Strategic Planning Guide for Digital Services Companies

2023

parallax

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Bringing Confidence to an Uncertain Future

Digital services businesses continue to face unprecedented challenges in the year ahead. Amid strong economic headwinds and in the wake of the great resignation, planning for the future can feel rife with uncertainty and ambiguity. Salaries are on the rise, margins are getting squeezed, and budgets are getting slashed — making it more important than ever for leaders to mature their operations and stay confident in the year ahead.

A solid strategic planning process can align teams and be the most critical catalyst for business growth. This *Strategic Planning Guide for Digital Services Companies* shares simple methods and habits you can implement at your business to support your next phase of growth. Depending on your current state, you may not need to complete every exercise, so feel free to jump around to customize your planning process.

Need any help or feedback along the way? Shoot us a note at hello@getparallax.com. We'd love to chat.

Step 0 | Level Set
## Your Beliefs Shape Your Purpose

A foundational consideration when approaching strategic planning is to ensure your organization has clear alignment around the highest order reason for why you exist in the world and what you hope to achieve as an organization.

At Parallax, we use a Belief & Purpose model that is heavily influenced by the frameworks we used at Zeus Jones to help fortune 100 brands create internal alignment and drive meaningful action.

Many of these purpose frameworks draw on Simon Sinek's "Why" model as a starting point. Our approach is no exception.

