

Critical Strategic Planning Terms

One of the more common problems that companies run into when engaging in strategic planning is confusion (or agreement) about what individual terms mean. For example, what's the difference between a mission and a vision? Or what's the difference between an opportunity and an initiative? Or how is a goal different from a tactic? Different people have different definitions – which is why there's so much confusion about what each term means.

To help un-complicate the process of defining these terms, here are the definitions I use when working with clients (along with an example or two of each).

- Mission:** This is what a company does. It should be short and easy to memorize. However, it shouldn't be so generic that you can't tell what business it's in. Note: similar businesses may have very similar mission statements. Why? Because they essentially do the same things.
 - To promote and develop the growth of tennis* (The United States Tennis Association)
 - To organize the world's information and make it universally accessible and useful* (Google)
- Vision:** This is what a company wants to become. Vision is a seeing term. Therefore a vision statement should be future-oriented. It's an image of what a company wants to create. It isn't what a company is, it's what it wants to become. While mission statements may be similar, vision statements should be very different. They should be motivating and inspiring. And they should drive decision-making.
 - Be the safest, most customer-focused and successful transportation company in the world* (Norfolk Southern)
 - To be the preeminent publisher and provider of self-improvement resources that inspires and empowers individuals to lead the lives they most desire* (Nightingale Publishers)
- Values** – Values are the foundational beliefs about how you want your employees to act. They are the beliefs that create the culture of an organization. They don't need to be exhaustive. Nor should they simply be the same from company to company. While integrity, trust, honesty, etc. are good core values, they don't need to appear on your list unless you believe they must. In many cases, they're givens. I recommend no more than five core values for a company. Once you get past five, very few people can remember them.
 - Excellence* – To do the best we can, with the resources we have, in the amount of time we have to do the tasks we're assigned.
 - Curiosity* – To be insanely interested in knowing, yet never content with what we know. To be a life-long learner.
- Growth Initiatives** – From a strategic standpoint, what are the three to five most important things you can do to grow your organization? Note: a growth initiative differs from what I refer to as a strategic initiative because a growth initiative is usually related to one or two business units or people – and it can often be completed before the end of the year.
 - To add five new joint venture partners by September 30th
 - To open an office in Shanghai by July 31st
 - To complete a merger or acquisition by December 31st
 - To create a strategic partnership with Apple by May 30th
- Strategic Initiatives** – Strategic initiatives, if you want to keep your entire top team involved, should be initiatives that everyone can play a part in fulfilling. And they should be year-long initiatives. The main key thought of a strategic initiative is that it's something everyone can

contribute to, that will advance the organization. Also, strategic initiatives are usually designed to overcome constraints (whereas growth initiatives are often strength focused).

- *To double the number of leaders who have completed our Level Three Leadership program and are ready to take on new assignments.*
- *To raise the level of execution excellence so that the number of errors rate falls to less than one per thousand.*
- *To train everyone in every department in effective customer service skills so that every customer has a more positive experience regardless of whom they're interacting with from our company.*

6. **Goals** – Goals are dreams with deadlines. They are quantifiable. You should clearly know if you hit them or not.

- *To generate \$5.7M by 12/31*
- *To raise our customer service rating to 4.75 by 9/30*
- *To raise our profit margin from 30% to 35% by 12/31*

7. **Tactics** – Tactics are the individual activities an employee engages in to complete a goal/initiative/strategy/etc.

- *To hire a merger specialist by 3/31*
- *To design a leadership development process by 6/30*
- *To recruit three college marketing interns by 3/31*
- *To renegotiate all vendor contracts by 6/30 to reduce our cost of goods sold by 40% (and saving us \$1M)*