

# How to Conduct a Strategic Planning

## Retreat

Here is an example, supported by the suggestions of an expert, of how getting away from it all can put your organization back on the planning track.

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By JIM CATHCART

For many firms, a review of the annual plan may sound the opening whistle for a year-long game of excuse-making for not keeping to the plan. Such cases of "excuse-itis" really are not necessary. You can avoid them if you see your annual planning process as more than an exercise in planning. It can be an opportunity to reaffirm commitment to the organization and its goals, to strengthen the management team, and to develop resources that you never knew you had.

### Planning is essential

Many leaders object to in-depth strategic planning sessions. "We don't have time to plan," they say. The obvious response is, "If you don't have time to plan, then when will you find time to correct the mistakes caused by lack of planning?"

Others say they have the wrong people so they can't plan yet. Do they intend to limp along and remain mediocre in the meantime?

Others claim there aren't enough people in their division for planning to work. Regardless of whether you have two people or 20 people in decision-making positions, it is critical to do an in-depth planning and strategic reassessment. The reason to plan is to be more effective.

Another objection is that taking a day or two out of the year and pulling people away from the job to spend their time in a planning process costs too much money.

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Think about the cost of one employee who was improperly hired, trained, and after a year didn't work out. What would that cost your organization? Certainly a planning program, even if it costs as much as \$15,000, would be inexpensive in comparison.

Finally, some believe that planning doesn't work because it doesn't last. Usually people who give that sort of response fall victim to what might be considered "plastic planning"—planning in a vacuum without considering real day-to-day possibilities. One of the key considerations in any plan is "How am I going to get myself and those around me to actually follow this plan of action?" Until that question is answered, the rest of the planning process is an incomplete exercise.

A plan—the strategic guide for operating an organization—should *live*. Since all living things change, your plan should be changing constantly. Many people complete their plans and then put them on a shelf—a dangerous mistake. A plan should stay active. It should be viewed daily and weekly and revised as changes are indicated.

### Getting ready

The balance of this article will give you a view of a sample organization's annual strategic planning retreat and the results that it produces. As you prepare to attend this meeting, review the following memo from the company leader, Bill Bottomline, to his top staff supervisor, Mary Herjob. "Mary, since you were promoted to the

number two position in our group three years ago, we have handled the annual planning as a two-person team. Prior to your coming, I did most of the planning myself.

"I achieved good results alone, but things are much better with both of us involved. It occurred to me at our Corporate Leaders Conference last week that this group might do even better if we involve more people in the planning process. Remember the old saying, 'People tend to support that which they help to create?'

"Here's my suggestion: We can set aside two days next month and take all four of our management people plus my secretary up to the Executive Lodge for a planning session. The 'retreat' atmosphere will make everyone more relaxed than usual and will allow us to avoid the distractions of staying near the office and the telephone.

"I've always felt that I tend to ramrod my ideas through the group. They tend to pay too much attention to the fact that I'm the 'boss.' Sometimes this stifles everyone else's involvement, so I'd like to have someone facilitate the meeting. That way, you and I both can be 'participants' instead of leading the meeting ourselves.

"The person I've selected can get more out of us than we could on our own. She said that we need to do some things in preparation for the meeting.

■ Conduct an informal survey of the strengths and weaknesses of our group. Try to get an honest appraisal of our true situation.

■ Sell each person from the management team on the importance of this retreat and their part in it.

■ Review our purpose as a company and bring along a list of the goals that we have set.

■ Make a commitment to give this retreat our wholehearted involvement and support.

"She also said that you and I must be willing to accept a little criticism (if any is due) because this will be an open discussion. She said that it's not an 'encounter group,' but it does require open, frank discussion to achieve maximum results.

Would you notify the management team for me?"

### The first day

About 40 miles from the office, all seven team members have checked into rooms at the Executive Lodge. Bill is in the meeting room with Mary and Gail Traynor, the facilitator.

