

## Keys to Competitiveness using Strategy

### *Introduction*

How important do you feel planning is to remain competitive? Do companies routinely take time to plan? Typically...no. (Ain't nobody got time for that!) It is far more exciting to be reactive – to be the hero that solves the problem at the time of crisis. Whatever adrenaline rush you get from this, it is a poor way to run a business. Many of *your* competitors ARE planning. This puts you at a distinct disadvantage. However there are some companies are not planning. So applying this discipline gives *you* the competitive advantage over others.

### *It all starts with strong leadership.*

Great leaders inspire others to greatness. They get more energy and creativity from their staff than complacent managers. They help create vision, urgency, discipline, and accountability – many keys to successful strategic planning. Leadership is needed for strategic plan development, strategic plan implementation, and strategic plan systematization.

You need to ask yourself this one question... Are you a strong leader that is ready for the strategic planning processes?

## Strategic Plan Development

### *Vision*

The organization needs a vision, a Big Hairy Audacious Goal as Collins and Porras recommended in their best-selling book, *Built to Last*. This sets the course for the company. It focuses, motivates, and inspires the organization's staff to achieve greatness. With a new strategic plan, a new Vision is necessary, and if you are re-visiting or updating your plan, then the Vision needs to be reviewed for the current competitive environment. New discoveries can be made during the environmental scan, which could require the Vision to be modified, significantly altered, or even scrapped for a new one.

### *Core Values*

Establishing or re-visiting your core values is an important part of strategic plan development. These are the ideals and tenants that your organization is defined by. This accentuates ethical behaviors that should be defined and expected. Strong leadership is needed to ensure accountability from the front line to the top executives. Everyone must follow these tenants, as the company will be known and admired for these values.

### *Customers*

Before formulating a strategic plan, you must know your customers. Listening to their voice – their wants, needs, and desires – is imperative. Input is required from all customer groups and segments to help plot the course towards progress, competitiveness, and customer loyalty. Much effort is needed to capture the ‘Voice of the Customer.’

### *Stakeholders*

Every organization has stakeholders – partners in and outside their industry. These partners have a ‘stake’ in your success, and that’s how it should be. Therefore, input is needed from each stakeholder group. Developing these partnerships and relationships will result in supply chain and value stream loyalties and efficiencies.

### *Internal Assessment (Strengths and Weaknesses)*

At this stage you will conduct a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis. It begins with identifying the organization’s strengths and weaknesses, and we all have them. Help is needed, from the front line staff all the way up to senior management, to identify your strengths and weaknesses. With such a wide range of input, there will be many valuable perspectives, and that is what you want.

One of the primary objectives from this exercise is to learn and leverage your strengths. When a company is able to leverage their strengths, weaknesses are reduced, opportunities are capitalized upon, and threats are diminished.

### *The Competitive Environment (Opportunities and threats)*

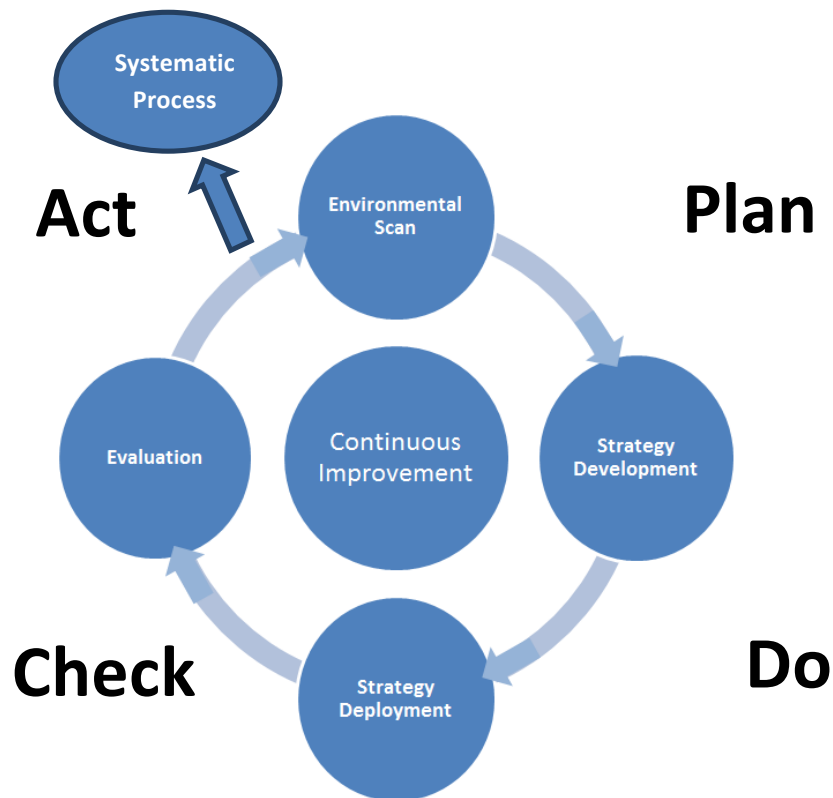
Identify current and future opportunities the company can embark upon and identifying potential threats are an important stage in the strategic plan development. It is recommended to perform a Porter’s Five Forces analysis and a Porter’s Four Corner analysis to achieve this stage.

The Five Force analysis addresses the: (1) competitive rivalry, (2) threat of potential new entrants into the market, (3) threat of substitutions, (4) power that your suppliers have, and (5) power that customers have.

