

Statistics About Strategic Planning

- Businesses using strategic plans are 12% more profitable.¹
- 95% of the typical workforce doesn't understand the organization's strategy.²
- 86% of executive teams spend less than an hour a month discussing strategy.²
- 60% of organizations don't link strategy and budgeting.²
- Of 26,000 start-up business failures, 67% had no written plan.³
- More than 70% of companies with a strategic plan don't execute it.²
- Only a third of Directors of 1,000 public companies say their company is achieving strategic success.⁴
- "...a strategic direction affecting resource allocation at the corporate level to growing businesses in which the firm is well positioned improves performance of firms that plan strategically by more than 1 percent return on capital. In addition...strategic planning at a point in time appears to double the likelihood of survival as a corporate entity."⁵
- Formal planning reduces risk (as measured by variability of earnings).⁵
- Research suggests 80% of companies are dissatisfied with their planning and budgeting processes.⁶
- Only 23% of companies use a formal strategic planning process to make important strategic decisions. In 52% of companies, these decisions are made by a small senior group.⁷
- In companies surveyed who use formal strategic planning processes, 64% of leaders say the planning leads to strategic decisions that allow the company to meet its goals and challenges.⁷
- The top 10% of large companies surveyed experience real and material benefits from their planning processes - far beyond those of average companies. They're enjoying improved control over costs, increased foresight, improved operational performance, increased transparency and insight into the business, a sense of shared purpose, and an increase in revenue of at least 1%.⁸

1. M3 Planning.

2. Balanced Score Card Collective.

3. Terri Zwierzynski, www.Solo-E.com.

4. McKinsey & Company.

5. Noel Capon and James M. Hurlburt, Columbia University,
and John U. Farley, University of Pennsylvania.

6. Accenture

7. McKinsey & Co.

8. FEI Research Foundation and The Buttonwood Group