It is 8:50 a.m. and anticipation is in the air as Joe, the other staff supervisor, and Fred and Don, the district managers, enter the room. Jan, Mr. Bottomline's secretary, and Judy, the office manager can be heard coming down the hall.

At 9:00 a.m., Mr. Bottomline sets the mood and, after a quick introduction, turns the meeting over to Gail. She puts the group at ease with a little humor and describes the process they will follow for the meeting. She says, "This is *your* meeting. I will merely guide it to assure maximum results. The process that we will follow is a combination of basic planning, management by objective, and a few other ideas." Figure 1 shows the planning process categories the group will be discussing.

**Figure 1—Strategic Planning Process Categories**

- Management philosophy
- State of the organization
- Mission
- Forecast
- The organization we want
- Strategy
- Market development
- Manpower
- Administration
- Services
- Special activities
- Indicators
- Action plans
- Inhibitors

### A plan should *live*

As you listen to the discussion of management philosophy, the differing ideas in the group emerge. Some are customer-oriented while others focus on the "authority" of management. Agreement is finally reached that the client comes first, then the employee, and finally management. Management's true purpose is to serve the customer through the employees.

Survey results are reported and general discussion is encouraged in order to determine the current state of the organization. With this in mind, the group tackles the task of defining their mission, or statement of purpose. This is a lively discussion. Each word is chosen carefully for the mission and finally produces a comprehensive statement that describes the exact reason why the organization exists. It goes beyond "making a profit" and includes the client, salespeople, office personnel, and company products and services.

Any organization with a commitment to success should have a written statement of its purpose. Organizations need to state clearly why they exist and identify their mission in that statement.

Once the planning group has clarified the organization's purpose, they must clarify the role of each individual present. Each participant should talk to another about why they do what they do for a living. Where is the reward for each? What's in it for them? Until they know *why* they do what they do, they're merely an employee regardless of their position. Once the corporate and individual mission statements are defined, the organization will have something to focus on in the future to help them stay on track and not be distracted by tempting little activities that might hinder the accomplishment of their overall purpose.

The scene of our sample retreat is beginning to look quite different as Gail tapes each sheet from the easel pad to the wall. Every major item is written on the pad and then hung in sequence so that the wall becomes a storyboard of the discussion thus far. Next, the group does a forecast to become aware of coming changes inside and outside the industry. It

is critical in these changing times for an organization to know what trends are developing. What things are happening now or coming up in the future that might have an effect on your organization? A survey might help determine current attitudes, specific needs that seem to stand out, and key strengths and leverages your organization has.

Once you determine developing trends and attitudes, you can do some forecasting. What assumptions have you made in planning for the future? What assumptions are made about changes in the organization and in the local community which will affect the way you serve your customers?

The pessimists become obvious at this point. Gail has taken special care to maintain an air of optimism throughout. She asks the group, "If we got all the breaks, just how good could our company be? Let's describe our ideal goal to get a handle on the dream that we are building toward the organization that we want." Faces light up and the fun really begins as both silly and serious ideas emerge. All are recorded and added to the wall.

The clearer you make this description, the more likely you are to bring it about. It is helpful to find role models in other organizations whose qualities you can emulate. Consider talking with the leaders of those organizations to determine what makes them so successful.

Many groups have used this type of brainstorming to generate ideas, but it should be obvious from your observer's perspective that more is happening in the sample retreat than just brainstorming. The entire process is starting to fit together. Let's evaluate what we've seen so far.

■ The group has come to an agreement on just what their role as managers includes.

■ They have examined the current situation of the company from all sides.

■ They have established a written statement of purpose to help keep them on target.

■ They have considered the changes that might affect future actions.

■ They have a clear picture of the kind of firm that they would like to become.

Gail has carefully woven each thread into a logical sequence which is building a solid foundation for future decisions and choices.

As we witness the discussion, we can see where emotions tend to show, where confusion is most evident, and when the group gets excited about certain ideas.

