

Now Playing: Your Company's Future



Rick Dutmer

FMI Corporation

5151 Glenwood Avenue
Raleigh, NC 27622
Tel: 919.787.8400
Fax: 919.785.9320

55 Madison Street
Suite 410
Denver, CO 80206
Tel: 303.377.4740
Fax: 303.377.3535

5301 West Cypress
Suite 201
Tampa, FL 33607
Tel: 813.636.1364
Fax: 813.636.9601

www.fminet.com

“What if” is a good place to start your work on the future, however too often “what if” turns into “if only” when your strategic planning initiatives lack management support, communication, and follow through.

When you read the headlines that construction spending was down (or up) for the latest month, did you fire off memos to your staff to make changes in the organization? Of course not, contracting is not day trading. Still, you are in a business with high risks and, with luck, high rewards. Luck? Hopefully, luck has little to do with how you run your contracting business. You might consult a crystal ball, but you shouldn't rely on magic any more than luck to make your company profitable. What you can do is construct a model of your future so you can work on it now and shape it to match your vision of a profitable future.

“What if” is a good place to start your work on the future, however too often “what if” turns into “if only” when your strategic planning initiatives lack management support, communication, and follow through. Did you achieve the objectives of your last strategic plan? If only . . . “If only” is working on the past. You need more “what if” tools in your bag to shape the future.

What If?

If you watch enough science fiction, you will learn that playing with the future can have dire consequences. For instance, if your plan calls for increased sales in the market for new movie theaters, you could be in for trouble if you haven't prepared the company to perform this work profitably. A strategic plan goes well beyond just setting sales goals. It is also different than a business plan. A business plan is a management tool; a strategic plan is a leadership tool. You need both, and the busi-

ness plan should become a part of your final strategic plan. The concept of strategy includes action and direction, how and when. Other characteristics of a true strategic plan include:

It is chosen from alternatives.

The strategy selected may be the obvious choice, or it may take some brainpower to develop it. However, there are other alternatives or options for the company to consider in reaching a decision on direction.

It causes some conflict in the consensus and decision-making process. If there is no conflict in its evaluation, then there is probably no passion in its implementation.

It is expensive. In terms of time, money, or other forms of resource allocation, a strategy involves real and substantive commitment from top management. Again, this reflects the level of passion and zeal that exists for execution.

It is hard to do. Strategic moves imply change, and change is generally difficult in organizations.

It is powerful by itself. A real strategy is expensive, change oriented, and challenging to the organization. You can't have many strategies without overwhelming yourself and the organization. Therefore, the strategies you choose must be significant.

It provides leadership. Top management's main job is to set the direction and pace of the organization. A good strategy speaks to what the firm can and will commit to. To a large extent, strategy is leadership.

It provides sustainable competitive advantage. For some companies, just committing to something can yield a competitive edge. However, one of the main reasons to engage strategy is to identify and develop bases on which to compete. (from: Hank Harris Jr., Superior Performance for Contractors, 1994)

Back to the Future

The work of strategic planning usually begins with a situational analysis, which includes reviewing your strengths, weaknesses, opportunities and threats. Even if you have a viable plan from last year, you will need to update your SWOT information annually. The strengths and weaknesses portion of the SWOT is usually generated from internal information and often includes the results from an employee survey. To get good information, employee surveys need to be submitted anonymously and tabulated by a third party. We have found that posting survey questionnaires on the Internet has greatly increased the response rate. Other internal information will include a review of the organizational chart(s), sales and

financial data, process information and employee skill levels etc.

The OT section of the situational analysis should include information from outside sources such as economic data, demographic data, regulatory changes, competitive profiles, and customer surveys. Much of this information can be found searching through the library or on the Internet. Other data is compiled by outside resources either as standard reports or customized market studies. FMI's Marketing Information Group offers an excellent resource for OT data. The Market Information Group utilizes both primary and secondary research techniques, and customizes the research to suit your specific needs.

Getting People Involved

As soon as you start requesting information for the situation analysis, you begin to involve all your employees and selected outsiders in the process. As a leader, this is a sign that you are empowering your people and enlisting them in your eventual strategic outcome. Although a much smaller group will make up the core of your planning sessions, that group should include a cross-section of people who touch the customer the most, such as marketing managers, project managers, and senior managers. According to FMI's president and COO, Jerry Jackson, this "ap-

proach captures broader perspectives and deeper insights in surfacing opportunities, obstacles, and alternatives. Participation also ignites motivation within planning team members to actually build their own design. Positioning the overall planning and implementation process as a 'design-construct of the organization's future' is a good metaphor for construction-related businesses."

Sharing the Future

The planning process will involve many people and require several sessions over three to six months; however, your strategic planning initiative does not end there. When the planning process ends, plan implementation begins. The whole process requires more discipline than many are willing to endure which is why too many plans end up between dusty covers. This is one reason contractors call on outside consultants to facilitate the process. At FMI we add our intimate knowledge of the construction industry providing follow up sessions in the months following the launch of the plan to help keep your plan on track. The key role of the leader in the process is to assure that, once you have crafted your company's future, you share it with your employees. Like any compelling story, if you share it often with everyone in the company, the story will become their own, and they will share it with others. How will you know your work on

About FMI

Founded in 1953 by Dr. Emol Fails, FMI provides management consulting, training, and capital services for the worldwide construction industry.

FMI delivers innovative, customized solutions to contractors, engineers, architects, environmental firms, manufacturers and suppliers of building products and construction equipment, construction materials producers, private owners, government agencies, utility companies, surety companies, and trade associations.

FMI's experienced consultants can assist your business with compensation planning, leadership/organizational development, marketing/sales, market research & information, acquisition integration, mergers & acquisitions, ownership transition, private equity financing, project delivery improvement, management and field-level training, strategic planning, strategic sourcing, and productivity improvement.

the future was successful? It will look a lot like the model future that took shape in your planning sessions. You will have measures and criteria to verify it is the future that you set out to achieve for your company, and if it is different than you expected, you will know why because you monitored the implementation of the plan as it unfolded.

Rick Dutmer is a director and market sector leader for general contractors located in FMI's Denver office. He may be reached at 303.398.7207 or by e-mail at rdutmer@fminet.com.

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