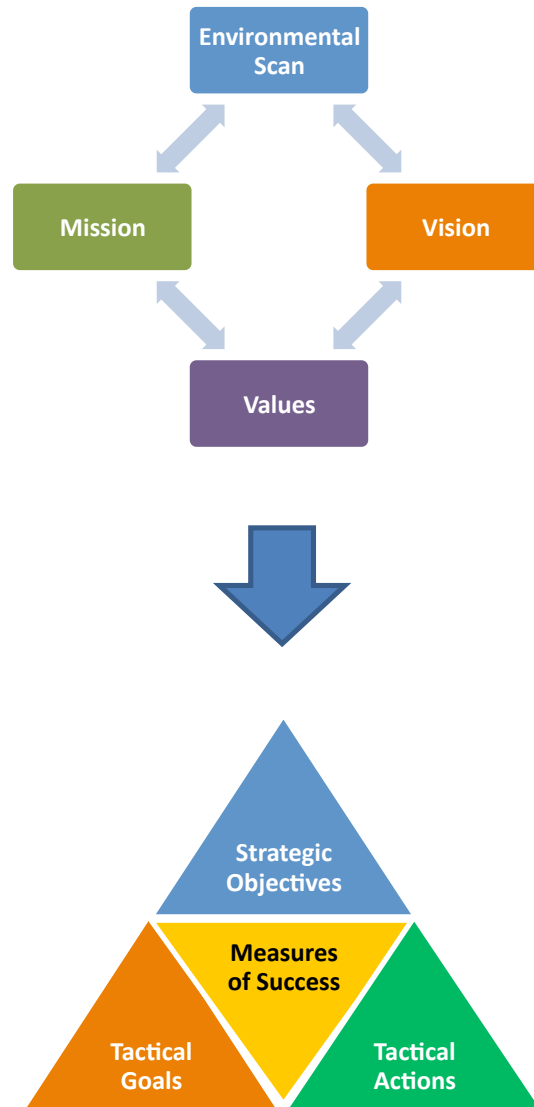
Porter’s Four Corner analysis addresses the following: (1) what are the company’s primary goals and drivers, (2) what are management’s assumptions about the competitive environment, (3) assessment of the previous or current strategy and its effectiveness, and (4) assessment of the company’s leadership and core competencies effectiveness.

### *The Plan*

Much has been discussed about strategic plan development. There are many steps and considerations, so, to successfully develop a strategic plan a model or standard is needed for development, including the structure of the finished product. This model will guide the developers through the process. A plan-do-check-act model should be employed, as follows:



Once the environmental scan is complete, it is recommended that the organization revisit the Mission, Vision, and Values to ensure they coincide with the competitive environment. Once these elements are agreed upon, strategic goal-setting based on a hierarchy ensues, as follows:



### *Alignment*

Strong alignment is imperative before strategic plan implementation proceeds. The Mission, Vision, and Values should complement each other, along with strategic objectives, tactical goals, tactical actions, and measures of success. Tactical Actions should be SMART (Specific-Measurable-Attainable-Relevant-Time Bound). Ensure alignment before moving into implementation. Also visit the organizational architecture, and, if it is not structured properly, work improvements into the strategic or tactical goals.

## Strategic Plan Implementation

Historically, 70% of strategic plans embarked upon are viewed by management as less than successful, and sometimes considered complete failures. There are four primary reasons this occurs: (1) poor leadership, (2) misalignment and loss of focus, (3) organizational architecture that does not support plan implementation, and (4) communication.

### *Leadership*

Once again, strong leadership is required. This is especially important in manager and supervisory roles closest to the front line. They must be on board with full deployment of the new strategic plan. The strategy is translated to the workforce at this level. Also, a sense of urgency should be communicated to these critical positions from the top.

### *Alignment*

The entire organization must be focused on the plan. Discipline is required and expected. Often various managers will have their own priorities, which must be put on hold, resulting in all effort placed on strategic plan implementation.

### *Organizational Architecture*

For deployment, one of the most beneficial resources is the application of a team approach and culture. This may become a part of the strategic plan, or a strategy for implementation. Effort is needed in designing teams, selecting the right team members, and equipping teams with the skills and knowledge to succeed. An excellent strategy is using a matrix organizational structure, coupled with extensive teamwork training. Also, change management should be worked into the team and organizational training.

### *Communication*

Regarding communication, extensive effort is needed at the onset of plan deployment. This may be the most critical, overarching element utilized to ensure success. The workforce – those that will primarily be implementing the plan – must know the plan well, and know specifically how their work and goals are aligned with the plan; they must be connected. Top management, managers, and supervisors should explain and reinforce the plan until they are simply sick of hearing themselves talk! Only then will the workforce begin to ‘get it.’

## **Strategic Plan Systemization**

Finally, many improvements will be made to the organization; therefore, what is needed is a mechanism for capturing the new approaches, ensuring that new processes are SYSTE<sup>2</sup>Matic (Schedule-Yardstick-Standard-Team-Execute-Evaluate-Maintained). The improvements need to be institutionalized or anchored into the existing systems so they systematically continue to provide benefits to the organization. Without this the organization could swiftly slide back into the old ways of doing things.

## **About Concentric**

We help organizations perform better through process design, management system architecture, risk & waste reduction, problem solving and international certification. Our team is built up of experts in Six Sigma, Lean Manufacturing, ISO standards, business law, marketing, strategic planning and intellectual talent management. For more information, or for assistance in developing and implementing your strategic plan, please contact us today at 843.577.6407 or [info@cmsicharleston.com](mailto:info@cmsicharleston.com). We are here to help strengthen the core of your business.