WHY

HOW

WHAT

Belief

Purpose
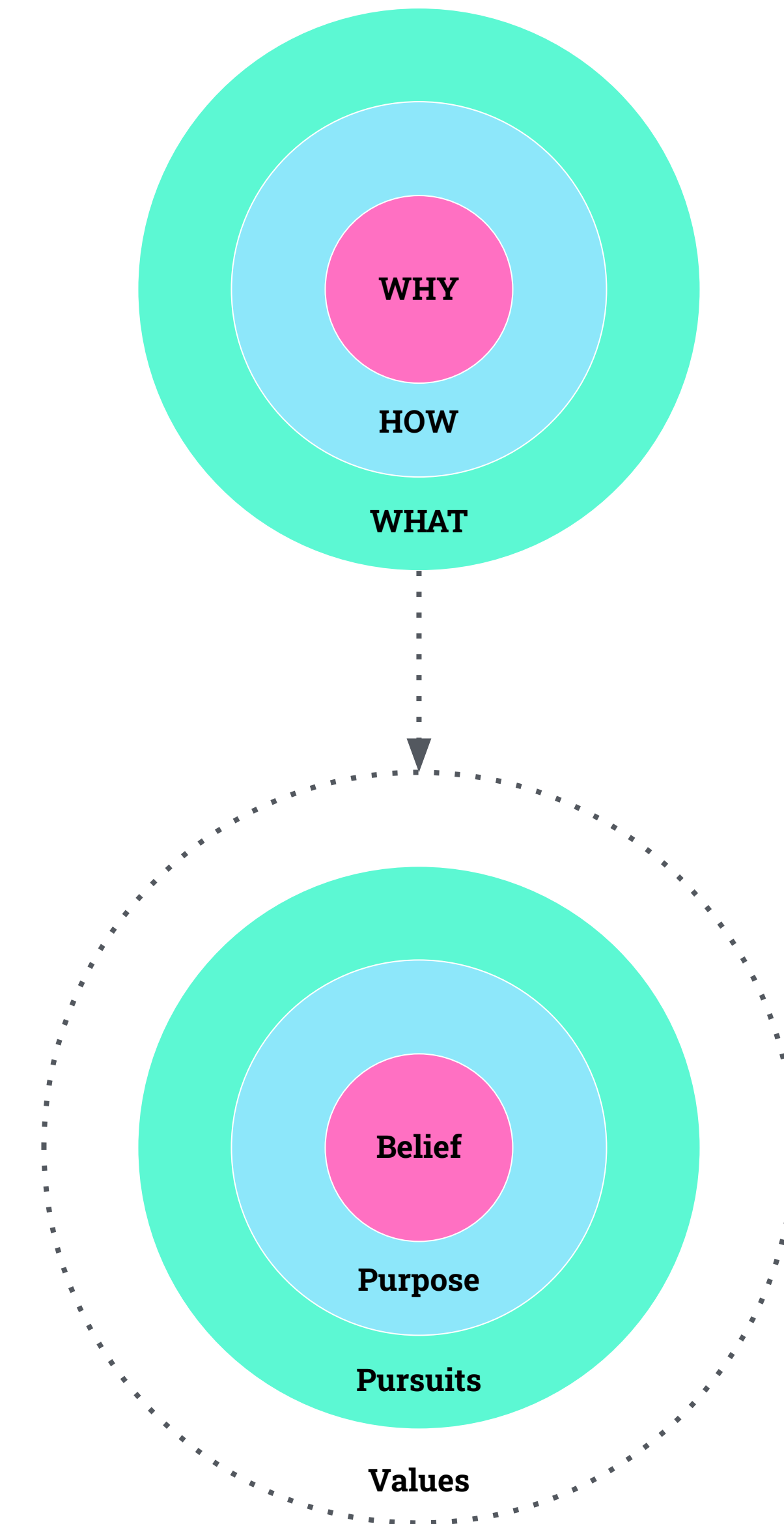
Pursuits

Values

What are Beliefs, Purpose, Pursuits & Values?

Belief

Purpose

Pursuits

Values
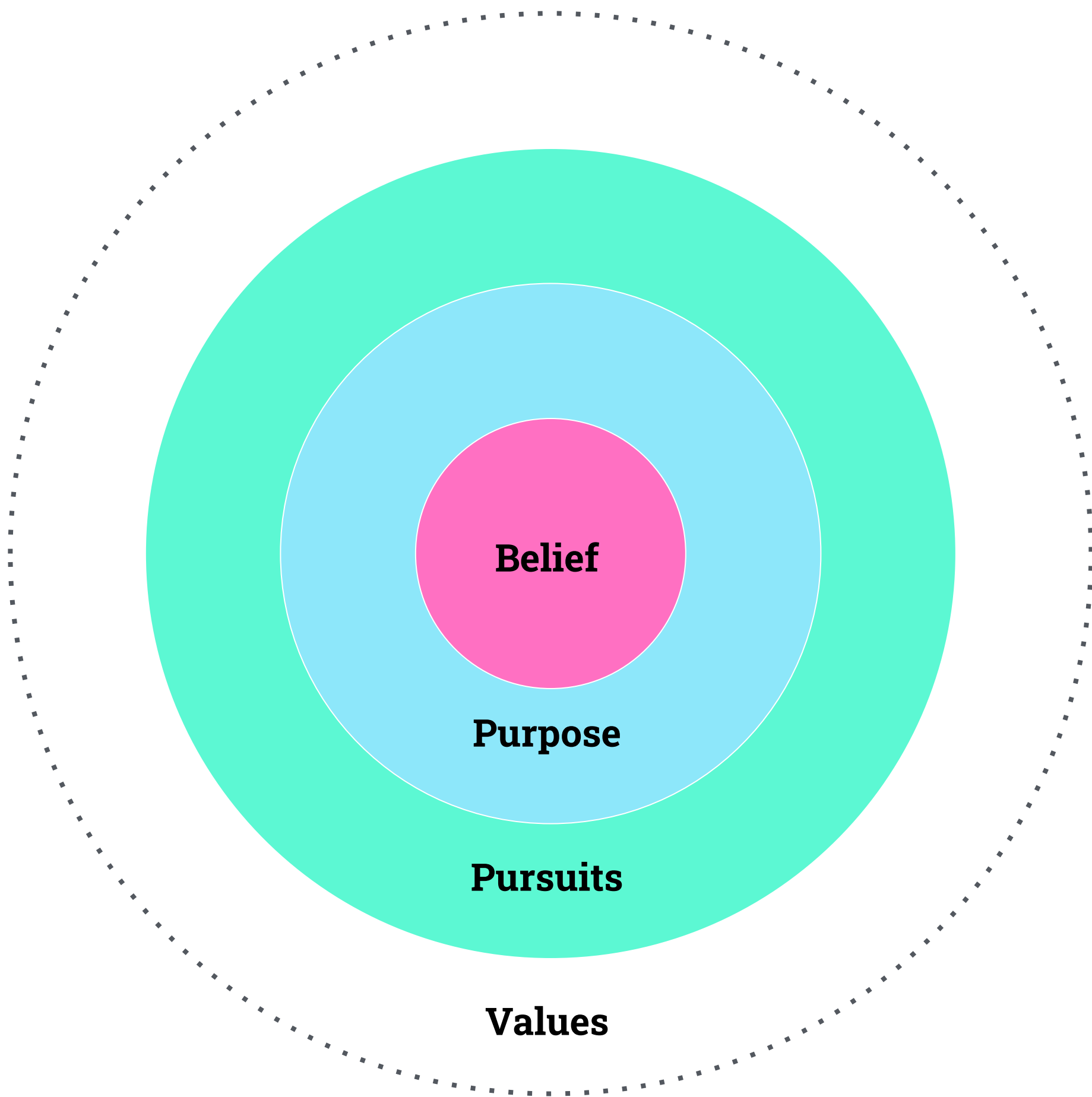
BELIEF: Is the fundamental truth you believe about the world at large.

