



Strategies that Work



Business plans that work

A booklet for small business owners looking for a more effective way of business planning

By Stuart Morley MBA

www.morleyspeaks.com

a division of Morley & Associates Inc.

Te: 1.888.687.3181 or email: stuart@morleyspeaks.com

Strategies that Work

A booklet for small business owners looking for a more effective way of business planning

The failure to plan

Why do businesses fail? According to a study published by Jessie Hagen of U.S. Bank the following are some of the main reasons why businesses fail:

1. Poor cash flow management skills/understanding - 82%
2. Start out with too little money - 79%
3. Lack of a solid business plan - 78%
4. Not pricing properly - 77%
5. Being overly optimistic about sales and required funds - 73%
6. Not recognizing or ignoring weaknesses and then not seeking help - 70%
7. Not promoting the business properly - 64%
8. Have insufficient or irrelevant business experience - 63%
9. Not delegating properly - 58%
10. Hiring the wrong people - 56%
11. Not understanding or ignoring the competition - 55%
12. Too much focus/reliance on one customer - 47%

A solid budget and financial advice can help business owners minimize the risk of the top two reasons for failure (cash flow and being undercapitalized). The next biggest reason is the lack of a solid business plan. The objective of this book is to remove some of the “shock and horror” that many organizations go through when they do business or strategic planning.

A common misconception is that a business plan is only for startups that need finance. Every business needs a plan, from startup, through the growth phases, even for succession to the next generation or for the sale or close down of a business.

The planning never stops.

It is the plan that gives the business owner credibility and ensures they will be taken seriously by customers, suppliers, investors, employees and lenders. Without the plan the business owner cannot clearly define the direction and provide the guidelines to secure the help from others to achieve the plan.

According to the Canada Business Service Centre (www.cbasc.org), the top reason people start a new business is to seize an opportunity (17%). The challenge is how do you decide if the opportunity is worth pursuing? It is the

business planning process that designed to address this question. If the opportunity is not valid or not as viable as first thought, the business owner can opt out before incurring significant expenses. If the opportunity is viable then the plan is best used to help the business owner make future decisions quickly. If it helps me achieve the plan then let's do it. If not let's pass.

However, even brave people will go to great lengths to avoid participating in a business or strategic planning process.

The main reason for this aversion to business or strategic planning is because they have previously suffered through a very long process and all they have to show for it is a thick document packed with hundreds of initiatives that lands up on a shelf gathering dust.

Even worse, some people have developed business or strategic plans that resulted in detailed plans that stretched on for years into the future and these detailed plans were then enforced without coming up for air from time to time to see if the action steps were still relevant.

Therefore, small business owners hate business and strategic planning for good reason: the process is often costly in terms of time and energy and yet does not provide any real value.



However, the absence of a business or strategic plan for a business is even worse.

"Stuart, we thoroughly enjoyed our time together at Beauchene and I think it was unanimous that this was one of our best, if not the best, retreats. Although I ...have done a lot of strategy planning, I found your common sense and direct approach very refreshing and effective.

Again thanks for sharing your wisdom and war stories.

Best regards

Dave"

*C.J. David Nettleton
President & CEO
Sertapak Group Packaging Systems*

Strategies that Work

A booklet for small business owners looking for a more effective way of business planning

TABLE OF CONTENTS

	Page #
Executive overview	
Common pitfalls in business planning	5
A brief history of strategic planning	6
The history of strategic mapping	8
The success of the one page strategic plan	9
Benefits of strategic mapping compared to traditional approaches to business plans	10
Why most business planning processes fail	12
What most business owners think of strategic planning	13
Why small business organizations are different	14
Ten tips to making your business planning process work	16
Some of the don'ts in business planning	18
How do we know if our business planning process is working?	19
Completing the strategic map - a case study	20
Using a retreat in the business planning process	22
Retreat checklist	25
For more information on business planning	27



Stuart speaking at the CAFÉ Symposium in Toronto May 2006

Common pitfalls in business planning

The common pitfalls in business planning are:

1. **Producing a plan that is not actually strategic.** The business plan may have a mission and/or vision statement and goals that sound great but unless it addresses the key issues and key opportunities for the business it is not useful.
2. **Getting caught up in the day-to-day or operational issues.** Business planning is designed to address the big issues of direction for the business and not the day-to-day issues.
3. **Internal focus.** Unless consideration is given to the customers, suppliers and other key stakeholders, the plan risks becoming unrealistic.
4. **Trying to do it all by yourself.** Surgeons do not operate on themselves or their family, and lawyers maintain that, *"he who represents himself has a fool for a client."* The dynamics are the same in a good planning process.

The most common approach is to have an outside advisor and outside (i.e. non staff) board members or other outside business associates or stakeholders help with the process



5. **Developing a plan that is not meaningful.** Unless the customer, suppliers, staff, partners and investors know, understand and support the plan - it won't happen! For it to work, the plan must be effectively communicated and "sold" both inside and outside the business.
6. **Developing a wish list instead of a plan.** No strategy is worth much until it's implemented. The plan needs to be translated into measurable components and discrete individual activities. Plus there must be enough follow-up, rewards, and consequences to put teeth into the actions.
7. **Business planning is treated as an event.** To be effective, your planning team must treat business planning as a process not an event. Reporting regularly against the plan helps the owner realize when it is time to revisit the plan. The best strategies usually evolve: they seldom just happen over one weekend a year.

