



# WHAT'S THE PLAN?

BY RICH HORWATH



BE STRATEGIC OR BE GONE

STRATEGIC  
THINKING  
—INSTITUTE—



Let's face it: when it comes to our personal life, we do a lot of planning. We make vacation plans, plans for dinner, plans to catch up with friends, plans for which show to watch next, and plans for the holidays. **But what about a plan for your business?**

## HERE'S THE TOP 5 COMPLAINTS ABOUT PLANNING AND MY RESPONSES:

**Takes too long** | Not as long as filing for bankruptcy.

**I don't need to write it down, it's in my head** | Unless you're a company of one, or your colleagues aren't mind readers, **it needs to be written down.**

**Things change so fast that plans are immediately outdated** | I'll let Microsoft cofounder Bill Gates take this one: ***"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten."***

**We don't need a plan because we're "opportunistic"** | "Opportunistic" is usually code for "flavor-of-the-month" strategy and you're not Baskin Robbins or Dunkin' — **did someone say pumpkin doughnuts?!**



**Plans are too long and nobody looks at them** | **Also true for several Quentin Tarantino movies** but if you can crystallize your business strategy into a 1-2 page plan, it's a game changer for communication and execution (same for Kill Bill Volumes I and II).

A survey by the consulting firm PwC of more than 6,000 corporate executives found that only 37 percent of leaders say their company has a well-defined strategy or plan for the future. In other words, more than half of leaders don't believe they have a real plan that summarizes how they will win in their markets and provide superior value to customers. Dan Helfrich, CEO of Deloitte, says,

“You need to care about it [setting strategy]. Resisting the tyranny of the present, and the gravitational force to spend all your time on internal—efficiency and operations topics at the expense of medium- to long-term strategy and culture—that’s what separates those who are great at strategy and those who aren’t. — Dan Helfrich, CEO of Deloitte

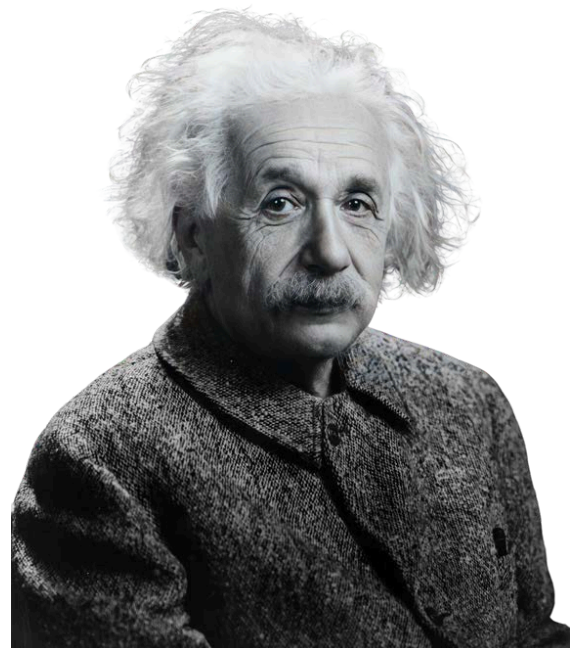
Over the past two decades as I’ve facilitated the strategic thinking and planning process for executive leadership teams from companies ranging from startups to \$30 billion multinationals, **I’ve discovered three key planning principles:**

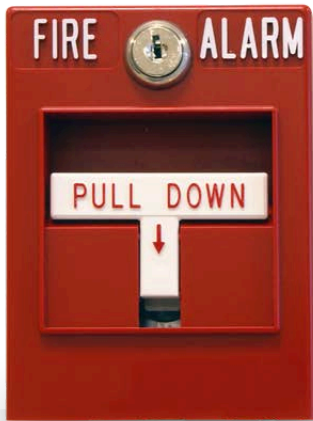
## PLANNING PRINCIPLE #1

### A plan is only as good as the thinking that goes into it.

The main reason that planning is no more than a check-the-box exercise at some companies is because there’s no new insights to spark and fuel it. The strategy development process needs to start with strategic thinking sessions that stimulate new insights, propose contrarian approaches, and shake-up the status quo. If you start the strategy process by pulling out last year’s budget, you may as well put a fork in it because it’s as done as a Maxwell Street polish with grilled onions and spicy mustard (it’s a Chicago thing).

