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COACHING FOR GROWING COMPANIES



**Our 10 Minute Guide to  
Annual Strategic Planning  
for Entrepreneurial Beginners/Leaders**

**by Jonathan Goldhill**

# Why Take Time Out to Work "ON" Your Business?

*"Let our advance worrying become advance thinking and planning."*

Winston Churchill, philosopher and statesman

The optimist will tell you this year is looking better than last year. The pessimist will tell you this year is looking worse. And, the realists will tell you, become agile, lean and flexible for whatever comes.

But, the business coach advises you to set massive goals ... goals on STEROIDS ... and stop spending so much time working "IN" your business so that you can be prepared for either ... so you can set your annual and quarterly priorities ... so you can be profitable – and adapt ... no matter what the year holds.



*"I know we didn't accomplish anything, but that's what meetings are for."*

And, so, as I prepare my clients for this coming year, I advise you to plan more, improve your team and develop your people so they can navigate whatever is thrown your way.

Take time out to get everyone on the same page, re-align on the vision, direction and strategies and then communicate to the rest of the company what was accomplished, where you're going and what you intend to achieve this year.

# You Should Consider a Retreat When...

- ⊙ Your leadership team needs help with setting its strategic **direction**.
- ⊙ Your leaders and managers know where to head but aren't sure how to get there.
- ⊙ Clarify organizational culture, staffing requirements, and review of your people
- ⊙ Strengthening your **mission, vision, values** and purpose are missing.
- ⊙ Clearly articulated **priorities and measurable** outcomes are **missing** for key individuals or departments and you need to **build accountability** around well-chosen metrics
- ⊙ Everyone is **firefighting**, and that keeps them from the activities that matter, especially **high payoff activities and initiatives**.
- ⊙ Managers are functioning in **silos** or management is having **turf wars** and it's hurting the organization.
- ⊙ The lines of communication are stopped up, and no one is sharing.
- ⊙ Assess internal departments - what's working/what's not
- ⊙ You want to **build consensus** for a project, program, etc.
- ⊙ You want to create a product or reposition a service.
- ⊙ You want to cross-sell among divisions.
- ⊙ You want to develop a more coherent, **high functioning teams** of leaders and managers **to improve teamwork**.
- ⊙ You need to your competitive position and review market, industry changes and forces/trends.
- ⊙ You could Improve organization **efficiency** (doing things right) and **effectiveness** (doing the right things)
- ⊙ You want to increase top-line revenues or improve bottom-line profitability

# What is Strategic Planning?

Nothing great is ever achieved without strategy! Strategy is what builds skyscrapers, wins super bowls, launches space shuttles and puts companies on the Inc. 5000, Fortune 500 and local business journal's Fastest Growing 50 lists. If you were to ask many business owners to define strategy, they couldn't tell you what it means. The word probably exists as one of the most misunderstood words in business language. Wikipedia defines strategy as:

**Strategy** (from Greek στρατηγία stratēgia, "art of troop leader; office of general, command, generalship") is a high level plan to achieve one or more goals under conditions of uncertainty. ... **Strategy** can be intended or can emerge as a pattern of activity as the organization adapts to its environment or competes.



en.wikipedia.org

## Strategy - Wikipedia

<https://en.wikipedia.org/wiki/Strategy>

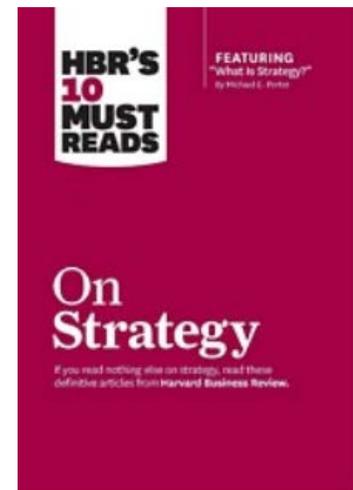
Thus, strategic planning is an organization's process of defining its direction and making decisions on allocating its resources to pursue this strategy, including its capital and people.

To achieve one or more goals under conditions of uncertainty, you need great people with great execution habits. That is, great people who are effective – they can get the right things done – and are efficient – get them done right. Developing your strategy (high level plan) is most meaningful when you have the right people who are both effective and efficient. Consequently, strategy for most companies is something that MBA's do. At least that's what Jack Welch said.

# How to Take Strategy and Turn it into Results

Jack Welch, arguably the most famous CEO, who presided over General Electric during its greatest rise in shareholder price creating massive value for its shareholders, proposes a rapid practical questioning procedure to come up with a winning corporate strategy by probing for answers to **five key questions**:

1. What does the competitive playing field look like?
2. What have our competitors been up to lately?
3. What have we done lately? (*What are the lessons learned?*)
4. What future events or possible changes keep us up at night with worry?
5. And, given all that, what's our 2-3 winning moves?