A good belief…
- Is big and about the world at large
- Inspires passionate agreement
- But isn't for everyone — if no one disagrees, it's probably uninteresting
- Stakes out a cultural space to play in
- Sets the stage for the brand to play a strong role

PURPOSE: Is why you exist and what you're going to do about it.

A good purpose…
- Defines your role in fulfilling or acting upon the belief
- Inspires actions that help drive a brand, business, or organization
- Is clear and succinct
- Is ambitious (no foreseeable finish line)
- Has implications for all aspects of the business
- Helps shape communications, but is not designed to be customer-facing

PURSUITS: Are strategic paths that help you get there.

Good pursuits…
- Inspire and prioritize actions
- Invite others to participate
- Have an outsized impact

VALUES: Are the ways you behave while in pursuit of your purpose
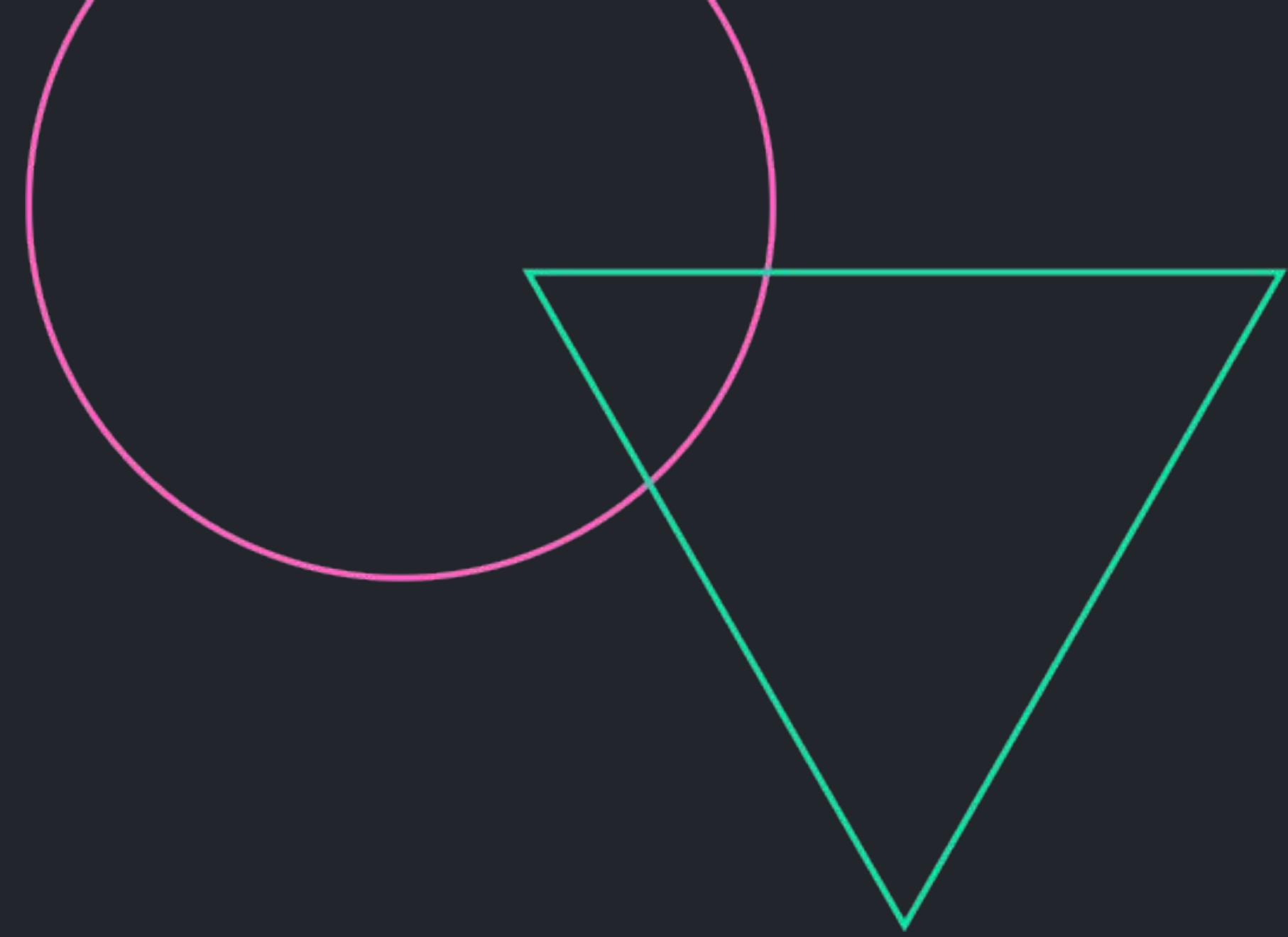
Good values…
- Are authentic and genuine
- Are recognizable
- Are meaningful and used to drive action
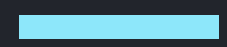- Influence every aspect of the business

