Your Guide to

Building a Successful Strategic Plan for Human Resources

Don't complete your 2019 strategic plan without this guide

Gartner.

Use this guide to:

☑ Build a successful strategic plan

☑ Save time by following these steps and using these tools

☑ Communicate your plan effectively

☑ Learn from real-life case studies

☑ Speak to Gartner to help you with every stage of building your strategic plan

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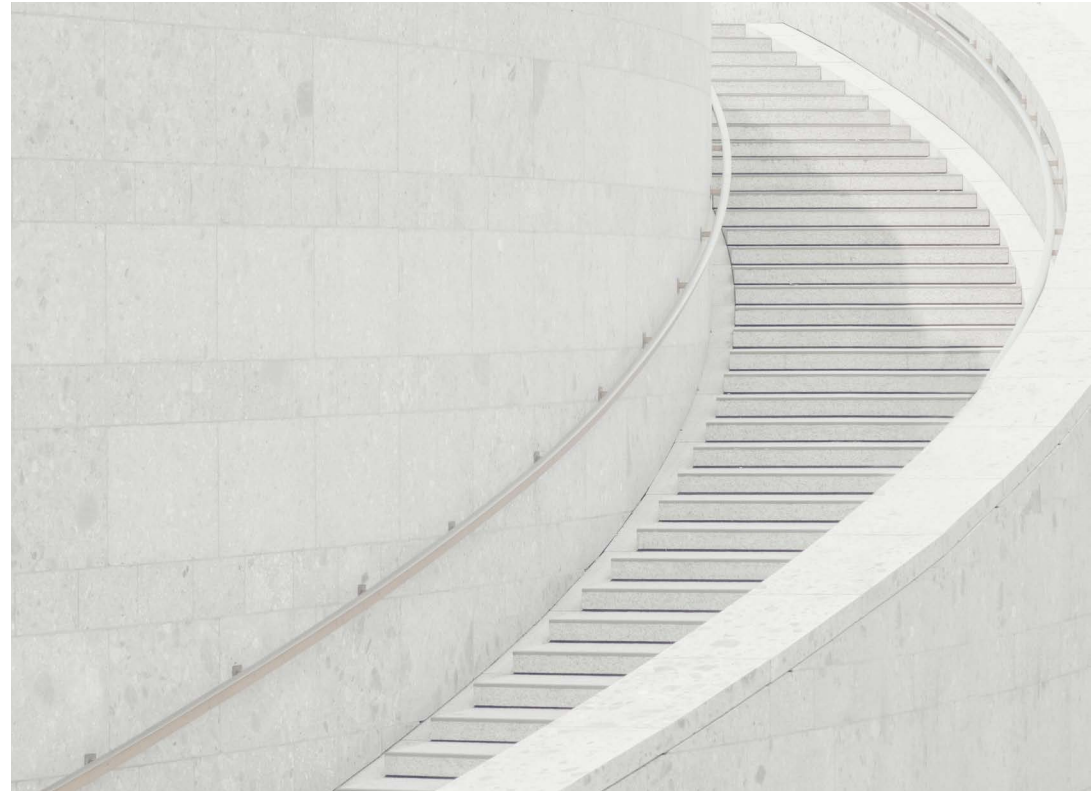
Contents

The Challenge: Make Your Strategic Planning Count

It's that time of year again: Functional leaders in companies of all types and sizes across industries are gearing up for strategic planning. Paradoxically, many lack a coherent roadmap for creating their strategic plan.

Strategic planning is often a disappointment to all involved. The objective sounds simple enough: Define the organization's strategy and make resource-allocation decisions to pursue it. The problem is, the results often fail to meet expectations.

One VP of Strategic Planning sums up the frustration for strategists: "We burn a huge amount of hours and our strategic plan hasn't helped advance strategic initiatives. It hasn't protected against disruption. It hasn't really done anything."

☑ **Build a successful strategic plan**

☑ **Save time by following these steps and using these tools**

Average time per week spent on planning

21.9

Hours by corporate strategists

10.1

Hours by business executives and their teams

Among corporate strategists, only 31% say their strategic plans prepare their organization to hit five-year revenue growth targets.

Just 13% of corporate strategists say the plans position the organization to hit 10-year growth goals.
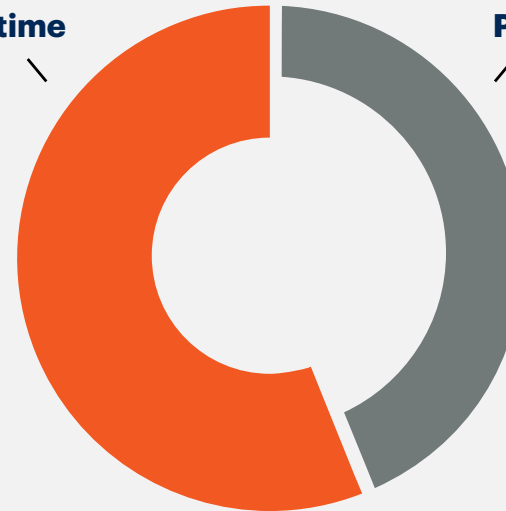
Business executives aren't happy, either. They tell us 56% of the time spent on strategic planning is wasted.

Wasted Time on Strategic Planning

(executives and their teams)
Average

56%
Wasted time

44%
Productive time

n = 464
Source: Gartner

Business Partners' View of Strategic Planning Effectiveness

Functional leaders, meanwhile, can't plan properly if they aren't clear on the enterprise and business mission, vision and objectives — and can't execute their own strategies without appropriate, executable, measurable goals.

As you head into strategic planning season, the following pages outline what you need to know and do to increase your chances of success.

This guide provides a number of function-specific tools and templates to help with execution. However, as most functional leaders share the same opportunities and pitfalls in strategic planning, we also share insights from across the enterprise to provide lessons learned and best practices beyond a single function.

93% of **business partners** view IT strategic planning as important, but only **23%** believe it's effective.

66% of **marketing leaders** have updated their strategies, but just **13%** have seen results.

81% of **finance functions** have recently redesigned their structures, but only **30%** of these projects delivered forecast benefits.

