

Volume

8

BUSINESS ANALYSIS REPORT

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“Strategic Planner” Selection
Guide
The Charlatan Detection Methods

This series encapsulates over 20 years of research and testing with corporations, CEO groups, universities, and government agencies. Based on contemporary and ancient works, as well as independent and collective research, the concepts herein have served many different companies ranging from start-ups to Fortune 500 and validated by thousands of CEOs. To facilitate rapid CEO and Senior Management assimilation and application, the information is condensed. Any questions or requests for other relevant support information should be directed to: *The Schmincke Research Alliance* at www.SRAleadership.com

ACCELERATING RESULTS IN STRATEGY AND LEADERSHIP

The Schmincke Research Alliance

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Introduction

Strategy is about intuition, and this means being able to think beyond the experts and the competition. Unfortunately, research finds that most strategic planning facilitators are untrained to deliver this level of service. As mentioned in the industry report “Strategic Planning for Small-to-Mid-Sized Corporations” (available at www.sagaworldwide.com), Tom Peters refers to the 10% success rates of strategy consultants as “wildly inflated”. When experts are faced with the strategic planning failure data published by the press or deeper academic studies one would expect them to rush in, find the source of the problem, and fix it. However, they do no such thing. Instead they withdraw, deny, avoid, fantasize, blame the client, insist the data’s incomplete, or faithfully support the process anyway.

The issue seems to be that to facilitate such a real strategic planning session requires real-world experience, but also significant academic familiarity with the best researched and validated strategic thought-models which can be selected to help executives reach intuitive insight and a drive for achievement. The reason the majority of strategic plans end up being just tactical is because the company hired a “strategic planner” who brought none of this to the client. It’s not because the facilitator wouldn’t help them develop strategy, but further study showed it was because they couldn’t.

The study and research of strategic models is hard and takes years, and to test the mettle requires up front performance in academic settings with peers and mentors. Most facilitators who market strategic planning services do not

have the time or interest in doing this because the effort is very time-intensive. This is why they tend to avoid using relevant thinking-models with clients, or use them out of context. For example:

- A large mining company hired a strategy group to do strategic planning. We were part of this group. They used scenario analysis – a method to predict various possible futures so that a strategy can be selected for optimal success in those futures. The only problem was there was no strategy to test in those futures! The consultants thought that because there was a recent book published on scenario planning that using the model was sufficient. When we protested they did not understand our concern. There were other global issues that needed to be addressed. We quit. The client got mediocre results. The consultants made millions. Later the company was plagued by environmental issues in the Asia, and in 2009 China arrested several of its employees.
- Over the years several facilitators have asked our advice for a bibliography so they could learn real strategy in order to help them facilitate real strategic planning with clients. Unfortunately, when we worked with their clients later, the “strategic” plans they developed revealed that these facilitators read none of the books suggested. Further research found the reason why. The books were thick, hard to read, and required much time to digest, let alone practice; little motivation if you’re making plenty of money selling your current “strategic planning” services.

The problem with all this is the average CEO has no way of knowing whether a facilitator they are retaining can facilitate real strategic planning versus just tactical planning. They eventually realize this when they later hire a

real strategic planning facilitator and typically exclaim, “I’ve never seen this before!” To help CEOs and senior management filter out the real facilitators versus the wannabes they need to look beyond the fancy brochures and web pages to ask some pertinent screening questions. We recommend you ask the following questions of your consultant/facilitator BEFORE you make a decision:

1. **What strategic thought-models do you use?** If they talk about facilitative techniques, run. If they talk about the latest best-selling books, run. If they say it’s really about helping you figure it out, run. You see, the great strategy research is not typically best-seller material. An authentic resource should be able to show you various competitive force models, market position evaluation tools, strategic response methods, and present a systematic understanding of classic systems regarding value chains, barriers to entry, switching costs, differentiation versus low-cost, growth curves, force models, global factors, niche strategies, etc. Remember you don’t have to understand these things (you need to focus on running a company) but you should be convinced that THEY UNDERSTAND THEM!
2. **What strategy authors are you most impressed with?** Again, if they refer to bestselling authors, run. Instead they should be able to recognize established names like Porter, Mintzberg, Ohmae, Prahalad, Hamel, and even Sun Tzu. They don’t have to agree with these authors – battles between Porter and Ohmae theorists are common – but they should know who they are. Our suggested bibliography is in the appendix for your reference.
3. **Why are you impressed with these authors?** This allows you to further explore what they know about these authors and what depth they have studied them.

