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HR Magazine: Plan for Planning

By Kathryn Tyler 8/1/2008



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At American Express, the executive strategic planning team has four formal meetings annually. “We talk about the strategic priorities for the business, and each of us decides what our role is,” says Gabriella Giglio, senior vice president of global human resources. “I’m involved in every single step. I spend a lot of time on talent management. I have a one-page talent strategy plan for 2008 to 2010. I’m in charge of the [human] capabilities,” or determining how employees “feed into the business priorities.”

Giglio is a stellar example of how HR professionals should participate in strategic planning.

“HR people have a fundamental role to play in terms of how the people in the organization are going to get aligned around the strategy. If you care about the future of the company, you’ve got to care about strategy,” asserts Merianne Liteman, president of Liteman-Rosse Inc., a strategy consultancy in Arlington, Va., and co-author of *Retreats That Work: Everything You Need to Know about Planning and Leading Great Offsites* (Pfeiffer, 2006).

Define Strategic Planning

The term “strategic planning” is used to describe what happens at many different types of off-site meetings, so it’s useful to distinguish between what is called strategic planning and what actually is strategic planning.

“A lot of things that happen at ‘strategy sessions’ have little to do with strategy,” admits Amie Devero, founder of The Devero Group, a consultancy in Tampa, Fla., and author of *Powered by Principle* (AuthorHouse, 2007). Strategy, she says, involves determining how a company differentiates itself in the marketplace. “It’s a fairly deep conversation in which you look at all possible scenarios,” Devero adds. For example, where does the company want to be in the next year or two or 10? Does it want to expand into new markets? Diversify? Eliminate services?

One example of strategic planning: “Given the recent dynamics and instability of our markets -- mortgage financing and real estate -- we spend an increasing amount of time developing scenarios and rapid responses, short-term strategies and tactics,” explains Gloria Hevia, recently vice president of organizational development for Home Mortgage Corp. and now managing partner at Vanguard Asset Management LLC, a financial planning firm in Tampa.

Once company leaders identify possible strategies, it’s vital that HR professionals understand how different scenarios can affect the HR function. Devero gives an example: “An ongoing trend in banking is to find new ways to make money when you can’t get new customers. One way is to get a customer to do more things at the bank.” For example, getting each current customer to use one additional account product or service, such as financial planning for college, can lessen the bank’s need to find new customers. Consequently, however, “You have to make tellers into salespeople,” Devero continues. “In the past, the tellers only needed certain skills; now they need to be retrained or replaced. From an HR perspective, there’s a whole host of projects and adjustments.”

Finally, it’s important to understand that strategic planning is an ongoing process not limited to the time spent at an off-site retreat. “Having a feel-good off-site meeting in a warm place in mid-winter creates a false sense of security that strategic planning can be accomplished in a two-day powwow,” says Abhay Padgaonkar, president of Innovative Solutions Consulting LLC, a management consulting firm in Phoenix. “In reality, it is a fairly complex and continuous learning process.”

Who Should Attend

First, determine who will attend the retreat. “Be thoughtful about who to invite,” says Liteman. “Having too many people can make it unwieldy. Having too few, or the wrong people, can make it too narrow and unrepresentative. This should always be a judgment call, not an automatic ‘Let’s invite everyone.’”

Some company leaders believe a strategy session should include every manager and supervisor. But that’s not a truly strategic session, experts say.

“I like to work with five to 10 people, sometimes 14. I’ve done it with as many as 35, but I don’t recommend it,” says Robert Bradford, chief executive officer for the Center for Simplified Strategic Planning, a consultancy in Ann Arbor, Mich., and author of *Simplified Strategic Planning* (Chandler House Press, 2000).

Bradford suggests that senior leaders include more people in the research and implementation stages -- say, 50 to 100 people. “But having 100 people in a strategy meeting is like having 100 hands on the steering wheel,” he says.

Joseph Cady, managing partner of the CS Consulting Group LLC, headquartered in San Diego, recommends that the strategic planning team consist of four to five senior executives who oversee functional areas. “Smaller groups get to consensus much more quickly,” he adds.

HR Roles

While the senior human resource executive should participate in a strategic planning retreat, he or she sometimes plays a role in organizing, running and reporting on it as well. That may include:

