

Visual Strategic Planning

Developing a Winning Strategy... Guaranteed



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Begin by Setting the Right Course

A strategic plan sets the course for a business. In order for a plan to be successful, it must answer 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?

The first step is to be precise in defining the company's mission. It should be a clear, succinct statement of the enterprise's reason for existence. The mission statement of The Walt Disney Company, for example, is "To Make People Happy."¹



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

- *Goals* are things we intend to achieve.
- *Objectives* are the steps along the way toward achieving goals.
- *Tactics* are the methods we use to accomplish 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 the company toward the achievement of its strategic goals. The strategic goals guide the choice of objectives and the tactics employed. They provide direction for the business and they must be consistent with the mission.

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 a 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 *our* customers obtain the highest return possible on direct sales investment through 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 our own critical issues, strengths and weaknesses.
4. Look externally at changes in our economic and regulatory environment.
5. Summarize our findings in a SWOT (Strengths/Weaknesses/Opportunities/Threats) diagram.
6. Use the SWOT diagram to formulate a strategy.



If we discover through analysis that our strategy no longer matches our mission, we need to 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 parties involved. Likewise, we must take the acquired information and develop an understanding of it to develop appropriate strategies and actions. Doing this 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 (“learning by doing”) information to visual information. Though, the efficiency of the process is dependent upon the complexity of the information and speed at which it is being communicated. Educational researchers have conducted studies showing that 83% of human learning occurs visually. Rather than forcing the brain to convert information into a visual, starting with a visual is much more efficient and effective.

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 have 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.

Visual Analysis

Let's look at how visuals can be used to make the planning process come together faster and with better results.

Earlier, Acme Printing proposed a mission:

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

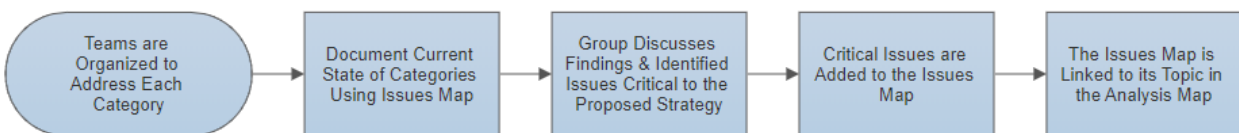
It also proposed three goals to achieve it:

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 internal and external analyses to identify issues that are critical to achieving these goals and to matching the strategy to the mission. SmartDraw offers a way to simplify this visually by using an analysis map linked to a network of issues maps.

