

THE SAVVY STRATEGIST

“...TURNING INTENT INTO ACTION...”

SPECIAL POINTS OF INTEREST:

- Integrity can become a significant competitive advantage for an organization.
- Establishing and instituting core values is a **building process** that takes place over a period of time.
- Building with the foundation of core values **changes the “ordinary” into the “outstanding.”**

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Integrity: Make it a Competitive Advantage

One of the aspects of building a successful strategic plan is identifying the organization's competitive advantages. Competitive advantages may include pricing structures, high quality products or services, distribution channels, human resources, excellent management or any other factor where the organization excels and is significantly better than the competition. It is interesting to note that building a foundation of integrity within an organization may become one of the organization's most significant competitive advantages over time. It is beneficial to start with a definition of integrity. Integrity is:

“the quality of being honest and morally upright....”

When an organization is focused on being honest and morally upright, significant benefits accrue which can be positively exploited as a competitive advantage. Some of the obvious benefits that accrue are:

- A strong corporate reputation

is built, based on trust;

- Strong people relationships are developed with staff, suppliers and clients which are built on trust;
- Decision-making and planning are conducted within an ethical framework which provides clarity on some of the “grey” areas;
- The bar is raised for quality of service and/or products as the organization recognizes that delivering quality is a component of acting with integrity. As the ethical bar is raised, mediocrity doesn't cut it anymore;
- Qualified staff are recruited that share the same standard of integrity — people want to work with organizations that demonstrate integrity; and
- The organization is set apart from competitors who do not operate within the same ethical framework, thus the competitive advantage.

Building this foundation of integrity



within an organization is truly that...a building process. It does not happen overnight but requires ongoing diligent focused attention. An organization should start with determining a set of core values that are crucial to the success of the organization. It is highly probable that the values and beliefs of the leadership will form the basis of the core values of the organization. Clearly one of the core values of any organization that wants to improve should

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Strategic Planning: Setting Objectives

Objectives are a critical part of the strategic planning process. They measure the success or failure of the strategic plan and ultimately the business. They are the means of measurement of both personal and corporate success within an organization. Objectives are simply setting direction — they answer questions of where do we wish to go and when will we arrive there? They are commitments that measure the success of going any given direction and are the means by which we mobilize resources to move into the future.

Objectives usually fall into one of the following categories: finance, marketing, sales, products, services, operations, human resources, public service or community. Setting appropriate objectives is critical to the success of the organization. **Objectives must :**

- **have one idea or theme per objective.** Each important concept or idea should have its own objective;
- **be in concert with other objectives.** Organizational objectives should not conflict

but rather should support each other across departments, divisions or functional areas. For example, it may be conflicting to create a sales objective of significantly increasing sales while creating another financial objective of decreasing marketing costs. The two functional areas that are represented need to be in concert with each other to be effective. Meeting both of these objectives may not be realistic in the

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Watch for the May issue of **The Savvy Strategist** where we discuss **keys** for implementing the strategic plan.

*"... FOR BEST RESULTS IN
STRATEGIC PLANNING
SESSIONS, CHOOSE AN OFF-
SITE LOCATION IN A
RETREAT-STYLE SETTING ..."*



— Integrity ...*cont'd from p.1*

be integrity. This is the reason there needs to be people of integrity at the helm of organizations that want to build a foundation of integrity. Samples of other core values may be honesty, excellence, value, trust, quality or any other strong belief that an organization wishes to build on. It is critical that these values exist not in name only — they must be much more than simply a gimmick or a selling feature. It is better not to establish a set of core values at all if the organization has no intention of living up to them in the day-to-day conduct of business.

Once a set of core values is established within the strategic planning process, an action plan detailing specifically how the core values will be communicated to personnel both internally and externally must be created. This is a critical component as the

action plans address specifically the task at hand, who is responsible, the date of completion and the resources that must be expended to complete the task. Other action plans must also be developed which detail all tasks and activities necessary to implement the core values.

Secondly, it must be clear what the expectations are in the areas of core values. For example, if a corporate core value is determined to be integrity, the definition and associated expectations of behavior must be clear. The value must be upheld at all times and all personnel must be committed to do so. This does not imply there will be no lapses of judgment or mistakes, however, these should never be the result of vagueness in the definition or in misunderstanding the expectations of the organization. Once

this clarity is established, an organization must be prepared to conduct all business accordingly within this core value framework. This builds a healthy corporate culture in which the leadership and staff then hire, act, manage and lead accordingly. (See *Personally Speaking ... p.4*)

As previously mentioned, this is not something that can be built overnight. The building of core values within an organization takes time — time that is well worth the investment. It changes an “ordinary” organization into an “outstanding” one.

