



# The Complete Guide to Strategic Planning Sessions

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# DEFINING STRATEGIC PLANNING

## *Defining Strategic Planning*

More than just goals and a vision, strategic planning provides the map for the road ahead. It guides executives through the twists and turns, the split roads, and the deep potholes. Companies that implement effective strategic planning are 12% more profitable.

## *The Key Elements of Strategic Planning*

### □ *Understand where you're at...*

Businesses can't grow if they don't know where to start. A firm understanding of where your company has been, the current state, and how they correlate will create insights for moving forward.

### □ *Understand where you want to go...*

We all want to be successful, but have you defined it? If you share that vision it will make it easier for you to improve company alignment, cooperation, and communication; three key factors contributing to long-term success.

### □ *Understand how to get there...*

After defining what success looks like you can identify how to get there. Setting quantifiable (S.M.A.R.T.) objectives will keep you and your team on track each quarter.

### □ *Create a strategy...*

Do you know what really drives your success? If you can answer that question then you'll be on the right track to developing the strategy that will capitalize on those insights. You will want to develop your strategy for the short and long-term so you can allow for changing internal and external forces (i.e., employee needs, growth rate, market trends, competition, economic environment, etc).

### □ *Execute the tactics...*

Ultimately, it all comes down to discipline and your ability to execute. Those little everyday steps you need everyone to take to make the great strides. Your management methodology or business operating system should help you clearly communicate, track and course correct as necessary. That's up to the CEO and their Proxy to drive.

## THIS WHITEPAPER WILL PROVIDE A FULL ROADMAP OF THE FOLLOWING:

- ❖ Determining the need for a strategic planning session
- ❖ Steps for implementing strategic planning sessions
- ❖ The history of the development of strategic planning sessions
- ❖ An overview of the most strategic planning sessions
- ❖ The ROI of strategic planning sessions
- ❖ Variables of strategic planning sessions
- ❖ Case studies on the effective use of strategic planning sessions



# PROGRAM TRIGGERS

If any of these symptoms are occurring in your business you may be experiencing the need to reassess your strategic plan and the way you're doing it:

- **Unsustainable Growth**  
While every business should utilize strategic planning, fast-growing SMBs are at the top of that list. These companies must regularly meet to discuss their strategic plan - time moves quickly and communication can get lost in the midst of it.
- **Inconsistent Results**  
Experiencing higher-than-average revenue one quarter, and then rock-bottom revenue the next? Inconsistent results not only hurt your company during the lows, but also hinders your company's future success. Employees begin to worry, plans become reactive, and opportunities are missed, leaving executives scrambling for a plan last minute.
- **An Unclear Goal or Vision**  
A lack of an agreeable vision will lead to a lack of long-term profit. While some companies may experience quick growth and high profits for some time, a company without goals will not go far. Major decisions and day-to-day office life need a guiding principle, or else individuals are left to come up with the best plan of action on their own.
- **Reactive, Not Proactive**  
For a company without a strategic plan, it is often external problems that make internal decisions. This is an extreme issue, as daily events are not representative of what the company will face in a year. Rather than solely reacting to outside forces that are thrown at executives, there must be an overarching plan to guide them through the difficulty at hand.
- **Sinking Revenue**  
Your revenue hasn't been meeting the target, profit is low, and you're running out of suggestions. Strategic initiatives identify the best ways to capitalize on market opportunities in the future and attract revenue consistently, rather than just relying on current customers and the best of luck. It's time to turn back to the basics, rethink your business endeavors, and make way for the future of your company.
- **Can't Say "No"**  
When a company's key decision-makers don't know where the value lies, it's difficult to determine what opportunities are best for the business. This makes it tough to say no, and can eventually force the company in over its head.
- **Difficulty Attracting Top Talent**  
The employees don't know the values and long-term goals of the company, so how would potential recruits know either? Without a strategic plan in place, current employees begin to leave due to the inconsistency of results. This further affects the stability of the company, making it even more difficult to hire new talent
- **Lack of Communication**  
Internal communications are at an all-time low, and no one seems to know what they are doing when they are doing it, or even how they will get the job done. Employees and executives don't communicate and aren't aligned on what the overall mission and vision for the company are. Communication is the glue that holds the company together, and without it, things can go south pretty quickly.







## Finding the Right Way & Right Time

A common approach to doing strategic planning sessions is to create a consistent, periodic process...

