



DOES YOUR BUSINESS REALLY HAVE A STRATEGY?

By Rich Horwath

Many executives are quick to blame the poor economy for their business tanking, but there may be another culprit for languishing revenues – lack of a strategic plan. According to a survey in the Harvard Business Review, nearly 50 percent of the business failures in the US resulted from flawed strategies – not poor execution, which is where most executives place the blame.

Part of this phenomenon is that companies create strategies, write the plans, and then let them languish in a desk drawer. They suffer from an organizational lobotomy: mindlessly doing the same things in the same ways as their competition, year after year, and expecting miraculous new growth. They act like zombie bumper cars, constantly spinning in different directions because they're always being reactive, instead of proactive. The irony is that most of them wouldn't dream of going a year or two without preventative maintenance on their cars, like changing the oil, checking the filters and rotating the tires. Yet those same people will go a year or more without a similar type of diagnostic or tune-up on their business. Executives spend more time tuning up our \$40,000 cars than our multi-million dollar companies.

A simple five step process could unlock the potential of the strategic plan.

DISCOVERY

In this phase, you are pulling together everything you know about strategy, market

intelligence, competitive intelligence, customer data and industry data so you have a solid bank of information on which to base your primary business assumptions.

STRATEGIC THINKING

Getting together with your development team, you take the information from the discovery phase and then use tools and models to generate new insights and discover what is going on in your business and how your business is moving forward in the future.



STRATEGIC PLANNING

This takes the insights from strategic thinking and channels them into an action plan to achieve your company's major goals and objectives.

STRATEGY ROLLOUT

A lot of times companies will create a strategic plan, but then they leave out the communication step. This leaves the employees who will be responsible for implementing the plan in the dark with regard to what they need to do in order to execute against that

plan. Research suggests that 95 percent of company employees don't understand the company strategy, so how can they be expected to work the plan if they don't know the plan?

STRATEGY TUNE-UP

Like that diagnostic tune-up of your car, this step forces companies to look under the hood of their strategic plans to evaluate what is different, what has changed and what is new since they created the plan.

This allows companies to then make adjustments in their tactics to fit the new conditions. It helps answer the ongoing question *Are we on the right path?*

In all cases, new growth comes from new thinking. Expecting new growth for your business without new ways of thinking about it is like a farmer expecting new crops to grow without first planting the seeds. Creating and implementing a solid strategic plan can mean the difference

between languishing and flourishing in this new economy. ■

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