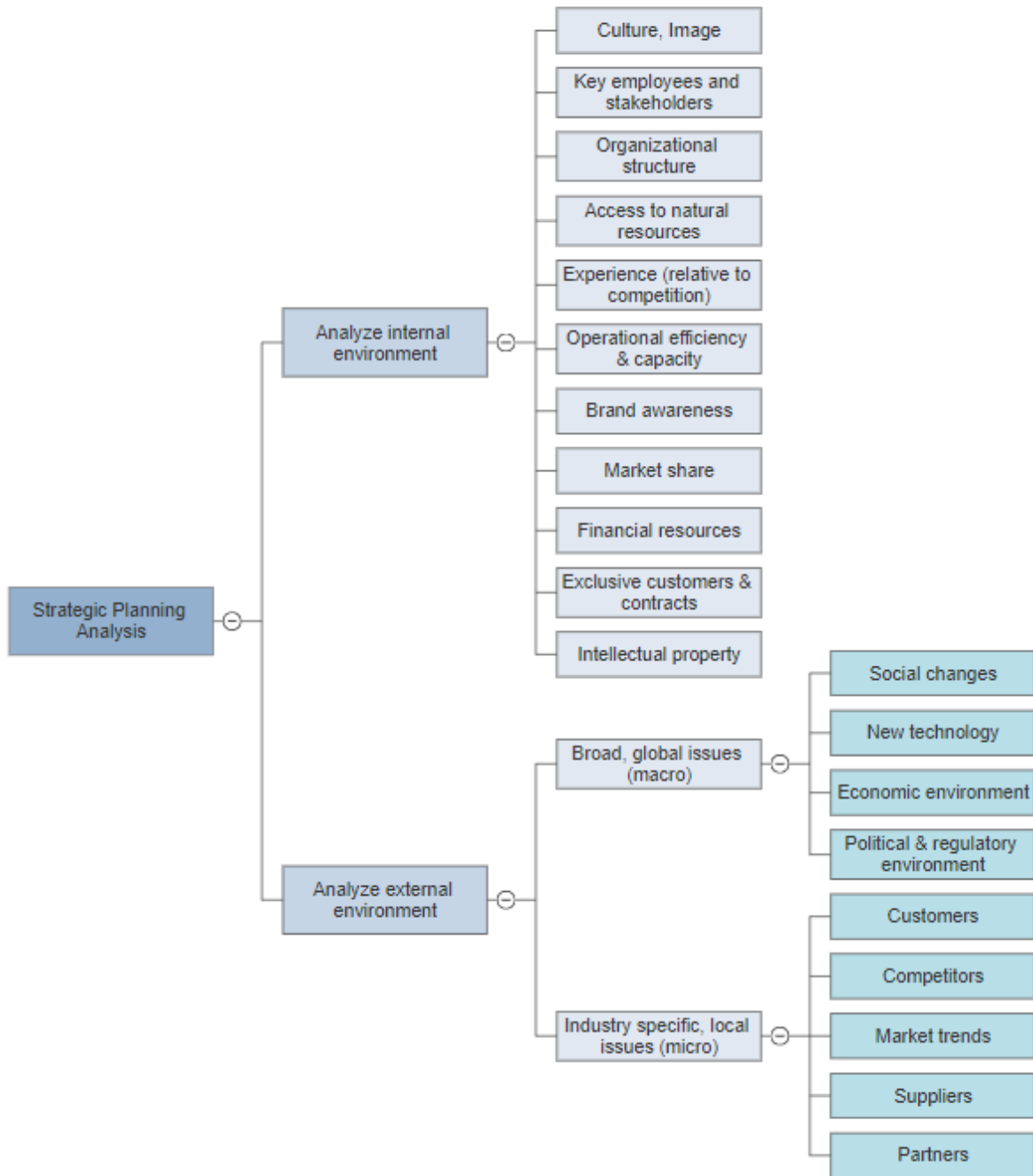


Here's a simple flowchart that shows how these maps are used:



The internal and external analyses are organized into standard categories. The analysis map shown on the next page visually displays the organization of this information.

