



How to Develop a Winning Strategy, Guaranteed



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Introduction

The purpose of strategic plan is to give a business a roadmap to its future. It answers three questions:

1. What is the mission of the business?
2. What goals should be met to accomplish this mission?
3. What strategies should be employed to achieve these goals?

There is often confusion about the difference between a strategy, tactics, goals and objectives. Let's define these terms:

- Goals are things we intend to achieve.
- Objectives are the steps along the way toward achieving Goals.
- Tactics are elements of going about accomplishing Objectives.
- Strategy is the overarching plan to use our unique competitive advantages to achieve our stated Goals through the use of specific and measurable Objectives and Tactics in pursuit of our mission as a company.

Each year, the operating plan of the business lays out a set of tactics and objectives to be achieved that move towards the achievement of the strategic goals. The strategic goals guide the choice of objectives and the tactics employed. They provide direction for the business.

Let's consider an example. The Acme Printing Company prints direct mail pieces, catalogs and other marketing materials. What is its mission? To deliver great printing to its customers? Not really. What its customers are trying to achieve is effective marketing to their customers.

In world where traditional mail is giving way to e-mail and printed catalogs are giving way to web sites, Acme's revenues have been stagnating as more of the marketing budget moves to digital media. Acme had better understand the real value of its services and react accordingly. Perhaps a better mission statement would be:

"To help businesses obtain the highest return on investment possible on direct sales though effective communication with their customers."

Delivering on this mission involves more than traditional printing. The strategic goals might be:

1. To integrate our expertise in printing into digital marketing: Web, e-mail and social media.
2. To expand the range of direct marketing services we provide beyond simple printing.
3. To add the capability of measuring return on investment for the services we provide.

We will revisit this example as we explore the strategic planning process.

The process of creating a strategic plan is made up of 6 steps:

1. Propose a mission statement
2. Propose goals to accomplish it
3. Look internally at your own critical issues, strength and weaknesses
4. Look externally at changes in your economic and regulatory environment



How to Develop a Winning Strategy, Guaranteed

5. Summarize your findings in a SWOT diagram
6. Use the SWOT diagram to formulate a strategy

If you discover through analysis that your strategy no longer matches your mission, propose a new mission and repeat the process.

Why Visual Strategic Planning?

Each of the steps in the visual planning process requires clear and concise communication between all of the involved parties. Likewise, taking the acquired information and developing an understanding of it such that appropriate strategies can be developed and actions taken requires extreme clarity of thought. The best way to synthesize data into information and information into strategy is by thinking and communicating visually during the planning process.

Most of us think and communicate visually whether we realize it or not. The human brain can and does convert auditory and kinesthetic information to visual information, but the efficiency of the process is dependent upon the complexity of and speed at which information is being communicated. Educational researchers have conducted studies which have shown that 83% of human learning occurs visually.

Furthermore communicating the information in each of the steps visually also leads to better analysis. Scholars at Stanford University have found that depicting concepts and relationships visually often reveals that vital data has been overlooked, inadequately correlated, or never collected in the first place.

Communicating visually also enables diverse and remote groups to reach consensus about issues far faster than textual and auditory communication alone. This is especially meaningful for multi-nationals who must manage cross-language ambiguities.

Below we show how visuals can be used to make the planning process come together faster and with better results.

Visual Analysis

Earlier, Acme printing proposed a mission:

"To help businesses obtain the highest return on investment possible on direct sales through effective communication with their customers."

And three goals to achieve it:

