



Communiqué

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In times like these, is your organization getting the best possible return on its investment in planning activities?

IS THE TIME YOU SPEND PLANNING JUST ANOTHER JOB REQUIREMENT, OR A POWERFUL TOOL TO MOTIVATE AND MOBILIZE YOUR TEAM TO ACHIEVE EXTRAORDINARY RESULTS?

ABOUT THIS ISSUE

In this issue of the **Client Communiqué**, we address what manufacturers can do to reenergize the effectiveness of the planning process. We highlight some of the core problems that cause business planning failures and how to capture broad input from key voices in the corporate organization that drive positive change. We also examine how to conduct planning with channel partners to drive growth in sales and market share.

In addition, we illustrate to executive managers one of the largest and most mismanaged sources of revenues and profit when dealing with channel partners.

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Successful channel planning must include focus on an organizational process – strategic analysis of market and product needs, trends, and channel performance. Good planning must also involve a psychological process – gaining the human commitment to effectively implement the channel strategies and decisions.

This may sound like theoretical gibberish, but for marketing and channel leaders, it means involving your people and partners in a vibrant, wide-ranging decision-making process. Effective leaders and organizations plan and implement strategy via shared values, principles, and platforms. An even more significant factor, found in a study of successful mergers, was open and meaningful communications between individuals and within groups. As an expert facilitator of marketing and strategic planning sessions for over three decades, I have seen consistently excellent and amazing results when individual and group dynamics are emphasized in the planning process.

What Can Go Wrong With... Planning

One: Failure to Plan or Loss of belief in the importance of planning...

In times of uncertainty, sales and marketing executives are tempted to circumvent or shortcut the planning process. It may seem easier to simply react on a daily, weekly or monthly basis. Why plan for situations and conditions we cannot predict with any degree of confidence?

Lou Gerstner used a comprehensive planning process to lead IBM away from its shrinking-margin hardware model to its expanding-margin services model. Closer to home, John McDonough, a former Frank Lynn & Associates consultant and now President of the ITW Food Group, has forged a consensus among food equipment dealers to think in terms of performing the right functions rather than competing solely on price. Leaders know that identifying and solving key questions will get them through unpredictable times.



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Two: Making Planning Only an Organizational Process

A robust channel planning process includes: listing current and potential customer segments, identifying their needs and channel preferences, defining current and emerging channel types/options, identifying strengths and weaknesses of the current channel program, recognizing actual and potential channel conflicts and solutions, gauging the company's level of channel power, and identifying means to increase it, defining a fair level of channel compensation, and forecasting future sales by type of customer and channel. You and your team may diligently follow all these steps annually. But has your strategic or channel planning process become merely a must-do task to complete by a certain annual deadline?

Organizations and their leaders may go through the motions to develop budgets and set goals. This has led some companies to develop channel "dashboards", form channel advisory councils, and require partners to submit business plans. Analytical and financial strategies are important, but many times lack the creative intelligence needed to remain competitive, capture the attention of channel partners, and harvest market opportunities.

Ask yourself if your planning process is still important and useful to your team and your channel partners. If not, focus on the human dynamics: address individual needs and doubts; build consensus among teams and partners; develop a shared strategy; inspire the desire to change the status quo.

Three: Failure to Apply Creative Intelligence

In Senge's (1990) classic work, he noted "Perhaps for the first time in history, humankind has the capacity to create far more information than anyone can absorb, to foster far greater interdependency than anyone can manage, and to accelerate change far faster than anyone's ability to keep pace." Today's reality is, leaders who succeed will absorb

and will apply the information pertinent to their organizations. To do this, they will engage their people, their partners, and their customers to develop strategies that will drive exceptional results.

It's easy to identify companies who failed to understand or react to structural or subtle changes in their markets or channels. In the 90's, Xerox did not acknowledge or respond to the emergence of the dealer channel. Their Japanese counterparts did, and gained large market share.

In uncertain or difficult markets, successful channel managers will become courageous and keen in their planning processes. They will involve as many people as possible in the planning, encourage openness, listen to outlying creative input, sponsor innovative problem solving, and generate "what if" scenarios.

Has your planning become less creative? Are you simply drawing lines on the same channel flowchart? Are you assuming the same types of customers will buy from the same set of channels? Are you intelligently monitoring subtle and structural changes in your markets?

Four: Communication or implementation without understanding

Change management expert Kanter (1983, 2003, and 2008) has contended that shared values, principles, and platforms will drive individuals on the front line to implement new strategies and achieve new goals. People and organizations want to succeed and achieve, but management plans often fail due to confusion, anxiety, frustration, or indecision by those charged with implementation.

Facilitated group planning sessions are powerful tools for engaging sluggish team members, creating shared understanding, and awaking the call to action. Using an objective facilitator who is focused on the meeting, planning, and group dynamics process allows all participants, especially the leader(s), to provide creative input and engage in the strategic thinking and analysis.

Intelligent and capable people across the organization come to understand the whys, hows, and what ifs of plans and objectives. This in turn builds their belief, confidence, and courage to act.

Five: Failure to mobilize the people and the organization

Many marketing executives agree the trouble with planning is failure to implement. The more glaring error is the failure to mobilize the people to achieve the plan. Establishing and communicating the budgets, measures, metrics, and scorecards is important, but will not alone lead to high performance or market wins. Even when measurable goals are achieved, we may be leaving big money and big opportunities on the table.

The best ideas come from your own people. They are the ones who live and breathe and evaluate situations, markets, and opportunities all day every

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day. The problem: they are not given the time or opportunity to provide feedback and develop creative solutions; they are not asked for their input to the strategic questions.

For effective channel planning, the sponsor or group in charge should seek input from (other) salespeople, product marketing, customer service, finance, IT, and from channel partners. Of course market research should also provide the "voice of the customer". Channel marketing leaders need to involve, inspire, and mobilize their teams to achieve their goals and act without fear.

The Route to Right Planning

To surmount the potential changes to our global, social, and economic fabric, marketing and channel leaders need to tap into all their creative resources, enable intelligent thinking and reward intelligent behavior.

The most direct approach to setting the right goals and achieving optimum results for the organization is to use a human capital process

along with a robust set of metrics to create understanding, belief and desire.

We must focus on bringing all the important input to the table and doing thorough analysis. As we carry out these planning process steps, we can build in inspiration, motivation, and momentum.

To make the most of your investment in planning:

Identify the points in your planning process where intelligent behavior, motivation, and mobilization are needed. Find ways to refresh the planning process. Use objective expert process and meeting facilitation to elicit openness, courageous input, realignment of paradigms, and inbred thinking patterns. Take a renewed approach to what if, why, and how thinking; identify where and if you have the needed capabilities and dispositions; identify priorities which will make a difference in implementation.

Pat O'Connell Schmakel is the developer of The KaleadeScape SM planning and team building process, and has used it for over two decades to help clients improve their strategic and channel planning. This meeting and process facilitation technique is a proven and powerful tool for unleashing creativity, encouraging openness, and generating innovative solutions, creating understanding, and mobilizing teams to achieve their goals. Pat's expert facilitation skills and The KaleadeScape SM approach can be applied to many stages of the planning process and the leadership of change. To find out how Pat can help you develop the right plans and mobilize your people to implement them, call her at 312-558-4834.

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