We can help you with every stage of your strategic plan.

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Step 1: Set Ground Rules

The strategic planning process is a periodic resetting of mid- to long-term strategic direction and priorities. It focuses on key issues and the specific initiatives needed to attain long-term strategic goals. However, the process must be rooted in the company's mission and vision.

From the outset, it's helpful to clearly define the enterprise and business context for all stakeholders to prevent managers and executives from misunderstanding each other in the planning process.

Start by outlining the responsibilities, process timelines and expected outcomes for each participant.

Roles and Responsibilities: Human Resources

The roles and responsibilities of different functional stakeholders should be set at the outset.

Role	Responsibility
Head of HR	Define and finalize the function's objectives and action plan.
CEO/Executive Committee	Approve the function's strategy and key investments.
Business-Unit Leaders	Provide input on business strategy and the function's performance.
Other Functional Leaders	▪ Provide input on the function's performance. ▪ Provide process and activity-level input.
Direct Reports to Head of HR	Build project proposals and estimate resource requirements.
HR Managers	Conduct planning analyses and provide process and activity-level input.

The aim for functional leaders is to:

- Align the function's objectives to business priorities

- Create a prioritized list of executable, measurable goals

- Nurture organizationwide commitment to the function's ultimate strategic plan

The biggest potential pitfalls are that the functional plan:

- Is misaligned with business priorities

- Lacks follow-through

To ensure strategic alignment, functional leaders should first check in with business leaders on the business' mission (its reason for being) and vision — and its future aspirations and underlying values.

Without a clear understanding of the business vision, functional leaders cannot begin to design and set their own aspirations.

"If the vision is weak or unstable, goals will be imprecise, internal conflicts will emerge and strategy will stall."
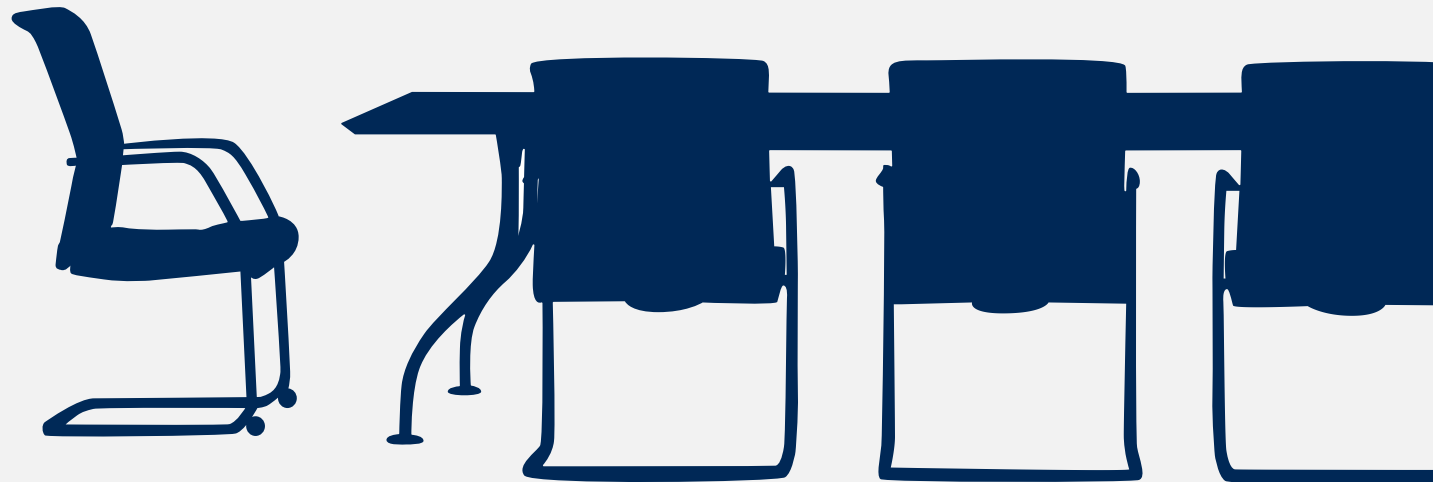
Step 2: Verify the Business Imperative

Get Feedback From Your Business Leaders

The best way to verify the organization's business imperatives is to interview business leaders and have them:

- Describe the current and desired future state of the business

- Lay out the goals and capabilities required to support and enable those business aspirations

- Specify suitable metrics to gauge progress against those goals

"We identify expected changes in the size and complexity of the business and future business challenges," says a senior executive at one global telecommunications company. "This helps us determine how business-level changes will impact the need for different types of support at the functional level."

"We could not have created the plan in isolation. This has to be a collaborative effort that ensures HR contributes to the achievement of the organization's strategic objectives."

"Gathering information about various organizational strategies and objectives was critical to building a relevant strategic plan."

Head of internal audit at a multinational food and beverage company

During this process, it's also important to note what to stop doing. "We focus on identifying the activities, projects and tasks that are no longer necessary," says a senior executive at a global oil and gas company. "This helps our team direct their full and undivided attention to new priorities and initiatives."

Business Partner Interview Guide for Functional Leaders

Conduct virtual or face-to-face meetings with key business-unit heads to enhance your understanding of business strategy and objectives. Questions such as these will help guide the conversation.

1. How would you describe the current state of the business?

- What are our primary sources of revenue and major cost categories?

- What are the few critical outputs/end results for which the business is accountable?

- What are the advantages or disadvantages of the business compared with its competitors?

- How do you think the business environment has changed over the course of the past year (e.g., market share and competition, customers and channels, production/service delivery cost, technology and regulatory changes)?

- What are the biggest challenges you are facing today as a business leader?

2. What is the long-term plan for our business?

- What are your key business goals for the next two to five years?

- What are the business' primary strategies to achieve the corporate goals? How do you plan to execute these strategies?

- What is the direction of the key product line, supply chain, service offerings, etc.?

- How will you know if the plan is successful? What metrics will you use to measure success?

- What are the key factors that will make or break the business' success in the long term?

- What major obstacles will the business face in achieving these objectives?

3. What does the business need in the mid- and long-term to support the strategy?

- What critical capabilities are needed for the business to succeed?

