

## BOARDROOM STRATEGY

## MIKE DESJARDINS

*Why your strategic plan failed, and what you can do about it*

The conversation normally begins like this: “We’ve tried strategic planning in the past but somehow it always seems to fall by the wayside. No matter what method we try, the same result occurs. What are we missing?”

From its military genesis to strategic planning as we know it today, the reason for it is always the same: we need to know where we want to end up, how we’re going to get there, what resources we need and who can help us make it happen. From small entrepreneurial businesses to large public entities, strategic planning is critical in shaping the future of your business. As I say to new clients who haven’t put a planning methodology in place, “You wouldn’t go on a road trip without a destination and a map or GPS, so why are you running your business without a plan for where it will end up and how you’re going to get there?”

There are five key reasons that most strategic plans fail. The good news is that each of them is avoidable.

**1. Lack of accountability.** Without direct accountability, more specifically the name of a person who has agreed to complete a series of actions around an initiative, strategic planning leads to great ideas for the future with no one to see them through.

**2. Lack of followup.** In as short as three months, changes in the economy, industry, market or company can render a strategic plan full of holes that no longer link to reality. The result is a lot of three-ringed binders

being hidden on shelves. The trick to keeping a strategic plan dynamic is to schedule quarterly sessions to review, evaluate and revise the plan.

**3. Lack of execution.** Once everyone leaves the strategic planning retreat the day-to-day realities of running the business start flooding into their BlackBerry and iPhones. Without agreed-upon actions that link each initiative to reasonable timelines, you’re left with a framework with no method to execute on it. It’s tantamount to wishing something would occur but never taking any steps toward making it happen. Enter into strategic planning with the following mindset: planning is not about the plan, it’s about the execution. A 10% plan executed with authority is far more valuable than a 100% plan left on the shelf.

**4. Lack of buy-in.** Without the buy-in of the people who can make the strategic plan a reality, the exercise is moot. Create buy-in through involvement in the planning process and with clear communication about how each person on the team can contribute to the successful execution of the plan.

**5. Lack of connection to operations.** Without connecting how the strategic plan naturally extends from the operations and responsibilities internally, it’s doomed to be always just out of reach of the organization. Most people wake up each day wanting to do a good job at work and looking forward to contributing to a business’ long-term sustainability. Help them see how key

initiatives fit into their day-to-day.

There’s a great quote from General **David Petraeus**, commander of the **Multi-National Security Transition Command Iraq**, from the book *The Gamble* by **Thomas Rick** that sums up many of these points.

“There are three enormous tasks that strategic leaders have to get right,” Petraeus said one night in Baghdad. “The first is to get the big ideas right. The second is to communicate the big ideas throughout the organization. The third is to ensure proper execution of the big ideas.”

So if planning is about the alignment and execution, start by asking yourself: What is our system for planning? How does our system drive behaviour and meas-

urement that tells us early on about execution effectiveness?

Is our strategic planning system heavy on communication, reporting, metrics, review and revision so we can’t ignore it, forget about it or avoid accountability around it?

Next month we’ll introduce a planning process that will allow you to match personal goals with divisional and organizational goals – all on one page.

Stay tuned. ■

*Mike Desjardins is the driver (CEO) at ViRTUS, an organizational development consulting firm with expertise in strategic planning and implementation, leadership development, change management and succession planning for medium to large organizations. This column was co-written by Jeffrey Kearney, a mentor at ViRTUS, who specializes in strategic planning, leadership development and CEO mentoring and coaching.*



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## BRIEFS

### Coastal Contacts posts record third-quarter sales

Vancouver-based **Coastal Contacts Inc.** (TSX:COA) reported record sales in its third quarter ending July 31, 2009.

Sales jumped 15% to \$37.5 million from \$32.7 million in the same quarter a year ago.

An increase in orders shipped and a reduction in administrative expenses contributed to the company's quarterly results.

Total sales rose 15% to 370,882 and general sales and

administrative expenses fell 2%.

Much of the company's sales growth has come from new markets.

The company reported a quarterly net profit of \$600,000, up from \$211,000 in 2008's third quarter.

Coastal Contacts continues to build its eyeglass business as eyeglass sales topped \$1 million in July for the first time.

Coastal Contacts' share-price range during the past week: between \$1.18 and \$1.24; 52-week high: \$1.30; 52-week low: \$0.57.