- **Monthly Management Meetings** - These are smaller sessions focused on analyzing performance and adjusting initiatives if necessary within the lines of business.
- **Quarterly Review Meetings** - These can be larger, longer meetings where strategic issues can be addressed. This is also a good time to consider if resources need to be reallocated to reach the annual objectives.
- **Annual Strategy Plan Refresh** - Typically done at least one quarter prior to the end of the fiscal calendar, this is the session that results in the strategic map for the future, the analysis of internal and external factors, revision of measures/targets, and the evaluation of proposals for initiatives and budgets. This is usually multiple days so there are opportunities to rethink the experience. Designing unique, creative sessions can deliver unique results.

Once the right cadence is established, there are several different types of sessions you can hold if time allows. Examples include:

- One Page Planning
- Free Association
- Competitive Advantages
- Core Values
- Culture Shift
- Data Review
- Environmental Scan
- External Analysis
- Group Brainstorm
- Measures of Success
- Process Mapping
- Problem-solving Sessions
- SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)
- Vision Session

## NOTES:

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## Finding the Right People

Executives need to know who should be involved in each planning session depending on the type of meeting. Their specific roles and responsibilities have to be clear and it goes beyond their operational position. It also relates to their meeting roles.

Some of those roles are highly strategic...

- **Provocateur** - This person needs to be artful at mining for conflict. As Patrick Lencioni says in, *Death By Meeting*, "Avoiding the issues that merit debate and disagreement not only makes the meeting boring; it guarantees that the issues won't be resolved. This is a recipe for frustration, which manifests itself later in the form of unproductive personal conflict, or politics."
- **Team Player** - These people are identified by their enthusiasm to work together for a common good. They will help the group compromise and be diplomatic. They might not be the biggest contributors, but you can rely on them to willingly settle conflicts with their calming demeanor.
- **Operator** - Someone that can bring reality concepts with process, numbers, and reality. They have to have the ability to provide this insight without stopping meeting progress.
- **Expert** - This person shares knowledge on particular issues. They can be asked to attend a portion of the meeting to keep their contribution focused.

Some of the roles are tactical...

- **Facilitator/Moderator** - This person guides the discussion, making sure all sides of the issue are raised (this is a good job for someone who is developing leadership skills and practicing neutrality).
- **Scribe/Parking Lot Attendant** - They are responsible for capturing key ideas and decisions.
- **Timekeeper** - Required to help move the discussion along efficiently.
- **Closer** - The one in the room that can summarize the key points and help bring the group to an agreed upon course of action.

And what's equally important is avoiding the inclusion of the wrong people...

- Don't invite someone that might misconstrue the discussion or be a poor representative.
- Don't invite inexperienced in knowing what to divulge to others and what to keep to themselves.
- Don't invite someone who can't see the big picture beyond their role.

Having the right people in the right seats matters, but an open-minded environment must be created where the team can bring a new perspective to the table. Your Proxy is a natural person to drive this aspect of collaboration. We find it best to have someone design the experience and prepare the attendees that are aware of and involved in daily operations, implementing strategies, and have an unbiased perspective. The Proxy, Chief of Staff or Integrator is most likely known for hearing out ideas, encouraging engagement, and most importantly, building a foundation of trust between all employees and executives.



## ***Military Roots***

Although businesses began using strategic planning within the past 100 years, the process itself has dated back to 490 BC. The word “strategy” originated from the Greek language, “strategos.” Ancient Greeks, famous for their warfare, often developed intricate strategies before heading into battle. The role of the “strategoi,” or strategic leader, was to supervise and direct battles to ultimately win wars. Rather than managing tactics, the role of strategic planning has always been to look at the grand scheme.

## ***The Art of War***

A decade later, a legendary Chinese general also realized the power in strategic planning. As a military general and strategist, Sun Tzu had many different experiences and created unique war strategies that would be used for years to come. With so much success in his career, Sun Tzu wrote “The Art of War,” a book filled with his war-winning strategies. This paved the way for more strategic efforts for generations to come.

## ***Let’s Talk Business***

While war generals continued to use these strategies for the next several centuries, it wasn’t until 1920 that businesses began to use them as well. The first organization to implement strategic planning was the Harvard Business School; creating the “Harvard Policy Model.” This model was the first strategic planning model for businesses, and soon became the foundation for business methodologies in the future.