Some participants are reluctant to speak up at first, but become more involved as the meeting goes on. Others tend to hide certain feelings and "gloss over" a subject on occasion, but the discussion draws them out and the group deals with the problems as they are exposed. Optimism begins to build and trust is growing among all who are present.

Gail now says to the group: "We can deal with any or all segments of the marketplace, but our results will be best if we identify the most profitable segment of our business and concentrate on that. What will our *market strategy* be?"

- Gail asks the group such questions as
- Who receives your services?
- If you are producing reports and information, for example, exactly who receives them?
- Who acts on the information, and how is it used?
- How could your work be improved to be more in line with the primary needs of your "market"?

Much discussion follows and special groups of businesses and individuals are targeted for market development.

We will leave our group now as they talk about nonbusiness in order to relax. More thinking has been required from them today than in a full week of normal business. They need the evening to wind down.

## The second day

This morning the group starts early with a brief review of the first day's session. Then it launches into a discussion of manpower. Items they mention include

- the type of employees they want
- the steps in their standard recruiting and selection procedure and the number of new people that they want this year
- the tools to use in the selection
- training questions—when, how much, what type, who will do it, where, in what order
- how to develop and keep veteran employees

Next they discuss three administrative areas:

- the physical plant—equipment needs, office layout, changes desired
- clerical help—policies and procedures, potential problems, how clerical people are trained, personnel functions
- finances—record keeping, budgeting, cash flow, billing, cancellation, collections

The services category is introduced with the statement, "What you reinforce is what you get." The group then examines each aspect of their operation to deter-

mine what support is necessary and how it should be provided.

A period of discussion on special activities covers the remaining aspects of operation: advertising and promotions, community relations, awards and recognition, special sales campaigns and how to get the most from them, annual planning for management and sales, and other special events.

Toward the end of this day, Gail reviews the group's goals, mission, and strategy and helps it select the items to watch most closely. These are the indicators that show clearly whether the proper results are being achieved. As least one is selected for each major category.

Turning the conversation to Bill Bottomline, Gail helps him and the group come up with action plans to effectively follow up all their planning. Teams of two and three individuals are assigned to take a major category and to develop an outline of the results desired, the activities most likely to produce the results, the indicators to watch while achieving the results, and the decisions remaining to be made. Each team is instructed to bring its action plan to the next staff meeting where it will become official.

Next Gail tells them, "The number one problem with annual planning is that most people don't answer the most important question of all: 'How do I get myself to follow this plan of action?' What might be some things that would inhibit us from accomplishing our goals?"

The group lists several inhibiting factors, such as not completing their assignments, waiting to be reminded to perform an activity, cancelling their follow-up meetings, or allowing themselves to say, "Yeah, we would've done that, but . . ."

## Birth of a team

As you leave the group to their assignments, you can say honestly that it is now a team. Through two days of intense discussion, it has accomplished several things:

- agreed on a philosophy of management
- clarified its mission
- identified its destination
- outlined the steps necessary for success
- redefined its responsibilities
- admitted its individual weaknesses
- renewed its dedication to the tasks at hand

Obviously, the characters were fictitious, but the process they followed is real. Planning retreats are a proven process with a track record of results. All it takes

is a commitment to improvement, a willingness to face your challenges, a couple of days away from the office, and a sincere concern for the people with whom you work.

## Participatory planning

When evaluating the pros and cons of various planning methods, keep in mind these 15 desirable elements and results of the participatory planning process:

- It permits you to control the process.
- It creates a sense of "ownership" among the people who participate.
- It enables each individual's viewpoint to be heard.
- It generates many new ideas.
- It allows for the rational evaluation of new ideas.
- It separates you from the prejudices of just one viewpoint.
- It improves overall communication.
- It clarifies the responsibilities of each person.
- It communicates the "big picture" to all participants.
- It provides control of the growth of the agency.
- It forms an awareness of the many variables to be dealt with.
- It furnishes a basis for accurate budgeting.
- It dissolves fears about the future of the organization.
- It builds optimism and confidence in each group member.
- It produces an understandable and realistic outline of the steps required to reach your objectives.