- Selecting and preparing the facilitator. “The HR professional should work in partnership with the facilitator to ensure that the facilitator has access to important information and key stakeholders that will allow him to design a process that is likely to yield the best results,” says Liteman.
- Gayle Lantz, president of WorkMatters Inc., an organizational development consulting firm in Birmingham, Ala., emphasizes the importance of putting the facilitator in contact with key people prior to the meeting. “Preplanning interviews can be effective and help save time in the long run. Interviewing stakeholders in advance helps you identify key issues and anticipate challenges that may arise during the off-site,” she says.
- Also, the HR professional should brief the facilitator on the current strategic plan and prior retreats. “What progress has been made on these [initiatives]? If progress hasn’t been made, why not? What kinds of barriers have gotten in the way? Or, does the plan no longer have relevant [initiatives]? Perhaps the environment has changed,” says Liteman.
- Helping guide the retreat. In some cases, the HR professional may even help facilitate the retreat. “Leading a retreat in collaboration with an external facilitator can be an outstanding experience,” says Liteman. “The internal facilitator brings knowledge of the organizational culture, familiarity with the personalities in the room and a deep understanding of the organization’s work. The external facilitator brings wider experience, a different perspective and greater freedom. If they trust and respect each other, they can form an excellent team.”
- Advising executives on the practicalities of proposed strategic scenarios. Many strategic plans “don’t take into account the implementation,” says Padgaonkar. “HR people can inject reality.” For example, HR professionals can communicate employees’ existing capabilities “and what it will take to bridge the gap to the future capabilities. HR can be the litmus test to see what kind of change management the company will need.” Liteman agrees. “HR professionals are often involved in the HR component of strategy,” she says, and can offer insights regarding, for example, what kinds of people the company needs to recruit and what rewards and incentives are needed to encourage the behaviors desired for the plan to be successful.
- Communicating the plan. “Employees who weren’t at the retreat must be informed and involved in implementing the plan,” says Liteman. “They will have to know who is responsible for doing what and by when. An HR professional can help ensure inclusive implementation that takes into account the concerns and ideas of people who will be charged with carrying out key strategies.”

For instance, when leaders of The YMCA of Greater Rochester in New York wanted to communicate a strategic vision to employees, the CEO condensed it in a clever way and HR disseminated the message, says Fernán Cepero, PHR, vice president of HR for the YMCA and a member of the Society for Human Resource Management's Organizational Development Special Expertise Panel. "Our CEO narrowed down the strategic plan to one two-sided page with a four-digit number" that addresses the four areas on which the organization is focusing for the year -- 1331, for one mission and vision, three areas of growth, three ways to fund the mission, and one coordinated process.

"We didn't want to prepare a 25- to 30-page plan that is lost in translation," Cepero explains. "This is easy for [employees] to remember."

Outside Looking In?

If you are not involved in strategic planning as an HR professional, there are ways to gain ground. To earn an invitation to a strategic planning retreat:

- Prepare data. Whether or not an HR professional participates in the strategy session, he or she can help prepare for it. Obtain data such as head count, turnover, cost to hire, average employee tenure and training costs, says Devero.
- Bradford agrees, saying, "If you're not on the team of five to 10 people, you need to be one of the people preparing the research to be digested. Do a good job on that and on the implementation side." How well you prepare data for the executive team this year could determine whether you get an invitation next year.
- Follow up with the CEO. Bradford recommends asking the CEO after every retreat how the strategy affects HR, to demonstrate that you're thinking strategically.

Or, Devero suggests, "Request to sit in as an observer for a few hours. Say, 'I'd like to learn this aspect of the organization because I believe it is essential to do my job.' Few CEOs would say 'no.' There might be a counterproposal, but it would be unusual for [a leader] to say, 'You can't be at any part of it.' And, you've begun to plant the seed that you want to be a strategic partner, not just doing payroll and benefits."

But be careful not to force your way in. "You can always push your way to the table, but that will cause you more problems politically than you solve," Bradford says. "If you are contributing and asking to link the strategic plan to your job function -- in other words, thinking and acting strategically -- the executive team will ask you to the table."

Working the Plan

"Ultimately, most organizations don't fail in developing strategy. They fail in executing it," says Lantz.

“That’s exactly what happened when I was a banker,” says Bradford. “We spent three-quarters of a million dollars on our strategic plan, and it sat behind a plant on a shelf in my office. It was very frustrating.”


Bradford’s organization wasn’t the first to develop a strategy and then fail to implement it -- and it won’t be the last. “A high percentage of organizations don’t follow through,” Cady says. “They don’t put enough details behind the plans. They drop the effort there and it becomes bookcase filler.”

So how can companies avoid making that mistake? “Make sure you focus as much effort on implementation as you do on strategy,” Bradford advises. “Most plans fail at the execution stage because most companies fail to take the time to build monitoring and accountability into their planning processes.”

HR professionals have a significant role in implementing the plan as it relates to employees and measuring progress to keep the plan on track.

“You can have a great strategic plan after one of these fancy off-site meetings, but it is only as good as the paper it’s written on,” says Padgaonkar. “When strategic off-site meetings are glorified -- no matter how well-conducted -- it can create an illusion that the hard work is done, when in reality it has only begun.”

The author is a Wixom, Mich.-based freelance writer and former HR generalist and trainer.