A brief history of strategic planning

The term "strategy" derives from the Greek "*strategos*," which means, literally, "general of the army." Each of the ten ancient Greek tribes annually elected a *strategos* to head its regiment.

At the battle of Marathon (490 BC), the *stratego*i advised the political ruler as a council. They gave "strategic" advice about managing battles to win wars, rather than "tactical" advice about managing troops to win battles.

In time, the job of the *stratego*i grew to include civil magisterial duties as well, largely because of their status as elected officials.

From these military roots, strategic planning has always aimed at the "big picture." The focus is on results or outcomes, rather than products or outputs.



Strategic planning is less concerned with how to achieve outcomes than with defining what those outcomes should be.

Thus, strategic planning aims to exploit the new and different opportunities of tomorrow, in contrast to long-range planning, which tries to optimize for tomorrow the trends of today (Drucker 1980, p. 61).

Strategic and business planning has gone through several major changes in the last 50 years.

Long range planning in the post World War II period was popular with large companies (such as oil companies) who needed to plan their capital needs over 20 – 50 year horizons.

Through the 1960's, strategic planning became a standard management tool in virtually every *Fortune 500* company, and many smaller companies as well where it is normally called business planning

With the oil crisis in the early 1970's, this kind of sudden disruption created the need for a short term, more flexible approach to planning and the term strategic planning as a discipline developed.

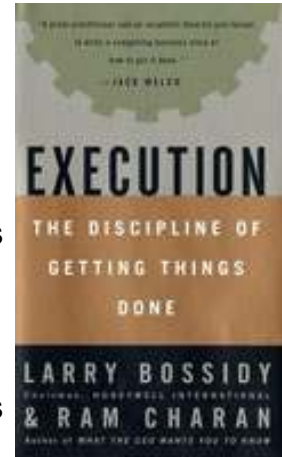
Until the mid-1980's, strategic and business planning remained mostly a private sector undertaking. Notions of customers, marketing, industry growth, market share and risk management were foreign to the public and non-profit sector. Instead, local governments and non-profits wrote comprehensive plans that dealt with the efficiency of services and program plans, and were usually limited to narrow chains of authority on the organization chart.

In the mid 1990's the traditional approach to strategic planning came under attack from two fronts.

Firstly, a study done in the UK around this time provided the shocking result that 70% of strategic and business plans were never implemented! CEO's realized the need to become more focused on results.

Secondly, the arrival of the Internet changed the way many businesses looked at the future. To adapt, many businesses started to focus more on the customer as the basis for their strategic and business planning.

By 2002 business books (like *Execution*) became popular because they were more focused on getting results and less on the traditional analysis in strategic and business planning.



Some businesses stopped doing strategic and business planning all together while others developed scenario planning and environmental scanning tools to try and predict the future.

"I have had the pleasure of working with Stuart Morley on many occasions and have always found Stuart to be extremely creative, very quick to identify and understand difficult issues and, more importantly, able to find practical solutions that work. Our work together focused largely on key strategic matters. Stuart always had effective ways to help me and my management team to work through a variety of complex issues, identify solutions and own the responsibility to make moves in new directions and/or implement corrective actions on a timely basis. I have recommended him to many other organizations and would not hesitate to do so again. He doesn't disappoint!"

*Stan Thompson
President
Novartis Consumer Health*

The history of strategic mapping

Stuart Morley was involved in turning around companies in the early 1990's and found he did not have time to write 40-page strategic plans.

He developed a way to capture the most important information on one page. The essence of Stuart's approach is for the strategic planning group to be able to produce a strategic plan on one page in less than one day.

Stuart found the biggest gap in the strategic and business planning process was linking the vision or mission statements of the business to some quantifiable benchmarks of success.

Businesses often spent too much time crafting a vision and /or mission statement and then struggling to develop action plans. Another mistake was developing too many action plans and then expecting the staff and volunteers to implement them as well as do their assigned jobs. Stuart's process is not only about what to do but also using the strategic map to decide what to stop doing.

Once you have a plan, and it makes sense, you get respect and support from those you talk to about the plan. A good plan allows for faster decision making.

As more businesses achieved significant successes using this approach, Stuart has been asked to provide speeches, articles and now this booklet to help organizations understand why it is worth switching to this approach from the traditional approach to strategic planning.



Stuart facilitates strategic planning retreats

"Our not for profit organization was helped immeasurably by Stuart Morley utilizing his outstanding tool of Strategic Mapping. We were able to synthesize our ideas, achieve consensus on a direction, and set ambitious but achievable benchmarks to implement the plans. We could not have accomplished this without Stuart's professional guidance. More than that he helped make it OUR plan, and one that we know we can carry forward thanks to his gentle insistence that we all understand the principles of his Strategic Mapping Process."

*Joan Shatilla
National Chair
Canadian Association of Family Enterprise*

The success of the one page strategic plan

The strategic mapping process involves a one-page planning tool that has been successfully used in more than 100 organizations in Canada and the USA.