- How do you expect our function to enable your business goals?

- Which metrics would be the most useful to you to gauge how this function is progressing against the goals mentioned above?

- What are your top goals and associated metrics?

- What specific challenges need to be considered in the business' strategic plan to ensure its alignment with the corporate strategic plan?

Business Strategy Summary:
Implications of business goals for the function

After verifying the mission, vision and strategic goals of the business, functional leaders will be able to identify the implications of the business priorities and challenges for their own function. This template will help clarify the intent of the strategy and the needs of the business and will therefore help strengthen downstream execution.

Business Goals	Business Priorities	Measures of Success	Potential Challenges	Implications for Your Function
Example: Drive product innovation in surgical gown products	▪ Example: Drive product innovation in surgical gown products	▪ Example: Become the first company to manufacture breathable surgical gown	▪ Example: Long-term innovation investments crowded out by short-term priorities	Example: Division A will need strong capital budgeting controls for protecting strategic R&D investments
	▪ Example: Promote energy-saving products at low prices	▪ Example: Create products that are 25% more energy-efficient within three years	▪ Example: Unanticipated supply chain issues drive costs up and put margins under pressure	
	▪ Example: Expand medical devices business	▪ Example: Enter medical devices market in China by 2019/20	▪ Example: Compliance and regulatory issues delay launch timelines	
<enter business goals>	<enter business priorities>	<enter measures of success>	<enter potential challenges>	<enter business goals>
<enter business goals>	<enter business priorities>	<enter measures of success>	<enter potential challenges>	<enter business goals>

In Action

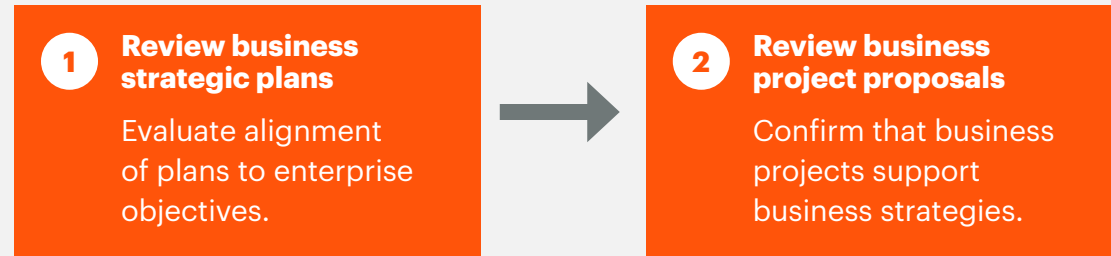### Case Study: Confirm Business-Unit Project Strategy

At one multinational insurance firm, internal audit conducts a comprehensive review of the alignment among enterprise strategy, business plans and the activities of the audit function itself.

As part of that process, the internal audit team examines business-unit strategic plans and supporting projects to confirm links to enterprise objectives. This requires audit to:

- Uncover assumptions in business plans and projects to identify strategic audit engagements

- Review all business project proposals

- Clarify details of business strategic plans and projects, done through management interviews

- Add business strategic plans and projects to the audit plan if uncertainty or impact is high

Top-Down Planning Approach

Business-unit strategic plans and projects review process

1 Review business strategic plans	→	**2** Review business project proposals
Evaluate alignment of plans to enterprise objectives.		Confirm that business projects support business strategies.

Identify risks and validate explicit assumptions

Verify supporting information provided in plans or project proposal.

Identify implicit assumptions

Talk to management to understand other relevant assumptions and business drivers.

Brainstorm other critical risks

Use cross-functional perspective to identify other potential critical issues.

Sample questions internal audit uses to evaluate assumptions in business strategic plans and projects

Enterprise level (aggregate level)

- Can we tie the project to the company's strategic objectives?

- Can we validate the supporting information?

- Were the principles used in determining this course of action appropriate?

- What is the impact to the market segment?

- Is there recognition of changes to external assumptions (economic, regulatory, political)?

- What other critical issues could derail the strategies?

Business level (individual level)

- What is the impact of initiative failures?

- What is the level of innovation involved?

- Is there recognition of changes to internal organizational factors (technical needs, social issues such as business readiness for change)?

- What other critical issues could derail the strategies?

Step 3: Assess Your Functional Capabilities

At this stage, it is critical to evaluate the maturity and importance of key functional capabilities required to support the overall business goals. Leadership agrees on which functional capability gaps to prioritize so business goals can be met. Note, it's a red flag if business partner conversations surface a significant difference between the function's self-assessment and business partners' perceptions of strengths and weaknesses in functional capabilities.

It's also helpful, along with strengths and weakness, to assess opportunities and threats for the function. Use the template on page 14 to complete your own functional SWOT analysis.

Based on the collective understanding (among business and functional leaders) of the function's strengths and weaknesses, identify critical outcomes the function needs to achieve to deliver on its value proposition.

"Continuous self-assessment and improvement is so important," says one executive at an energy and utilities company. "We cannot just rely on people telling us that we are doing a good job. We want to be able to consistently point to our impact on business performance, and to do that we have to be aware of our own strengths and development opportunities."

"To fully understand how the function must strategically evolve, we had to ask our stakeholders for honest feedback about which areas of our work they most valued and which areas needed greater — or less — investment."

