STRATEGIC PLANNING FOR GROWTH AT AUNTIE ANNE'S

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Community—working collaboratively with a shared sense of purpose—lies at the heart of Auntie Anne's success. Success began modestly in 1988, when company founders Anne and Jonas Beiler purchased a farmer's market stand in Pennsylvania and sold hand-rolled pretzels and lemonade. Their vision was to create enough income to offer free counseling services to couples and families in their community. Within four years, Auntie Anne's had established 100 stores in over a dozen states, enabling the Beilers to found the non-profit Family Resource and Counseling Centers and transform their vision into a reality.

Penn State: A Collaborative Partner

When Auntie Anne's came to Penn State Executive Programs, this very successful company had more than 300 franchise owners and nearly 100 stores in 44 states and 21 countries, exceeding its business goals while extending corporate philanthropy to children's hospitals, pediatric cancer research, hunger relief, and childhood literacy. Company executives wanted to take a fresh look at their corporate strategy; one that would define the next wave of growth and success while staying true to Auntie Anne's values. Sam Beiler, then Chairman and CEO, chose Executive Programs because of the collaborative, hands-on approach and their active follow-up beyond planning to ensure success.

Penn State Executive Programs implemented a four-stage approach to strategic planning at Auntie Anne's:

» Assessment of the current state of the Company

» Strategic planning sessions

» Strategic imperative projects

» Strategic planning for franchisees

". . . The framework we brought from Penn State was a system for us to use when ideas came up internally or from outside. Before, we were reactive. Now we are proactive."

Executive Programs combined learning modules, guided discovery, and action learning projects that integrated with the overall budgeting and organizational planning process of Auntie Anne's. Throughout the process, learning design was centered on integrating enterprise goals and operational performance requirements, emphasizing the necessity to achieve business results while holding true to the company's values in decisions about how those results would be achieved.

Self-Assessment Maps Organizational DNA

New perspectives, when combined with objective self-analysis, form the basis of real change. Executive Programs began the engagement with an assessment of the current organizational and leadership environment using the Strategy, Leadership, Culture Questionnaire (SLCQ), which measures 18 critical dimensions of organizational effectiveness. The SLCQ feedback was combined with interviews from executive leadership to provide a candid snapshot of decision-making at Auntie Anne's.

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Strategic Planning for Growth at Auntie Anne's

Strategic Planning Sessions Create a Shared Vision

Executive Programs faculty next led Auntie Anne's leadership team in a series of planning sessions aimed at building a roadmap for strategy formulation. Focused learning modules and guided discovery were used as catalysts for new ideas.

The leadership team members were asked to define the uniqueness of their business, describe the values that guide their decision-making and operations, identify the core competencies required for success, and explore business model innovations. Their discussions led them to identify potential opportunities for future growth that were then translated into "strategic imperatives" projects. Teams were created to assess the market viability and potential impact of each opportunity. The Auntie Anne's leadership team as a whole decided which imperatives should be implemented as part of the future strategy of their company.

Learning to Lead the "Whole" Organization

The strategic planning sessions facilitated the deep dive into their organizational DNA, allowing Auntie Anne's team members to see beyond their department and view the organization as a system whereby they could assess the resources, roles, and interdependencies required to implement strategy. Critical to their decision-making was an enhanced understanding of the organizational capabilities, operating systems and processes, human resources, and talent required for success, as well as how to link strategy to performance metrics. An important lesson that company leaders took home with them was to integrate three important practical concepts into their everyday thinking:

- Don't be afraid of failure. If a new initiative doesn't work, learn from the experience and move on.
- Keep business interactions in alignment with Auntie Anne's culture of caring.
- Keep internal communications open to direct and productive debates.

Strategy Implementation and Outcomes

When they returned to Auntie Anne's, the strategic imperatives project teams began to implement the projects. Engaging other corporate employees, franchisees, consultants, partners, and suppliers was key. The teams involved all critical stakeholders in agreeing to set priorities and metrics to create buy-in and shared accountability for the results.

Executive Programs faculty continued to work with the leadership team to help communicate the results and assimilate the practice of strategic planning throughout the extended enterprise. Penn State faculty members joined the leadership team to present Auntie Anne's new strategic vision to corporate employees, franchisees, and suppliers at the company's national convention. They also led a strategic planning workshop for Auntie Anne's leadership group of franchisees focusing on how strategic planning can positively impact sales for all stakeholders.

The Penn State approach—using guided discovery and embedding coaches into the teams—has helped to institutionalize strategic thinking, business analysis, and decision-making to create an environment that fosters sustained integration of strategic business analysis and immediate impact on business results. In the words of one company executive:

> *"Penn State brought us a willingness to look hard at product that we wouldn't have been willing to consider before. We were asking how else to grow, how else can we have people experience our brand . . . The framework we brought from Penn State was a system for us to use when ideas came up internally or from outside. Before, we were reactive. Now we are proactive."*

Penn State Executive Programs

Since 1954, organizations and individuals around the world have turned to Penn State Executive Programs to meet their leadership development needs. Drawing on the vast resources of one of the nation's top universities and the internationally ranked Smeal College of Business, executives and senior managers develop capabilities that translate into strategic creativity, effective leadership, innovation, and efficient business processes. Supply chain education is a distinct competence at Smeal. We are currently ranked among the very best for supply chain by AMR Research, Inc., *Supply Chain Management Review*, and *U.S. News and World Report*.

Websites

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In 2010 *Chief Learning Officer* magazine awarded Penn State Executive Programs with its highest Learning in Practice award for our academic partnership with Auntie Anne's. It won the same award in 2011 for its partnership with Office Depot, Inc.