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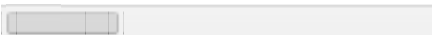
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What To Look for in a
Facilitator

“Having the right facilitator is a
key to a successful planning
process,” says Merianne
Litman, president of strategy
consultancy Litman-Rosse Inc.

“The facilitator should be
selected before a date is fixed or
a retreat site booked”—as early
as three months prior to the
first planned retreat.

Most organizations rely on
outside facilitators to guide
their strategic planning
sessions. This could be because
of the many potential
disadvantages of using internal
facilitators.

With internal facilitators, “you rarely hear anything new. The internal facilitator is already in the culture of the organization, which dictates what they are willing and unwilling to say,” says Amie Devero, founder of The Devero Group consultancy.

Charlotte Anderson, SPHR, GPHR, managing director of Amethyst and Iris, an organizational effectiveness and talent development consultancy in Hillsborough, N.J., and a member of the Society for Human Resource Management’s Organizational Development Special Expertise Panel, notes that often the most senior person—as opposed to the most qualified—becomes an internal facilitator. This individual tends to have a personal agenda and political ties, limiting his or her ability to be effective.

But using an outside facilitator over an internal one isn’t a matter of choosing the lesser of two evils; there are distinct advantages to using an external facilitator.

For instance, Gloria Hevia, recently vice president of organizational development for Home Mortgage Corp. and now managing partner at financial planning firm Vanguard Asset Management LLC, says, “I prefer having an outside facilitator, which not only brings a whole new set of skills and thinking to the process, but also puts me into the mix and allows me to participate in the design of the strategy.” In other words, outside facilitators allow HR professionals to spend time thinking about strategy instead of facilitation.

“Outside facilitators bring objective perspective and insights from their work with other organizations. The skill, style and expertise of the facilitator are critical to success,” says Gayle Lantz, president of WorkMatters Inc., an organizational development consulting firm. “The facilitator can make or break your meeting. Choose wisely.”

What criteria should you use to make such an important decision? Experts say you should look for a facilitator:

- Who is recommended by other HR professionals. Ask other HR professionals whom

their company has used and what were the outcomes of the strategic planning meeting. If the strategic plan the facilitator helped create sits on a shelf somewhere gathering dust, he or she may not be the right facilitator for you.

“How is the organization going to look a month after the strategy meeting? Is the person going to be gone, the organization the same and the strategy document sitting somewhere?” asks Devero.

“The person who says to you, ‘Strategic planning is the beginning of a process’ and sells strategic planning, coupled with several months of regular management of the process with options for the next year or two years,” is a better candidate.

- Whose sole business is strategic planning. “The best outside facilitators do nothing but strategy and so have a better feel for both the mechanics of the process and what will actually work in practice,” says Robert Bradford, CEO of the Center for Simplified Strategic Planning consultancy. “You want someone for whom strategic planning is [his or her] stock in trade.”

- Who isn't wedded to one particular planning model. A good facilitator will suggest a strategic planning model tailored to your industry and organization. "Check client references. Find out how well they performed. Did they tailor the approach to the organization?" asks Joseph Cady, managing partner of the CS Consulting Group LLC. Liteman agrees: "I would be suspicious of any facilitator who had only one model and wasn't responsive to what was going on in the organization."

Abhay Padgaonkar, president of management consulting firm Innovative Solutions Consulting LLC, adds that companies should beware of facilitators who "may know the industry trends but don't really know the company well. They are apt to recommend 'best practices' that worked somewhere else, but may be totally wrong here."

- With experience. "It can take almost 20 years to get good at reflective thinking," says Cady.

Bradford agrees: “What is their experience? A lot of people have only mid-level experience. You want someone who has been the owner of a business, the CEO or a [top-level executive]. You want someone who has been in your shoes.”

- With integrity. “There has to be a feeling that this is a person you can trust. The facilitator is going to have confidential information about your company. You have to really trust the integrity of the person and how that information is managed,” says Liteman.

- Who is a good listener. “Look for someone who really listens well, not someone who listens to a couple of sentences and then says, ‘I know just what you need’ or ‘That reminds me of this other organization.’ Every organization is different, and the outsider really needs to listen about how that organization functions,” says Jeff Liteman, vice president of Liteman-Rosse Inc. and co-author of *Retreats That Work*.

- With the right personality. “If you have a chance to see somebody speaking at a seminar for a day or two, you will get an idea of

whether they will click for you,” says Bradford.

Adds Merianne Liteman, “You need someone who has enough guts to stand up when things are not going the way they should.

You want someone who can manage the diversity in the room. The facilitator should coach the CEO in how his behavior will help or hinder the process.”

Summarizes Fernán Cepero, PHR, vice president of HR for The YMCA of Greater Rochester, “A bad facilitator doesn’t understand your organization, and the whole [retreat] would be a waste of time.”

—Kathryn Tyler