"By proactively focusing on high-value capabilities, we have increased our profile with the lines of business."
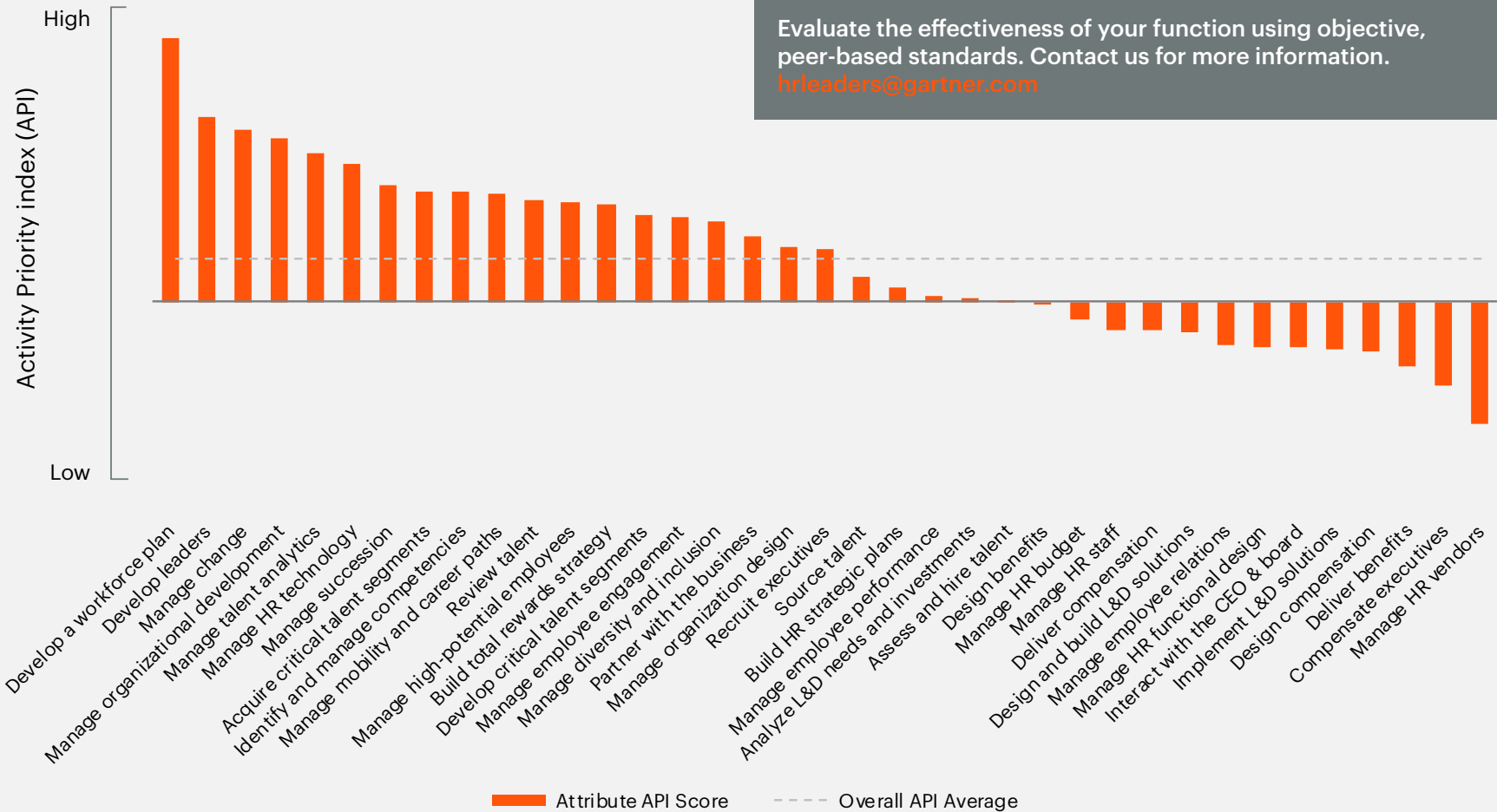
"We are challenging traditional thinking, pushing back on low-value activities, and providing high-value, insightful assurance."

HR Leaders' Biggest Challenges

API identifies where the function is less mature in activities of greater importance. A higher API score indicates a greater priority to the organization.

Evaluate the effectiveness of your function using objective, peer-based standards. Contact us for more information. hrleaders@gartner.com

Activity Priority index (API)

High

Low

Develop a workforce plan
Develop leaders
Manage change
Manage organizational development
Manage talent analytics
Manage HR technology
Manage succession
Acquire critical talent segments
Identify and manage competencies
Manage mobility and career paths
Review talent
Manage high-potential employees
Build total rewards strategy
Develop critical talent segments
Manage employee engagement
Manage diversity and inclusion
Partner with the business
Manage organization design
Recruit executives
Source talent
Build HR strategic plans
Manage employee performance
Analyze L&D needs and investments
Assess and hire talent
Design benefits
Manage HR budget
Manage HR staff
Deliver compensation
Design and build L&D solutions
Manage employee relations
Manage HR functional design
Interact with the CEO & board
Implement L&D solutions
Design compensation
Deliver benefits
Compensate executives
Manage HR vendors

▬ Attribute API Score   - - - Overall API Average

Strengths, Weaknesses, Opportunities and Threats (SWOT)

The questions you should be asking yourself

Assess Capabilities

Continuous self-assessment and improvement is so important. Use a SWOT analysis to identify strengths and weaknesses, and to assess opportunities and threats for your function.

Strengths

Criteria Examples:
- What capabilities does the HR department have?
- Does the HR team have institutional knowledge?
- What is the level of expertise of the HR department?
- How innovative is the team?
- How resourceful is the team?
- Does the technology we have give us a competitive advantage?

Weaknesses

Criteria Examples:
- Are there any capability gaps?
- Do we have visibility into the business partners goals and objectives?
- How is the HR department perceived by its business partners?
- Do we have the bench strength to meet the demands of our business partners?
- Are we lacking certain specialized skills?

Opportunities

Criteria Examples:
- Are there any niche markets that the company would have a competitive advantage in?
- Are there additional resources we could leverage through recent mergers and acquisitions?
- Are there major contracts we could further support?
- What HR processes can be further optimized?
- Are there ways to further train our business partners in HR matters?

Threats

Criteria Examples:
- Do we have the knowledge to enter into new markets?
- What is the outlook for increased regulatory intensity?
- Is there the possibility of increased litigation?
- Are there technology developments that will impact the company?
- Are our vital contracts up for renewal?
- Is there potential for key staff turnover?

Strengths, Weaknesses, Opportunities and Threats (SWOT)

Continuous self-assessment and improvement is so important. Use a SWOT analysis to identify strengths and weaknesses, and to assess opportunities and threats for your function.

Strengths	Weaknesses

Opportunities	Threats

»⊙ In Action

Case Study: Identify the Capabilities Most Critical for Strategy Execution

One global specialty materials maker defines the talent most critical to strategy execution and most impacted by the implementation of the organization's strategy.