Thirty years later, strategic planning methodologies for businesses began picking up speed. Companies began using the new “Portfolio Model,” then implemented the “Ansoff Matrix,” and then began inventing their own strategic plan outlines. In 1973, Peter Drucker officially defined strategic planning as:

“The continuous process of making entrepreneurial (risk-taking) decisions systematically and with the best possible sense of “futuraity,” systematically organizing the efforts required to carry out the decisions and then measuring the results of those decisions against expectations (systematic feedback).”

Since this definition and the creation of many new strategic methodologies, it is rare to find a successful business without a plan in place.

## **NOTES:**

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# OVERVIEW OF POPULAR STRATEGIC PLANNING METHODOLOGIES

Strategic planning goes beyond just writing down dates on the office calendar. There are many intricate pieces to a successful plan, and many actions that must be taken. Here are a few of the most popular strategic planning methodologies:

## ***Entrepreneurial Operating System (EOS)***

The EOS Model™ is based on a holistic business model that includes Six Key Components™. These components include vision, people, data, issues, process, and traction. By analyzing these categories and utilizing the Vision Traction Organizer (V/TO) tool., the EOS Model can assist your company in coming up with the best plan of action. This system is known for its annual, quarterly, and monthly strategic meetings. During these meetings, teams focus on team health, problem-solving, and the traction and focus of the plan.

## ***Agile***

According to Atlassian, an agile planning methodology is quite different, as this strategy is more continuous throughout the year. Rather than choices being made ahead of time, decisions are made as projects are released every quarter. This gives the company more flexibility to make decisions based on what is needed at the time, a hands-on process known as “sprints”. These meetings have two different cadences, including a planning cadence (every quarter), or scaled agile planning (every 12-18 months).

This type of planning enables portfolio managers to make their own decisions and facilitates communication throughout the company. Living up to its name, agile strategic planning helps a company remain on its feet, ready to face any challenges that may arise.

## ***SWOT & PESTEL Analyses***

While not planning strategies themselves, the SWOT and PESTEL analyses provide firm foundations to build a strategy off of. The SWOT analysis focuses on the strengths, weaknesses, opportunities, and threats surrounding a company, whereas the PESTEL analysis analyzes the political, economic, sociocultural, technological, environmental, and legal standpoints of the company. Both reveal incredibly important information to consider when writing visions, goals, objectives, and tactics - the necessities of any strategic methodologies.

## ***Gap Planning***

Gap planning is a methodology based on needs as they appear. Also known as a “Need Assessment” or “Need-Gap Analysis,” this strategy focuses on where the company currently stands, how internal factors are affecting the company, and how to get the business to where it needs to be.

## ***OKR Framework***

The OKR (Objectives and Key Results) Framework builds alignment within the work environment by defining the key results and objectives at hand. While a simple model, this strategy has proven its value for major companies such as Twitter, LinkedIn, Google, and Spotify. A strategy doesn't have to be complicated to bring a large return on investment, and this framework proves just that.



# OVERVIEW OF POPULAR STRATEGIC PLANNING METHODOLOGIES

## ***Baldrige Framework***

An older strategy born in 1987, the Baldrige Framework has helped many businesses grow and maintain their success. This is one of the more generally focused strategies, enforcing the importance of a vision statement, and using goals and objectives to achieve that vision. This framework includes seven different factors:

1. Leadership
2. Customers
3. Workforce
4. Planning and Strategy
5. Management of analysis, measurement, and knowledge
6. Process
7. Results

## ***Hoshin Planning***

This strategic methodology focuses on aligning a company's projects with its overall vision and goals. It includes four important steps:

1. Pinpoint 3-5 key goals for the company.
2. Communicate goals to the team.
3. Gather feedback and results from employees.
4. Adjust as needed.

This strategy ensures that the minor details line up with the bigger plan, something that can often go overlooked if not investigated.

## ***Issue/Goal-Based Strategic Planning***

This is a strategic plan for the companies that don't have a large pool of resources or companies that are maybe just starting up. This methodology is short-term (6-9 months), but can make a huge difference for these young companies. Issue-based strategic planning focuses on the issues at present and uses these problems to subsequently plan for the future. As the reverse, goal-based strategic planning takes a future vision and plans for the present. These strategies both lack what the other one has, so can work quite well if implemented together.

