

Sometimes the Most Important Things Get the Least Attention

BY MARK MANGANO, JACKSON KELLY PLLC



Strategic planning

Strategic planning is a vitally important responsibility that gets relatively little attention. Effective strategic planning can unleash an organization's potential, focus efforts in the right places, and energize teams to create amazing results.

Strategic planning is a requirement of sound bank management. However, the time and effort devoted to planning is often much less than the time devoted to other matters considered by boards.

At its core, strategic planning is the exercise of determining if we are pursuing the correct priorities. This is the most important question we must answer. Being good at pursuing a great strategy is much better than being great at pursuing a bad strategy.

Why we don't put more effort into planning

There are many reasons boards and senior managers don't put more time and resources into planning. The three most significant are that the participants: don't enjoy the process, feel it takes too much time and effort, and believe that it does not deliver useful results.

Participants don't enjoy the process

Most individuals responsible for corporate governance have been involved in planning efforts that were less than satisfying. The dissatisfaction often resulted from feeling that his or her voice was not heard, the most important issues were not considered, or discussion of certain

issues was uncomfortable. Such experiences tend to throw a wet blanket on the process.

It takes too much time and effort

There are literally hundreds of systems for planning. Many of them provide for exhaustive preparation, extensive meetings and drafting large and detailed plans that are inflexible and difficult to administer. Sometimes the effort becomes so much about the process that results seem to be an afterthought.

It does not deliver useful results

We all know of strategic plans that were written, approved, filed and only brought out when the examiners asked for them. Sometimes the plans are so detailed that they become obsolete shortly after their creation. Sometimes the plan looks awfully similar too last year's plan.

Six elements of an outstanding strategic planning process

Good planning efforts consistently lead to better operating results, clearer priorities and better measurement of success. There are six elements that define an outstanding strategic planning process.

1. Requires a reasonable amount of preparation.
2. Provides a solid review of the current conditions.
3. Tailors to the organization's unique set of risks, goals and values.

4. Answers the most important questions about the existence of the organization.
5. Evaluates the steps necessary to achieve desired priorities.
6. Provides a manageable process for follow-up.

What the process should do for the participants

Planning requires board members and senior managers to tackle important and sometimes emotional issues about the future direction of the organization. Despite these challenges the process should:

- Ensure that everyone feels that he or she has been heard,
- Foster consensus around difficult issues,
- Energize the participants with a renewed sense of shared direction, and
- Create a path for the participants to continue their consideration of planning issues between planning events.

Should you use a facilitator to guide the planning process?

Boards and senior management teams can conduct high quality planning efforts without retaining an outside facilitator. However, it is difficult. There are three distinct advantages to using an outside facilitator.

Moderate discussions

Forming a strong consensus around planning priorities requires that all voices are heard. This requires that both board and management members advocate for their opinions. It is difficult to argue a topic and encourage alternative views at the same time.

A facilitator as a neutral party can moderate the discussion of critical issues and ensure that everyone has a voice.

Raising the difficult question

In every organization there are questions that are difficult for board members or managers to raise. Failing to ask and answer the difficult questions can seriously limit the usefulness of the planning process.

An outside facilitator can often raise the difficult question without creating hard feelings that might impact the working relationships of the planning group.

Outside point of view

In a successful planning process, the board and management must move beyond their day-to-day perspectives. However, immersion in the daily challenges of running a successful organization limits our ability to see new ways of looking at issues.

An outside facilitator can often offer suggestions that help the group explore new alternatives.

Take a fresh look

Take a fresh look at planning. When done well, it can make leading a bank to success much easier and more enjoyable. [INITY](#)

Mark Mangano is counsel with Jackson Kelly PLLC. Mark is an attorney focusing on strategic planning and bank regulatory issues. He has 26 years of experience as the CEO and owner of a community bank. mark.mangano@jacksonkelly.com. 304-284-4104



KRIS MONTIONE Advertising Sales
727.475.9827 or 855.747.4003
kris@thenewslinkgroup.com