It has been used by divisions of large professional firms as well as one-person businesses. The tool is so flexible it has been successfully used in non-profits, governments and associations. This process works. Try it!

Stuart Morley lives in Ontario and some of the small businesses that have successfully used his services include:

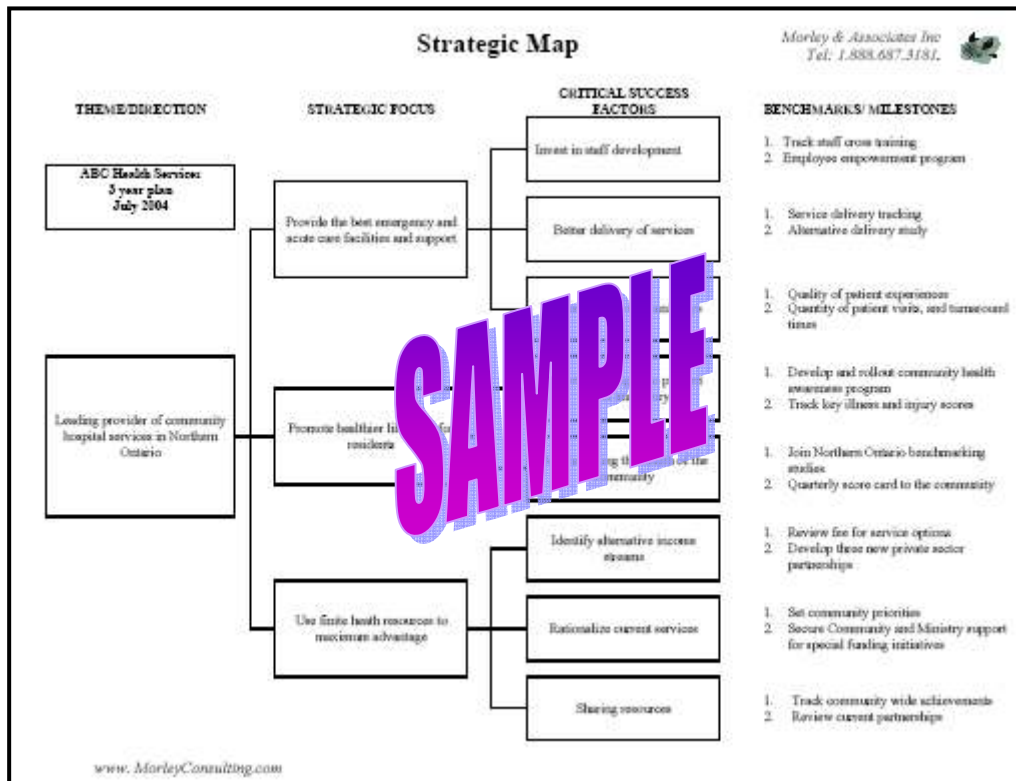
Atlantic Shopping Centres	Alta-Can Telecom
Cango Petroleum	Beta Monitors
CDNX	Communicopia
Colquhoun Audio Laboratories Limited	Concentric Strategies Inc.
Chieftain Products	Fulcrum Search Science
Granada Canada	iboza.com
IMT Partnership	Low and Kealey Inc.
Intria-HP	OVE Design & Communications
Methanex Corporation	Quebec Equity Capital
Northwest Digital	TargetHR
Novartis Consumer Health	Sable Technologies
Sertapak Packaging Group	Seasons Change Mechanical Inc.
Oliver's Coffee Shops	The Keith Bagg Group

"Morley & Associates provided a Strategic Planning workshop for our not for profit agency. The workshop was excellent. Stuart's knowledge, combined with his clear and concise delivery of information, gave us a template to use in our growth as an agency. I would highly recommend them to anybody seeking direction in planning."

*Jennifer Purkis
Senior Manager
Muskoka Family Focus & Children's Place*

Benefits of strategic mapping compared to traditional approaches to business plans

A sample of a strategic map is shown below. The various elements of the strategic map are discussed later in this document.



Some of the benefits of the one-page strategic mapping process include:

Time. Traditional business and strategic planning processes can take three to six months to complete while the one-page strategic map can be completed in a day with a team assigned to prepare the business plan.

Visibility. Traditional business and strategic plans are documents of 20 - 400 pages in length and are often put in a bottom drawer and never looked at again. The one-page strategic map can be put on the wall by each employee's workspace.

Trade offs. The traditional approach to business and strategic plans means more work for the business owner and employees in addition to their current workload. The one-page strategic map is not only about what is to be done, but also about what employees don't have to do. It encourages participants to

consider what they should stop doing as well as what they should continue doing and start to do differently.

Easy to update.

A traditional business plan may need many drafts before completion. Many plans get so bogged down in the drafting that the plan is never finished. A one- page strategic map is easy to update if the situation changes.

Results focused.

Traditional business plans focus on the analysis of the market place and other factors that are important but often don't need to be captured in the plan.

The traditional business plan often does not provide a clear linkage to the milestones or benchmarks to be achieved.

The one-page strategic map has a clear set of benchmarks/milestones to be achieved. It is easy for organizations to develop operating plans that are linked to the benchmarks/ milestones in the strategic map.