The company segments key roles in a four-category framework, in which it identifies the following types of roles:

- Critical to future strategy and growth
- Consistently core to the business
- Requisite but not value-added
- Noncore, with declining relevance

Gartner can help you identify the skills needed to deliver against your mission-critical priorities and build the successful organizations of tomorrow.

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Framework for Talent Segmentation Based on Business Strategy

In Action: Identify the Capabilities Most Critical for Strategy Execution

Strategy-Critical Roles

Strategy-Impacted Roles

Strategic Talent

What capabilities are critical for driving long-term competitive advantage and revenue growth?

Characteristics

- Specialized skills or knowledge (IP)
- Visible externally and internally
- Direct impact on revenue or business performance

Requisite Talent

What capabilities are needed for the business but could be delivered more cost-effectively?

Characteristics

- No specialized skills or knowledge
- Limited impact on business performance
- No external customer touchpoints

Core Talent

What capabilities are unique to the organization and core to delivering products and services?

Characteristics

- Essential for strategy or process execution
- Not directly transferable to other organizations
- Limited direct impact on revenue

Noncore Talent

What capabilities are no longer aligned with the organization's strategic direction?

Characteristics

- Made redundant by shift in strategy
- Limited internal/external touchpoints

Work with business leaders to identify employee roles that fit with the characteristics of each talent segment

Segmentation priorities:

- Identify nonleadership strategic and core talent
- Define requisite roles on which to target cost minimization
- Identify noncore talent roles that account for significant labor costs

Step 4: Define Your Objectives

To support strategic goals, functional leaders will need to develop a prioritized list of objectives with discrete and measurable steps that describe how a specific goal will be accomplished. (The specific actions that will be required to attain a goal are spelled out later.)

Each strategic business goal can be supported by four to five objectives with a time horizon of one to two years.

Objectives should be:

- **Specific** — concrete and well defined

- **Measurable** — allows tracking progress toward goals

- **Actionable** — links to specific actions of employees to monitor their performance

- **Relevant** — an activity, behavior or outcome of interest to business management

- **Time bound** — tied to a near-term deadline to ensure timely completion

"The most important thing in aligning your objectives to business goals is the rigor that goes into articulating the objective. Having alignment on paper is meaningless unless you've defined your objectives in a specific, measurable and actionable way," says the CFO of one global technology company.

"As we look at the business' objectives — new geographies, product lines or strategic initiatives — we have to consider what that means for our own staffing size, structure and skill requirements," says one functional executive at a financial services company. "Then, just as important as identifying what we should do is identifying what we should stop doing."

"We use a standard set of scoring criteria to evaluate all projects in a consistent, objective way," says the head of financial planning and analysis at a major consumer products company. "It also serves as a tool for the team to self-screen projects."

You'll also need to outline to the finance organization what resources will be required for your plan. It's critical not to focus too narrowly on preserving prior-year allocations. Also, don't allow perceived resource constraints to determine your strategy. Your imperative is to get resources earmarked to execute your plan and fund initiatives that meet performance milestones.

Ask managers and staff members to identify opportunities to eliminate or modify activities to free up resources for new priorities. "We ask each staff member to create a list of activities and tasks that they should stop doing, and why," says a senior executive at an oil and gas company. "This helps our team direct their full and undivided attention to new initiatives."

Checklist — Does Each Functional Objective:

☐ Directly align to a single goal?

☐ Explain how your function will achieve its goals?

☐ Align with business strategy?

☐ Take into account the function's current capabilities?

›•◎ In Action

Case Study: Stress-Test Assumptions as Businesses Set Objectives

This multinational communications technology provider stress-tests its strategic assumptions at both the enterprise and business-unit levels. In the process, strategists identify and isolate biases that can impact effective decision making. Latent and uncontrolled biases can constrain the set of opportunities the business pursues, and lead to false interpretation of trends and poorly grounded conclusions about the future and strategies.

As business units set their objectives, this process ensures strategies are well aligned and take into account the near-term implications of future states. The company successfully used this approach to challenge the core strategy of one of the company's biggest business units — and helped to anchor and reposition a new strategic direction to drive transformational growth in the future.

"This process enabled the strategy team to stretch the business' thinking, and resulted in a technology and business strategy more prepared to meet the challenges of the future," says one strategy leader.

Better Positioned to Meet the Future
Case in point for one large business unit

Previous BU strategy	Assumptions stress-testing	Current BU strategy
▪ We win by focusing on connecting more people to the network. ▪ Closely held belief — acquiring new users has always been the biggest growth opportunity for our business. ▪ Underlying assumption — growth will be based on individuals.	▪ Stress tests reveal (status quo) bias in core belief that new users represent biggest growth opportunity. ▪ Likely truth suggests that the number of devices with wireless connections will increase dramatically in the future. ▪ And, while uncertain, devices may become more specialized. ▪ As such, a focus on connecting devices is more likely to accelerate future growth.	▪ We win by connecting more devices to the network. ▪ Closely held belief — a focus on connecting a multitude of devices to the network represents our biggest growth opportunity (addressing the opportunity to connect 50 billion devices). ▪ Underlying assumption — growth will be based on creating an ecosystem for device connectivity.

Meet the challenges of the future — stress-test your strategic assumptions with Gartner.

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Step 5: Establish an Action Plan With Measures and Metrics

Next comes the action plan — a formal document that outlines the sequence of action steps or initiatives required to attain an objective. It is the primary source of information for how the function's objectives will be executed, monitored, controlled and closed.

The action plan isn't just a rote checklist; it:

- Details interdependencies between different initiatives

- Estimates the types, quantities and costs of resources required to perform an initiative

- Sets roles, responsibilities and accountabilities of employees

- Specifies risks and associated mitigation plans

- Establishes quality standards for different initiatives, metrics to measure progress and course-correction mechanisms to account for deviations

Does Your Functional Action Plan:

☐ Clearly specify:

    ☐ What needs to be done?

    ☐ When it needs to be done?

    ☐ Who needs to do it?

    ☐ What resources or inputs are needed?

