

12 planning pitfalls to avoid

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Alberto Fernández offers tips for avoiding 12 common pitfalls in strategic planning and follow-up.

Strategic planning is one of the most important responsibilities of senior management and is essential for an organization's long-term development.

With economic uncertainty on the rise, companies must have adequate strategic planning, not only to anticipate and react swiftly to shifting circumstances, but to lay the foundations for the emerging economic landscape.

In his paper, IESE's [Alberto Fernández](#) sets out what he believes to be the 12 most common pitfalls in strategic planning and follow-up, and offers tips for avoiding them.

How good plans go awry

The following are six of the most common mistakes made in the strategic planning process. While some may seem like common sense, they are nevertheless frequently made, proving costly to the companies affected.

1. *Overlooking the planning process.* Some executives do not spend enough time planning their company's short- and long-term strategies. This may be due to a lack of time, an absence of formal procedures, rapidly changing market conditions or simply managerial hubris.

Solution: First, you must acknowledge the importance of strategic planning. Then, manage your agenda effectively, setting aside enough time — at least 5 percent of your weekly work

hours — to oversee the main strategic priorities.

2. *Dragging out short-term planning.* Inefficient short-term planning can make it difficult to identify and maintain focus on the company's immediate goals and challenges.

Solution: Streamline and simplify the planning process. To this end, it is essential to build a strong, dedicated team of strategy planners who are fully aware of their roles and responsibilities.

3. *Failing to distinguish between short- and long-term planning.* Short- and long-term planning require entirely different approaches, especially with regard to the analysis of trends, competitors' activities and attention to detail.

Solution: In your long-term planning, try to set out the broad strokes of your company's strategy. Over the short term, you must pay much greater attention to details. Avoid tackling long-term strategic issues right after agreeing on short-term plans, as this can create needless distractions.

4. *Planning meetings poorly.* You can hold as many meetings as you want, but if the participants are unprepared and/or unfocused, they will bear little fruit.

Solution: Establish a clear set of policies and procedures for pre-meeting preparation and participation. You can do this by setting a clear agenda for the meeting and making sure that all the participants are prepped well in advance and show up on time. Despite the inevitable protests, ask participants to switch off their cell phones during the meeting to minimize distractions.

5. *Putting the budget first.* Naturally, economic considerations must be weighed in all strategic planning efforts. But they should not hold back projects that can be beneficial and provide a healthy return.

Solution: Don't let financial concerns completely dictate strategy. Strategy must come first, resources second.

6. *Picking the wrong team.* In assembling their strategic planning team, some managers pay scant attention to the employee profiles needed for each task, resulting in a skills and jobs mismatch.

Solution: Delegate tasks to the right people throughout the planning and execution process, bearing in mind the particular skills, knowledge and expertise they can bring to the table.

Follow-up failures

Once a strategy is set, there are still plenty of mistakes that can be made in the follow-up phase. Here are the six most common.

1. *Neglecting the follow-up process.* Some companies ignore the follow-up process altogether, while others may lose focus on key indicators over the long term.

Solution: Plan the execution and follow-up process as carefully as you did the strategic planning stage. Maintain focus by holding periodic meetings to review the performance of key business metrics.

2. *Lacking continuity.* You cannot just dismiss two bad quarters by saying things will pick up in the second half of the year. Clearly, key strategies should be monitored regularly and rigorously.

Solution: Make sure factors such as vacation periods or the overlap of two planning cycles don't exert a negative effect on the follow-up process, by stressing the importance of perseverance and continuity. Also, be prepared to react swiftly if results deteriorate.

3. *Mixing up strategic and operational follow-up.* In general, strategic issues tend to be more complex, require more time for analysis and their results take more time to become clear. And if they are lumped together with operational issues, the latter often end up dominating.

Solution: Hold separate meetings for operational and strategic follow-up, and make sure that enough attention is being paid to strategic concerns.

4. *Inadequately following up the indicators.* It is pointless to have a follow-up process if you do not regularly analyze the goals and actions defined during the planning process.

Solution: Coordinate your strategic goals with actions, and track key indicators as regularly as possible. Also, don't let financial concerns dominate the decision-making process.

5. *Overcomplicating the process.* Monitoring too many indicators can complicate the process, make it more expensive and create unnecessary pressures, leading to employee stress and frustration.

Solution: Keep the process as simple as possible, focus on just the key business metrics and reduce cumbersome paperwork to a minimum.

6. *Holding follow-up meetings without key personnel.* The more meetings you convene, the more likely it is that key personnel will not be able to attend.

Solution: Follow-up meetings should be planned well in advance and occur no more than once a month or quarter. Videoconferences can make it easier for everyone to take part.

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