Speaker Series Luncheon: Stuart Morley

1. Coaching - allocation of work. Action steps are developed in this step and people are allocated to projects and teams. Everybody needs a list of what to do to get to the finishing line. It is important to remember that what you do in the future should be clarified, as well as when to do differently.

2. Trade off - trade off between technical and business. Participants are in the shop to make sure all and a done with so that the business of the business is done.

3. Plan B - this step deals with contingencies and how. You need to think what to do if your plan doesn't work. It is important to discuss with yourself and your colleagues.

4. Pulling Up - How do you going to...

5. Success - this is the celebration step. You need determine what the quick wins are to give people a sense that they are going in the right direction, and what some things the leaders are going to make and people will have to change. It is important to have a sense of...

6. Participants

7. Action strategy to achieve

8. Adapt to a wide range of situations

9. Plan

10. Goals

11. Time to realize

12. Searching Your Milestones

Stuart's Strategic Mapping Workshop in Barrie

Focus.

Traditional business plans often have so many objectives to be accomplished that the whole process lacks focus. With a strategic map there are only 16 benchmarks (half qualitative and half quantitative) to achieve.

Stop doing.

A traditional business plan is viewed as the work an organization must take on in addition to the

current workload. The one-page strategic map is designed to be the only work the organization needs to do. Anything that does not contribute towards the benchmarks should be stopped or outsourced to someone else.

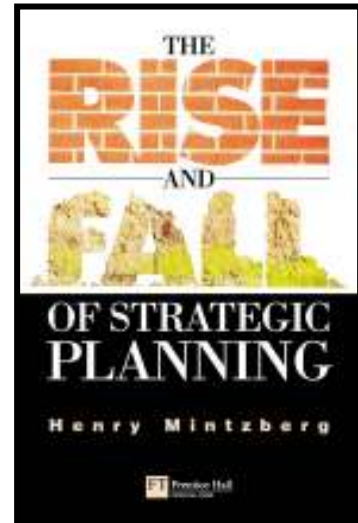
Why most business planning processes fail

According to recent studies *most strategic planning processes fail*. And why is that? Henry Mintzberg, probably the world's leading strategic planning scholar, and author of *The Rise and Fall of Strategic Planning* (Free Press, 1994), says the main reason is that traditional strategic planning provides "the illusion of control."

What this means is that, as most people do strategic planning the traditional way, they unwittingly build into it assumptions and strategies over which they personally have little or no control. "*If you plan it, it will happen.*" This is very seductive and difficult even for experienced planners to avoid.

Another reason is they treat it as an annual event rather than a process or journey that needs constant attention. Thirdly, they make the process too long and complicated.

In this booklet we will outline both the traditional approach and a more practical approach that is focused on getting results.



What most business owners think of business planning?

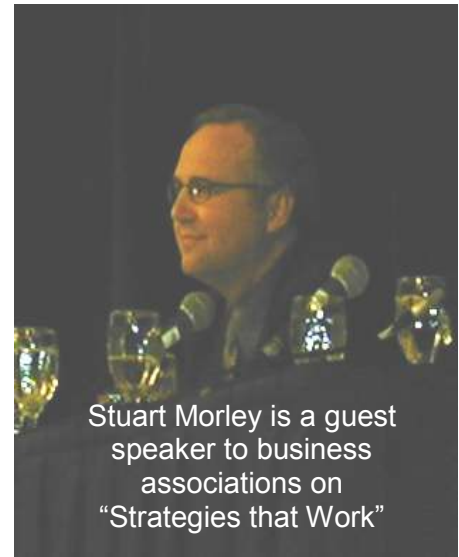
The four primary characteristics of a successful small business are:

- a clear, agreed-upon direction
- a strong, competent management team
- a dynamic board of directors or advisors
- an organization-wide commitment to profitably serving customers

A clear direction or mission statement is a key factor for success in small business yet most business owners don't like business planning....WHY?

The toughest issue for business owners is to get help with setting and implementing business plans.

Building and implementing the business plan is perhaps the most important aspect of a business owners job and therefore we will devote much of this booklet on what to do and why business owners should do this.



If you want to know more about the mechanics of completing the one page strategic map then email Stuart at: stuart@morleyspeaks.com.

Why small business organizations are different

There are some differences in the way small business owners approach the world compared to other organizations. Here are the nine most common differences and how those differences impact the role of the business owner.

1. **Passion for the work**

Many business owners start their businesses not just to profitably help customers but also because they have a passion and love of the work and some also believe that the services they offer can help make their community and the world a better place. The challenge for the business owner is to make sure the passion for business does not lead to a misallocation of resources and a lack of focus on results.

2. **Determination**

On a personal level, a business owner needs to develop a certain “pig headed” view of the world about what needs to be done in order to overcome the many hurdles along the way. The danger is this view becomes so rigid and the owner develops a sense of righteousness to the extent that they become political and confrontational. When faced with this dilemma the business owner needs to develop trusted advisors who can help the business owner recognize when it is time to change direction.



3. **Atmosphere of scarcity of resources**

Because small business owners have traditionally been underfinanced, this creates a reality and a mentality of being under financed and the business owner often resents the investment in hiring professional advisors and managers to help take the business to new levels.

