

# THE PRESIDENT

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## The CEO's Role in Strategic Planning

By A. Paul Bradley, Jr.

"What is my role in the strategic planning process?"

In my over ten years of speaking at seminars and roundtables for CEOs, I have heard this question countless times. It seems that all presidents know they should "lead" the planning process, but few are clear about what this means. The result is that for some CEOs and their management teams, the planning process is a poor and destructive rather than creative experience.

As CEO, should you be the facilitator of retreat sessions? Should you let the team plan alone? Should you sit in but remain totally silent or, if not, when and on what topics should you speak up? These are perplexing questions. Let me share with you my personal point of view on these issues based on my 20 years' experience as a planning participant, CEO, and consultant-facilitator of strategic planning retreats.

There are three phases to planning: preparation, the creative thinking process, and implementation. Each requires you to play a different role.

### Preparation

The preparation stage is the stage at which you, as CEO, are the most visible and proactive. It involves:

**Determining the parameters.** There must be clarity about what must be accomplished. CEOs must first be clear in their own minds about the scope of the planning, or they cannot help anyone else.

**Determining the team.** Effective planning involves virtually the entire company but at the planning retreat itself, only so many can attend. While it is normal to take only the top management team, many companies now regularly invite one or two representatives of middle and even lower-level management to provide a different perspective or contribute to discussions in their specialty area.

Decisions on who will participate should be made by you. While feelings of other team members are a consideration, planning deals with the survival of the company so politics must take a back seat to expertise.

**Selecting a facilitator.** I do not wish to sound self-serving—I lead planning sessions for a living—but there is only one answer to the question of whether you should facilitate your own process: "No!" The collective wisdom of CEOs at the Management Course for Presidents where this question always arises is that CEOs should never run the meetings, even if they have years of experience in planning. By definition, the facilitator cannot fully participate in the meeting; he or she needs to worry about flow, the psychic

state of participants, energy levels, and the like. As CEO, you should be concentrating on content.

The facilitator should be someone in whom you have complete confidence. While your team may make suggestions, the final decision is yours.

**Setting the climate.** Virtually everyone in the company needs to know that planning is taking place and should care. To build involvement, send a memorandum requesting—even requiring—ideas on some element of the planning. This will promote involvement and, ultimately, commitment to results.

This memorandum should also reflect enthusiasm and optimism. Your planning retreat will be contributing to the creation of your company's future. That is exciting, so say so.

Upon return from the retreat, do something similar to maintain interest and involvement.

### The Creative Process

The actual retreat is a time for you to be less visible, less active. However, as CEO, you don't just sit back and listen.

**Opening the session.** You should begin the session by reiterating the overall guidelines, personal commitment, and faith in the team. Also share with the group your personal confidence in the facilitator.

**Learning to be quiet.** The deliberations are the toughest time for many presidents. They have made a major investment in the process and now have an opportunity to learn their team's ideas. But too many talk instead. Your role during the session is to listen while silently asking two questions: (1) "Is this where we want to go?" and (2) "Are these the people who will get us there?" Ask these questions over and over. During the planning, you will see your people in a different light than that cast by day-to-day activities. Some will reflect brilliantly while others will almost disappear. The planning process is a wonderful team building and team assessment laboratory but only for the CEO who properly uses it. At times, the facilitator may experience a log jam and ask the CEO to decide how the group should proceed. That is OK. There will also be times when you may want to introduce ideas. That's fine, too. But a more productive role is to ask questions and make sure that people answer with data. In short, be judicious with your comments and opinions but not totally silent.

**Closing the meeting.** I don't recommend this approach but the most powerful ending to a planning session I ever saw happened when, just before adjournment, the CEO asked the managers, one by one, whether they were committed to the objectives of the five-year plan and to the various benchmarks. Armed with affirmative replies, the CEO then asked, "What should I do if we are off target a year from now? What's fair?" The tension in the room was enormous while the CEO, again, went to each manager.

While I recommend this approach only to CEOs skilled in CPR, I never saw a team so completely recognize the seriousness of the

process. All realized that they had truly bet their jobs on the team's performance.

The future of your company is at stake. As CEO, you should close the meeting in a manner that reflects this reality to all participants. However, it is best to create enthusiasm, not fear.

### Implementation

After the plan is in place, the role of the CEO again changes to:

**Overseer of discipline.** "Companies that monitor action plans effectively succeed at planning. Companies that simply go on retreats fail." My experience shows that these are almost absolute truisms. Plans fail because of inattention to follow up.

As CEO, you should regularly ask about team performance on action plans. In addition, to help with course correction, have the facilitator visit periodically for action plan review meetings. One service The Bradley Group, Inc. provides is monthly "ticklers" to those responsible for steps. This has greatly improved follow-through. Planning success depends on regular inspection of what you expect.

**Completer.** When the CEO doesn't carry out his or her own assignments tied to the strategic plan, a message is sent to the entire organization that makes it difficult to demand performance from others. Without exception, when I work with teams whose CEO completes all assignments thoroughly and well, everyone does and the plan succeeds. Not so, the reverse. CEO actions are the best indicator of interest. However, more is needed.

**Visible proponent.** In the introduction to George Steiner's classic book *Strategic Planning: What Every Manager Must Know*, the author described research on 300 companies that had failed in planning efforts. The universal characteristic was lack of CEO visibility and involvement. This article has suggested several areas to achieve both, but there is one more CEO role in strategic planning: cheerleader. Recognize success, and give credit freely and often. You will appreciate the sense of satisfaction that comes from being the leader of a team effort that brings success in which all can take personal pride. ★

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