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# Six Critical Elements of Long-Range Strategic Planning

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Does your company have a five-year strategic plan? Long-range plans are vital for sustained growth because they define and align common objectives, goals and results. Five-year strategic plans are best made when executive teams devote 2-3 days to the task away from daily distractions at the office. Here's a six-step action plan to prepare and hold your own strategy-planning session or retreat.

## Define your outcome

Prior to the planning session, share your ideas and thoughts with your executives about why you want to hold a retreat and why the company needs to complete a strategic plan. It can be as simple as stating that your industry is changing and the company needs to understand the changes and define how it will respond to the changes. Additionally, you should communicate what you expect to accomplish during the strategy session. A successful strategic planning retreat seeks to define the following:

- Where you want your company to be in five years in terms of future revenue, profits, product lines, geographic sales regions, number of employees and other measurables.
- How your company will dominate competitors in its industry. (You'll first need to know the trends in your industry, your major competitors and how you compete with them.)
- Tactical objectives for the upcoming year that will lead to the achievement of the five-year goals.

Communicate to your executives that the purpose of the planning session is to define the above-listed items.

## Prepare with goals, ratings, and SWOT analysis

Have your executive team complete the following pre-retreat exercises:

- State where you think the company should be in five years, and the goals needed to get there. The goals should be specific, measurable and include a time frame.
- Complete a rating survey that compares your company's services and products with that of your top five competitors. This data will be used to complete your competitive analysis.
- Complete a simple SWOT (strength, weakness, opportunity and threats) analysis of the company and of each operating division of the company.

The results of the pre-retreat work should be compiled and sent to the attendees one week prior to the retreat. This will allow them to review everyone's responses and to be prepared to discuss the results. The data and results collected should also be consolidated into a retreat binder and distributed at the start of the retreat.

## Create an agenda

Create a well-defined agenda that clearly states what is to be accomplished each day of the retreat. Allotted times and discussion points should be identified. Expected outcomes should be defined for

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what needs to be accomplished by the end of each segment of the agenda. The committee needs to stay focused on the agenda and make sure that their discussions are constantly moving them towards achieving their meeting goals.

### Mandate participation

At the retreat keep the dialogue open, inclusive, and flowing. If someone is not participating, get them engaged in the process of developing a strategic plan. The CEO needs to make sure that he/she is not dominating the discussion. Using a retreat facilitator is the best way to ensure that discussions are open, creative and in-depth. A facilitator will promote participation from every participant and make sure discussions stay focused on the strategic planning retreat goals.

### Define the outcomes

By the end of the retreat you should have defined the following outcomes:

- Five-year strategic plan with measurable goals, such as: Specific revenue and gross margins goals, sales offices and clients in specified new geographic regions, new product lines or growth plans through mergers or acquisitions.
- A plan for how your company will position itself in the competitive market over the upcoming 3-5 year period. A basic analysis of your competition, industry and how you compete with your top five competitors is a prerequisite to this outcome.
- Up to five tactical objectives that will be completed in the upcoming 12 months. These objectives should be broken down into tasks and assigned to executive team members with measurable expectations and timelines. It's the responsibility of the executive team to drive the achievement of your company's goals down to the desktop of every employee. Strategic alignment occurs when 100 percent of your employees and resources are focusing their efforts on achieving your goals.

### Follow up consistently

Your strategic plan and competitive analysis are living documents that should be reviewed at least two or three times a year by your executive team during a formal two-hour strategic plan review session. Additionally, you should review your tactical objectives weekly with the team leaders who are responsible for achieving the goals of the objectives. Consistent follow-up will ensure you that your company is strategically aligning its efforts on achieving your stated goals and objectives.

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