4. **Outcomes other than financial data**

Business owners need to develop plans that articulate what success looks like and how to measure it before they turn into financial numbers like cash flow and profit.

5. **Business advisors**

The business owner often spends so much time working in the business (doing the work that staff could often do it at lower cost) and not enough time on the direction of the business. Often the business owner needs to invest in securing outside advisors who can ask the key questions that

help the business owner focus on the bigger issues facing the business.

6. Dual bottom line: short and long term

Business owners often want to do a good job for the customer, keep the staff happy, plus make a profit and have enough cash to run the business. Most small business owners don't realize the cash flow impact of growth, reinvestment, business cycles, training and costs needed to secure the long term future of the business. A good business plan would identify the reserves needed to address these short term costs to protect the long term future.

7. Unsuitable customers

When it comes to doing business with customers, the business owner needs to be very strategic in her/his actions to insure that the "tail does not wag the dog." The business owner needs to be clear what the "non-negotiable" elements are and be prepared to walk from customers who cannot respect the non-negotiable elements.

8. Mixed skill level of management and staff

Some people are kept around out of kindness or because they are family members rather than for their skill to perform their tasks. Individuals need the skills to do the work or else they will inadvertently sabotage the overall effort. Therefore, the business owner often has to budget more time and resources for developing processes and training to minimize the high cost of mistakes.

9. Bias towards informality, participation and consensus

The business owner, especially in family businesses has to work toward consensus and allow more time for consensus building than in business environments. They also have to have a fallback if consensus can't be reached. The business owner then has to live with decisions that contain undue bias in order to keep things moving along. Outside business advisors and outside board directors often find this approach confusing and frustrating.



These differences in small businesses often become most noticeable during business and strategic planning sessions. Therefore when using outside advisors and consultants, the business owner would be wise to ensure that all participants understand the environment and how consensus is reached in the organization.

Ten tips to making your business planning process work

1. Be sure your organization can benefit.

The timing of a business planning process is important. Pick a time when the organization has the capacity and energy to undertake the process and is willing to follow through on the commitments.

2. Pick a process that is simple.

Business planning is productive when it has three elements: (1) sharing information on what has happened (2) agreement on what direction the participants would like to take the organization in the future and (3) a commitment to action with milestones to measure progress.

3. Use a small business planning group

Most small business owners think that business planning should be done alone. This is usually a mistake. A small group is better than doing it alone.

4. Doing the homework on the issues.

For business planning meetings to be effective, the attendees must have information to make sound strategic decisions. In some situations it may be appropriate to interview stakeholders (such as key employees, or customers) before the retreat using a structured survey. Ideally, the information should be documented and sent to participants ahead of the meeting.



5. The process is as important, if not more important than the business plan that is produced.

Business planning is a time for thinking about the big picture, for sharing ideas, brainstorming, bonding, having fun and getting excited and motivated towards a common direction and sense of being part of something greater than any one person.

6. Think big but take small steps.

For most small businesses three years is as far into the future as most groups can consider. While it is important to set a direction that direction needs to tie into action steps that take into account the limited budgets and staff available to carry out the plans.

7. Use a facilitator.

Facilitation is a critical skill for coordinating the ideas and contributions of diverse sets of people within organizations. Hiring a professional facilitator

frees the business owner from the worries of making sure every one has a say or that the meeting stays on track and finishes on time.

8. Ask customer... “What is missing?”

It is common to confer with experts in the field. However the people most impacted by the actions of your organization are the customers. They often know best what is needed. Collecting customer comments anecdotally or in a structured customer survey is invaluable. In return you can thank the customers who participate by taking their comments seriously and delivering feedback to them when the planning is complete.

9. Follow up

Employees only do what the leader follows up on. The follow up includes making sure the strategic plans have clear benchmarks that provide parameters for the operational plans that follow. These operational plans in turn need a follow up mechanism in the form of monthly progress reports that tie into the strategic plans.

Remember:



Some of the **don'ts** in business planning

When talking about “don'ts” in the area of business planning, there are a few steadfast principles.

1. **Don't** take too long to complete the plan. Most plans can be completed in a one day or less. Some businesses with a larger planning group may need two days.

2. **Don't** focus on “analysis paralysis” but rather on what general direction you want the business to go, making sure to get commitment to the milestones or benchmarks. These will enable you to demonstrate later how you are progressing.

3. **Don't** exclude key people who are responsible for making the plan happen. If the key people don't have a hand in developing the plan, they will not be committed to making it happen, thus rendering your strategic plan a worthless piece of paper.

4. Leave the writing of novels to such qualified folks as Leo Tolstoy. **Don't** attempt to write a book like War and Peace. Some of the best business plans are done on one page and certainly less than 8 pages.



5. Once you have written your business plan, **don't** throw it in the bottom drawer and ignore it till next year, think of it as a living, breathing entity. You should have it handy for constant review to determine its continuing validity.

6. It is not a document set in stone. If things change dramatically during the year, **don't** panic, be ready to call the planning group together to revisit the plan.

