

## Best Practices

The American Quality and Productivity Center's International Benchmarking Clearinghouse analyzed the strategic planning processes of 45 top companies, including Alcoa, Deere & Company, Frito-Lay, Shell International Petroleum Company, Whirlpool and Xerox Corporation. The following is a summary of many of the best practices employed by these highly successful corporations, as revealed in the Clearinghouse's 1996 strategy study.

1. Stretch goals drive strategic out-of-the-box thinking. While different organizations use different parameters, all of the best practice companies set targets that required a shift from business as usual.
2. Their planning processes are evolving and flexible. A "continuous improvement" philosophy guides the planning-process design.
3. Communication of the strategic plan is a formal and significant element of the process and it is viewed as a measure of quality planning.
4. Planners emphasize action plans and strategic thinking. Planners expect strategic thinking to take place primarily at the business unit level.
5. The planners' distinction between strategic planning and business planning is increasingly blurred. As the cycle time between strategic plans shortens, business planning is done within the context of a strong corporate vision or culture, even if a corporate strategy is not articulated.
6. The role of strategic planning as a key element in the management system is explicitly recognized through strong links to other elements of the management system (e.g., strong human resources and organizational structures).
7. Documentation of strategic thinking is stressed.
8. A single core competence or capability is not the driver of strategic planning. Instead, the basis for competitive advantage and new business development is based on diverse competencies.
9. Approaches to planning processes and planning system designs vary greatly. Although approaches vary, the framework of issue and option generation, prioritization, review and feedback continues to have universal relevance.<sup>4</sup>

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<sup>4</sup> APQC. Strategic Planning: Final Report. Houston, TX: American Productivity & Quality Center, 1996.