In summary, start with building a clear set of core values which are integrated into the organization through communications and clear action plans, then watch it become a competitive advantage for your organization over time.



Strategic Planning: The Ideal Environment

Strategic Planning takes focused effort but delivers enormous results. The resources required to effectively prepare your “roadmap for the future” are well spent and should be considered a worthwhile investment. One component of this investment is planning the environment or the setting which the organization chooses for the planning process. Special consideration must be given to the type of environment that will contribute to the overall result. There are a number of factors that contribute positively to the best strategic planning experience and should be taken into consideration when setting up planning meetings and activities. Generally, strategic planning is best accomplished as follows:

- 1.) Choose an off-site location in a retreat-style setting, like a conference centre or a hotel. This will:
 - highlight the importance of the event;
 - allow the team to truly focus on the sessions without having day-to-day distractions;
 - accomplish the task more quickly;
 - allow the team to gain momentum as they work together in a focused environment; and
 - force detailed and careful planning of the event.
- 2.) Ensure all required materials and information is prepared and available.
- 3.) Create an atmosphere that is professional, positive, apolitical and inclusive, where each member of the planning team is able to contribute thoughts and ideas freely.
- 4.) Manage time carefully to ensure that strategic planning tasks and activities are accomplished within the time frame of the sessions.
- 5.) Devise methods for “taking it back to the office” so that the strategic planning process is not just a one-time event, but rather starts to become a way of thinking for managers as they begin to think and manage strategically.

— Setting Objectives...*cont'd from p. 1*

short term;

- **not address questions of “how” and “why.”** These are each important aspects but will be addressed through the action plans and the corporate strategic directions respectively;
- **focus on specific results.** Organizational objectives need to be developed that clearly outline desired results. For this to happen, an organization must first specify the desired results, set up appropriate objectives and subsequently develop action plans that will ensure the meeting of these objectives;
- **be measurable.** An organization must set up a system of measurements that are realistic, simple and effective so that it is clear when an objective has been met;
- **be challenging, but attainable.** If an objective is too challenging, it may not be attainable;

however, if it is simply attainable it may not be challenging. It should incorporate both aspects to be most effective;

- **always set some corporate objectives that benefit staff and management.** This is important as it builds staff trust and satisfaction and assists in building their belief and trust in the strategic planning process as well as the organization. For example, if an organization sets only financial objectives, without setting any objectives relating to staff, clients or the public, it may be difficult to get people to buy in as they see no direct benefit to themselves or others. It then becomes difficult to implement and meet the objectives;
- **be structured so that personnel can clearly see the corporate benefits.** Organizational personnel must be able to clearly see the benefit that meeting the objective will have on the organization. If they cannot clearly see the benefit, it will be difficult for them to embrace the objective.

Setting objectives may be difficult at first as there are many things to be aware of. However, as strategic planning becomes increasingly familiar and natural to the organization, objectives have an increased focus, clarity and measurability that will benefit the organization, the teams and the individuals tasked with meeting the corporate objectives.

Questions & Answers

Q: Our organization has engaged in strategic planning, however, we have never included the budgeting component in the process. Why is this necessary?

A: It is critical that budgeting form a part of the strategic planning process because any strategic decisions will require resources (time, money and/or materials). Any new strategic direction or programs created as a result of the strategic planning process will have financial impact on either costs or revenues (or both) associated with them. It is important to clearly detail the specific costs associated with any program to determine budget compatibility. Secondly, it is important that careful thought and consideration be given to each program or strategic direction within the context of additional costs and revenues within any specific time period. Traditionally, organizations tend to “front-end load” their plans so that many programs with tasks and activities take place in the earlier part of the time period covered by the plan (i.e. Yr 1 vs. Yrs 2-5). When this happens, associated costs of the programs are not allocated over a longer time and can become excessive in the initial time frame. This needs to be managed carefully and at point of bringing budgeting into the picture, often this becomes clear and plans can be modified to be more realistic.

Q: Within the strategic planning process, what tasks and activities should a business strategy consultant be involved in and what should the organization itself do?