☐ Act as a go-to framework for guidance on execution of an objective?

☐ Explain interdependencies between different initiatives?

☐ Specify owners, milestones and metrics to track whether an initiative is on time and within budget?

☐ Specify risks that might affect an initiative and steps to mitigate them?

An action plan needs measures — business outcomes, such as employee engagement, customer satisfaction, brand awareness or other management business objectives. The measures must be observable by available data to properly assess business performance.

It's critical to select only a handful of strategic, financial and outcome-oriented measures to track progress toward a strategy. Too few measures can reduce accountability; too many can create confusion as managers try to achieve measures that may counteract one another.

Checklist — Do Your Functional Measures:

☐ Consist of significant, observable business outcomes?

☐ Align with business strategy?

☐ Provide value greater than the cost involved in tracking it?

☐ Include a limited number of outcomes so tracking is not too costly or difficult?

Metrics underpin the measures

Metrics quantify the observed changes in a measure over time to determine organizational progress and the overall health of a goal or objective. Metrics must be well-defined and verifiable, such as turnover and promotion rates or performance-based pay differential.

Make sure you're tracking the best possible metrics by using the SMART framework to assess whether they're specific,

measurable, actionable, relevant and timely — so you can filter out those that aren't.

Checklist — Do Your Functional Metrics:

☐ Quantify the performance of a measure against a target?

☐ Inform you exactly where you stand with respect to your goal?

☐ Provide actionable information for effective course correction?

☐ Proactively highlight deviations from forecast performance?

☐ Ensure employees focus efforts solely on achieving strategic goals?

☐ Include confidence levels for data feeding into it?

"We frequently screen all the metrics on our performance dashboard for relevance," says an executive at a materials company. "An important criterion for us is how quickly the metric raises a red flag when performance begins to deteriorate so we can respond immediately."

Another functional leader says his insurance company incorporates functional objectives and tactics into departmental performance reviews and employee objectives to ensure consistent progress toward achieving business goals.

Create SMART Metrics

Illustrative examples from legal

Specific

Each metric should represent a quantifiable value linked to an activity or behavior.

Ask: Does the metric reference a specific numerical value linked to an activity or behavior?

⊄ Client satisfaction

👍 Average client survey on overall legal department effectiveness

When selecting or creating metrics, general counsel (GC) should consider the degree of granularity that would best measure the activities that support the legal department's objectives.

Measurable

Each metric should have a clearly defined system or process that records and retrieves its value.

Ask: Is there a reliable way to obtain the value of the metric?

⊄ Turnaround time

👍 Hours from request received from client until reply sent by legal department

GC should pay particular attention not only to how informative the measurement will be but also the ease of obtaining the information.

Actionable

Measuring each metric should affect behaviors in a predictable way during and/or after measurement.

Ask: Will someone that cares about this metric know what to do with the information it provides?

⊄ Total outside counsel expenses per $ billion revenue, with no goal

👍 Total outside counsel expenses per $ billion revenue, with a goal of 40% (+/- 5%) of total legal expenses per $ billion revenue

Ensure employees and managers know what to do with a metric's information by setting numerical goals and results bands (e.g., "close to or exceeding goal" and "far away from goal") for each metric. This shows employees and managers what they should be working toward and helps them understand and respond to results.

Relevant

Each metric should measure an activity or behavior of interest to decision makers.

Ask: Are there any stakeholders within the business or legal department who care about the behavior or activity the metric measures?

⊄ Number of patents filed

👍 Change in cost of maintaining the intellectual property portfolio

Engage business partners to ensure metrics focus on things they care about.

Time-Bound

A metric should be time-bound if the GC wants the related activity/behavior to be completed within a specific time frame.

Ask: Should we include a time-related threshold for this metric?

⊄ Average time to respond to client requests

👍 Percentage of client requests responded to within 48 hours

⊄ Number of legal alerts on emerging risks issued

👍 Percentage of legal alerts on emerging risks issued within one week of identifying risk

Note that each metric may provide valuable information but may also encourage different behaviors and lead to different decisions.

Step 6: Put Your Strategy on a Page

Once you have tackled each element of the strategic planning process, you're ready to summarize the strategy on a single page.

Use the one-page template that follows to clarify where the functional organization is, where it is going and how it will get there. It communicates how you are adding value today, demonstrates how you plan to impact future business across the coming year — in line with corporate objectives — and provides a tool to cascade the strategic plan further across and down the organization.

Pressure-test your strategic plan with Gartner.

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The major components are:

- **Statement of strategy.** A clear and concise statement that summarizes the objectives on which the function will focus in the coming one to three years in order to enable business strategy.

- **Current state of the function today.** Four to seven metrics that gauge the performance of the function today.

- **Top functional initiatives.** Five to seven initiatives required to meet the functional objectives established to support business goals.

- **Top underlying beliefs and assumptions.** Five to seven critical assumptions underpinning the strategy (i.e., mid- to long-term business trends and functional priorities derived from the business strategy summary, including response to broader business environment and trends). Set metrics and thresholds where necessary to indicate when a course correction is required.

- **Future state of the function.** Top four to seven metrics that describe the performance of the function against key business-driven objectives.

HR Strategy on a Page

Strategy on a Page is an excerpt from our full strategic planning template — a customizable, step-by-step presentation to communicate your department's strategic objectives and define which resources and capabilities are required for execution.

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hrleaders@gartner.com
gartner.com/en/publications/ebook-strategic-planning-for-hr

Instructions

1 Craft a concise and memorable statement that captures the essence of the strategy. The statement should summarize the key objectives of your three- to five-year strategic plan.

2 Identify four to seven metrics that define the HR organization's current and target end state.

3 Specify one or two key trends driving a change in business conditions.

4 List the five to seven key HR initiatives required to achieve the end state. The initiatives should be drawn from the three- to five-year strategic plan.

5 Document five to seven critical assumptions underpinning the strategy, setting metrics and thresholds where necessary, to indicate when course correction is required as circumstances change.

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1 Statement of Human Resources Strategy

Deliver solutions that enable the organization's talent to actively contribute to, and have a positive impact on, the overall business.