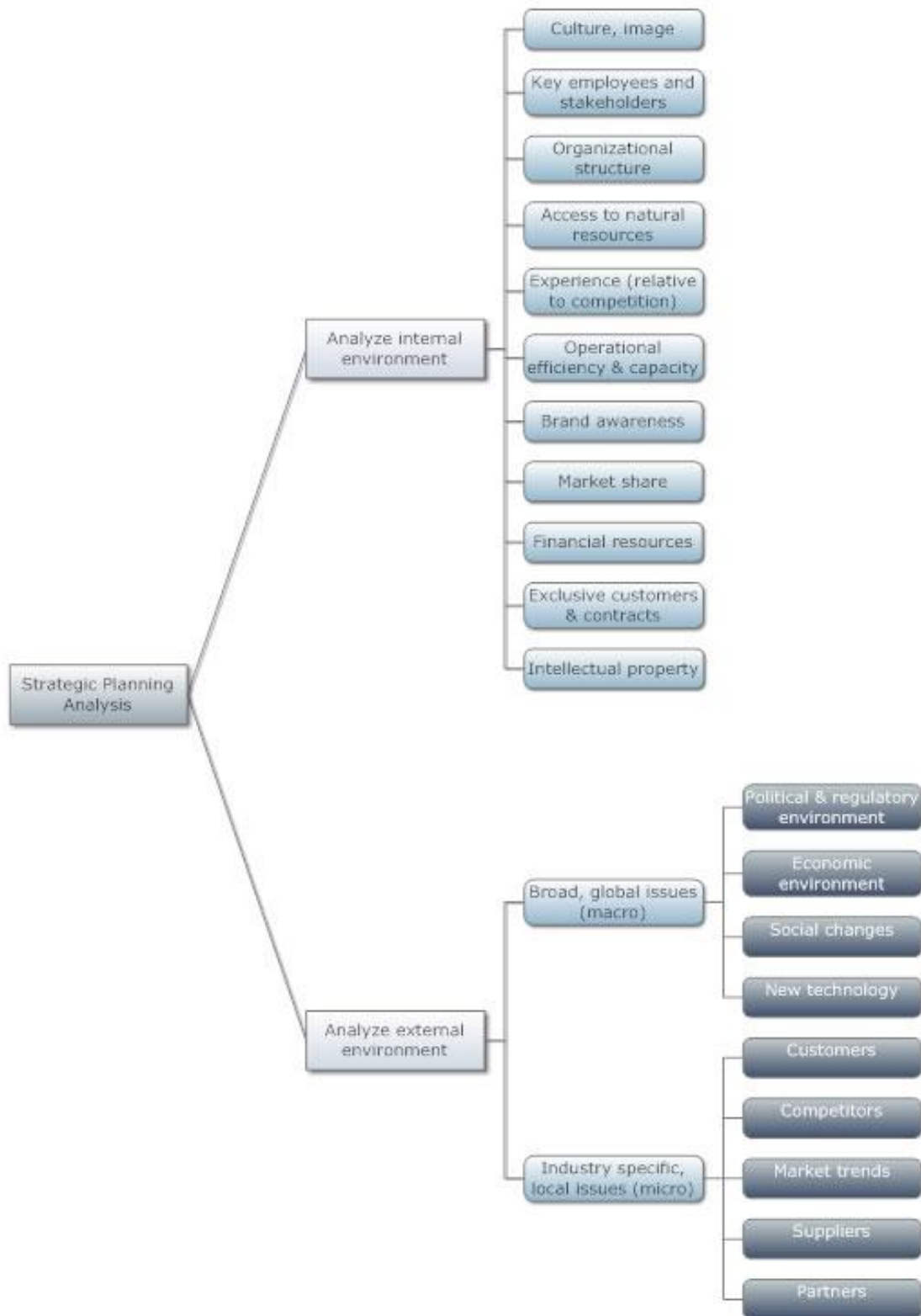
1. To integrate our expertise in printing into digital marketing: Web, email and social media.
2. To expand the range of direct marketing services we provide beyond simple printing.
3. To add the capability of measuring return on investment for the services we provide.

The next step for Acme is to perform the internal and external analysis to identify issues that are critical to achieving these goals and to matching the strategy to the mission. This is made easier visually by using an Analysis Map linked to a network of Issues Maps.

The Internal and External Analysis is organized into standard categories. The Analysis Map shown below shows this organization. Here's how the map is used:

1. Teams are organized to address each category.
2. One or more members of a team document the current state of the categories using an Issues Map.
3. The group discusses their findings and identifies issues critical to the proposed strategy.
4. The critical issues added to the Issues Map.
5. The issues map is linked to its topic in the Analysis Map.