7. **Don't** treat it like a secret document to be put under lock and key. It needs to be shared with as many stakeholders as possible so they can all help you achieve your goals. It should not be unusual to share the plan with suppliers, financial institutions, investors, employees and customers.

How do we know if our business planning process is working?

Here are some of the some of the indicators of a successful business planning process:

- ✓ We have a shared vision of the ideal future that is values-based
- ✓ We have consensus on our direction for the next three to five years
- ✓ Our actions are more coordinated
- ✓ We have an inclusive, participatory process in which board and staff take on a shared ownership
- ✓ We have demonstrated some accountability to our community
- ✓ We are externally focused and sensitive to the organization's environment
- ✓ We are open to questioning the status quo
- ✓ We use it as a key part of effective management.
- ✓ We measure progress against the plan regularly
- ✓ We are not afraid to redo the plan if it not longer fits
- ✓ **We are getting results and meeting the milestones we set**



In essence, the best indicator of success is if your audience feels that your plans are: big, noble, make sense and are worth the effort to help you achieve them.

Completing the strategic map - a case study

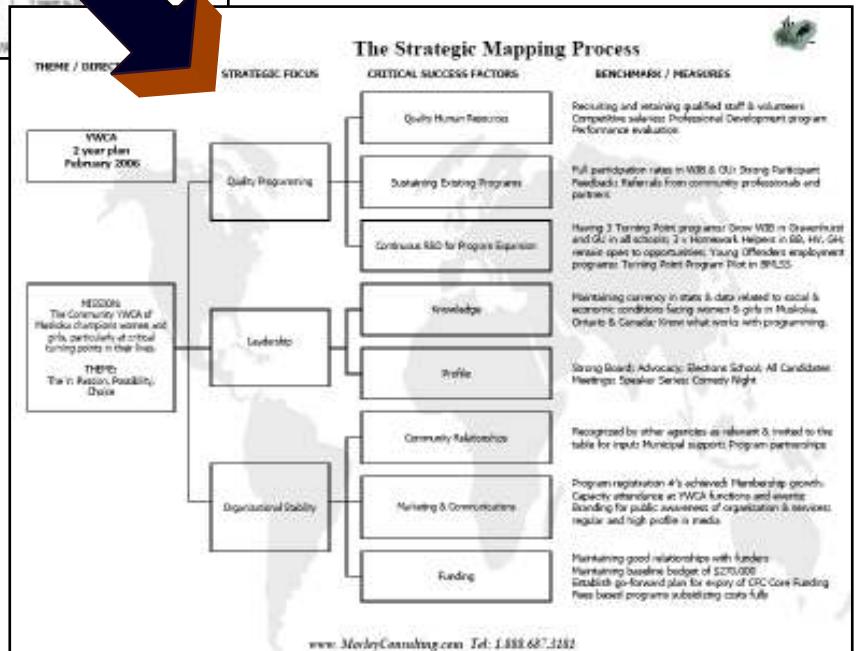
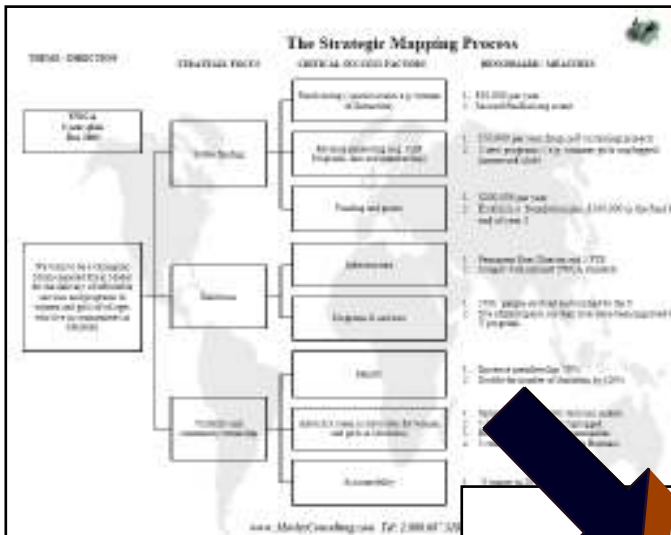
In December 2003, Stuart facilitated the development of a three year plan for the Community YWCA of Muskoka. The board and staff had a one day retreat in their offices one weekend.

The group selected a theme “*We want to be a Champion Multi-centered Rural Model for the delivery of affordable services and programs to women and girls of all ages who live in communities in Muskoka.*”

The group then selected the three areas of strategic focus to support the theme.

These areas of strategic focus were: *stable funding; resources; and visibility/ community ownership.*

Then the group went on to define the critical factors to support the strategic focus and the benchmarks/ measures of success.



After the session, the executive director then met with the staff to develop operational plans with action steps, budget and resource allocations and deadlines.

The executive director reported each month to the board on progress to meet each of the deadlines.

In February of 2005 the Board met to review the strategic map and revised the theme into a Mission “*The Community YWCA of Muskoka Champions women and girls, particularly at critical turning points in their lives.*”

The theme or slogan was also included in the first box of the strategic map and became “*The Y: Passion, Possibility & Choice.*” The change of theme resulted in changes to all the other elements of the strategic map. Again this process was completed in less than a day.

