

Strategic Planning in the New World

BY AL CHIARADONNA

We talk a lot about the digital revolution in business. But do we really stop to think about the word “revolution”?

Revolutions disrupt and change the way we live, work, communicate, and relate. The digital revolution is changing things at a pace we've never experienced. Today, billion-dollar companies that didn't exist 10 years ago (Airbnb, Snapchat, Instagram, Hulu, WhatsApp) are thriving. And the digital age is creating not only these successful empires but also brand-new, unparalleled opportunities for employment. Ten years ago, you never heard of jobs like social media manager, podcast producer, app developer, data scientist, and telemedicine physician.

As a leader, how do you develop business strategies that keep up with this pace of change? It's easy to believe that strategies have a short shelf life these days. But that's really only true if you define strategy as the outcome instead of a dynamic process. Strategy is how organizations create and capture value. This definition hasn't changed in today's fast-paced world, but the pace of change has impacted how we run and execute our strategies. It's no longer enough to build a strategy, present it, implement it, and check back in a couple of years to see how it's going. While implementing

your strategy, you must be engaged and listen to ongoing feedback in order to measure, learn, and constantly adjust.

The market is changing so quickly today that planning beyond a year or two is incredibly hard to do (with any certainty, at least). That's why it's vital to create an “intended” strategy for the next 12 months with the flexibility and courage to adjust it based on what emerges throughout the year. But don't react to everything—only to those things that truly challenge or discredit your business assumptions. If you don't know specific assumptions that went into your strategy, it will be hard to know when to react to changes in the market.

A focus on the following four elements will help leaders build a solid business plan and a dynamic strategy that can keep pace with the rate of change brought about by today's digital revolution.

DEBATE ASSUMPTIONS

Strategy begins with candidly debating assumptions without judgment, followed by focusing on the most important drivers:



Customers. Who is buying from you, and why do they buy? What are your customers' current and future pain points, and do your solutions address those challenges? Are your customers satisfied? Loyal? Loyal customers buy more from you and provide referrals.

All relationships, even those with loyal customers, have their ups and downs, but it's how you react during the lows that will shape relationships and build longevity. Identifying short-term and long-term risks in each relationship can help you focus on areas of opportunity to strengthen the customer relationship.

Solutions. What are your customers buying from you and how do they consume it? Are you fairly pricing your solutions for the delivered value? What is the competitive landscape? Do you understand your place in the market—strengths and challenges? Do you understand the capabilities that make up your products and services?

When the market changes, we sometimes incrementally improve products instead of stepping back and looking through the product or service. By evaluating the underlying capabilities, we can potentially identify opportunities to combine capabilities in order to build completely new solutions or enter new markets.

Workforce. This is your strongest and most valuable asset as an organization. Do you understand the "social contract" or the relationship your company has with its employees?

This is becoming increasingly critical as employees have more choice than ever before. Happy employees translate to happy customers, and happy customers translate to profits. But if employees don't feel valued, they move on, taking their domain expertise (and maybe some of their co-workers) with them.

It's never been more important to debate assumptions as they relate to your workforce because your strategy is irrelevant without them. Just as we developed a focus on "customer value propositions" in the last two decades, the next 20 years will be about "employee value propositions." This is the age of the employee—don't make the mistake of underestimating that.

Culture. Culture is the way people interact with one another. It is human, dynamic, and driven by leaders' core values and beliefs. People act the way they are treated. Do you have policies and procedures that instill a sense of belonging and/or trust? Do you have a future-focused culture? Imagine a culture that connects people and unlocks their collective intelligence, rather than one that isolates them in performing a given task and pits them against one another. Envision a culture that builds bridges, not silos, to get work done efficiently within teams and across the organization. These are the opportunities a future-focused culture creates.

Most activity happens as a result of open communication, and working as a team creates the opportunity to face



challenges together. As a leader, driving accountability starts with you and your ability to articulate the strategy and goals. By debating assumptions and creating open dialogue with your team to set the goals, you should have the necessary buy-in to build and execute the plan, as well as agreement on the metrics for success. What are the expectations? What are the options for building an action plan? Most want to focus only on action, but many may waste a lot of energy and time focusing on the wrong problem out of the gate. Debating assumptions builds buy-in and also creates a platform for people to openly share the challenges they face as these assumptions are executed in the real world. When everyone owns the strategy, it becomes dynamic.

DEVELOP GOALS AND COMMUNICATE

Once you debate assumptions openly and honestly, you can begin to develop goals. The goals need to be specific, and you will need to determine how you'll measure whether those goals are met. Metrics should be both process-oriented and results-oriented.