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2 State of HR in 20XX

Top Four to Seven Metrics Describing Initial State

- Revenue per employee: $147,000
- Percentage of diverse leaders: 15%
- Successor coverage for critical positions: 60%
- Retention rate for critical talent: 60%
- Employee engagement level: 86%

3 Top Urgency Drivers
1. Talent mismanagement becoming a key barrier for strategy execution.
2. Changes in the work environment have made work more collaborative and complex.

4 Top Five to Seven HR Initiatives
1. Create an HR project pool team to provide more concentrated and timely support to line leaders and managers to execute our corporate transformation.
2. Redesign calibration process supported by HRIS upgrades.
3. Create a career partnerships program to motivate and manage employees across their career.
4. Institute a leadership development program across all key business units and functional areas.

5 Top Five to Seven Underlying Beliefs and Assumptions
1. The organization will continue to go through an increasing number of major enterprisewide changes that require more collaboration.
2. The number of leaders eligible to retire in the next three years will double.

2 State of HR in 20XX

Top Four to Seven Metrics Describing End State

- Revenue per employee: $200,000
- Percentage of diverse leaders: 45%
- Successor coverage for critical positions: 95%
- Retention rate for critical talent: 85%
- Employee engagement level: 93%

|

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Strategy on a Page Template

Statement of Your Function's Strategy

State of Function in 20XX

Top Four to Seven Metrics Describing Initial State

Top Urgency Drivers

State of Function in 20XX

Top Four to Seven Metrics Describing End State

Top Five to Seven Functional Initiatives

Top Five to Seven Underlying Beliefs and Assumptions

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Step 7: Effectively Communicate Your Strategy

The next step is to communicate the functional objectives and strategy across the function and the company. The one-page strategy template is a helpful tool as it makes the plan easy for employees to consume. Some keys to success:

- Communicate the plan first to functional leadership, then to business leaders, and finally to functional and business staff.

- Make sure employees are receiving consistent messages from their managers and functional leaders.

- Keep the message simple. Implementation suffers when employees don't understand the strategy or actively disagree with it.

- Identify stakeholders and assess whether they are likely to adopt or resist the plan.

- Tailor communications to different stakeholder groups to ensure they understand the various aspects of the strategic plan.

- Encourage stakeholder buy-in and motivate stakeholders to embrace the plan.

"You can't give every employee a customized message, nor do you need to," says the senior executive of a global chemicals company. "But it is important to find the few employees who will contribute most to strategy implementation and target them with a very personalized message."
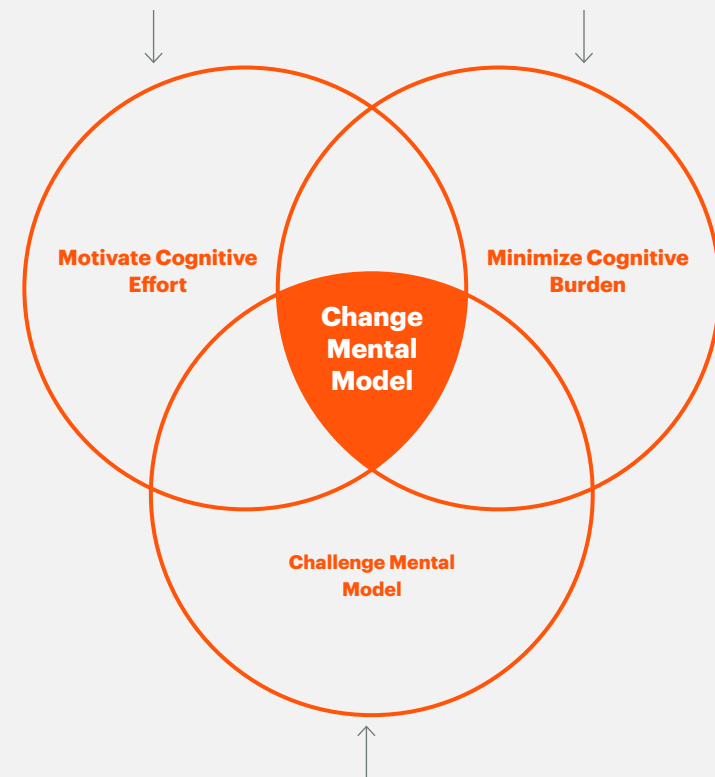
Three Elements of Influential Communication

Does our content resonate with something important enough to stakeholders to prompt cognitive processing?

"This is worth some serious thought."

Is our position/argument presented in a digestible format and stripped of extraneous information?

"This isn't too hard to think about."

Motivate Cognitive Effort

Change Mental Model

Minimize Cognitive Burden

Challenge Mental Model

Does our argument compellingly address the evidence and assumptions that underpin stakeholders' existing perceptions?

"Hmm, I hadn't considered that."

Convey the Strategy Message Clearly

Provide managers with a checklist to help them effectively convey key messages about functional strategy to employees. Managers can use the checklist to structure thoughts, verify information to share and evaluate their interactions with employees.

☐ Does my message provide information on the challenges and opportunities for our function, and the expectations of our peers, partners and customers within the business?

☐ Does my message detail the business rationale behind the change and explain the benefit?

☐ Does my message clarify the vision, plans and progress of the strategy?

☐ Does my message highlight resources available to help others adapt to the change?

☐ Is my message consistent with that of corporate communications, executives and other managers?

☐ Does my message supply realistic detail of both the positives and negatives of the strategic plan?

☐ Does my message ask for staff's help in making the plan work effectively?

☐ Does my message relay how the new/updated strategy will affect employees and our function in the short and long term?

☐ Does my message address "What's in it for me?"

☐ Does my message let employees know that our functional leadership understands the range of emotions associated with the change?

☐ Am I covering what new behaviors are expected of employees and how employee workflows will be affected?

☐ Am I guiding my team to the resources available to help them transition and adapt to the changes impacting them?

Pressure-test your strategic plan and communication strategy with Gartner.

Contact us: hrleaders@gartner.com

Step 8: Keep the Strategic Plan Alive

Once the strategic plan is complete and communicated, it's critical to measure progress against the objectives, revisit and monitor the plan to ensure it remains valid and adapt the strategy as business conditions change.

