

The Corporate Strategic Plan

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When I worked for an Architecture/Engineering/Planning firm, I always took pride in my ability to understand corporate clients and serve their needs. So, when one of my clients offered me a job as Manager of Facilities Planning...and, the opportunity to develop a planning group for a major corporation...I thought I was well qualified to handle the job. I was familiar with the client. I understood their business, and I knew the people well.

So, imagine my surprise when I had a great awakening. I very quickly realized that my new employer was not in the buildings business. They were in the energy business. Well, your corporate clients aren't in the buildings and work environments business, either. In fact, work environments are frequently a distraction from your corporate clients' daily work...their mission...their core business.

Every day, they think and worry about stuff totally unrelated to buildings. They think about their business, their future, their customers, their products and services, their competitive environment...not buildings.

Traditionally, Design Professionals have viewed buildings as the ends. To our corporate clients, they are just the means. Facilities are a tool, just like computers, machinery, vehicles and inventory, that our corporate clients use to attain their business goals.

In the past, Design Professionals' role has been "Producers of Work Environments." We should think of ourselves in a future role as "Providers of Business Services"...as Management Consultants who help their Clients realize their business goals.

Corporate clients' business goals are formulated through the Strategic Planning Process and expressed in the Corporate Strategic Plan. For you to help your clients realize their business goals, you need to understand your clients' Strategic Plan and their Strategic Planning Process.

Although many large corporations have a well-organized Strategic Planning Process, which effective consultants should understand, most small and mid-sized corporations do not have a strategic plan. A 1987 survey of all Fortune 500 companies by J.A. Pearce and F. David indicated that only 28% had a mission statement. While this number has certainly grown, there is a real business opportunity for the Design Professions.

Casey Stengel once said, "If you don't know where you're going, you might end up somewhere else." Although we probably don't think of Casey Stengel as a noted management consultant, his statement clearly applies to business. The Pearce and David research shows that companies who engage in strategic planning outperform those that do not.

In 1981, Russell Ackoff described four approaches to planning:

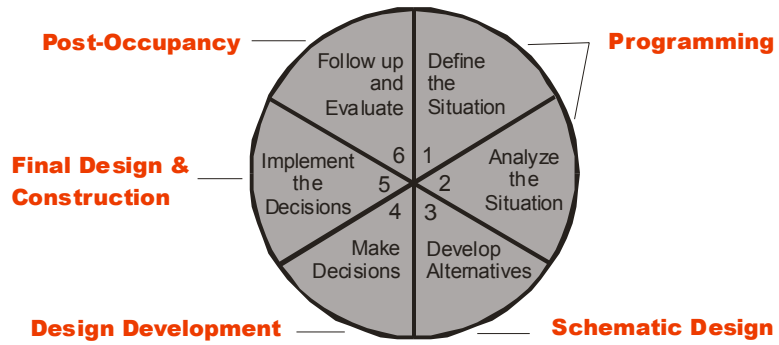
- Reactive...planning through the rear-view mirror,
- Inactive..."going with the flow,"
- Preactive...preparing for the future, and
- Proactive...designing the future and making it happen.

Strategic Planning is the solution to proactive planning.

Strategic Planning is "The process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future...the plan that helps an organization create its future." (L. Goodstein, T. Nolan, J.W. Pfeiffer--1993).

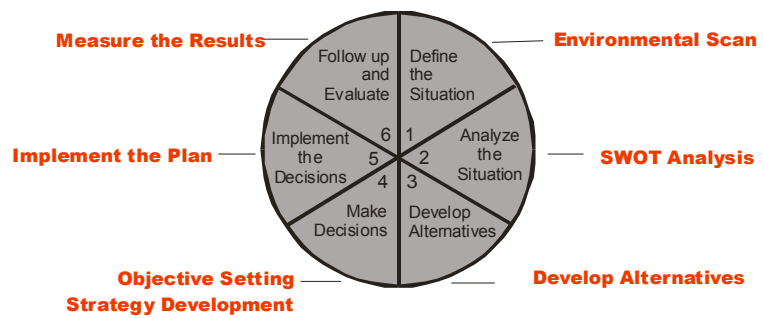
Strategic Planning is not rocket science. It's similar to the Design Process we all know...or, any problem solving process you've used in the past.