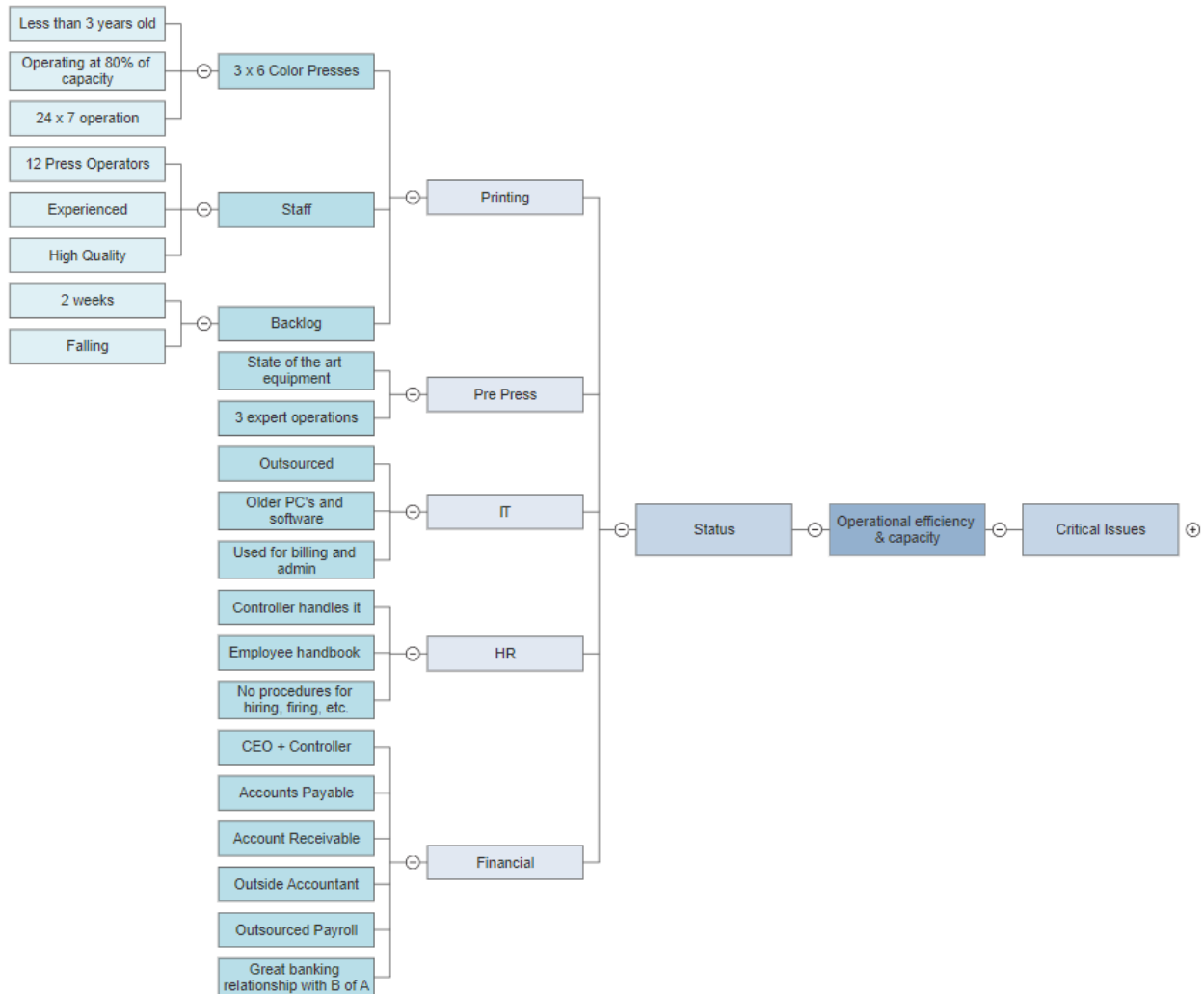
ANALYSIS MAP



Because of the visual presentation the thought process is easy to follow naturally, from left to right and top to bottom.

The issues map for the “operational efficiency” category of Acme Printing Company is presented below.

