

Getting Your Money's Worth

CEOs pay a lot of money to have consultants and advisors help them develop a good strategic plan. In taking on new clients as their Chief Financial Officer, I have too often seen in their files a weighty document written largely by the consultant, who then collected his check and disappeared into the night. Months later they wonder why nothing has really changed.

I worked as a consultant with a company a few years that had such a document. The plan was impressive in depth and detail, and everything in it was logical and seemed like the right thing to do—for a larger business, anyway. Their staff would have had to double in size in order to implement the plan's setup requirements and keep up with their burgeoning growth. As a result, it sat on the CEO's bookshelf as a ready demonstration to visitors of how advanced their management team was. My suggestion to greatly simplify the demands and timetables in the plan in order to make it realistic for the size of both the company its budget went unheeded, perhaps because the CEO wasn't willing to acknowledge he had paid too much for too little. The plan never got off the shelf, which means it never yielded any results. And we wonder why many CEOs don't trust business management consultants.

Top CEOs know that the planning process doesn't stop when a half-pound of paper has been consumed and a report generated. Rather, they're only halfway across the bridge. There are actually three parts to the planning process, and only the complete triad will get you to your desired result. Here's how I see those parts:

1. The Thought Process. Thinking through exactly what are the strategies that support your corporate mission, and what goals, milestones and action steps are most likely to fulfill those strategies. This step is the main reason strategic planning facilitators universally recommend off-site retreats. The purpose is to enable the thinking process to unfold so that contributions can be discussed without the interruptions that invariably occur at the company's place of business.

2. The Writing Down Process. This is an essential step to successful achievement despite the fact that 95 percent of US companies fail to do it. Much of the writing, at least the drafting, must be done by your top management team, so that understanding and buy-in are unquestioned. Several unique benefits are gained by the writing:

- *Clarity*, in which ambiguities, inconsistencies and loose ends are easily identified and resolved
- *Roadmap*, the clear indication of which paths to take because they are likely to get you closer to your goals, and which ones to avoid because they could take you in the opposite direction
- *Communication*, the ability to easily share with others—employees, investors, etc.—a consistent picture of what you have planned, so they can buy into your vision and support the process, and

- *Empowerment*, because of the ability to more clearly see the steps in the process, you and your managers will gain a stronger belief in the possibilities and benefits than you might have had without seeing it in print

3. The “Using It” Process. As an operating tool, a step missed by many companies that actually invest in writing a plan. They are instead drawn into the old patterns of decision-making on the fly, perhaps because that feels most familiar or more responsive to time pressures. In this series of steps, you manage your resources to the goals in the plan, periodically measure your progress against the plan, and you regularly ask yourself three key questions:

- How are we doing compared to the plan?
- What must we do to have a better result next month?
- What are we learning that will make next year’s plan better?

Whether your company is a small business or a large corporation, a plan not used every day is a truly expensive dust collector – and a pattern of unplanned decision-making can turn your whole enterprise into a dust collector.

Best wishes,

Gene Siciliano
Your CFO for Rent
Finance Speaker
President
Western Management Associates
www.genesiciliano.com