Design Process



The steps in Strategic Planning are fundamentally the same as the Design Process. They only differ in the techniques and the outcomes.

Strategic Planning & Management Process



Strategic Planning and Management Process

Step 1--Define the Situation

- **Conduct an Environmental Scan**--Examine the Macro/External Environment, the Industry Environment and the Competitive Environment. Determine what's happening now, and what will happen economically, technologically, politically, culturally (socially and demographically), and environmentally. The Environmental Scan should consider such things as population, food, energy, science, communications, labor, industry, education and training, welfare and international alignments.

Step 2--Analyze the Situation

- **Perform a SWOT Analysis**--Examine the Company's Internal Situation in terms of **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats. Look at what the company does well; what it doesn't do well; what opportunities exist or will exist, and what are the threats. Examine staff capabilities, financial and technological resources, products and services offered, customers and ability to compete.

The Outcomes of Steps 1 and 2 are the Company's **Vision, Values, Mission and Critical Issues**, which provide the context for the Planning effort.

- The **Vision Statement** is a short, inspirational statement that expresses the desired future state of the company...what the company aspires to become. It is clear and powerful; describes how things can be; and, can arouse and sustain action to make the vision a reality.
- The **Values Scan** is a clear examination and articulation of the personal values of the planning team; the values of the organization as a whole; the organization's operating philosophy; the organization's culture; and the organization's stakeholders. Shared values might include excellent customer service, high ethical standards, empowered employees, teamwork or public health and safety.

- The **Mission Statement** clearly articulates the organization's reason for being...its purpose...providing a template for decision making at all levels. It answers the questions:
 - What functions are performed?
 - Who is served by the function?
 - How does the organization fulfill the functions?
 - Why does the organization exist?



-L. Goodstein, T. Nolan, J.W.

In the 1987 Pearce and David survey of Fortune 500 companies, the mission statements of the high-performing companies addressed eight key components.

1. Target Customers and Markets
 2. Principal Products and Services
 3. Geographic Domain
 4. Core Technologies
 5. Commitment to Survival, Growth and Profitability
 6. Key Elements of Corporate Philosophy
 7. Corporate Self-Concept
 8. Desired Public Image.
- **Critical Issues** are defined as a result of the Environmental Scan and SWOT Analysis. These are the major issues that must be addressed by the organization to achieve its vision and mission. These issues also provide the context for the organization's planning activities.

Step 3--Develop Alternatives

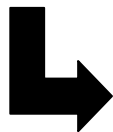
This is the fun part...it's essentially brainstorming. Creatively develop and explore the alternatives that will move the organization toward achieving its vision and mission. Alternatives might include entry into new lines of business; or, streamlining operations, focusing on core businesses.

Step 4--Make Decisions

- **Decide on objectives.** An objective is an intended accomplishment, designed to resolve a critical issue and/or improve the execution of key operational responsibilities.
- **Decide on strategies.** A strategy is a statement of how an objective will be achieved through the allocation of human and financial resources. It frequently specifies a time frame for accomplishment.
- **Decide on Performance Indicators.** A performance indicator is an observable measure or attribute that reflects how well an organization is implementing or accomplishing its strategies in support of an objective. It tells how the organization will know it has succeeded.

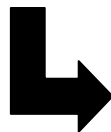
Corporate Objective:

"Meet or exceed customers' expectations in all aspects of customer service."



Corporate Strategy:

"Enhance and implement systems and processes that provide customers ready access to the company."



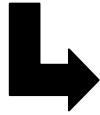
Corporate Performance Indicator:

"Achieve customer satisfaction index of 90%."

- **Communicate Decisions to Business or Organizational Units** (the Company's Departments). Each Department then develops a Business Plan with a mission statement, SWOT analysis, objectives, strategies and tactics, including financial resources devoted to each tactic. Each Department's business plan is developed to support the Corporate Strategic Plan.

Customer Service Department Objective:

"Answer all customer calls within 30 seconds."



Customer Service Department Strategy:

"Increase customer telephone access capacity."