Issues Map

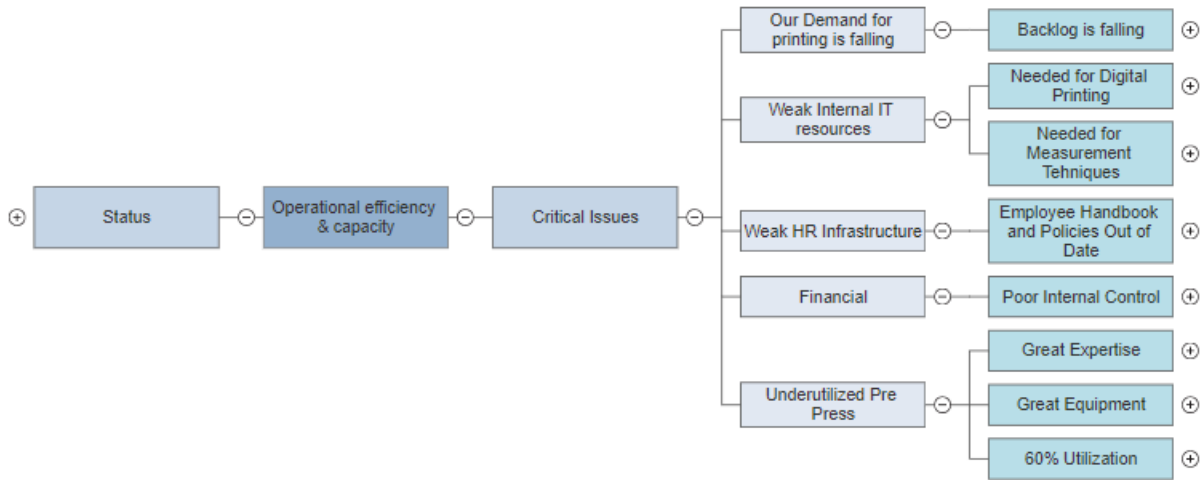


The current status is shown on the left. Presenting the information visually makes it easy for the team to immediately grasp it. Documents supporting the facts can be hyperlinked to the appropriate box. For example, a list of the model numbers and specs of the three presses could be written as a Word® 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 these issues 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).

Operational & Efficiency Map



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 many more visuals available in SmartDraw 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.

