

# CAN YOU PLAN



## FOR THE FUTURE?

By Lori L. Silverman

For 15 years I have been working with organizations on strategic planning. In the past, organizations did not question the need for long range planning. Today, I'm often asked if the future can be sketched with any degree of certainty, given the myriad changes in the marketplace. My answer is still "yes;" however my efforts in this area have changed quite a bit.

For example: Organizations used to take months to put together a strategic plan. Now this work is often accomplished in a few weeks. Perfection is not as important as getting a plan in place and deploying it faster than competitors. In the past, senior management was the originator of the vision and its resulting strategies; today, by using large group interventions, such as Whole Scale Change (also known as Real-Time Strategic Change), more people can be involved in their creation and implementation.

Although cycle time has shortened and scope of involvement has increased, what hasn't changed is the overall framework needed to plan strategically for the long-term. This framework encompasses five phases:

- Assessing the Environment
- Developing the Long Range Plan
- Developing the Annual Plan
- Deploying, Finalizing, and Implementing the Plans
- Performing Ongoing Reviews of All Plans and Plan Implementation

Let me briefly describe each of these phases and the type of work that occurs in them.

### ASSESSING THE ENVIRONMENT

Critical here is the analysis of internal and external environmental scan data. To this end, organizations develop a list of questions they want answered as a result of the planning process. External questions revolve around future needs of

customers (or potential consumers); future competitor strategies; economic, societal and industry trends; government/legislation, and the future of technology as it relates to the business. Internal questions focus on existing organization-wide data (e.g., financial, work process performance, etc.); people—staffing and capabilities; and equipment and facilities. Their answers can pinpoint future unforeseen opportunities and threats to existing markets as well as core competencies and those competencies to be developed. Based on this analysis, the organization may alter its mission, vision, and market direction (i.e., positioning statement).

In this phase, scenario planning work can occur. This work starts with the future in mind (which is the way that all strategic planning should happen—looking from the future back toward today, rather than extrapolating forward to the future). Briefly, the organization chooses a single strategic question and a time frame (i.e., 10 to 15 to 20 years out), and comes to understand the assumptions, characteristics, and trends associated with the question and the end year associated with the time frame. This information is synthesized to create alternate futures (typically four) that can then be used to identify opportunities, threats and required competencies.

### DEVELOPING THE LONG RANGE PLAN

Strategic planning is about breakthrough's, not incremental improvements. A breakthrough is an opportunity

to transform current activities and/or to create new ones that can position the organization favorably in light of fundamental changes in customer demands and/or the emergence of new markets. Here, no more than three breakthrough's are selected for a period of three to five years. Multi-year objectives are then identified for each breakthrough, taking the form of work that needs to be accomplished in order for the breakthrough to be realized. At this point, global targets (e.g., financial, customer, etc.) and measures are developed for each breakthrough; long-range marketing, human resources, and financial forecasts are also created.

### DEVELOPING THE ANNUAL PLAN

In this phase, the organization determines those multi-year objectives that will be pursued in the coming year. The specific objectives that need to be accomplished during the next 12 months are then outlined for these selected multi-year objectives. Targets and measures for annual objectives are typically set at this time.

### DEPLOYING, FINALIZING, AND IMPLEMENTING THE PLANS

All parts of the enterprise now determine their contribution to each annual objective. These detailed plans need to be compared to each other, to assure alignment and synergy, and consolidated to determine resource prioritization and allocation. After finalizing the consolidated plan, implementation plans are developed and put into action.

In my experiences, breakdown often occurs in this phase. Department and/or work group plans are put on the shelf because the immediacies of daily work take precedence. This competition for resources has to be actively managed. Equal attention needs to be given to activities that ensure the long-term future of the organization and those necessary to fulfilling current customer obligations. The content of regular meetings has to reflect both priorities.

### PERFORMING ONGOING REVIEWS OF ALL PLANS AND PLAN IMPLEMENTATION

At the senior management level, reviews of progress toward targets, annual objects, multi-year objectives, and breakthrough's typically occur on a quarterly basis. This review includes updating the environmental scan through the regular collection of competitive intelligence information. Department reviews are usually monthly, while at the work group level, progress towards targets and annual objectives typically occurs more frequently.

### THE ORIGINAL QUESTION

Can organizations plan for the future? Yes, however, strategic/annual plans need to be updated more frequently to reflect changing market conditions. This implies using scenario development efforts to broaden the organization's view of what may happen years later and collecting environmental scan information on an ongoing basis. It demands shortening the cycle time for planning without sacrificing key aspects of the planning process. It also means using methods to involve employees earlier in the process and deploying information in faster ways while, at the same time, increasing employee commitment to follow through.

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