Other and various business analysis techniques can be used in annual planning such as a **SWOT** (Strengths, Weaknesses, Opportunities and Threats), **PESTI Trends Analysis** to identify Political/Regulatory, Economic, Social, Technological and International trends, **Team Health** and **People Analyzers**, **Employee Surveys** using **Start/Stop/Keep** feedback, **Customer Surveys** using the Net Promoter Score® methodology and just good old **What's Working** and **What's Not Working** lines of questioning.

These approaches used by professionals, like myself, who are engaged in strategic thinking, execution planning, facilitation, consulting and coaching, etc. are designed to tease out thinking from those planning the business' future.

Strategic Thinking is important; so is Execution Planning, which is why we break Strategic Planning into its two components. Having a well-defined process for conducting your strategic thinking and execution planning is also important, i.e., setting the goals for next year and defining the strategies and tactics to support the achievement of those goals. And having a written plan that is communicated to everyone involved is even more important!

When you've successfully accomplished identifying individual, departmental and company priorities, goals and targets, your strategic plan is complete. Now it's time to execute.

But, let's review the pitfalls and traps of poor strategic planning first.

# 5 Pitfalls of Poor Strategic Planning

When you run your business in a more free-flow, day-to-day manner, expecting the “unsaid” to be understood, you don’t move in a linear, targeted direction toward your goal. As a result, you land in what I call the pitfalls of annual planning.

**Here are 5 “traps” that can occur and how to avoid each.**

**1) People don’t exactly understand the plan and all the details, so they begin to make it up along the way and add their own interpretation due to poor alignment and little accountability to the plan.**

**How to Avoid:**

- Leave no stone unturned in the communication process.
- Test your team to make sure the message is received well and understood from management to staff.
- Deliver the information in ways so different types of learners can comprehend it since some people take in information visually, some through auditory senses and others kinesthetically.
- Test employees understanding of the strategic plan in ways that can reach all types of employees.
- Meet regularly, ideally monthly, to review the plan and discuss what’s holding you back from successful execution.

**2) People start to fight over power with a “who’s in charge of what” and “survival of the fittest” mentality.**

**How to Avoid:**

- Spell out exactly who’s in charge of each initiative/priority.
- Clearly indicate that they are the initiative champion and get others enrolled on their team to work on that project.
- Define the power structure in such a way that power within your strategy is never simply “up for grabs”, shared or has no single person who is accountable for the outcome.
- Give a timeline for when the task is to be finished by the person in charge.

**3) People try to resolve conflict on their own and often do so in a way that’s not constructive. This leaves the strategy bogged down in bad feelings and unresolved conflict.**

**How to Avoid:**

- Create a conflict resolution process. When people conflict have them go before a board of impartial team members.
- The board should be able to create a solution to the problem within a window of three to four hours.
- If you are the owner and the sole board member, extra care is required to judge fairly and reasonably.

**4) People become discouraged and they lose focus because they see the goal as something separate from their position or day-to-day responsibilities.****How to Avoid:**

- Hold daily huddles to report daily metrics, update people on what you're working on and report when you are stuck and need to ask for help.
- Set a quarterly theme for the #1 goal and hold weekly pep rallies to reignite enthusiasm.
- Draw pictures of the overall goal.
- Let people see it and understand what you're working for again and again.
- They must take ownership of the goal.
- The goal must become part of them and something they will benefit from.
- Reward people for reaching the goal.
- Hold people accountable for failing to follow through.
- Celebrate success in your annual and quarterly planning as a way of bringing people together to share in achieving your common vision or goal.

**5) Communication breaks down between departments.****How to avoid:**

- Communications trainings or workshops within the company can give insight into ourselves and the other people we work closely with.
- Learn people's individual styles (using DISC or other behavioral profiling instruments).
- Practice communications skills that foster understanding between people. Remember, the most basic form of communication explains to your peers what you need.
- Develop a common language which the whole team can share around your business processes and planning. Share the knowledge using simple, practical and actionable tools.

# 15 Bulletproof Strategies for Achieving Your Goals

(adapted from article contributed by R.L. Adams on Nov. 21, 2016 to Entrepreneur Magazine)

In the words of Napoleon Hill, *"The majority of men meet with failure because of their lack of persistence in creating new plans to take the place of those which fail."*

Achieving any goal in life isn't just about setting clearly defined goals and wanting them badly enough, you also must adopt the best practices for achieving them. So, what are the best practices?

