Rethink your strategy, planning and budgeting rituals

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The season is back. In about every organisation, leaders are busy turning their strategies into plans and budgets. They spend hours cascading objectives and aligning their activities with strategy. Moreover, they fight for higher budgets in line with higher targets. It’s a ritual in a theatre that has passed its time.

In a dynamic market context, changes are faster than plans can handle, performance targets are outdated the moment they have been agreed upon, and budgets miss valuable opportunities. Here is why:

- Traditional strategy, planning and budgeting focuses on measurable factors. But, 90% of the capabilities in organizations are invisible. It leaves what truly matters untapped.
- Traditional strategy, planning and budgeting is driven by an annual top-down approach But, 90% of the knowledge resides with employees. It ignores the creative and innovative part of the entire organisation.
- Traditional strategy, planning and budgeting aligns resources to annual targets. But, market changes are faster than plans can handle. Opportunities don’t follow an annual schedule. As a result, leaders and employees are in constant target

setting mode, missing out on opportunities.

- Traditional top-down strategy, planning and budgeting determines performance targets. But, self-responsible employees know that targets have little to do with what they need to perform at their peak. As a result, target setting averages in on mediocrity rather than superior value.

It is time we rethink what we have always done in management and believe was right. The time has come for the agile paradigm shift – a new play in a different setting.

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Founded by Lukas Michel, Management Insights draws on more than 25 years of research and practice to help people understand how their organizations work. The Organization Twin brings organizational patterns into view for reflection, dialogue, and informed choice.

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