

HIGH PERFORMANCE STRATEGY

TOWARDS EFFECTIVE ALTERNATIVES TO TRADITIONAL
PLANNING

James Bowen and Brian MacNeice
Managing Directors, Kotinos Partners

The traditional annual model of strategic and financial planning in business is broken. In and of itself, this is probably not news, however we would argue that the difficulties that annual planning creates are underappreciated, such that business leaders don't exert enough pressure for better alternatives. Better, more dynamic and more effective options do exist, that enable real strategic and performance advantage in those organisations that take them on.

THE PROBLEM WITH ANNUAL PLANS

There are two big problems with traditional planning:

- It tends to be carried out through complex, self-perpetuating processes involving lots of resource focused on populating templates and spreadsheets, and
- By the time that plans have been completed they are always out of date.

Each of these problems is a big deal. With regard to the first one, the level of detail required is so great that filling the template or spreadsheet becomes an end in itself, as opposed to a means of enabling deeper business thinking. Teams, to get through the exercise in time, often look to dust off and incrementally update last year's plan, and "big picture" thinking is squeezed out as a result. Lost in particular is the scope for capturing insights and changes in the "outside-in" business context, for example the customer, market, competitor, or technology environments, and important linkages of cause and effect remain unidentified and unappreciated by business leaders.

The second problem results in operations and functional leaders being left always on the back-foot with regard to coping with change. Invariably, new objectives and initiatives are introduced "off-cycle" (for good reasons given the delay to the next one). However because there is no adequate process for dealing with change, it gets introduced in a way that reflects the needs of executive "sponsors" rather than managerial "implementers". These managers are left generating heat (but often little light) as they struggle to "layer" new initiatives on top of the existing day-job such as to make some progress while minimising overall disruption.

QUARTERLY PLANNING: A SOLUTION FOR HIGH PERFORMANCE



Leveraging our High Performance research and experience, we have developed a more dynamic and effective approach to strategic and financial planning. It works to a quarterly rather than an annual cycle, and is rebalanced to promote the inclusion of changes in the outside-in business context. Our approach delivers contextualised, prioritised and detailed plans for a 13-week cycle that can be “locked-in” and delivered with minimal disruption by operational and financial teams. Senior leaders in effect work strategically,

one quarter ahead of the operation – to understand context and identify the changes that need to be introduced for the next cycle. They then plan for this to happen effectively in a managed, joined-up manner. Strategic

FROM HAVING A STRATEGY TO BEING STRATEGIC

The true strategy of a business, ultimately, is what it actually does, not what it says it will do. Also performance derives both from the quality of the plan and the quality of its execution. The traditional, institutionalised model, in our view, gives rise to poor plans, poorly executed – a negative “multiplier effect” with real consequences for performance and growth. Alternatives that convert the negative multiplier into a positive do exist, and should be pursued with more energy by those who really want to be the best.



James Bowen and Brian MacNeice are founders and Managing Directors of Kotinos Partners Limited, a niche advisory firm working to help CEOs and their teams achieve sustained high performance. He is also co-author of “Powerhouse – Insider accounts into the world’s top high-performance organizations”, published in October 2016 by Kogan Page.





© 2019 Kotinos Partners Limited. All rights reserved.

Merrion Buildings, 18-20 Merrion Street, Dublin 2, Ireland
T. +353 (87) 934 2100 E. info@kotinospartners.com

www.kotinospartners.com