A three-page excerpt from our 18-page Best Practice Guidebook:

From Vision to Implementation: Integrated Strategic Planning
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GUIDEBOOK SUMMARY

Firm: Sundt Companies, Inc.
Industry: Construction Services
Headquarters: Tempe, Arizona, United States
Geographic Footprint: United States
Ownership: Employee-Owned
Revenue (2010): $1.1 billion USD

Problem:
Sundt must break down silos, create a shared corporate vision, provide the necessary context to make decisions, and integrate strategic and tactical planning for effective implementation.

Solution:
Sundt creates an integrated strategic planning process that includes:
• A Systems Planning Model to drive a two-tier strategy planning process that sets long-term corporate goals and division-specific activities
• Key metrics to track progress during quarterly assessments
• An infrastructure that ensures divisions align to and support the corporate strategy

Business Results (2003–2010):
• 600% increase in net income
• 400% increase in net worth
• 500% increase in shareholder value

Resources Required:
• Human Capital:
  - A dedicated, senior-level champion with access to the chief executive
  - A cross-functional management team to oversee the process
• Financial Investment:
  - Professional development for the cross-functional management team on human capital management and strategy
  - Third-party vendor to facilitate corporate strategic planning meetings
  - Development of a Data Management System to support the process

Applicability of Best Practice to Executive Functions:

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<tr>
<th>Function</th>
<th>Applicability</th>
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<tbody>
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<td>CEO Leadership</td>
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<td>Corporate Strategy</td>
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* In this guidebook, division refers to business units with revenue targets and service units such as HR.
A Systems Planning Model governs Sundt’s strategic planning process at the corporate and division levels

**Systems Planning Model**

1. **End State**
   - Establish consensus on what success looks like.

2. **Current State**
   - Baseline current performance and research emerging competitive and customer trends.

3. **Bridging Strategies**
   - Determine how to bridge the gaps between the current and desired end-state.

4. **Key Metrics**
   - Track the progress of the Core Bridging Strategies.

**Corporate Strategy**

- **Purpose**: Create the strategies and action items to meet long-term (ten-year) goals
- **Revised**: Every two years
- **Participants**: Executive Management Committee and Corporate Strategic Management Committee
- **Components**:
  - Core Bridging Strategies—what the company must do to achieve its end-state financial goals, based on company capabilities and weaknesses
  - Objectives—how the company will execute the four Core Bridging Strategies

**Division Strategies**

- **Purpose**: Develop a three-year rolling strategy for each division to achieve revenue and support the corporate strategy
- **Revised**: Annually
- **Participants**: Executive Management Committee, Local Tactical Planning Committee, and the Corporate Strategic Management Committee
- **Components**:
  - Tactical Plan—the framework (focus areas and objectives) for how each division will support the corporate strategy
  - Unit Plan—component of the Tactical Plan that details the specific tasks (with measurements, milestones, and owners) to implement the Core Bridging Strategies

Source: Sundt Companies, Inc; Haines Centre for Strategic Management; Growth Team Membership™ research.
KEY TAKEAWAY: Begin strategic planning by articulating the end state and baselining the current state

In 2000, Sundt’s executive management established a ten-year vision for the company’s long-term future...

...and compared that vision with current conditions to inform strategy development

**2000–2010 Plan**

I. **Vision**—Inspire employees to go beyond the expected

II. **Mission**—Serving our clients and communities to increase shareholder value (the mission creates a unified goal that everyone in the company can support)

III. **Core Values**

   The company sets six core values that stress the desired corporate culture; values include:
   - Customer Focus
   - Personal Responsibility
   - Community and Industry Service

IV. **Corporate Goals (Set by the CEO)**

   A. “1”—$1 billion in annual revenue
   B. “100”—$100 million in net worth
   C. “10”—accomplish the above within 10 years

Including financial targets in the end-state has two advantages:

1. Goals are clearly measurable and comprehensible to everyone
2. Goals are equally meaningful to internal and external stakeholders

**Current State**

- **Sociopolitical**
  - key demographic factors, such as age, income, and population

- **Competition**
  - for example recent competitive moves, such as international expansion or consolidation

- **Economic**
  - for example a prediction on how economic conditions will influence revenue and purchasing behavior

- **Political**
  - such as an assessment of stability and attitude (e.g., the attitude of the government towards labor issues)

- **Technology**
  - such as an assessment of emerging technologies

- **Industry**
  - for example the identification of trends in procurement for construction

- **Customers**
  - such as the monitoring of changes in purchasing behavior or needs

* SKEPTIC: * is owned by the Haines Centre for Strategic Management (HCSM).

**EXECUTIVE MANAGEMENT COMMITTEE (EMC)**

The EMC sets the strategic direction and the vision, mission, core values, and Core Bridging Strategies. This committee is comprised of the CEO, Chief Administrative Officer, General Counsel, COO, and CFO.

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Register for the Webinar

From Vision to Implementation: Integrated Strategic Planning

Tuesday, December 13, 2011
11 am EST / 4 pm GMT
Duration: 1 Hour

GTM; Richard Condit, Chief Administrative Officer at Sundt; and Steve Haines, Founder and CEO of Haines Centre for Strategic Management will present this best practice where Richard and Steve will share his key lessons learned and participate in a Q&A.