## ***Real-Time Strategic Planning***

The least traditional methodology, real-time strategic planning is an ongoing process that primes companies to be more reactive to a changing environment. Short-term plans are the key, as many of these companies often deal with crises and must reevaluate their plans swiftly.

The three key levels of this strategy include:

1. Defining the vision, mission, and position.
2. Researching the external forces.
3. Examining internal forces.

These key levels help these fast-acting businesses make more efficient and adaptive strategies, a quality that is necessary for today's fast-paced environment.



# RETURN ON INVESTMENT

There's no question, the cost of a strategic planning session can stack up quickly so you have to consider what the return will be for the organization. The basic ROI formula is  $(\text{Gain}-\text{Cost})/\text{Gain}$ . In order to calculate this, you have to really understand what the cost is and what's at stake. Here are a few things to consider:

## **Cost of Your Investment:**

1. What checks do you have to write?
  - a. Facilitator
  - b. Facility
  - c. Food
  - d. Travel
  - e. Supplies
2. What's the payroll cost for the time your team is tied up in planning?
  - a. Average cost of an executive in your company converted to a daily rate
  - b. Multiplied by the number of executives involved in planning sessions
  - c. Multiplied by the number of days in planning plus at least 2 days for prep and follow up
3. These two combined represent the cost of your investment.

## **What You Have to Gain (or Lose)**

1. What's the value of having your entire company focused on, aligned around, and successfully executing the most important priorities for the quarter?
  - a. One quarter equals 25% of your company's annual payroll expense on the P&L. Even for a small company with 50 employees, this is usually close to a million dollars.
  - b. Even if your team gets lucky and spends 75% of their time working on good, value-added things, that's still 25% of their time wasted because they didn't have the focus and alignment provided by a good plan.... that means hundreds of thousands of dollars are at stake every quarter.
2. What's the opportunity cost of the initiatives that don't get executed?
  - a. Think of the value of a well-executed product launch, a new customer, a smooth integration of a merger/acquisition, a new exec team hire, an enterprise-wide process improvement, implementation of a new ERP or CRM system, etc.
  - b. The opportunity cost of not executing well on these things, either because you didn't take the time to plan at all or you tried to cut corners and didn't plan all the way through to "execution ready", is large and can't be recovered. And this opportunity cost falls directly to your bottom line in the form of profit and company valuation.



Many things can impact the cost of a strategic planning session and the success of one...

□ ***Presence of a Business Operating System***

If an organization has no consistent management methodology then a strategic planning session will have to contain its own set of norms, tools, language, and functions.

□ ***Skill Sets***

Does the organization have the necessary people to make the session effective in their employee base? If not, there are many other ways to find effective participants like a company's advisors, partners, or customers. Third-party facilitators can also be valuable assuming they are knowledgeable about the business or the industry.

□ ***The Business State***

While planning is always valuable an executive should be cognizant of the state of the business and if the participants are capable of focusing if business pressures are overwhelming. If the company is in a state of need, a triage in the short term might be more valuable than pulling multiple team members off their focus.

□ ***Business Complexity***

Many SMBs in growth mode have relatively simple solutions in markets with little to no competition. Others are highly complex and the ground is constantly shifting under them. The former may just need a single annual planning session while the latter would be better served by quarterly meetings.

□ ***Preparation Time***

Will it be possible to get the necessary data compiled? If not, it may make more sense to postpone the session rather than having the players attend, but not deliver adequate information.



## ***How to Determine the Right Strategic Planning Methodology***

While your Proxy can and does serve many roles in a planning session, our greatest strength is in preparing our clients for success in their planning process and operationalizing the information that comes from it. The following illustrates our company's process for each stage of a meeting which is very similar to the truncated process we employ for managing all executive meetings...

### **Quick Overview:**

**Before: Preparation (Internal and External Forces)**

**During: Fill The Gaps**

**After: Operationalize**



## *Before: Preparation (Internal and External Forces)*

- **Vision:** Work directly with the CEO and/or C-Suite to understand their vision for the meeting.
- **Objective:** Establish the purpose of the meeting and whether or not it actually warrants one.
- **Planning:** Conceptualize a “run of show” for the overall experience, sessions, budget, and agenda.
- **People:** Establish who should attend and the role they will play. If necessary a talent gap analysis may be done to identify if someone from outside the organization needs to be included.
- **Communications:** Develop messaging, invites, and assignments related to the event. Later in the process, we also collect, compile and distribute pre-read materials.
- **Preparation:** Meet and work with participants to set expectations and do a preliminary review of content to ensure their success.
- **Resources:** Procure and event manager, travel agent, and specialists, as necessary.

