

Foundational Elements of a Strategic Plan

In this Business Acumen Brief, we review the fundamental elements of the strategic plan for a system integrator to be compliant with CSIA certification requirements. We will not only review the actual requirements, but also discuss actual implementation according to leading publications such as *Traction*, by Gino Wickman.

Now admittedly, there are folks that think Strategic Planning is just a waste of time. Others that just don't think they have the time to work on it and wonder if they can just buy one online. But, done correctly, strategic planning is a recurring process whereby an organization makes choices:

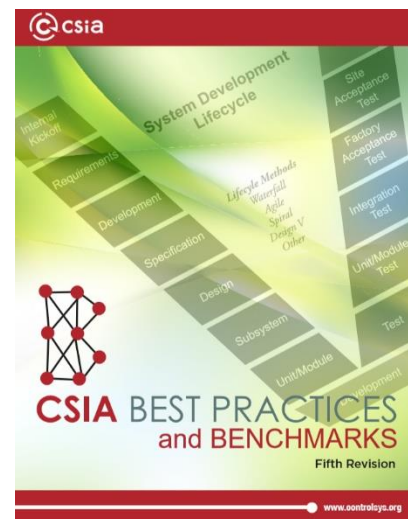
- Why do we exist?
- What are our major goals?
- What resources do we need for a successful future?
- Who will be our customers?

Strategic planning is not a way of making future decisions or creating a blueprint of the future. There is just no guarantee for a plan without having to periodically revisit it and make changes. So, it doesn't have to be long and drawn out, but rather a living document that is reviewed annually, modified as needed, and used to drive the organization forward.

Mission, Vision and Objectives

The first requirement (1.1.1 of the Best Practices and Benchmarks) regarding a strategic plan is that the integration company is clear about its purpose, strategic objectives and goals.

- The mission and/or vision statement should be written. The creative act of writing a mission and/or vision statement forces management to evaluate the direction of the business.
- The written mission and/or vision statement should be publicized to all employees. It should be posted or otherwise available to all employees.
- The mission and/or vision statement form the basis and starting point for the business plan.
- Strategic objectives which are in line with the mission and/or vision statement should be developed which can be used for developing tactical business plans.
- Competitive strategies as to how the integrator will compete in the marketplace should be considered



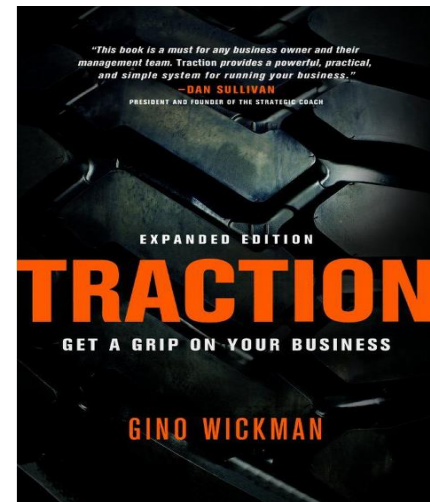
- The business climate, market and industries shift and change over time. A company, therefore, should periodically evaluate the effectiveness and relevance of its management and key positions to meet its organizational requirements.
- The business plan should include an Executive Summary or Statement of Purpose which describes the objective of the business and required resources to achieve the objectives.
- Key areas of the business which should be addressed by the business plan include marketing, sales, operations, finance and personnel development and other items that affect revenue strategy.
- While the business plan is proprietary, all key employees should have access to it and should be aware of its content.

Your Core Focus

In his book Traction, by Gino Wickman, he declares that your Core Focus consists of two things (your purpose and your niche) which you must define with absolute clarity.

With respect to your purpose or some people say 'your passion' or 'your cause', he suggests that it should not be business or market oriented, but rather a core ideal. And, he provides a checklist. You should be able to state it in 3-7 words and in simple language. It should be 'big and bold' and have 'aha' effect (meaning 'of course' that makes sense). It should 'come from the heart' and resonate with both you and your customers. Finally, it's not about money, and not just a goal, but a mission!

When defining your niche, first consider ... what do your clients say that you do better than anyone else? If your customer recognizes your unique value, it will be easier to define your leadership position. And, then use it as a filtering mechanism for making decisions that are consistent with your value and meeting your customer needs. Secondly, your niche should be difficult for COMPETITORS to claim. In fact, ideally, your competitors would have to say just the opposite. For instance, if your office is close to your potential customer and your competitor is in another state. If you claim to have great quality your competitor is not going to say they have poor quality.



Company Values

The second requirement (1.1.2) regarding a strategic plan is that the integration company has documented business values that are clearly understood and accessible.

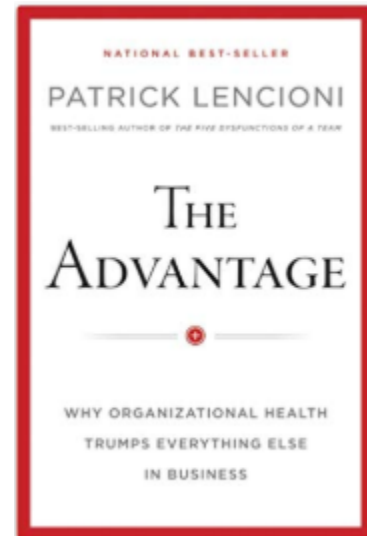
- The business values should be at the core of the business plan with clearly listed goals and objectives.
- The business values should be clear and unambiguous and documented as guidelines for the integrator.
- Values such as worth of human life, honesty, integrity, safety, social responsibility and respect for the dignity of others should be at the core of the business values.