A strategy is hard to implement without a measurable process to gauge progress and learn. A formalized process allows for celebrating milestone metrics along the way. In many businesses, goals won't be met overnight, so measuring and acknowledging progress is critical in keeping your team motivated and focused on achieving the end goal. More important, measuring progress or activity helps people build confidence in reaching their longer-term, result-

oriented goals. For example, measuring sales funnel activity provides insight into whether sales professionals are making enough connections to hit their annual targets.

The end goal is your result-oriented metric, which can include revenue, expense, profit, and workforce. It's important to be clear from the start about what success looks like in all categories:

- Do you want to focus on recurring revenue growth, overall revenue growth, or both?
- If evaluating expense, will you measure productivity improvement as a cost per revenue dollar? Or will you examine quality and focus on warranty claims or spoilage?
- Will you measure workforce satisfaction based on customer and employee attrition, number of promotions, product/solution experiments, or a combination of several metrics?

Don't sugarcoat progress. Ask "why" when the strategy is working—and when it's not. What can the team do to keep a trend alive or change course? Questioning with a tone of curiosity and learning, not judgment, tends to elicit more honest feedback. The focus isn't on what's right or wrong—it's about understanding and making truly informed business decisions as a result. Always strive to understand what is causing the business to act the way it does, good or bad. Don't run from the facts, embrace them. It's not about being "right" in a dynamic world, it's about adaptability.

COMMUNICATE AND MEASURE: THE BATTLE OF “INTENDED” VS. “EMERGENT”

While focusing on the deliverables, it's crucial to keep people informed throughout the process. Share assumptions and how they were used to develop the goals. Additionally, you want to communicate the result-oriented goals and how the process and activity metrics align to them. When communicating, think about the audience and how it will hear the message you deliver. Most companies think strategy is a secret and, therefore, dilute communications so they don't give away secrets. But the real secret ingredient is execution. Just because you know what someone plans to do, doesn't mean you can actually do it.

Communicating your strategy should extend outside the walls of your organization to an external audience. Clients often value the strategic process as much as they do the end result, and they're a critical component of managing your intended strategy in reaction to emergent trends. Knowing your customers and incorporating their thoughts, ideas, and support provides opportunities for improvement. That open dialogue drives reliable execution. After all, your customers are faced with the same pace of change you deal with regularly, and developing deep-seated, candid relationships can only help you manage the changing tides together.

Don't forget that an agreement to execute is a promise. How will you measure whether you kept your promise? Be deliberate about exactly what you will deliver and when you will deliver it—even share an example of what the end result may look like. But don't get caught in the trap of defining how you will do it; you need flexibility and opportunity to get it done the way you see fit. Treating your clients like partners will go a long way in helping you manage the ebbs and flows of strategy execution in a rapidly evolving world.

INVEST IN COMMUNITIES OF PRACTICE: THE FUTURE OF RELATIONSHIPS

In today's hyperconnected world, at the heart of any strong strategy lies the connection of communities: employees, partners, customers, and society. It's not about the product or services sold; it's about a business's purpose, the connection to the various parties, and the communities of practitioners we build.

Your industry doesn't matter. Whether you are in financial services or telecommunications, B2B or B2C—people want to connect with other people. It's that simple. Sometimes we come to work and think we have to check our human qualities at the door. The reality? We spend a vast majority of the week at work with co-workers, clients, and partners. We should feel a greater connection to them. Regardless of the product or service you sell, are you providing opportunities to engage on a deeper, more personal level with the people you interact with?

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You already have something in common, given you work in the same industry. Find greater purposes and watch how fast stronger connections are built.

Communities are organic (which is what makes them so great), and they're contagious. It's surprising how much people will open up once they're invited into a conversation. And that conversation and feeling of community is the single greatest way to build trust and authentic, long-lasting business relationships.

Keep community in mind as you build and launch your strategy. Audience development is a key ingredient in your strategic planning approach. Are you focused solely on existing customers and solutions? Will you look behind the curtain and visualize the true needs of your current and future markets? Are you deploying human capital to its full capacity? Do you provide transparency and opportunities for open dialogue? Employee and client events, virtual meetings, social media, blogs and special interest clubs are all excellent ways to facilitate connection.

Business doesn't have to be all business, and community can actually be a fantastic catalyst for moving a business forward. Being part of the conversation (versus sitting on the sideline) provides direct exposure to all voices: the employee, customer, and market. Incorporating community into your strategy not only helps strengthen execution but also separates the future leaders from the followers.

A leader's job is to maintain relevance in an ever-changing world. To stay relevant, every business needs a strategy that's contextually timeless with flexibility and evolution baked into it. There's certainly more than one right approach to execution, but the four elements discussed here are critical to strategic planning in the new world. Be bold, be collaborative, and have confidence in your strategy, but not arrogance—it's the quickest way to kill the potential for success. [AQ](#)

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