2005 Annual General Meeting
Executive Director’s Report, Carolyn Bray



In 2002 when I began working here part-time, our primary business was Women in Business and a small but growing Girlz Unplugged and Techno Splash program. Our longest standing employee was part-time and two years into her tenure. We had three part-time staff plus myself. The YWCA was flush in program funding, for one year.

In 2003, when we gathered for a Strategic Mapping session, we set a goal to build stability, expand our presence throughout Muskoka, grow programs, and have three full time staff by 2006.

Last year, we reached a few milestones: some medium range stability through a generous core funding grant from the Counselling Foundation of Canada. In January we had our first full-time position, our Youth Program Coordinator, followed by a full-time Women in Business Coordinator, and a full-time Executive Director. And we can't leave out a part-time bookkeeper. In 2006, we have met many of our goals set in 2003, and we have reason to be proud.

Our mission is to champion women and girls, particularly at critical turning points in their lives. The true rewards in the work we do are within this mission. Next week 22 women will graduate from the Women in Business program. This is by all accounts a humbling and inspiring group of women. In May, over 200 girls will celebrate Spring Fling, a Girlz Unplugged year-end party.

While it is easy to celebrate the tangibles – the job creation and employment developed through this program, and the growing number of schools and participants in our school based programming – the real celebration is in the less visible but even greater achievements. Throughout programs like Women in Business, Girlz Unplugged, and the new Turning Point Pilot running at RMI SS, women and girls of all ages dig deep and

“In 2003 we gathered for a Strategic Mapping session... In 2006 we have met many of our goals set in 2003...”

The organization was very pleased with the results of the strategic mapping and continue to use this tool to update their strategic thinking. Here is the quote from the executive director on the success of the process.

"On our way to meet our objectives in 2003-04 we have entered into and completed a Strategic Mapping Process. We certainly couldn't have done this without the direction and support of Stuart Morley, and we are most grateful to him for his role in putting us on this path. The sessions that the board had with Stuart not only helped us design our future, but also acquainted us with each other on a more personal level that has most certainly enhanced relationships and board productivity."

*Carolyn Bray
Executive Director
Community YWCA of Muskoka*

Using a retreat in the planning process

A planning retreat is a meeting typically involving the business owner and his/her key advisors and staff. It can be one to two days long, sometimes using a facilitator to help structure the process.

Retreats are usually held away from the workplace or on weekends to ensure that participants can focus wholly on the issues at hand and are not distracted by the everyday interruptions of the office.

Sometimes other key stakeholders will be invited to join the retreat in an effort to strengthen the relationship between those stakeholders and the business or it is used to educate individuals about the business.

Part of the value of the planning process is the opportunity for representatives from different parts of the business to work together in setting the future direction for the organization. Retreats provide an excellent way of achieving this aspect of the planning process.

When a retreat should be used

A business can have a retreat at any time during the planning process, but the most common times are either at the beginning or at the end of the process.

Retreats may be organized at the beginning of the process to educate participants on the process or to build enthusiasm and commitment.

These types of retreats are opportunities to begin collecting and processing information about the environment. Some organizations have external experts speak on different strategic issues that may be important to keep in mind during the planning process (e.g. financing options, changing customer needs, potential duplication of services, or opportunities for collaboration, etc.).

Retreats may also be used at the conclusion of the planning process to complete the one page strategic map which effectively summarizes the direction and key benchmarks and then becomes a communication tool to staff and other interested parties.

In larger businesses, where not all the key participants can attend the retreat, it is important that the decisions and ideas are communicated to others to ensure they understand and support the plan. The retreat, however, should not be used in place of this routine communication -- it is a time for recognition of commitment and contributions in addition to an opportunity for closure.



How a retreat can be formatted

It is important to have a well planned retreat that includes a formal agenda and planned outcomes distributed to retreat participants prior to the retreat. Michael Doyle and David Strauss' book, *How to Make Meetings Work*, provides an excellent reference guide to planning a successful retreat.

Benefits to having a retreat

A well planned and managed retreat can accomplish several key success factors that may enhance your planning process. They include:



- Encouragement of creativity - people in group situations stimulate each other to think beyond traditional boundaries.
- Teambuilding for the organization - people work together more efficiently once they know each other (e.g., personalities, work styles, methods of communicating, etc.). Retreats provide an opportunity for staff, support staff, and board members to come together and collaborate for the first time.
- A foundation of common understanding - for many businesses, this is the opportunity for everyone to hear the same information and messages.

Drawbacks to having a retreat

Although using retreats may enhance your planning process, there are several potential drawbacks to having a retreat. They include:

- Consumption of critical resources - a successful retreat takes a considerable amount of planning. The process also consumes both cash and time resources.
- Pressure to produce results at the retreat - often the purpose of a retreat is to identify and discuss issues. Not everyone feels that this is an effective use of time, and the retreat can be viewed as a waste of time and other scarce resources.
- Generation of work the staff cannot or should not handle - participants often assume that because it was discussed, it should happen. Sometimes the group can feel overwhelmed with ideas generated and the planning process as a whole.

