



Creating the Strategic Road Map

Becoming a Full Partner in the Process

By
Dan Chenoweth
Executive Education, Inc.

I'll never forget our company President's wonderful speech vividly painting a compelling vision for the future of our business. He hit all the right notes for those of us in the audience --- his direct reports. "We are the best kept secret in our industry." "We can be #1 in our industry if we just apply ourselves." "Let's look at where we could be, where we **should** be in our marketplace, and shoot for the stars!" After the speech, he pointed to each of us, one-by-one, and asked "Do you believe we can do it?" And one by one we all replied, "Yes brother, hallelujah, I believe!" And we did! At least in that glorious moment.

An hour or two later when we saw each other informally in the hall we began to quietly voice our doubts. While the company's future, as the President articulated, was indeed inspiring, we never discussed exactly HOW we were going to get from here to there. This was my first exposure to a business syndrome I later termed **GWOPs --- "Goals Without Plans."**

Goals without plans is a common problem in business. We develop incredibly far-reaching and aspirational goals. We explain beautifully WHY the company needs to accomplish these goals. However, we never quite get around to figuring out the "details" of how we are going to accomplish them. It is at this point, in the details, that financial managers can win the day in the strategic planning process.

A cohesive strategy is important because it focuses the company's resources. Many organizations spread their resources too thinly by trying to go in multiple

directions at once. Even a small organization can compete successfully if they focus their resources on a small market niche.

Strategic planning is a two-step process with each step being equally important.

- **Step 1: Determine what your strategy is.** What is the unique and valuable long-term position you want to occupy in your marketplace? And, how is that position different from your competitors? What steps will you have to take to dominate this market niche?
- **Step 2: Implement the strategy.** When strategies fail, it is usually because the organization has failed to translate their plans into projects. In other words, we must develop specific strategic initiatives to accomplish the overarching strategy. For each initiative, answer this question: “Who will do what by when and how will the management team measure success?” Then the team must monitor progress against the plan.

Too often the financial manager becomes a passive bystander in the strategic planning process. Others in sales, marketing or operations develop the strategic assumptions without the financial manager’s input. The financial manager’s job then becomes quantifying those assumptions and questioning if they are really realistic. This puts the financial manager in the position of wearing the “black hat” while others get to dream, scheme and optimistically plan the organization’s future. How can the financial manager be a more valued partner in the entire strategic planning process? There are four steps.

Step 1: Make sure your own house is in order. You will have credibility with the rest of your management team only if financial information is accurate and reported on a timely basis. Make sure you can quickly provide answers to the tough financial questions! Position the accounting function as a partner in the long-term success of the business by both accurately reporting the past and providing information to make better decisions going forward.

Step 2: Learn about the other operations and processes in the business. The financial manager’s unique position provides us access to everything that is going on in the company. You, more than anyone else on the management team, can see the big picture and how everything fits. Managers in other departments have a tendency to concern themselves more with their own piece of the puzzle.

Step 3: Be proactive vs. reactive. It is easy to let others develop the strategic scenarios and assumptions. It is much more difficult to fine-tune those

assumptions and/or develop your own scenarios. Learn as much as you can about how to develop a strategic plan. Let others in the organization know that you have this knowledge and are willing to play an active role in partnering with them early on in the process to develop realistic strategic assumptions.

Step 4: Take the lead on strategy implementation and monitoring progress.

The financial manager and the accounting staff are beautifully equipped to help implement strategic initiatives and monitor progress. Project management is our expertise! Let's face it, we financial managers are logical, sequential, time-bound and organized. All the qualities you look for in a good project manager! Offer your abilities and the expertise of your staff to help in the implementation process, either as a project leader or as a valued member of the project team.

Often the strategic planning process becomes a time driven, annual ritual. The CEO and his/her direct reports look at historical information, and then develop strategies based on the false assumption that the future will look like the past. In industry after industry, we find that this is no longer true.

We are in the midst of the most significant shift in worldwide economics that we will see in our lifetimes. Manufacturing is moving from North America to "Low Cost Countries" like China and India. Call centers can be staffed anywhere in the world. Engineering is done 24/7 by virtual teams working around the world in every time zone.

The future will never again look like the past! Financial managers can help senior management scan and monitor the external environment and anticipate what the next moves will be. Financial managers can take the lead in implementing the strategic initiatives that will make the company successful. For financial managers this is our time to rise to the occasion. We can build on our innate organizational and analytic strengths while learning new strategic planning tools to help our organizations be successful in this brave, new world.

Dan Chenoweth is President of Chenoweth & Associates Business Consulting, specialists in developing and implementing strategic plans for small / medium sized businesses. He is the author and frequent presenter of several continuing professional education seminars for Executive Education, Inc. You may reach him by e-mail at Dan@ExecutiveEducationInc.com