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Analysis Map

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Let's consider an example. The Issues Map for the Operational Efficiency category for our printing company might look this:



Issues Map

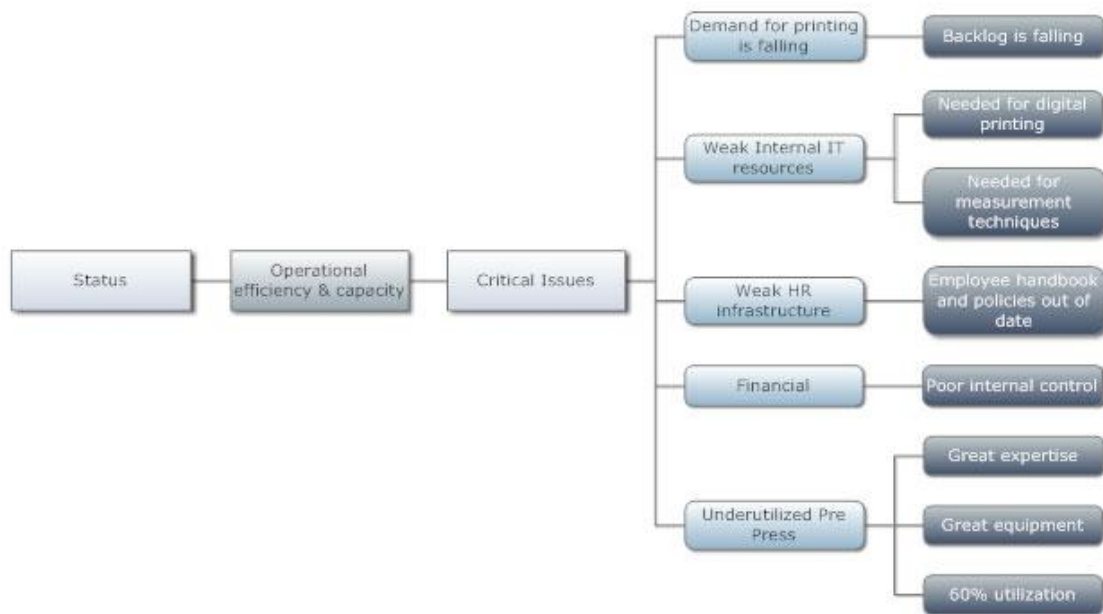
The current status is shown on the left. Presenting the information visually makes it easy for the team to immediately grasp it. Documents supporting the facts can be hyperlinked to the appropriate box. For example, a list of the model

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numbers and specs of the three presses could be written as a word document and linked to the "3 x 6-color presses" box. If someone wants to drill deeper they click on the link and read the details.

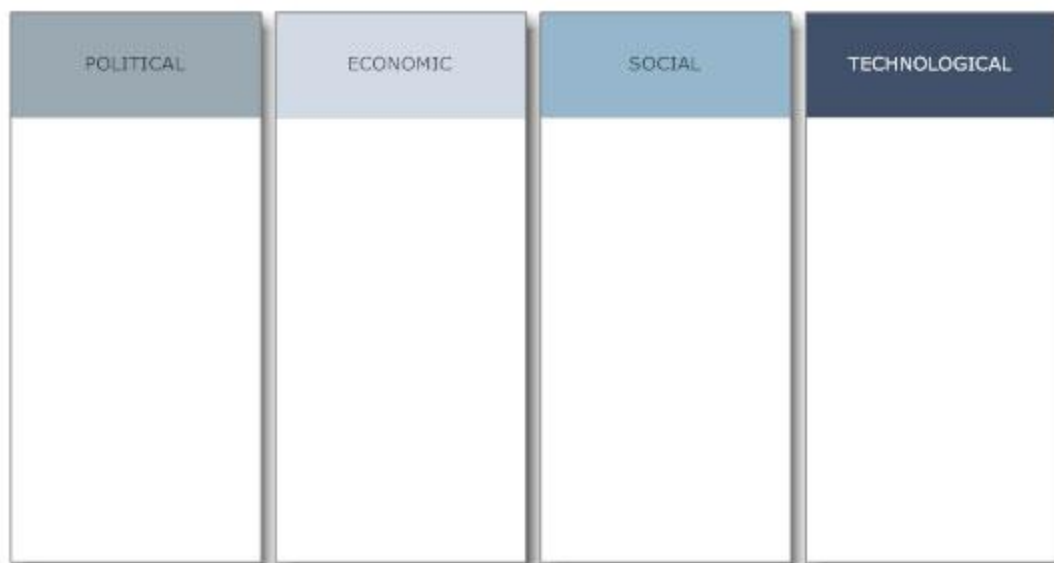
The team examining this issue can inspect this map, ideally projected on a screen in a conference room, and then add critical issues to the right side of it as their discussion identifies them.

