



StrategyDriven

Strategic Planning Warning Flag 2 - Near-Term Focus

Executives and managers maximize their organization's value through transformative change brought about by the effective execution of a long-range plan. Some executives and managers, by setting long-term goals, the achievement of which is supported by a tactically flexible long-range plan, establish the conditions necessary for their organization to realize the significant benefits of transformative change. In other organizations,



executives and managers concern themselves with small incremental improvements, eliminating the possibility of attaining the breakaway successes of truly great organizations.

Strategic planning is about aggregation and the long-term. Tactical execution is about individuals and the near-term. When elements of the strategic plan are overly focused on near-term goals, the organization's business perspective skews; becoming one of short-term gains at the expense of much more significant long-term advances. Subsequently, projects tend to be of short duration in turn driving budgets and personnel resource projections to one or a few years. The organization becomes so pervasively short-term focused that its actions become reactionary to rather than shaping of the market environment. Remaining relevant and in business becomes the day-to-day objective rather than advancement and value creation.

Near-term planning is a result of either the planning process itself or the way in which the process is executed. While not all inclusive, the four lists below, *Process-Based Warning Flags*, *Process Execution Warning Flags - Behaviors*, *Potential, Observable Results*, and *Potential Causes*, are designed to help organization leaders to recognize whether their planning efforts are too short-term focused to enable transformational change. Only after a problem is recognized and its causes identified can the needed action be taken to move the organization toward improved performance.

Process-Based Warning Flags

- strategic business planning does not drive the development of clearly defined, quantitative, long-range goals (and may not result in the development of any goals)
- strategic planning processes do not examine the business environment in an effort to understand and project future customer needs, technology trends, and economic circumstances
- duration of strategic projects is often set at one year without regard to actual time needs and frequently without a needs assessment

Process Execution Warning Flags - Behaviors

- executives and managers resist assignment of long-range goals
- executives delegate goal setting to managers, who by their positions tend to be more tactically focused
- executives and managers are indifferent to business environment trend analysis and projections
- lack of executive participation or oversight of activities not under their direct functional control
- expressions of activity importance absent a mission-based goal contribution

Potential, Observable Results

- strategic plan consists largely of one year projects, typically starting on the first day of the business year
- budgets and financial projections, including capital expenditures, are of a short duration
- projected personnel resource needs are often limited to one or a few years or are non-existent
- projects tend to be very narrowly focused, involving and benefiting only a small portion of the organization (a single or a few business units)
- continuous change in organizational direction resulting in a lack of focus, purpose, and commitment
- organization becomes reactionary to the business environment rather than a leader within it
- diminished organizational gains relative to other competitors
- low accountability resulting from continuous change and dismissal of past performance goals

- workforce knowledge, skills, and experience stagnation resulting from the lack of long-term transformative change

Potential Causes

- lack of a long-term vision for the organization
- inability of executives and managers to see the broader strategic picture
- organizational belief that past practices will continue to yield positive results indefinitely
- existence of a dysfunctional executive (primary) and/or management team often the result of a lack of trust, commitment, and/or accountability
- lack of shared accountability for the organization's performance among executives (primarily) and managers
- hesitance to commit to long-term goals because of low accountability or a fear of failure
- short-term nature of the individual incentive program
- rewards based primarily on individual achievement often within one's functional area
- lack of reward for team-based efforts, especially cross-functional teams which are commonly required for meaningful, long-term initiatives
- hesitance to commit to long-term goals because of a rapidly changing market

Additional Information

The following ***StrategyDriven*** recommended best practices are designed to reduce the likelihood of near-term planning while simultaneously fostering mission-based planning.

[Strategic Planning Best Practice 1 - Make the Mission Measureable](#)

[Strategic Planning Best Practice 2 - Prioritize the Mission](#)

[Strategic Planning Best Practice 3 - Strategic Discipline](#)

[Strategic Planning Best Practice 6 - Focus on Strength](#)

[Strategic Planning Best Practice 7 - Shared Accountability](#)

[Strategic Planning Best Practice 8 - Results First, Action Second](#)

[Strategic Planning Best Practice 10 - Future Focus](#)

[Organizational Performance Measures Best Practice 1 - Vertically Cascading](#)

[Organizational Performance Measures Best Practice 2 - Horizontally Shared](#)

StrategyDriven contributors have created several illustrations to visually depict the mission to programs, budgets, and procedures alignment. The [Strategic Alignment Model](#) highlights the

alignment that should exist between an organization's mission and its programs, budgets, and procedures. The [Strategic Organizational Alignment Model](#) reveals the typical executive and managerial responsibilities associated with identifying, reaffirming, and translating the organization's mission into goals and objectives and then into programs, processes, and procedures.

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