If we consider a funnel, strategic thinking is the large opening at the top where key questions and tools stimulate robust, open-ended conversation about the key business issues. Now we get to the neck of the funnel where strategic planning takes place and we begin discussing which insights to act on and they get channeled into the spout of the funnel which is the resulting plan. Failure to start at the top of the funnel with productive strategic thinking sessions will result in Albert Einstein’s description of insanity: doing the same things over and over again and expecting different results.





## PLANNING PRINCIPLE #2

### A plan transforms chaos into clarity.

My esteemed high school physics teacher Mr. Warner shared this principle with us: “Ordered systems lose less energy than chaotic systems.” While your people may get an adrenaline rush every time there’s a fire drill or someone calls a meeting to chase the newest, shiniest object, after a while, the hectic randomness burns people out. Research shows that people are 40 percent more committed to following a leader and the strategy they develop if they believe the leader is strategic and knows how to set clear direction.

The added qualitative benefit I’ve noticed in groups with a clear plan is confidence. Confidence in what they’re doing and why they’re doing it, which feeds their confidence in believing that they are truly serving the real needs of their customers more effectively than the competition. Are you confident that your business has a winning strategy?

## PLANNING PRINCIPLE #3

### A plan unites and inspires.

Can you recall the last time you were lost? With GPS on our phones these days, it doesn’t happen much. But, if you’ve ever been out for a hike and missed a trail sign or lost track of your young child at a store, it can range from frustrating to terrifying. In an age where no business is guaranteed a future, employees want some reassurance and hope from leadership that they know where the company is going and how it's going to get there. A plan that has input from all relevant team members at different levels and is discussed and reviewed throughout the year creates alignment and engagement.

A plan should not be etched in stone. It’s more like a garden that needs to be tended to, looked at, and fed with new insights on a regular basis. And that begins with each individual. David Novak, cofounder and former CEO of YUM! Brands, shares the approach he took to planning:



**For years I had an embroidered pillow in my bedroom that just said, 'PLAN.' It was a reminder to take time every night to prepare for the following day—to review my meetings, read analyst reports, check in on major projects, and more. I wanted to walk into every day ready to listen, learn, and contribute.**

*– David Novak, cofounder and former CEO of YUM! Brands*

## YOUR TURN

### Assessing your plan.

I developed a brief plan assessment to help teams gauge where they currently are in their planning efforts. **Here are the first five of twenty questions—respond to each statement with a “Yes” or “No”:**

	YES	NO
The plan is updated with new insights throughout the year to remain relevant.	<input type="radio"/>	<input type="radio"/>
The plan clearly identifies a limited number of priorities, so we have extreme focus and are not spreading our resources too thin.	<input type="radio"/>	<input type="radio"/>
The plan drives my daily activities.	<input type="radio"/>	<input type="radio"/>
The plan is a concise summary of the factors that will make or break the business.	<input type="radio"/>	<input type="radio"/>
The plan includes insights in all four key areas: market, customers, competitors and company	<input type="radio"/>	<input type="radio"/>

A plan signifies to yourself and others that you know what you’re doing. Not having a plan, or not having a plan that’s relevant and useful, is a sign that we don’t know what we’re doing. If you “Think—Plan—Act”, you’ll be light years ahead of all those people who do none of these; they simply react.

