



Strategic Planning: It's Just a Theory

The word theory comes from the Greek word *theōria*, meaning speculation or contemplation. While we think of theories in the scientific domain, businesses also live in theories (in business parlance, think assumptions, projections, budgets, speculations, and so on). They project what is possible or plausible to happen given expectations about the future. This is no different than a scientist's theory, a credible supposition, hypothesis, or belief about what will occur in certain circumstances. Scientific theories are meant to be challenged, as should business theories.



The basic life cycle of any product or service is innovation, growth, maturity, and decline. In the most general sense, this theory still has relevance, yet there is insufficient attention to spotting maturity and decline. Think about the price per square foot of a shopping mall 25 years ago versus today. The theory that nothing would stop people from shopping in this manner, either through online retailing or pandemic, was not challenged or was challenged too late; this was a dangerous moment when the "theory" becomes a self-enduring "fact".

Here are some risks to our theories in any endeavor:

1. We hold the *theory* (for example, a business plan) in too high of esteem. The budget becomes sacred. A certain medical procedure becomes such a gold standard that new approaches are resisted. A particular business model is presumed to take us decades into the future.
2. We can be overly zealous to look at flaws in *execution* rather than flaws in *theories*. "You may get to the very top of the ladder, and then find it has not been leaning against the right wall." -Allen Raine, 1915 (and later paraphrased by Stephen Covey).
3. We risk what Carol Dweck calls a "fixed mindset" instead of a growth mindset. "This growth mindset is based on the belief that your basic qualities are things you can cultivate through your efforts." She goes on, "Why hide deficiencies instead of overcoming them?"
4. We do not want our own theories challenged, but we are willing to challenge others' theories.
5. We can mistake our perseverance to achieving the goal with achieving success. Goals are important milestones (how we are doing), but success is the relevant blend of both execution and continual evaluation of *why we do what we do*.
6. We fail to own our insecurities (be they individual or organizational). That is, it is part of the human condition to have insecurities (such as not belonging, not being worthy, not being smart enough). Is it not a reasonable expectation that organizations also have similar insecurities, and possibly ones that mirror the collective insecurities that they hire and or fail to cultivate?
7. Ask yourself: What are warning signs that indicate your product or service are stagnant? What are the warning signs that your team is stagnant? What are the signs that you are stagnant?

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