

MarketWise



May 2008

Strategic Planning Sets the Stage for Implementing a LEAN Environment

One of my best friends was fired once, many years ago, for supporting an "open door" policy. Why? Because she kept her door open by using the company's beautifully leather-bound strategic plan.

It was about several inches thick and very heavy. Frankly, a doorstop was all it was good for.

Her company developed this "plan" once a year. It contained vision, mission, and values statements that no one could recite, not even 3 or 4 words of any of them. The plan detailed about a dozen unfinished "projects," most of which had been carried over every year for the last 2 to 3 years.

My friend told me that no one was accountable for making any of it happen or reviewing its progress toward implementation. In other words, the management team, including my friend, never deployed the strategic plan. It was useless, except that it made a great doorstop!

Lean transforms a strategic plan into an action plan

In a Lean environment, the strategic plan serves as the action plan for deployment by:

1. Defining the culture of the enterprise, including the vision, mission, values, and change
2. Identifying the customers of the business and the value proposition that will delight them

3. Establishing 3 to 6 key projects and business goals that will create the cash flow needed to:
 - a. Run the business on a month-to-month basis
 - b. Fund future growth
 - c. Create the necessary profitability
 - d. Provide the desired investor return
4. Specifying the tactics to employ in implementing the plan (such as Lean, team building, and team-based problem solving, to name a few)
5. Creating a "balanced" scorecard of financial and operational metrics that indicate progress toward goals and drive the collective behaviors of the enterprise. This step provides the feedback that ties the whole plan together, establishes accountability for results, and drives continuous improvement.

"Deployment" is the key word. It sounds like a military term, doesn't it? Most markets in the world are not currently growing. If a business must grow to survive and thrive, then it will have to take business from someone else.

In frank terms, we are all in a global war for market share. On a local or regional level, it's the same. There's only so much business to go around, and when you get new business, you take it from someone.

Why do so many businesses fail to implement their plan?

It all sounds pretty straightforward, right? So why do so many businesses fail miserably at strategic plan deployment? I'm not talking about just large companies. This gets right down to the average 10-12

person marketing communication firm. In fact, it's even more critical in the small company.

Here is how to avoid the major reasons for failure that I have seen over the last 25 years:

- Ownership and management have to "walk their talk" by promoting and living up to the firm's vision, mission, values, and commitment to change. Consequently, they must put the right people "on the bus."
- Sales and Marketing must really understand what it takes to fulfill clients and keep them energized, so they will pass along that critical understanding to the rest of their organization.
- The company must start only the projects it can reasonably expect to get done so that critical resources are not spread too thin. Otherwise much may get started but little will get done, and people will get extremely frustrated.

- " Ownership and management must be patient enough to guide the company to measurable results. They need to avoid initiating various other improvement tactics, or the improvement effort will quickly become the "flavor of the month" approach, and people will get confused and angry.
- Everyone must really understand that "what gets measured gets done." The deployment should leverage peoples' natural desire and ability to meet and exceed their goals, and be accountable for their performance.

There you have it. That's how the strategic plan sets the stage for a Lean environment. Remember, LEAN is purely an execution tactic that increases productivity and reduces cost. Who can afford to have fast, low-cost execution of lousy plans?

No one!

Least of all, you.

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August 7-8	Synergy Agency Network	Vail, Colorado
September 5-6	Strategic Agency Network	St. Louis, Missouri
September 22-23	AE BootCamp 3.0	Baltimore, Maryland
October 8-9	Marketing Resources Agency Network	Muskegon, Michigan
October 16-18	Innisbrook Agency Network	Kennebunkport, Maine
October 31 – November 1	AMR Management Roundtable	Scottsdale, Arizona
November 7-8	Alliance of Marketing Communication Agencies	Rapid City, South Dakota
November 13-14	Roundtable of Agency Management Principals	

If you would like a program brochure that includes meeting information, an agenda and a registration form, go to the AMR website and download the PDF brochure for the meeting. You'll find the link on the home page, and on the appropriate workshop page. www.agencyroundtable.com

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