Here's the map with critical issues added (and the status items hidden for clarity).



This process is repeated for all of the categories. The result is a set of interlinked maps that summarize the status and critical issues of the entire business.

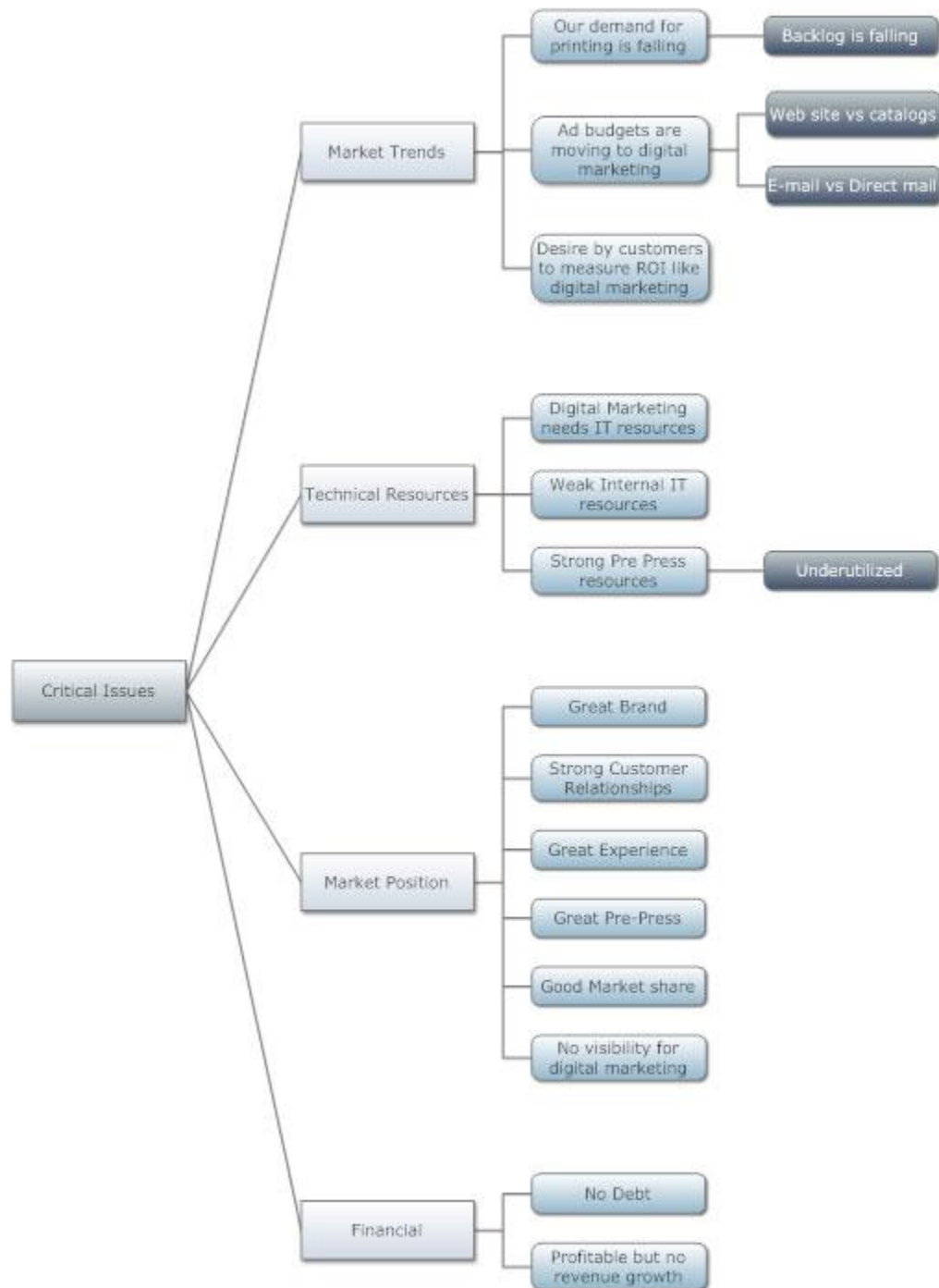
There are more visuals that can be used to help analyze the external issues as well. For example a PEST chart can be used to list the political, economic, social and technological changes that may raise issues for the strategy.