When a retreat is right for your organization

There are a few questions to consider when evaluating whether your organization should plan a retreat during the planning process:

- How knowledgeable are the participants about the business and how much will they be able to contribute in this setting?
- What outcomes are the different parties looking for in the retreat?
- How realistic is it that all outcomes will be accomplished?
- How willing are the participants to commit preparation and participation time?



Retreat checklist

One of the best ways to prepare for a strategic planning retreat is to develop a pre-retreat and retreat checklists.

A sample checklist is provided below:



Retreat Objectives (update strategic plan, board governance training etc.)

Business Planning Horizon (1 year, 3 year, 5 year etc.)

Length and Date of Retreat (one day, two day, etc. in October)

Retreat Environment (boardroom, resort, hotel, B&B, lodge, park, etc.)

Type of Content Desired (main room, breakout space or breakout rooms, fun team building programs etc.)

Number of Attendees (Departments/Divisions)

Training Topics and Activities

Budget

Pre-Retreat Checklist

- Appoint facilitator to help plan and carry out the retreat
- Circulate retreat agenda and obtain final approval from key team members.
- Have an executive director presentation ready on how the organization has progressed over the last year(s) and the major challenges facing the organization
- Have program stats for participants (or email to participants)
- Have copies of prior year plans sent to participants (or email to participants)
- Have summaries of any market studies, customer feedback results etc. (or email to participants)
- Conduct any employee/stakeholder survey interviews before the session
- Have feedback/evaluation forms prepared
- Make reservations for retreat venue, meeting rooms and lodging, if needed.
- Arrange for projector/screen, laptop computer, flip chart and pens etc.
- Make sure the retreat room and any breakout rooms have plenty of wall space to hang flip chart notes
- Arrange for note paper, post it notes and pens
- Survey of participant's food and drink preferences and needs.

- Make food/snack arrangements (feed them more than you think they will eat, plus snacks)
- Communicate retreat details to attendees.
- Set up transportation plan – shared transport, maps to location, parking etc.
- Plan recognition/incentive gifts.

Retreat Checklist

- Provide attendees with a detailed itinerary.
- Ensure that catering is handled (including any special dietary needs).
- Ensure that meeting or breakout rooms are set up properly.
- Have sessions videotaped (if applicable)
- Have events photographed (if applicable)
- Meet with facilitator for an event debriefing.

Post-Retreat Checklist

- Plan any follow-up activities accordingly.
- Circulate photos or video of retreat (if applicable) to the team
- Review the evaluation forms of the entire retreat and prepare notes of improvements for the next time
- Finalize the strategic plan if it was not completed at the retreat.
- Develop operational plans based on the results of the strategic plan prepared at the retreat

Budget Checklist

- Facility rental (guest and meeting rooms)
- Meals and snacks
- Travel for attendees
- Facilitator fees and expenses
- Special activities costs (dinner cruises, golfing, etc.)
- Photography and or videotaping
- Incentive prizes

For more information on business planning

You can contact Stuart and Theresa Morley at 1.888.687.3181 or by email at stuart@morleyspeaks.com or check out the website at www.morleyspeaks.com



Stuart Morley MBA Strategist & Keynote Speaker

Stuart works with leaders to take their organization to the next level. He is a strategist in helping clients address marketing and financial issues to better articulate a future for their organization. He is a frequent speaker to associations and businesses on strategic issues.

Stuart has 25 years experience in the management consulting (focusing on marketing strategy) and investment banking sectors (focusing on financial and turnaround strategies). He has worked with more than 200 different organizations including hospitals, health units, financial institutions, large public corporations, professional firms, non-profit organizations and owner/managed enterprises.

He is a Past President of the American Marketing Association (Toronto Chapter). He is a part-time lecturer in Marketing at Georgian College

(Bracebridge Campus) and is a former part-time lecturer at Rhodes University in South Africa plus he was a regular guest speaker at Ryerson University.

Stuart is a frequent speaker at conferences on strategic issues. He is a National Member of the Canadian Association of Professional Speakers (CAPS) and is a Board Member of the Toronto Chapter. Stuart is an active member of CAFE (Canadian Association of Family Enterprise and is also a guest expert on the CFIB (Canadian Federation of Independent Business) website (www.cfib.ca). He is a leadership coach in partnership with Fulcrum Search Science (an executive recruiting firm in Toronto).

Stuart earned a B.Sc. in Agricultural Economics and an MBA from the University of Cape Town, South Africa.

Prior to starting Morley & Associates in 1996 he was a partner in an investment-banking firm for seven years. His career started as a Management Consultant with Deloitte in Cape Town and he transferred to Toronto in 1986. He became a Certified Management Consultant in 1987.

Stuart was Co-Chair of the Strategic Leadership Forum Conference on High Performance Organizations. He is on the leadership team of the Business Retention and Expansion Project for Gravenhurst, led by the Mayor of Gravenhurst.

He is a Past Vice President of Muskoka Family Focus and Children's Place and is a Past President of Gravenhurst Minor Hockey Association.

Morley & Associates Inc. is a family business with offices in Barrie and Gravenhurst. Stuart Morley focuses on providing clients with strategic facilitation and business planning services while Theresa Morley, CA, provides QuickBooks coaching, accounting and tax services to clients.

