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VIEWS FROM THE TOP

Spell success with 5 Cs

Annual planning requires a method based on communication

An annual planning can help businesses achieve their goals. However, a poor planning process can prove to be a major distraction or even disastrous. As leaders think about their 2012 plans, it's critical to look closely at the process of developing and executing the plan. Even if the strategy is spot-on and makes sense for where the organization needs to go, a poor process can derail the plan out of the gate or cause a break down along the way.

Although utilizing an annual planning template with all the necessary components is important, I've observed that when plans fail, it's often due to the planning process itself. In advising business leaders on how to develop annual plans, I recommend they first consider The Five Cs of Annual Planning Success. The 5 Cs help them focus on the overall process, not just the planning template. Although planning of this nature is generally suited for an entire business, the same approach can be applied by leaders responsible for business units, departments or a project.

1. Collaboration: The first process component to consider involves ensuring proper collaboration or inclusion of all key stakeholders in the planning process. Anyone that has a stake in the success of the plan should be included, such as the management team, employees, customers, key vendors, external partners, investors and the board of directors. The role that each group plays will vary, but each viewpoint should be considered. If one or more groups do not feel a part of the planning process, the components that directly relate to those groups will most likely fail or at least not succeed to their full potential. Each group could have something important to contribute and/or end up being an unexpected barrier to success if not consulted.

2. Cycle time: Some businesses take so long developing plans that components of the

plan, or key data that the plan depends upon, are no longer valid once the plan is put into action. The amount of time that a business can spend developing a plan varies according to how rapidly things change within their industry. Some businesses can afford a planning process that takes a quarter while others need a process that takes 30 days or less.

3. Change process: Changes to any plan will inevitably be needed during the planning process as well as during the execution phase. New factors and information will come to light and perhaps prove previous assumptions incorrect. When a change becomes necessary, a process needs to be in place so that communication occurs quickly to all those who need to know. A revised or totally new strategy as well as related action plans must then be launched as soon as possible. It helps to review annual plans on a regular basis (as least quarterly) to see if milestones have been hit and so potential changes can be identified proactively.

4. Culture: Leadership needs to create and promote a culture that not only forgives first-time mistakes but also celebrates their early detection and the related lessons learned. When things do not go as planned, the team needs to pull together and "brainstorm" solutions not "blamestorm" individuals. The entire organization must respect all teammates and encourage the voicing of competing opinions during the planning process. It's particularly important to encourage people on the front lines that they not only have the freedom, but also the responsibility, to speak up. It's these functional areas, such as employees who interact with customers or produce the product, who are usually the first ones to discover the effect of planning mistakes or omissions.

5. Complexity: To be successful, annual plans need to be understandable and achievable. All key stakeholder audiences must be able to easily understand the basic rationale, goals and their key responsibilities in the plan. The plan goals should be set high enough to stretch the organization to higher levels of productivity, but not set so high that they discourage people. Sub-units will need to develop their own plans, but the master plan must be understood by all stakeholders so that all sub-plans link across the organization. Leadership must ensure that all audiences feel emotionally connected to the plan and understand how their efforts affect the success or failure of the overall picture.

Success is mostly about people

Like most business endeavors, the success of annual planning hinges primarily on the level of engagement of those involved. Failure to pay attention to The Five Cs could cause the entire plan to fail regardless of how strong the plan itself is or how well the business performed in the past.

There is a theme that cuts across the Five Cs, and it is the Big C: Communication. Communication must capture the heart as well as the head. Leaders and their planning process must connect with each audience in a way that feels inclusive, respectful and appreciative if they want to have all stakeholders rowing in the same direction toward success. The emotions of an organization set the tone for ultimate success or failure; that is why insightful leaders have learned that CEO really means "Chief Emotions Officer."

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