Step 1

Prep for Planning

Step 1 | Prep for Planning

Start by clearly defining what you're trying to achieve through strategic planning and outline a simple project plan for your strategic planning process.

Strategic planning objective	Example: To have confidence that strategic planning will create leadership team alignment around actionable goals and initiatives.
Planning checklist	❑ Review strategic planning timeline and revise after reading this guide ([Example template](#)) ❑ Identify strategic planning team ([Example Template](#)) ❑ Document the timeline/project plan ❑ Assign facilitator ❑ Identify key objectives for planning process ❑ Schedule kick-off and workshops with planning team ❑ Prepare communication plan for strategic planning & roll-out ❑ Send welcome email and project plan to planning team

Step 2

Understand Your Strategic Starting Point

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Know Where You Are, So You Know Where To Go Next

This phase sets the foundation for where your team will go in the future.

To effectively prioritize what your organization should do next, the leadership team must have a shared perspective on where you are today, taking into account:

- The operational maturity of the organization
- Its strengths, weaknesses, external opportunities and threats

Step 2 | Understand Your Strategic Starting Point

Completing a maturity assessment and SWOT analysis will create alignment around your strategic starting point.

Objective of step 2	To create internal alignment around the strategic position while identifying both internal and external factors that will impact success.
Deliverables	• Digital Services Maturity Assessment ([Example Template](#)) • SWOT Analysis ([Example Template](#))
Progress checklist	❏ Complete a Digital Services Maturity Assessment ❏ Facilitate a 2-hour review of Assessment results & SWOT workshop with key stakeholders ❏ Synthesize results, and produce SWOT report ❏ Present findings to stakeholders with analysis

Digital Maturity Model Assessment & SWOT Analysis

To kick off this phase of strategic planning, have each leader complete the Digital Services Maturity Assessment. This should take ~30 minutes to complete, and is an important step to creating a shared perspective on where you are today as business.

Once each leader has completed the assessment, have your facilitator synthesize the results. Highlight where the team has similar opinions and where they differ on how the business is performing. Then, bring everyone back together to review and discuss as a leadership team.