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Visual Strategy Formulation

Once all of the categories have been reviewed, the entire strategic planning team reassembles and walks through the Analysis Map to identify those critical issues that affect the proposed strategic goals (that are "strategic") and those that do not ("tactical"), building a new map of Strategic Issues. The categories for this map are different for each company and are used to group similar issues. Here is an example for Acme.



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Note that not all of the issues identified in the Operational and Efficiency map made it into the Critical Strategic Issue map. The financial and HR issues are not strategic. They are issues but they do not affect the ability of the company to implement its strategic goals.

The next step is to create a SWOT diagram for the company, based on the information uncovered by identifying the critical issues.

Acme Printing's SWOT analysis might look like this:

Acme Printing



This paints a picture of a stable well-regarded printer, whose business is stagnating as its customers begin to shift budgets to digital marketing, part of a widespread trend.

It also indicates that Acme's generic strategy is that of a focused differentiator. It specializes in direct marketing and builds enduring relationships with customers based on excellence.

The key threat is the movement away from traditional printed marketing to digital marketing. The proposed strategy is to maintain its existing strategy and extend it by supporting its customer's new requirements in digital marketing so that it can grow and maintain them.

For example, to integrate its printing capabilities with digital marketing; perhaps printing material on-demand as users request it from a web site or e-mails, or to print marketing materials that direct users to websites with a unique login so that ROI can be tracked more efficiently.

To accomplish this, the company will need to add digital printing and IT resources, fields it has no experience in. However it does have a strong (and digital) pre-press operation. Perhaps it can leverage that resource and its close relationships with long-time customers to build its new capabilities and achieve its goals.

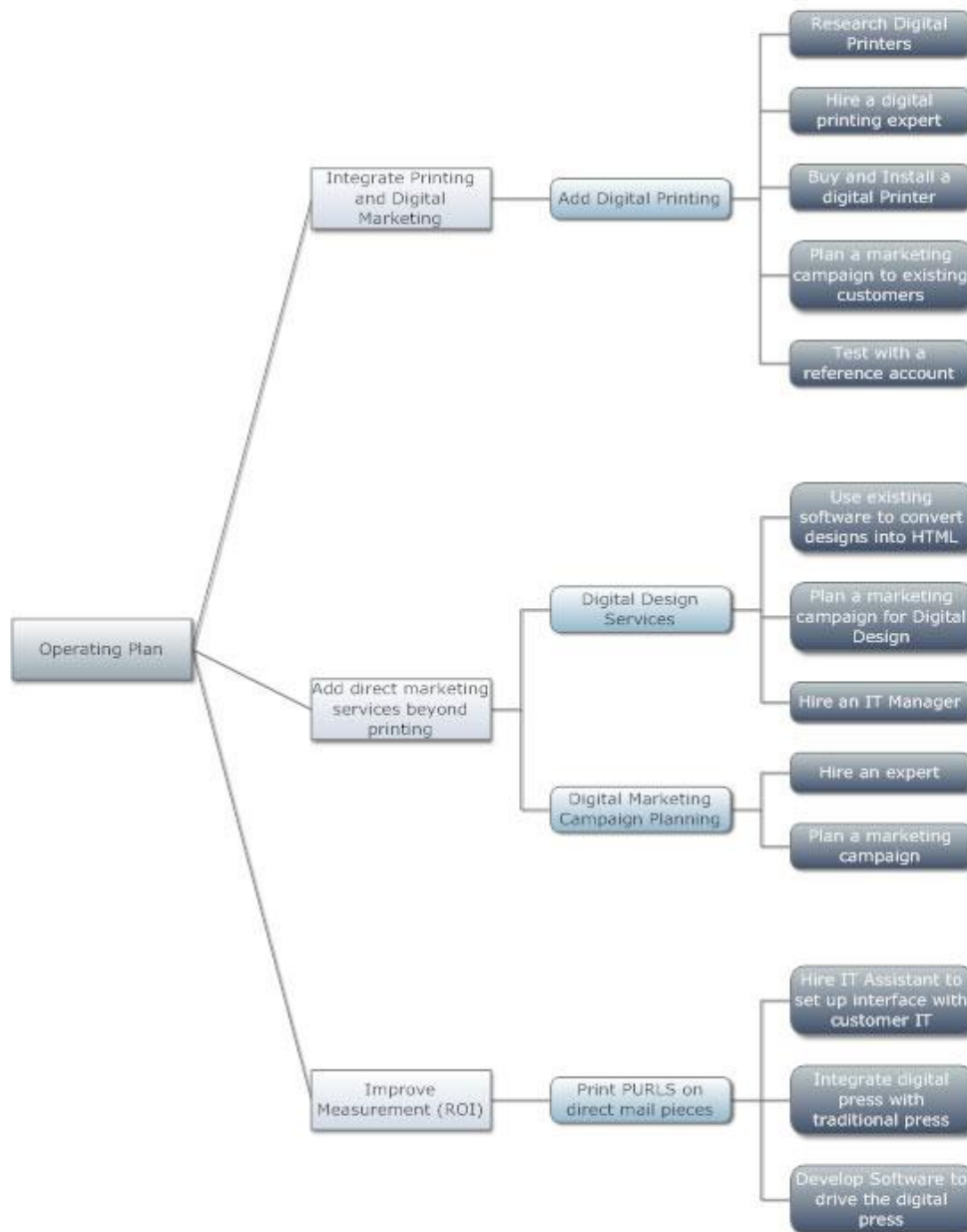
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The proposed mission and goals fit the company's strategy and so now we move on to choosing objectives and tactics to implement our strategic goals.