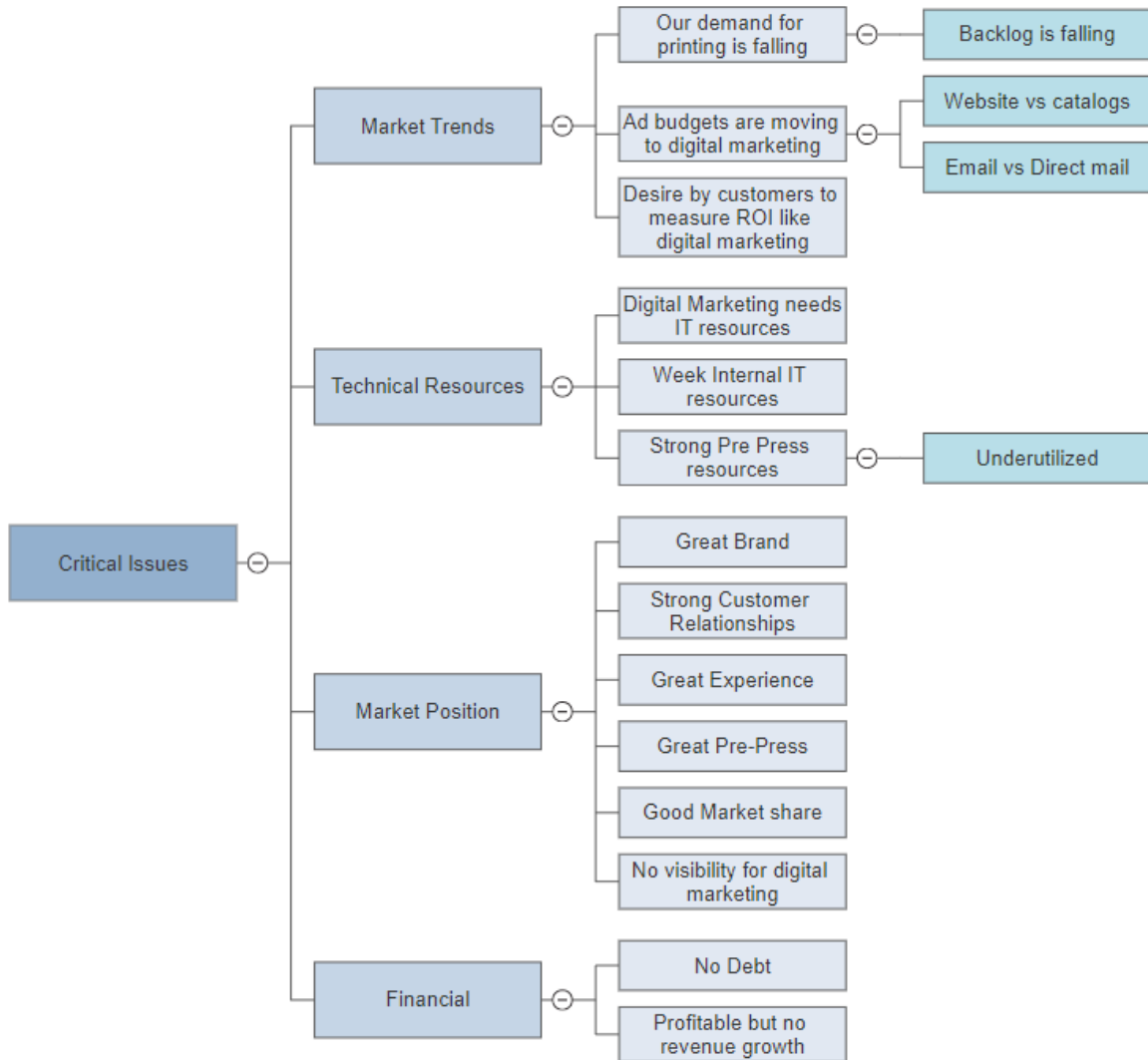
POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL
<ul style="list-style-type: none"> ● tax policy ● employment laws ● environmental regulations ● trade restrictions and tariffs ● political stability 	<ul style="list-style-type: none"> ● economic growth ● interest rates ● exchange rates ● inflation rate 	<ul style="list-style-type: none"> ● health consciousness ● population growth rate ● age distribution ● career attitudes ● emphasis on safety 	<ul style="list-style-type: none"> ● R&D activity ● automation ● technology incentives ● rate of technological change

