



## TOP 5 REASONS WHY MOST STRATEGIC PLANS FAIL

# **Top 5 Reasons Why Most Strategic Plans Fail**

By Ed Lahue

Have you wondered why strategic plans come and go? Well, after 20 years of working for or with Fortune 500 companies, mid-sized firms, and small companies, I have come to see some patterns.

There appear to be five reasons why strategic plans fail.

## **1. Too Internally Focused**

Many organizations focus the strategic planning process on collecting and analyzing internal data and initiatives and not enough on the external environment. It's more about where the company has been and not enough about where the market is going and how the customers' needs are changing. It's also about making the tough calls on which market segments to pursue.

## **2. Too Heavy on Vision and Too Light on Strategy**

Some organizations become enthralled about creating a vision statement. Don't get me wrong, I believe vision casting is a powerful tool when done right. However, some firms get so caught up in wordsmithing a statement that it includes every nuance of the company and becomes vague. This can leave very little time to devote to developing an overarching strategy. This strategy is an important lynchpin to link your vision to action. It needs to detail which markets or segments to pursue and the strategic approach that will be used to win in the marketplace. (See my article "Sure You Have a Vision For Your Company, but What Will Your Staff Do on Monday Morning?")

## **3. Too Light on Objective Analysis**

Other firms go into the planning process very light on objective analysis of both the internal and external situation. They tend to base their strategic plans on current thinking or historical tradition with prevailing politics of the company's current operations. This is why sound data should be collected before any discussions of strategic direction. It provides for an objective view of the companies' strengths and weaknesses relative to the marketplace.

## **4. Too Complex**

Developing a strategic direction for your company can become complex, but if the finished outcomes include too many goals that aren't harmonious, the organization will fight within itself. Many times, this is a sign the organization lacks a clear vision and mission, which answers the questions, where are we going and why do we exist?

## **5. Too Few Resources**

Early in my business career, I learned the principle of aligning the objectives, strategy, and action. Resources create the vertical alignment of objectives at the top, strategy in the middle, and action at the bottom. If resources are not sufficient to fund the strategy and action to meet the objective or goal, then the strategy is going to fall apart, like a house of cards.

Developing a strategic plan should provide meaningful direction for your company's growth. So make your next strategic plan a success by avoiding these pitfalls.

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Ed Lahue is an accomplished business professional with over 20 years experience in identifying new growth opportunities for his clients. He has successfully marketed several brand name consumer products as well as developed winning business strategies for major businesses and industry.