

# Strategic Planning for Dummies and Experts Alike

By Stephanie Molnar

**T**he bottom line: Sales is responsible for delivering the company's top line growth. While hitting the numbers is important, says Erica Olsen, Vice President for M3 Planning and author of *Strategic Planning for Dummies* (slated for November publication), salespeople are often so busy working to deliver year-end goals that they're left out of the strategic planning loop, either by choice or circumstance.

Sales leaders and their teams bring knowledge about client needs and wants to the table that can help keep the company from making costly missteps, Olsen suggests. And, sales leaders can make sure future plans are in alignment with its department's resources.

Sales Performance Journal asked Olsen, who has helped a wide range of clients craft and implement strategic plans, to explain. The edited exchange follows.

**Sales Performance Journal:** You're a huge proponent of strategic planning in general. Why is it so important?

**Erica Olsen:** Well, it's only important if a company wants to grow. If a company wants to grow, they need a strategic plan. And if they're forecasting growth, the sales organization really needs to be involved in the development of revenue goals, because sales is responsible for that top line growth.

In the boardroom, we toss out numbers--10, 20, 30 percent--but we may not think through the impact of the goal on sales or support.

There's one organization I know of where sales was given a goal of 30 percent growth. The sales organization delivered. The rest of the operation couldn't support it! The realistic goal on the manufacturing side of the house was only about three percent. So sales can't fulfill contracts to retailers, sales gets incentives based on deliveries...the entire organization is a mess.

The sales were made, but revenue goals weren't reached. It's a case of left hand/right hand, of not really

paying attention. Sales was successful but no one asked the tough question, "Can we deliver?"

**SPJ:** How can sales help avoid disasters like this one?

**EO:** They can help determine if a strategic plan is sound. They can use a Balanced Scorecard [a strategic planning system developed by Drs. Robert Kaplan and David Norton that examines organizations from four angles: learning and growth, business process, customer and financial perspectives] as a kind of "sniff test" to see if the strategy will work. They can ask: Do we have the people to support the operations? Are we delivering value to customers to meet financial goals? Do we have the right people in the right places in the operation to deliver what we're selling to provide value to our customers?

Look at the strategy. Really get connected with the rest of the organization. Get strategic planning to a point where everyone can say confidently: yes the market is there, yes the organization is behind us to fulfill what we're selling, and yes we have the right people in the right roles to get there [reach the revenue target]. It takes the unknown out of it. It's much less "pie in the sky" when you ask those questions. These are the questions the Fortune 100 ask.

**SPJ:** So sales will help drive the profitability of the organization by doing more than just selling.

**EO:** If sales is at the table and engaged in a way they can make a difference, they'll have a huge impact on their department and overall profitability. Sales has a ton of customer information. They have any number of customer touch points, whether the information is gathered in a formal manner or not. What are the trends? They can actually affect the product they'll be selling next year with this information.

[For this to work,] sales must view [the strategic planning effort] as a benefit and not as wasted time. Sales will waste more time in the long run because they

didn't take that day [to attend planning sessions]. Sales leaders must review the numbers, ask the questions and make sure there is alignment.

Realizing the true role the sales force can play should be very exciting for anyone in a leadership role. The result is empowering. Looking at sales as strategic rather than tactical is ultimately empowering.

**SPJ:** And the results?

**EO:** Strategic planning works. [We've seen that] just getting people talking--even if the plan is ultimately faulty in some way--results in an average growth rate of 12 percent. Failure to plan is planning to fail.

## About Miller Heiman

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