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 Printing.

Strategic Issues Map



Note that not all of the issues identified in the operational and efficiency map made it into the critical strategic issues 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:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Large base of loyal customers ● Recognized as excellent in catalog and direct mail printing ● Market leader ● Financially strong ● Good Pre-Press resources 	<ul style="list-style-type: none"> ● Weak IT resources ● Stagnant revenues ● No creditability in digital marketing ● No experience in digital marketing
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● Underutilized pre-press ● Assist our customers to move to digital marketing ● Offer detailed measurement techniques ● Integrate digital marketing with print 	<ul style="list-style-type: none"> ● Shift of budgets to digital marketing away from catalogs and direct mail ● Demand for better measurement of ROI similar to digital marketing

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 and toward digital marketing. The proposed strategy is to maintain its existing strategy and extend it by supporting its customers' new requirements in digital marketing so that it can grow and maintain them.

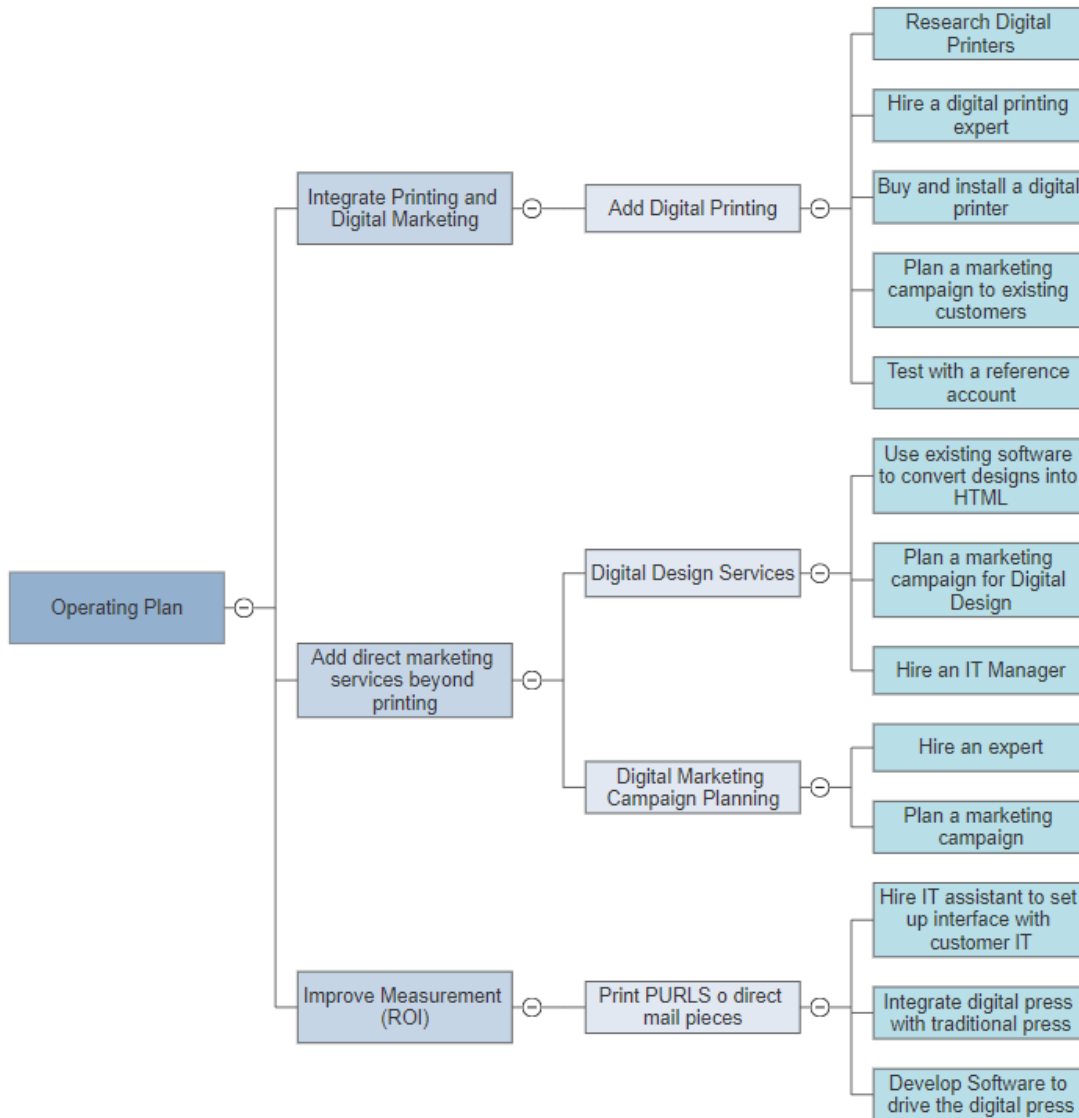
For example, it may choose to integrate its printing capabilities with digital marketing. Perhaps it will want to offer on-demand printing as users request it from a web site or e-mails. It might also consider printing marketing materials that direct users to websites with a unique login so that ROI can be tracked more efficiently.

To accomplish these strategies, the company will need to add digital printing and IT resources – fields in which it currently has no experience. It does, however, have a strong 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.

The proposed mission and goals fit the company's strategy and so now we move on to choosing objectives and tactics to implement those 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 these objectives. Each goal has a hierarchy of objectives, tactics and tasks. We start with a mind map to do this.



The mind map on the previous page can be converted into a project chart simply by changing the view.

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 the entire company.
2. The project view allows management to track and manage the work being done to implement the plan.

Successful Strategic Planning Guaranteed

Following the steps outlined in this white paper, and implementing them with SmartDraw's powerful array of visual planning tools, will guarantee your company has a solid strategic plan, setting it on the path that *you* want.

¹ To see mission statements of other Fortune 500 companies, go to:
http://www.missionstatements.com/fortune_500_mission_statements.html

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