4. **Where have you taught strategy academically?** This is an interesting question. Few venture into being challenged by peers, or *know-it-all* students, in a formal academic setting but those that do quickly realize they have to know their stuff or they get unplugged from the system. This doesn't mean that academic professors know how to facilitate strategy in the real world, many CEOs have bad experiences with academics, but it does indicate that the planner you are considering knows enough about strategic frameworks to guide your executives on the journey.
5. **Where have you been published?** Every consultant has a book. What unsuspecting CEOs don't know is most are vanity published. This means instead of being able to pass the gauntlet of agents, publishers, and editors to ensure quality material, they just wrote a check to a publisher to print the book for them. The most unscrupulous publishers will actually put the consultant's picture next to a couple of well-known celebrities to con the CEO into thinking that these celebrities really worked with the consultant on the book! If you check with these celebrities, they've never heard of these consultants. This scam got exposed when a CEO ordered more copies off Amazon: they received the same book BUT WITH A DIFFERENT CONSULTANT'S PICTURE WHERE THEIR CONSULTANT'S USE TO BE! What to do? Check out the publishers. Companies like Insight Publishing are notorious for this scam. Also, see if the consultant has had articles in the national press like The Wall Street Journal, The American Management Association, The New York Times, etc. or been on TV in the national media. It's not a perfect system, but the due diligence journalists, producers,

agents, and publishers perform to select experts from the thousands of requests they get monthly helps save you time in selecting the right facilitator.

6. **What size businesses have you worked with?** Make sure they are experienced with your size company. This will prevent large-company consultants from inflicting ideas which may work well for multi-national companies but fail to implement or apply in a small to mid-sized situation. Once we ran into a graduate of a top business school trying to apply a sophisticated performance evaluation and pay system onto a small company. It would have been applicable with thousands of employees, but not for 50. In the ivory tower these experts are never exposed to how smaller groups can detect and address situations much more quickly and elegantly than the systems designed for massive organizations.
7. **What is your standard process for strategic planning?** This is key in seeing if the consultant is peddling off-the-shelf, one-size-fits-all, quick-fix methods, or really understands that strategic approaches differ depending on a company's configuration (see Mintzberg's *organizational configuration model*, or Strategic Planning for Small-to-Mid-Sized Corporations at www.sagaleadership.com). The answer to this question should be "We don't have one." We know this sounds ridiculous until you see the research. The data show that at best these systems produce only tactical plans, not strategic (even though they have a "Strategic Plan" title); and they don't come close to helping the CEO shift the basis of competition in their industry. They probably have a great system to help with tactical planning if that's what you need, but intuitive thinking to

outmaneuver the enemy and drive peak profits and market-share penetration cannot be driven by a standard, template-driven, quick-fix process. Situations differ depending on company-size, growth phase, industry, global impacts, culture, and competitor positioning. To maximize impact for your company, make sure your strategic planning event is customized and tuned with the best academically founded models by a facilitator whose work has been nationally scrutinized in the media.

After interviewing your facilitator candidates with these questions you will be better able to assess their competencies in providing a quality strategic planning experience. If they pass the assessment, you will have eliminated 90% of the charlatans and are probably going to make a better choice of a facilitator for your next session. This will save you thousands of dollars in wasted fees, executive staff time, and misguided investments, as well as millions of dollars in misplaced resources and missed opportunities.

Strategic Planning Consultant/Facilitator Evaluation Form

Consultant/Facilitator Candidate Interviewed: _____

Date of Interview: _____

Questions to Ask	Check which answer best fits their response.		
	A	B	C
1. What strategic thought-models do you use?	No clear explanation	References recent pop-theories or trendy buzzwords	Explains models in detail and where they can be useful
2. What strategy authors are you most impressed with?	No relevant texts mentioned	Can recite best-sellers	Reviews classic and contemporary authors
3. Why are you impressed with these authors?	N/A because couldn't answer #2	Offers trendy answer or doesn't seem confident	Mentions specific contributions from each author
4. Where have you taught strategy academically?	No experience	Guest lecturer	Adjunct faculty
5. Where have you been published?	No where	Vanity publisher or local press	One or more books and national press

WHAT IS STRATEGY?

6. What size businesses have you worked with?	Not your size of company	Your size company but limited experience	In your range with enough experience
7. What is your standard process for strategic planning?	Unable to articulate a clear approach	Says "Yes"	Says "No" and clearly tells you why they don't use them
Total # of Checks in each column			

If most checks fall within column:

A = High risk. Best to keep looking.

B = Possible candidate. More due-diligence needed.

C = Great candidate. Low risk. Hire them.