Reviewing this feedback and synthesis together is a great precursor to then conduct a SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and is a technique for assessing these four aspects of your business. It's an excellent tool for helping the team align and prioritize their focus for improvement. We recommend a simple SWOT analysis that includes Parallax's unique external perspective informed by broad industry knowledge and deep industry experience.

Need a hand? Contact Parallax for a FREE consultation to determine your organization's maturity against industry benchmarks.
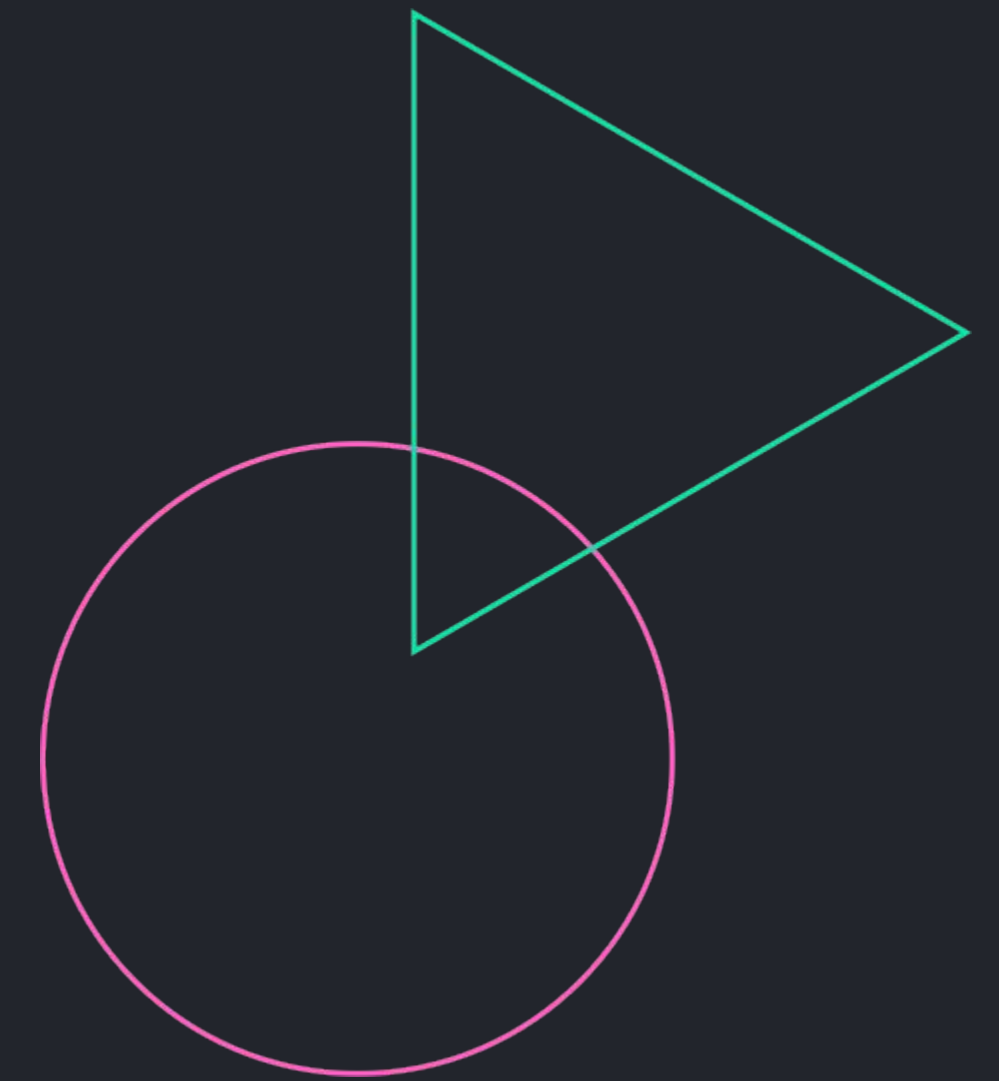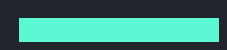
Email **hello@getparallax.com** to get started.

