

5 Tips for Successful Strategic Planning

APQC

Set up a solid planning and benchmarking structure.

Bank of America, the nation's third-largest bank, chose to implement an approach using the Hoshin Kanri technique and Six Sigma to achieve process excellence. Before the organization focused on integrated planning, various units maintained their own planning cycles without any conscious effort to connect or integrate them. The current planning structure ensures alignment across the organization, and Six Sigma initiatives improve core processes and help Bank of America deliver consistent results year after year.

Use a strategic plan to drive accountability and alignment.

The two primary goals for MEDRAD's strategic planning program are alignment and accountability. MEDRAD Inc. is a leading provider of medical devices and services that enable and enhance medical imaging procedures. MEDRAD cascades objectives through its performance management system and ties objectives from the corporate scorecard down to individual contributor levels. This waterfall process drives a high level of alignment and accountability. The organization also empowers employees to identify opportunities for improvement and growth. Its top 12 objectives are tied to the scorecards, and alignment and balance are created at the highest management levels.

Involve every associate in the planning process.

This was an important lesson learned by Palmetto GBA, a wholly owned subsidiary of BlueCross BlueShield of South Carolina. Palmetto GBA believed that not all employees felt ownership in the organization's strategic goals and drivers implemented under a strategic plan developed in 1998. The company transitioned to what it calls a measurement-managed organization and worked to create a strategy that drives alignment of the entire organization. This new alignment began at the enterprise level and drilled down to the performance of individual associates, with the model becoming more tactical in nature to the individual's work processes the farther it drilled down.

Obtain formal agreement from everyone involved in the process.

Siemens Medical Solutions believes agreement is critical. It ensures that everyone involved is on board with the targets and strategy. As Siemens' service group plans its business and develops its strategy, it gathers agreement from all the lines of business-- from the business units to the divisions and functions. After a process is formalized, representatives from each area undersign formal agreements, and these agreements are then reviewed at an international level. The agreement is a formal document that captures how the business will evolve and the roles and responsibilities necessary to support the objective.

Implement the three Cs: consistency, communication, and clarity.

The U.S. Postal Service has been described recently as being "one of the best-managed agencies in the government," by Government Executive Magazine, and the American Society for Quality has dubbed it "the most improved service of all measured industries." The U.S. Postal Service attributes its success in part to some key factors such as consistency, communication, and clarity. It makes sure that its efforts are not "the flavor of the week," and that strategic planning is consistently built into the culture- it is not an "add-on." Planning does not change with changing corporate leadership. The U.S. Postal Service also strives for constant, simple communication with its 700,000 employees and millions of customers. Finally, it emphasizes clarity and focus by limiting the number of top-line goals.

Additional Information

Tips are excerpted from the Beyond Planning: Creating a Strategy That Promotes Alignment, Agility, and Accountability Best-practice Report, which was released in February 2004 by APQC. The report's findings are based on APQC's consortium benchmarking study of the same name. For more details or to purchase the report, please visit www.apqc.org/pubs.