- Values such as ethical business decisions, fair dealings with clients, employees, and suppliers and honest competition are layered around the core values.
- The values should be part of the business lifestyle. The business owners and managers must set the example.

While the values requirement is not a requirement for certification, it is a vital part of your strategic plan.

Core Value Types

According to Patrick Lencioni in his book, *The Advantage: Why Organizational Health Trumps Everything Else In Business*, core values lie at the heart of the organization's identity, do not change over time, and must already exist. In other words, they cannot be contrived. Core values are not a matter of convenience. Core values are an integral part of organization. They guide every aspect of an organization, from hiring and firing to strategy and performance management. So, you know when you have identified your core values correctly when you are willing to be 'punished' for living those values and when and accept that employees will sometimes take those values too far. In order to determine, your core values, you must also consider what they are not, including Aspirational values, Permission-to-Play values, and Accidental values.



Aspirational Values

These are the characteristics that an organization wants to have, wishes it already had, and believes it must develop in order to maximize its success. They are neither natural nor inherent, but rather qualities that you hope to instill in your organization through intentional management. So, be careful not to confuse aspirational values with core values. It is a common mistake, so it is important that you understand the difference.

Permission-to-Play Values

These values are the minimum behavioral standards that are required in an organization. Values that commonly fit into this category include honesty, integrity, and respect. These values are so generic that that you see them in values statements of every mediocre company. If they are a fundamental operating tenant of all players in your market, then they do nothing to differentiate your company, so have little real value. So, while you may want to recognize them as a requirement of the business, you shouldn't confuse them with the core values that make your company unique.

Accidental Values

Finally, you should consider that there may your organization may exhibit unintended traits that have developed over time. For instance, introverted engineers may tend to hire other introverted engineers which may eventually limit your ability to manage and develop customer relationships. So, you should also take stock of accidental values that may prevent organizational growth.

Objectives, Goals, and KPIs

The third requirement (1.1.3) regarding a strategic plan is that the integration company has a process for establishing short-range objectives and goals and monitoring company performance with established Key Performance Indicators (KPIs).

- Monthly, quarterly and/or annual objectives and goals should be established for short term review of status. These goals and objectives should be congruent with the longer-range strategic goals and objectives.
- The short-range goals and objectives should be set by the people who have the responsibility of meeting them in collaboration with and the agreement of their managers. The goals and objectives should be specific and measurable, challenging yet obtainable; and can be financial, operational and non-operational in nature.
- Standardized tools, such as periodic company financial reports, resource loading and allocations, marketing reports, schedule reviews and technical reviews along with KPIs should be in place to allow monitoring performance in reaching short term goals and objectives. Feedback should be given frequently, and corrective action should be taken as needed.
- Management should receive KPIs in a timely fashion based on an established reporting schedule.
- Responsibility for submitting the performance indicator report should be assigned and identified.

Accountability, Quarterly Rocks, and Issues

In Gene Wickman's book, he asserts that the Traction Component is often the weakest link in an organization. And, it's the inability to turn vision into a business reality that really holds you back.

Creating traction requires two main things:

- Accountability – Defining what needs to get done and who is responsible for seeing that it gets done. Not they have to do it themselves. But a single person must be responsible to see that it gets done.
- Discipline – You must have an effective organizational structure and foster efficient communication to create the discipline required for your organization to gain traction.

He further defines two key elements in the Traction process.

- Rocks - These are the 3-7 most important things that must be done in next 90 days. Company rocks are priorities for the company, departmental rocks are priorities for your department, and individual rocks are priorities for you or another individual. As simple as that sounds, it's easy to overcomplicate rocks. There is no magic formula for what constitutes a rock — it's simply a priority that will take longer than 7 days (those action items are To-Dos) and up to ninety days to complete.





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- Meeting Pulse - You must institute annual, quarterly, and weekly meetings in which you work 'on' your business not just 'in' your business. This is perhaps the biggest challenge for system integrators, they are so busy working on their projects, that they never take the time to work on their business.

Perhaps, one of the most interesting aspects of the Traction Entrepreneurial Operating System (EOS) is that it specifically calls out 'Issues' as an integral part of your business process. These can include:

- Obstacles - Currently preventing you from achieving vision
- Concerns - Might keep you from achieving your vision
- Opportunities - Might provide distractions

So, your business practices should have proactive ways to identify issues, forums to prioritize and discuss them, and find meaningful resolutions. Then, monitor the corrective actions to see that the issue is truly resolved.

Parting Thoughts

Creating a strategic plan is much more than checking a box for CSIA certification. A strategic plan defines who you are as a company, much less charts a course for how the organization will grow. So, take the time to develop a solid strategic plan. And, consider investing in good tools and external facilitation to help create and maintain your strategic plan.