## *During: Fill The Gaps*

- **Role:** Your Proxy can play the role of Integrator, Strategist, Scribe, or Facilitator, depending on the need of the organization.
- **Capture:** Whether the event is virtual or onsite, the Proxy will ensure key data will be captured in necessary channels ranging from a parking lot to A/V capture.

## *After: Operationalize*

- **Role:** Retrospective: Work with the CEO and C-Suite to grade the success of the event and identify ways to improve moving forward.
- **Materials:** Establish a way for all participants to access necessary content from the meetings.
- **Communications:** Reiterate the vision, objective, key findings, next steps to all participants and relate the communications to larger cultural goals.
- **Project Management:** Leverage best practices to capture, communicate, disseminate tasks and ownership.
- **Next Meeting:** Future meetings will be communicated so the team understands the expectations and KPIs they will be judged on in the next iteration.
- **Check-Ins:** Work with leaders on behalf of the CEO



# EXAMPLES & CASE STUDIES

Companies that have implemented the right strategic planning sessions have experienced higher profits, increased productivity, survived challenging economic times, and management succession. This is true across industries, from food & beverage manufacturers to software companies, and more.

Let's take a look at a few real-world examples of companies that found success by implementing the right strategic planning methodologies!

## Case Study #1: Planning Session Approach

### **Situation**

A digital agency was working through the change management process and implementing a new Managing Director. They were experiencing immediate success and things seemed to be stabilizing. The MD was a numbers-oriented leader so she thought everything was going well based on the metrics she was reviewing. At the time, the organization was dominated by two primary teams - Account Management and Delivery. Each of these teams worked together consistently, but the Proxy identified rumblings that were beginning to erupt.

### **Solution**

The Proxy communicated the issue to the new MD and introduced a strategic work session to her. The exercise was designed to illustrate the lack of alignment they were facing.

The business was divided into two separate teams - account management and the development group. Each team was taken into a separate room. Each was instructed to work as a team to illustrate each stage of the client's journey on whiteboards. When the groups were finished, they were allowed to see the other's whiteboard.

The exercise showed the two teams had completely different perspectives, as well as different strengths and weaknesses. On one hand, the account management group had the unique perspective of the client's challenges and the need to support them (at all costs). Meanwhile, the development group believed the client journey was all about creating award-winning work (without compromise).

### **Outcome**

**X** The outcome was a complete repositioning of how both teams provided solutions to their clients. It helped each group identify touchpoints where disparity existed, team commonalities, and a "one group" approach that recognized all stakeholder needs. Communications were improved, RACI models were introduced, a single process was mapped, programs were delivered in 21% less time with a 28% increase in fees. The agency was also recognized as one of the top operators in its network of firms.



## Case Study #2: EOS Process

### **Situation**

A technology consulting firm had tried to self-implement the Entrepreneur's Operating System (EOS). The company adopted it in response to its need for structure and discipline. Instead of starting with the foundational elements, the true root of their problem, the team picked certain tools and exercises without truly understanding how they all work together.

The team distributed the books, asked everyone to read them, and the CEO started using the tools in his meetings. For a period of time the meetings were helping, but it was a drain on the team as they tried to understand and become experts at the process while using it for the first time. The frustration built up as the CEO would travel, miss the meetings, change the KPIs, and lose consistency. Every few weeks the CEO would show up for the Level-10 meeting and say with dismay, "Why hasn't everyone updated their information?" While the C-Suite would think, "We did. Where are your updates?"

### **Solution**

Proxy recognized the team needed two things: Alignment & Discipline. The Chief of Staff helped the group take a step back by completing the Vision Traction Organizer (VTO). Over a period of two days, the VTO process sets goals, core values, and visions for the next 3-5 years. This helps focus the team on what's important in the future, rather than what is just important in the now.

### **Findings**

- ✕ Today, the organization has completely embraced the model, is consistently managing to their "Rocks," is growing and leveraging the EOS planning frameworks to course adjust quarterly. After watching how efficient the process has become the CEO introduced an executive multiplier to each member of their C-Suite to expedite their plans and growth.



# PROXY

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