Download our Digital Services Maturity Assessment

Download our SWOT analysis

Step 3
Identify & Prioritize Your Objectives

Step 3 | Identify & Prioritize Objectives

Clear objectives and measurable results give structure to ambitious growth goals. These give digital services companies a path forward that improves communication and decision-making, and drives valuable action.

Objective for step 3	Identify and prioritize high-level goals and objectives for next year, including quick wins that can happen within weeks, by working backward from annual to quarterly to monthly objectives.
List of deliverables	• Annual objectives and measurable results ([Example template](#)) • Next quarter objectives that support annual goals and strategies • Next month objectives that support quarterly goals and strategies
Planning checklist	❑ Hold initiatives ideation & prioritization workshop ❑ Complete objectives & initiatives analysis ❑ Present findings to stakeholders with analysis
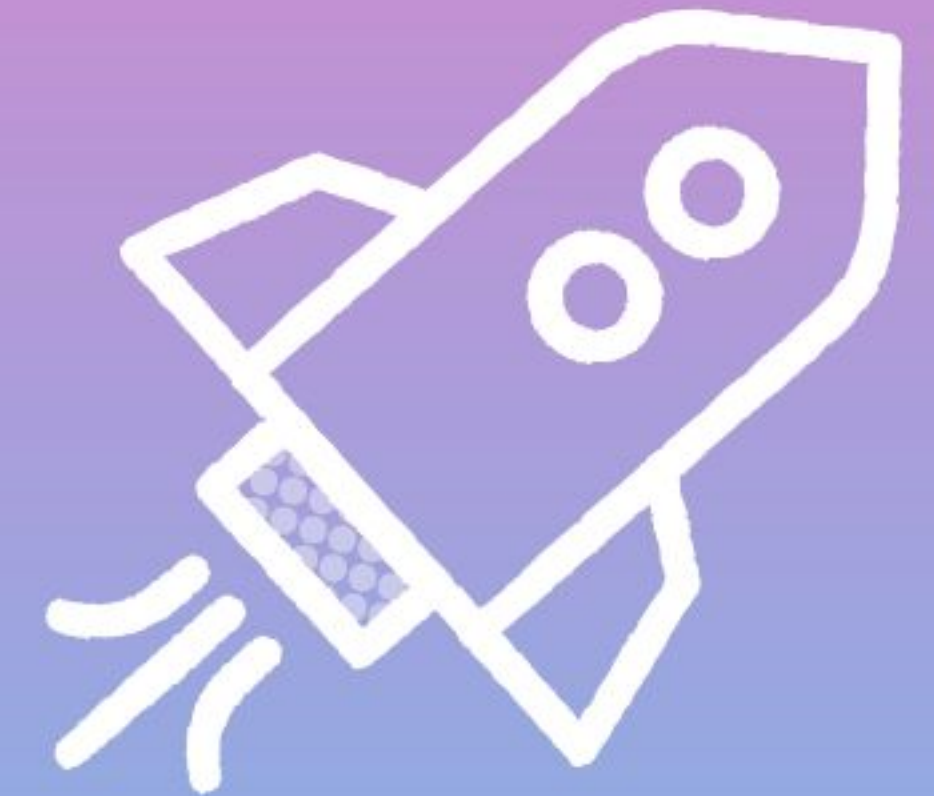
"OKRs" – More Than a Tech Industry Buzzword

OKRs are a framework that helps companies set ambitious goals (objectives) and track how they are doing against them (key results).

Former Intel CEO, Andy Grove, popularized the idea for OKRs at Intel. In his book, _High Output Management_, Grove wrote that there are two essential questions companies need to answer to use a framework like OKRs:

1. **Where do I want to go?**
   — This gives you the objective.

2. **How will I pace myself to see if I am getting there?**
   — This gives you the key results.

Example OKRs

Companies typically align OKRs with their org chart. There's a high-level company OKR, supported by department OKRs, and eventually individual employee OKRs.