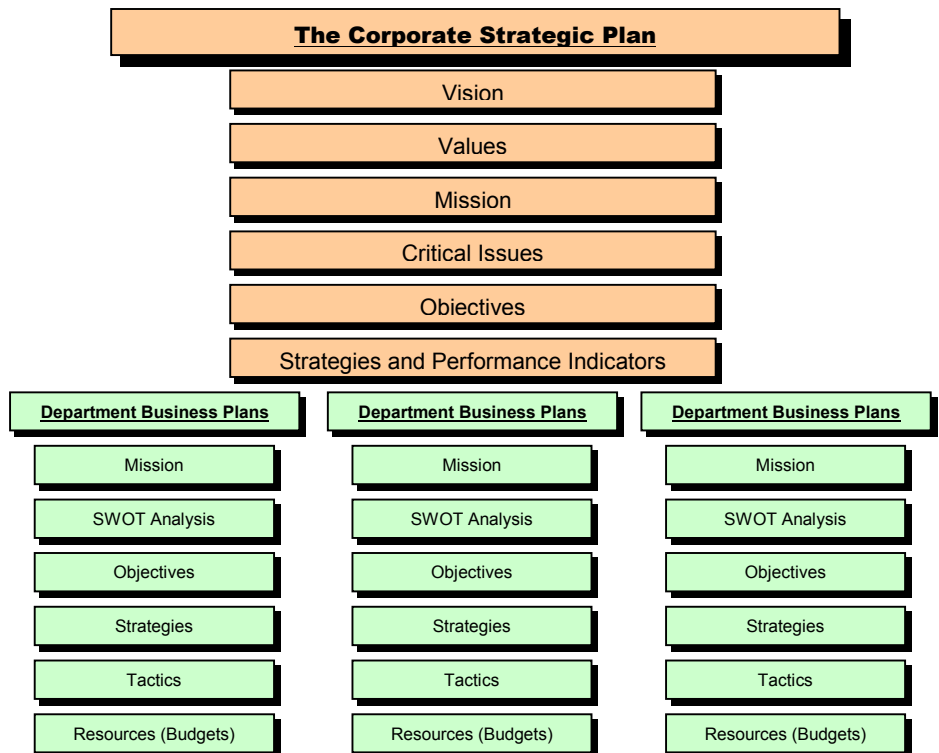


Customer Service Tactic:

"Conduct study to determine best methods to increase customer telephone access capacity."

Financial Resource Requirements: \$100,000

The result is a Corporation in alignment, moving toward a future it is creating. Each Department's mission, objectives, strategies, tactics and budget are defined by the Corporate Strategic Plan...and more importantly...support the Corporate Strategic Plan.



Step 5--Take Action

- Implement the Plan and make it happen. Each Department works the plan to achieve its objectives, which support the Corporation's achievement of its objectives.

Step 6--Follow up and Evaluate

- Throughout the year, on a routine basis, everyone in the organization monitors and reports on the progress of the plan implementation. The Corporate Strategic Plan is generally written to cover a three-year time frame, and is updated annually. So, the Strategic Planning Process begins all over again...every year.

Why are Design Professionals qualified to do this?

There are many Management Consultants who help clients develop Strategic Plans, but few who help clients implement them. Design Professionals are qualified to do this because we are **Visionaries**. We can see things that others cannot see. We can see things that do not yet exist in reality. We have imagination and vision.

Design Professionals are qualified to do this because we are **Facilitators**. We help clients express their needs. We help clients resolve conflicting priorities. We help clients make important decisions.

Design Professionals are qualified to do this because we are **Implementers**. We are able to turn concepts into reality. We integrate ideas, people and actions to produce finished physical environments.

Design Professionals are qualified to do this because we are able to analyze the factors that can determine the client's future, and synthesize the factors into a coordinated, integrated Strategic Plan to create the client's future.

If you help your clients develop and implement their Strategic Plans, you're better prepared to produce better results...helping your clients achieve their business goals. So, commit to providing business services to your clients, and increasing your business value.

References:

Applied Strategic Planning: How to Develop a Plan that Really Works, Leonard Goodstein, Timothy Nolan and J. William Pfeiffer. 1993, McGraw-Hill.

Managing the Professional Service Firm, David H. Maister. 1993, The Free Press, Division of MacMillan, Inc.