Here are some things you can do to improve the efficacy of your strategic planning process and maintain the relevance of the current plan:

- **Assess** the effectiveness of the planning process.

- **Document** lessons learned and make adjustments for subsequent planning cycles.

- **Get feedback** on the process and the outputs from key stakeholders.

- **Monitor triggers** to track the effectiveness of the strategic plan. Build a plan to mitigate the execution risks that could prevent the new strategy from being implemented successfully.

- **Kill underperforming projects** quickly. Ask project owners to define, well in advance, a list of decision factors that will guide project discontinuation decisions.

- **Track and validate** assumptions periodically. As the macro environment changes, assumptions may not hold true.

- **Identify** improvement areas and update the one-page plan where required.
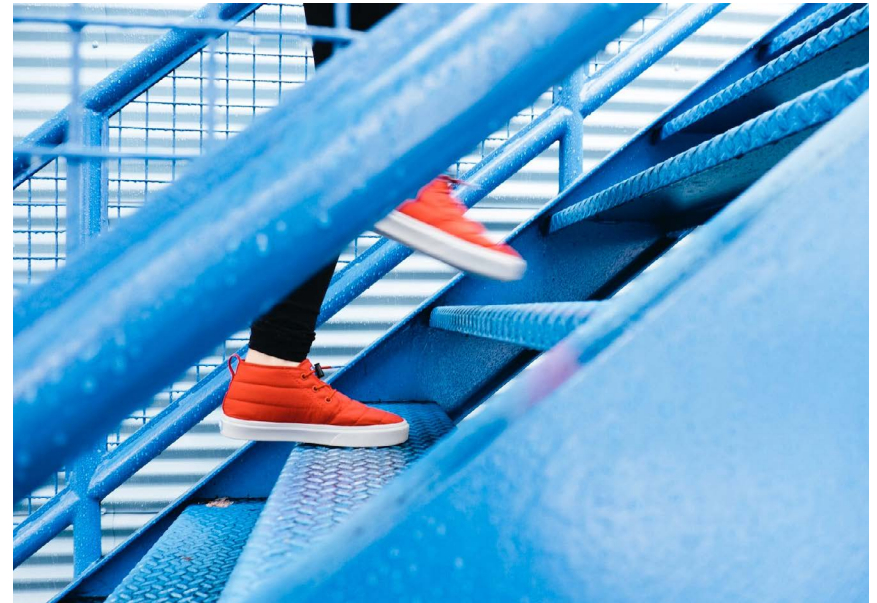
Our capabilities extend beyond intelligence. By pairing you with an expert — a former practitioner who's overseen your function and faced your challenges — we provide an additional channel of high-level support.

Contact an advisor today:
hrleaders@gartner.com

⟫◎ In Action

Case Study: Use Triggers to Spark Strategy Reviews

Global companies often use financial and nonfinancial triggers to indicate when an enterprise strategy may be losing relevance or execution of the strategy is at risk. Individual functions can do the same (triggers below are examples only; the list is not exhaustive).

One global science company uses a trigger-based approach for human capital. It enables HR to identify proactively when changes to organization designs are needed given changing business circumstances or priorities.

**1. Strategic/Financial Triggers**

- **Missed milestone** — failure to hit strategic initiative milestones
- **Financial performance** — missed quarterly earnings by 10% (+/−)
- **Competitive position** — change in market share or growth by 10% (+/-) relative to competitors

2. Human Capital Triggers

- **Staffing composition** — a shift in the percentage of the workforce that is exempt/nonexempt, contract or remote
- **Turnover of critical talent** — number of terminations of employees with critical skills on uncritical positions
- **Paid time off utilization** — underutilization that suggests changes in workload

3. Environmental Triggers

- **Legislative changes** — major changes in the legislative/ regulatory environment
- **Customer dynamics** — change in customer behavior

Trigger threshold crossed

Threshold Line

Q1   Q2   Q3   Q4
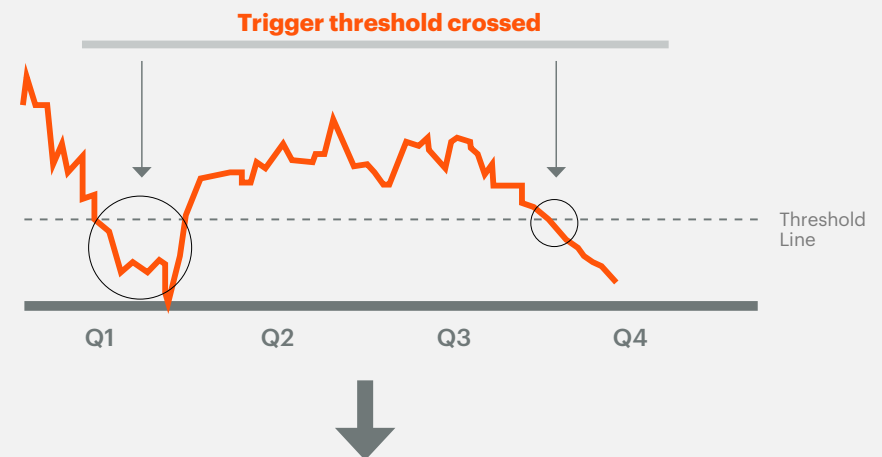
Triggers specify what actions will occur when a threshold is crossed. For example, this company presets an agenda for any triggered review of the organizational design. It includes:

- 10 minutes — GM frames context and key one to three issues (no presentation allowed, only prereading)
- 60 minutes — discuss key design issues related to trigger and possible root causes
- 20 minutes — outline next steps based on root cause conclusion

How We Help You

We help senior leaders excel in these areas of their department's strategic planning:

- **Link corporate strategic objectives** to the function's strategic plan

- **Build a plan** that addresses the current and anticipated performance gaps

- **Document and communicate** your strategic plan to stakeholders

Knowledge becomes truly powerful when it drives action. From diagnostics and benchmarking, to peer insights and conferences, to trainings and guides — our suite of tools and programs provides the practical solutions you need to transform your mission-critical priorities into measurable business results.

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