Objective:
Significantly increase the value of the business

Key result #1:
Increase billable utilization by 5%

Key result #2:
Increase average project margin by 10%

Key result #3:
Increase overall revenue growth by 20%

Key result #4:
Improve employee growth and retention by reducing voluntary turnover

OKRs for Digital Services Companies

While the OKR framework is simple, actually implementing and writing your objectives and key results can be tricky. You can find tons of advice about how to implement OKRs (including from Google, Hacker Noon, and Sachin Rekhi). **When it comes to writing yours, don't reinvent the wheel!**

A lot of people (including us!) have already put in the work to craft OKR examples based on industry standards and best practices for what to measure.

To make this process simpler for you, we wrote OKR examples for all levels of a digital services company. These OKRs will help you align your company to its goals, create a workplace that wins the best clients, and attract and retain the best employees.

Download our OKRs for Digital Services Companies Here!

Step 4

Communicate, Measure, and Manage

Communicate, Measure, and Manage

In order for strategic planning to take hold, your prioritized objectives and key results need to be shared and understood across the organization.

Every business has some sort of operational cadence that, good or bad, is communicating, measuring, and managing performance right now. In most cases, that cadence is not optimal and keeps information and decisions in silos. At worst, it's a cadence of operations and decisions that are misleading and frustrating for teams and damaging for the business.

We've identified a few key cadences and best practices that create the habits necessary for implementing our OKRs in a more consistent and effective way.

Use the content on the next slide as an example based on the cadences you've already established. The ultimate goal is to create framework that is consistent, reasonable, and valuable to your organization.

Drive Healthy Operations

Strategic planning is only as effective as your ability to operationalize it throughout the organization. It all starts with a few fundamental steps.

When it comes to measuring against OKRs and driving healthy performance, stick to the best practices that deliver more consistency, visibility, and accountability – from weekly behaviors to monthly touchpoints to revisit progress against your strategy.
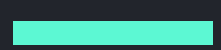
Dig In: Operational Best Practice that Drive Strategic Growth

MONTHLY
STRATEGIC PLANNING

WEEKLY
OPERATIONAL LEADERSHIP BEST PRACTICES

WEEKLY
HABITS & BEHAVIORS

Final Thoughts
Why This Matters

"A Successful Organization Has to be Smart *and* Healthy"

https://www.nbforum.com/nbreport/patrick-lencioni-untapped-advantage-organizational-health/

Patrick Lencioni
President of The Table Group, a management consulting firm specializing in executive team development and organizational health

Organizational "Smarts"