1. Set **SMARTER** goals  
*SMARTER, an acronym, stands for goals that are **specific, measurable, achievable, relevant, time-bound, evaluated and re-adjusted.***
2. Create a **plan** of action  
*Make it massive and detailed*
3. Practice daily **goal** setting
4. Eliminate bad habits; Instill good habits
5. Practice self-discipline
6. Avoid procrastination
7. Minimize distractions
8. Manage your time (see Table)
9. Eat the Frog  
*Mark Twain once said, "If it's your job to eat a frog, it's best to do it first thing in the morning. And if it's your job to eat two frogs, it's best to eat the biggest one first."*
10. Practice the Pareto principle  
*Also known as the 80/20 Rule, which states that 80% of your results comes from 20% of your efforts.*
11. Embrace failure
12. Seek out daily doses of inspiration
13. Find a mentor.
14. Welcome criticism and feedback
15. Track your progress.



*Implement the quadrant time management system, which splits your time up into four separate quadrants. Focus as much as your efforts as possible on Quadrant 2, while doing everything in your power to avoid Quadrant 4. Audit your day to see how much time*

# How to Get Great Results at a Strategic Retreat

Retreats are useful when developing your strategic, marketing or business plan, working through conflicts on your management team or team building.

I have facilitated strategic retreats for the owners and managers of an electronic manufacturing firm, metal door manufacturing company, e-commerce company, construction and maintenance companies, digital media magazine, commercial real estate investment firms, construction software business, professional employer organization to name a few. While many of these closely-held businesses were family-owned and in the lower middle market in size, the retreats were successful because we followed some fundamental approaches that consistently work to deliver a great result.

What did we do to deliver a great result? Why was it a success?

**TIP:** *To create a retreat that is both fun and focused you need to get your entire leadership team involved. When everyone's engaged, it is easier to agree on and set goals.*

## ... more tips to having a successful strategic retreat.

- Either do it in advance or use the retreat to conduct a SWOT (strengths, weaknesses, opportunities and threats) analysis if it's been awhile since you've done that.
- Even if you have done this exercise recently, you must all demonstrate that you are in alignment (agreement) over the vision and direction of the company based on the SWOT analysis.
- A best practice is setting annual goals and then getting on a 90-day cycle to gather your team and hold your people accountable for the agreed upon results. This implementation process is just as important as the goals.
- In our case, we set 90-day goals and we will get together every 90 days to develop the next quarter's goals.
- The critical success factor here is to select a few key strategies and implement them well. *Success is more about execution than anything else.*
- Don't tolerate excuses; insist on execution and results. Focus on the vital few instead of the trivial many.
- Energy focused on a few highly important goals is powerful and effective. Ideally, we are setting goals to achieve significant improvements in performance or processes.

- We are talking about big, bold goals - goals on steroids. Be innovative and think big! It will get everyone excited and challenged to go for breakthroughs, not merely incremental gains.
- Realize there are no rules or restrictions. As long as what you do is moral, legal, and ethical, do not be shackled by company history or industry standards or practices.
- In short, kill the *"we have always done it this way"* mentality. Shake habitual thinking patterns.
- Set activity or performance goals, in the critical success areas: leadership, business systemization, marketing, selling, operations (fulfillment), customer service, and back-office operations.
- In fact, your annual business plan could be nothing more than 3-5 monster-size goals in each one of these key areas.
- Once you have your goals established, assign a person to champion each cause. Give each person the authority, time, and tools to make things happen. On a 90-day cycle, hold each person accountable for progress on his or her goal(s).
- These audacious, challenging, and adrenalin-inducing goals should be SMARTER (Specific, Measurable, Aggressive, Realistic, Timed, Evaluated and Readjusted).
- Force your people to stretch. What gets measured gets done. What gets rewarded gets repeated. As a leader, insist on aggressive implementation, follow-up, follow-through, and results.
- Intentions and plans are mostly meaningless; implementation is where success is found.

## 8 Reasons To Hire a Facilitator for Your Retreat

There are many reasons why having a facilitator for your retreat can be critical to its success. Facilitators have a neutral position in relation to the company and can be vested with power for the period they are leading the group. This creates a situation where all company members are working together towards goals and solutions.

**Here are 8 top reasons to think carefully about working with a facilitator to ensure success:**

1. When the results of the meeting are critical to the success of the enterprise, and there will be a variety of views in the room.
2. When there are many strong opinions in the room and consensus is required.
3. When there are no apparent good answers, and you need to find new, creative solutions.
4. When the meeting leader is strongly vested in a particular position but wants to hear and be receptive to other possible alternatives
5. When you want to accelerate the integration a new leader OR when you are starting a new team AND want good working relationships.
6. When the team needs to feel ownership of the solution.
7. When neutral party guidance is necessary to build trust or get full participation.
8. When the desired outcome of the meeting or the work process needed to reach the desired outcome is unclear or ill defined.
9. When you lack the internal experience or expertise to manage and guide the group through the work process (e.g., strategic planning, process improvement).

*This guide is compliments of*



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