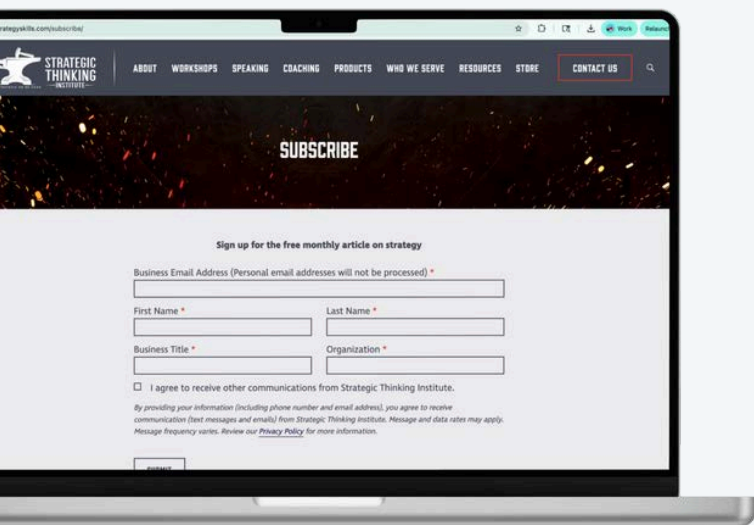
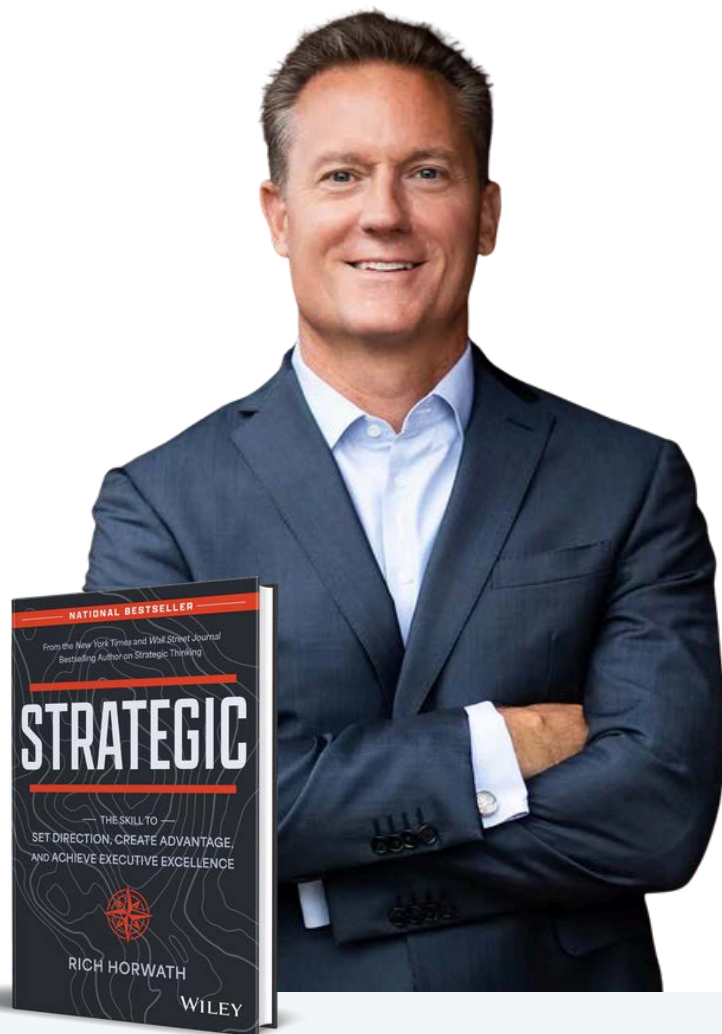


**TAKE THE  
QUIZ & SEE  
YOUR SCORE**

Take the one-minute plan quiz by scanning the QR code or searching the link below, and see how you and your team score:  
<https://www.strategyskills.com/plan-assessment/>

*Rich Horwath is the founder and CEO of the Strategic Thinking Institute where he facilitates strategy workshops to help executive leadership teams think, plan, and act strategically to set direction, create advantage, and maximize their leadership performance. He is a New York Times and Wall Street Journal bestselling author of eight books on strategic thinking, including his newest book: STRATEGIC: The Skill to Set Direction, Create Advantage, and Achieve Executive Excellence.*

*He's authored multiple articles in the Harvard Business Review and has helped more than one million leaders develop their strategic thinking and planning skills over the past two decades in pursuit of his vision to teach the world to be strategic. Rich is a former Chief Strategy Officer and professor of strategy and has appeared on ABC, NBC, CBS, and FOX TV and hosts the Strategic Minds podcast.*



**Sign up for the free Strategic Thinker newsletter at**  
**[strategyskills.com/subscribe](https://strategyskills.com/subscribe)**