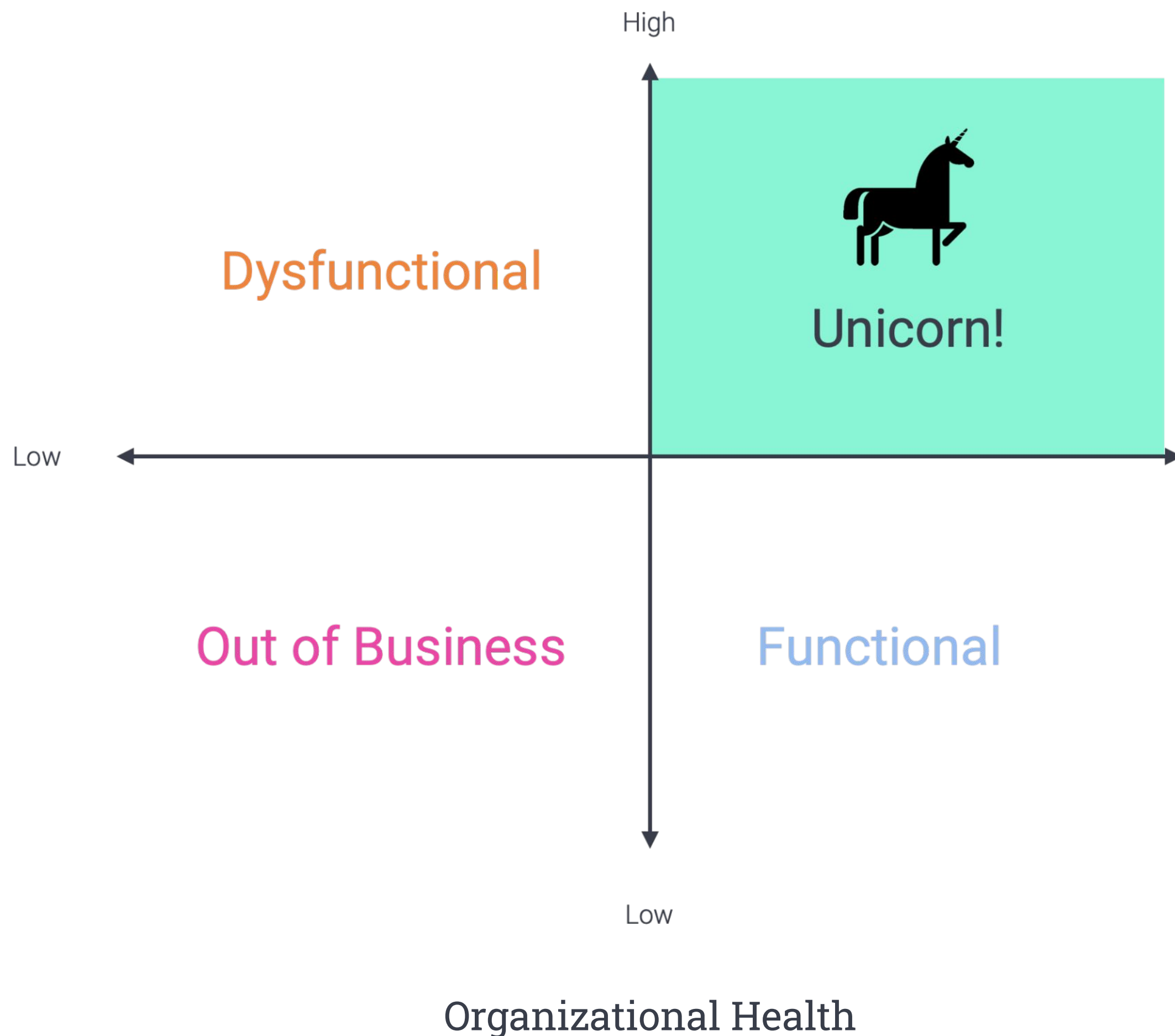The right brain, quantifiable, measurable things that 95% of organizational leaders focus on. Things like:

- Clear objectives and measurable key results (OKRs)
- Intimate familiarity with organizational outputs, products, etc.
- Clear understanding of financials, leverage, market share, etc.
- Clear understanding of the competitive landscape
- Accurate data and reporting from consistent operational cadence

Organizational "Health"

The other things, like having minimal office politics and confusion, high morale and productivity, and very low employee turnover. Things like:

- **A cohesive team—characterized by:**
  - Trust
  - Interdependence
  - Minimal politics & effective conflict resolution
  - Strengths-based, efficient decision-making

- **Overly communicated clarity through:**
  - Belief, Purpose, Pursuits, and Values

- **Clarity across organizational systems for:**
  - Performance, alignment, connectivity across teams, operational health

The four-quadrant matrix shows Organizational Smarts (vertical axis, Low to High) versus Organizational Health (horizontal axis, Low to High):
- Dysfunctional (upper left)
- Unicorn! (upper right, highlighted with unicorn icon)
- Out of Business (lower left)
- Functional (lower right)

Be Smart. Be Healthy. Be a Unicorn.

At Parallax we believe in unicorns because we believe in possibilities.

Strategic planning helps you and your people perceive the possibilities for growth in your business, embrace the change needed, and establish a confident path toward measurable, positive impact.

If you are interested in learning how Parallax helps digital services companies like yours grow with confidence, please reach out. **We'd love to help.**

– The Parallax Crew

Links and Templates

Just need the links to all of our templates provided? See below.

Step 1 | Prep for Planning

- [Project plan & timeline](#)
- [Strategic planning team roles & responsibilities](#)

Step 2 | Understand Your Strategic Starting Point

- [Digital Services Maturity - self assessment](#)
- [SWOT Analysis](#)

Step 3 | Identify & Prioritize Objectives
- [Example OKRs for Digital Agencies](#)

Step 4 | Drive Healthy and Consistent Operations
- [Parallax Ebook: Operational Best Practice That Drive Strategic Growth](#)

Learn more at

getparallax.com

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