponents of reality—those who are sticklers for facts and results, who resist change, and who are more comfortable with the way things are (the defenders of the status quo).

It’s all about control

Strategic planning is a tool to increase effectiveness and enhance the return on our accumulation of capital, assets, time, and knowledge. Plans are instruments to control one’s self and others; they are a leader’s way of unifying and harmonizing purpose and, in so doing, making a group’s IQ additive and collaborative. Common accord focuses energy and demolishes barriers.

Extraordinary results

You plan to get done what ordinarily will not get done. On the other hand, if what you want to happen will happen in the normal course of events, then little planning is needed; it will happen naturally. The type of planning we are talking about, however, is designed to create an extraordinary result.

A goal without a plan is just a wish.

~ Antoine de Saint-Exupery

Being out of the ordinary, plan on encountering inexperience, uncertainty, skepticism, and of course, resistance. No need to be discouraged; these reactions are a natural response to change. By nature, we tend to continue doing what has always been done; we like to stay in our comfort zone...and some comfort zones are strange indeed. It’s said that long-held prisoners have a hard time adapting to freedom even though it’s clearly a superior alternative. Once formed, routine or habit patterns can be hard to break even, if self destructive.



So it's normal for the crew to resist change even when headed toward the rocks. In fact, if there is no resistance to the planned change, one should wonder if the strategy is doing what it's intended to do.

Make struggles meaningful

Strategy is also an attempt to make work meaningful by striving to accomplish what has never been done before by your workforce. Lack of focused purpose (i.e., strategy) can affect any group of people, including employees of a company. When peer mistrust (internal competition, gossip), self-mistrust (mistakes emphasized and punished), support mistrust (little or negative communication), and authority mistrust (job insecurity, CYA) are present, then that company is dysfunctional and life narrows to personal survival and solitary confinement.

People who feel they are working solely for a wage can become bored troublemakers or unmotivated drones. Likewise, people working for accomplishment and contribution are energized and feel valuable. Strategic planning and action make struggles meaningful. Winning teams always work harder and are purpose-driven to accomplish more.

Why you need a strategic plan

Think of it this way: A plan is a decision-making tool, and decisions can be either routine or inventive.

Routine decisions: been there, done that, do it again

Routine decisions require little planning, demand little invention, and offer safe and predictable consequences. That is to say, what worked in the past is likely to work again in the near future. Routine decisions deal with short-term situations, provide immediate feedback, and are quickly adjusted. We make these kinds of decisions all day long; in fact, the majority of decisions are made this way—shoot from the hip, rubber stamp, off the shelf, solved.

Have more confidence in yourself than allowing your decisions to happen just by chance.

~ L. Tom Perry



Inventive decisions: new to me

Inventive decisions, on the other hand, require more thought and deal with problems or opportunities that have larger and longer-term consequences. These situations have little precedence so you cannot count solely on prior experience to bail you out. Significantly more resources hang on these decisions and corrective feedback can be spread over months or years as you work through the implementation. We don't make these types of decisions easily, and they tend to define our careers as successful managers.

We'll talk more about strategic decisions later on.

Business plans versus strategic plans

Both business plans and strategic plans are critical tools that increase the odds that a business will beat the ominous business failure rate statistics. So how are they different?

Business plans win battles

You use a business plan to evaluate the viability of a business. Business plans contain descriptions of the business' mission, markets, customers, competitors, and projected expenditures and revenues over a specific period of time. Business plans keep the company on its rails as it relates to key tactical financial and operational ratios. A business plan is required by most financial institutions and prospective investors when funding is sought. In a word, a business plan explains the "what." Business plans are plans to win battles in the war.

Reduce your plan to writing. The moment you complete this, you will have definitely given concrete form to the intangible desire.

~ Napoleon Hill

Strategic plans win wars

A strategic plan deals with issues that cannot and will not be dealt with by operating the company solely in a business-as-usual manner. Strategic plans require leadership and inventive thinking and assume higher risks, leading to



higher rewards. A company without strategic direction turns its fate over to luck, random circumstances, and other people's agendas (the pinball effect).

The strategic plan is an internal leadership tool used to plan a course of action to address unanticipated problems or opportunities, such as productivity, profitability, revenues, management succession, market positioning, market and geographic expansion, market trends, IPOs, ownership, management structure, and new products and services. A strategic plan identifies a desired vision and the objectives, strategies, tactics, measures, and actions needed to achieve that vision. The strategic plan explains the “why and how.” Strategic plans are plans to win the war.

A good plan, violently executed now, is better than a perfect plan next week.

~ George S. Patton

Sadly, the majority (75 to 80 percent) of small- and medium-size companies choose to practice seat-of-the-pants leadership in the absence of a strategic plan. They diligently perform their daily activities without understanding where they are headed, hoping upon hope that they know when they've reached Mecca. We hate to break it to you, but hope is never a good strategy...neither are worrying, wishing, dreaming, or crossing your fingers.

News flash...planning creates problems

Strategic planning, however, is rife with potential problems, isn't it? So let's clear that out of the way right now. In the space provided, write down the problems you have either heard about or personally experienced with strategic planning.



Okay, what did you come up with? Do any of these sound familiar?

- Don't have time; it takes too long.
- The plan gets overridden by other agendas.
- You lacked the budget to execute the strategy.
- Management and/or Operations failed to buy in and commit.
- It's quickly outdated with new information.
- It's too visionary or too tactical (too far out or not far enough).
- We failed to execute or follow up on the plan.
- And every entrepreneur's favorite: Why bother? The plan's in my head.

In our collective 70 years in business, the second to last bullet item is the biggie—failure to execute. If your plan doesn't get implemented, it's at best a waste of time and at worst a mental delusion where the leader assumes “because I planned it, it will automatically happen.”

Obviously, we can't sit by your side after you complete this book—we'd like to, but we can't—to make sure that whatever you plan happens. That is up to you. But we do address the subject of implementation at the end of this book and give some tips on making your plan happen.