Visual Implementation

To move from formulating a strategy to implementing requires that we define objectives that support each strategic goal, and tactics to reach each of objectives. Each tactic may involve one or more tasks. We use a Mind Map/Project Chart to do this:

The Acme plan is built around each of the three strategic goals. Each goal has a hierarchy of objectives, tactics and tasks. Our example below illustrates the idea.



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The map of plan can be converted into a project chart by changing the view:

Number	Task	Resource	Start	End	Duration	2010					
						January	February	March	April	May	June
1	Integrate Printing and Digital Marketing		1/1/2010	5/6/2010	90						
1.1	Add Digital Printing		1/1/2010	5/6/2010	90						
1.1.1	Research Digital Printers	CEO	1/1/2010	2/11/2010	30						
1.1.2	Hire a digital printing expert	CEO	1/1/2010	2/11/2010	30						
1.1.3	Buy and Install a digital Printer	Digital Printing Hire	2/12/2010	3/25/2010	30						
1.1.4	Plan a marketing campaign to existing customers	Dir of Marketing	2/1/2010	3/12/2010	30						
1.1.5	Test with a reference account	Digital Printing Hire	3/26/2010	5/6/2010	30						
2	Add direct marketing services beyond printing		1/1/2010	5/6/2010	90						
2.1	Digital Design Services		1/1/2010	3/25/2010	60						
2.1.1	Use existing software to convert designs into HTML	Dir of Pre Press	1/1/2010	2/11/2010	30						
2.1.2	Plan a marketing campaign for Digital Design	Dir of Marketing	1/15/2010	2/25/2010	30						
2.1.3	Hire an IT Manager	CEO	1/1/2010	3/25/2010	60						
2.2	Digital Marketing Campaign Planning		1/1/2010	5/6/2010	90						
2.2.1	Hire an expert	CEO	1/1/2010	3/25/2010	60						
2.2.2	Plan a marketing campaign	Dir of Marketing	3/26/2010	5/6/2010	30						
3	Improve Measurement (ROI)		3/26/2010	6/23/2010	64						
3.1	Print PURLS on direct mail pieces		3/26/2010	6/23/2010	64						
3.1.1	Hire IT Assistant to set up interface with customer IT	IT Manager	3/26/2010	5/6/2010	30						
3.1.2	Integrate digital press with traditional press	Dir of Operations	3/26/2010	5/6/2010	30						
3.1.3	Develop Software to drive the digital press	IT Manager	4/1/2010	6/23/2010	60						

In the project view, you can form a clear plan with dates and responsibilities.

This Visual Operating Plan document serves a dual purpose.

1. The mind map view clearly shows the relationship of near term objectives to strategic goals and is a very effective way of communicating the essence of the strategy to entire company.
2. The project view allows management to track and manage the work being done to implement the plan.

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