A: Although it depends on the specific needs of the organization and each situation will be somewhat unique, some general principles apply in a business strategy consulting engagement. Overall, a business strategy consultant should be involved in overseeing the strategic planning process and guiding the

strategic planning team throughout its various phases. The implementation of the plan should, however, be carried out by staff and management of the organization. The following list outlines in greater detail the roles of both the business strategy consultant and the organization.

A business strategy consultant should be involved in:

- educating the organization about strategic planning;
- guiding the strategic planning team through the process;
- assisting with gathering relevant information;
- assisting with the selection of the planning team;
- preparing relevant surveys and information sheets;
- facilitating strategic planning sessions;
- structuring the strategic plan;
- assisting with structuring objectives set by the planning team;
- documenting strategy sessions;
- providing ideas and input into business strategy as required;
- assisting with establishing the appropriate linkages between the overall strategic plan and the various functional plans (i.e. IT, marketing, finance, etc.);
- providing ideas and input into strategic plan accountability programs; and
- assisting with quarterly reviews of the plan.

The planning team with the support of corporate leadership and the participation of staff should be involved in:

- gathering relevant information to support the planning sessions and decision-making;
- setting appropriate objectives;
- preparing related action plans;
- making decisions for the organization;
- communicating key components of the strategic plan;
- motivating staff to buy in to the strategic plan;
- executing the plan; and
- monitoring and reviewing the progress.



MANAGEMENT GROUP INC.

12307 42 Avenue
 Edmonton, Alberta T6J 0X2
 Phone: (780) 916-5598
 Fax: (780) 437-0301
 Email: thestrategist@savvymangementgroup.com

“...TURNING INTENT INTO ACTION...”

Savvy Management Group Inc. is a business strategy consulting firm that focuses on helping clients turn intent into action. It was founded by both Rod Stewart, an experienced business consultant specializing in the areas of overall strategic planning, project management, information technology strategy and change management strategy; and Shannon Stewart (B.Comm) a skilled and experienced business consultant with experience, knowledge and training in the areas of overall strategic planning and business management. Both founders are American Management Association (AMA) Certified Strategic Planners.

Our mission is to assist businesses and organizations in understanding and utilizing the strategic planning process to achieve greater success through preparing a workable road map in the form of a strategic plan. In conjunction with this, we also offer related services such as: project management, facilitation, change management, business process review, customer relationship management and strategic alliance formation and management.

If you are interested in learning more about our strategic business consulting services, please contact us at the e-mail address listed. We would be happy to help you understand how the strategic planning process can work for your organization.

Bookmark this new site!

www.savvymangementgroup.com

Personally Speaking...

by **Shannon Stewart**, B.Comm, AMA Certified Strategic Planner

Interestingly, in the last several years, there has been an enormous amount of information written on the whole area of integrity and ethics within organizations. In light of the enormous scandals of WorldCom, Enron and others, the interest in the area of integrity has risen substantially. Much has been written about the whole area of accountability and how the leadership of these organizations were able to engage in these illegal and clearly unethical activities. Endless dialogue has taken place regarding how this was allowed and why no one was able to see that these things were going on. As a result, aggressive new procedures and controls have been put into place in order to prevent these types of things from happening in other organizations.

It is my opinion, that while these procedures and controls for accountability should clearly be put in place, this is not where the original problem lies. These are necessary steps but they don't address the source of the issues. I believe that the organizations where these

types of activities were taking place were lacking an established and credible set of core values where integrity was foundational. In fact, in my research regarding the activities of these organizations, it is clear that there was a culture of unethical behavior where these actions were not only condoned but even rewarded through personal financial gain of the perpetrators. It is evident that these organizations had not built and fostered a culture of integrity. Nor did they establish a set of controls and accountability factors to ensure such rampant fraud and deception could not occur. The absence of both of these factors allowed this type of behavior to occur.

When an organization is committed to establishing core values and a culture of integrity, combined with a set of controls to ensure that this occurs, these types of destructive activities will not be permitted. The culture will enable people to come forward if they have knowledge of someone who is not operating within the ethical or legal guidelines

and the appropriate controls will ensure that the activities are detected and stopped.

It's not that I believe all the experts are wrong ... rather, I believe that establishing the core values as the foundation of an organization should come first and establishing accountability for living up to these core values is the following step.

Therefore, build a strong corporate foundation based on integrity and trust – you will find that it is truly worth the effort!

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Publisher /Managing Editor: Shannon Stewart

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