

Suggested Steps in Strategic Planning

(Overview)

Step 1 – Prepare

- 1.1 Identify specific issues or choices that the planning process should address.
- 1.2 Develop an organizational profile.
- 1.3 Identify any information that must be collected to help make sound decisions.

Step 2 – Establish a Purpose

- 2.1 Develop a mission statement.
- 2.2 Develop a vision statement.
- 2.3 An organization may also choose to develop a values statement.

Step 3 – Perform a Strategic Analysis

- 3.1 If following the Alignment Model, this is a good time to consider the organization's performance, resources, and necessary support. A Gap Analysis may also be helpful in determining where the organization is not meeting expectations.
- 3.2 Conduct a SWOT Analysis (this addresses the strengths, weaknesses, opportunities, and threats in an organization).

Step 4 – Develop Goals and Strategies

- 4.1 Identify what is working well and what needs adjustment.
 - 4.1.1 Outline broad strategies that will help to effect these adjustments.
 - 4.1.2 Create specific objectives that follow the strategies.
- 4.2 Establish goals that reinforce your mission, vision, and values statements.
 - 4.2.1 For each goal, outline broad strategies that will help to achieve the goal.
 - 4.2.2. Create specific objectives that follow the strategies.
- 4.3 If you choose to incorporate Scenario Planning, select several external forces and imagine how they will influence the organization.
 - 4.3.1 Consider the best case, worst case, and reasonable case scenarios and discuss potential strategies to respond to the changes in each situation.

Step 5 – Finalize the Strategic Plan

- 5.1 Designate a member of the planning committee to draft the final planning document based on the ideas outlined in the above steps.
- 5.2 Have all key decision makers review the document.
- 5.3 Implement the plan.

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1 Prepare

1.1 Identify specific issues or choices that the planning process should address. This includes but is not limited to:

- why there is a need for a strategic plan
- the plan timeframe, i.e., is it a three year plan or a five year plan?
- creating a schedule of meetings during which the board will compose the plan.
- clarifying the roles of who will do what in the planning process; this includes determining who will implement the plan once it is completed

1.2 Develop an organizational profile. Discuss a series of questions regarding the organization's environment such as:

- What is the organization's relationship with its clients/partners/suppliers?
- In what kind of environment does the organization operate?
- What are the key challenges that the organization faces?
- What do clients need the organization to provide?
- What is the current status of the organization and what is it lacking?
- Is all or part of the organization's environment going to change in the next 5-10 years? What would the implications be?

1.3 Identify any information that must be collected to help make sound decisions. This includes information about the makeup of the organization, its staff structure, resources, assets, etc. This also includes information about the past, i.e., why have past plans been insufficient?

Also, be sure to include in the planning process people who will be responsible for implementing the plan to ensure that it will be realistic and collaborative.

2 Establish a Purpose

2.1 Develop a mission statement. The mission statement is a broad description of what the organization does, with/for whom they do it, and the ultimate purpose the organization strives to achieve. It will be in the first section of the strategic plan and will set the stage for all that follows.

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If a mission statement already exists, the focus of this step is on reviewing it in light of the emerging vision statement and, if necessary, revising the language. Here are some questions that can aid in the review of an already-existing mission statement:

- Is the mission statement clear and on target in today's operating environment?
- Do you have any specific questions or concerns with respect to the mission statement?
- Does the mission statement need to be updated to reflect current demands on the organization?
- Does the mission statement duplicate the mission of any other organization? If so, what should be done about it?
- Considering the answers to these questions, how, if at all, should the mission statement be changed?

Examples of Mission Statements:

FedEx is committed to our People-Service-Profit Philosophy. We will produce outstanding financial returns by providing totally reliable, competitively superior, global, air-ground transportation of high-priority goods and documents that require rapid, time-certain delivery. (FedEx)

OSHA's mission is to assure the safety and health of America's workers by setting and enforcing standards; providing training, outreach, and education; establishing partnerships; and encouraging continual improvement in workplace safety and health. (OSHA)

2.2 Develop a vision statement. The vision statement includes vivid descriptions how you envision the organization once it has implemented the strategic plan. It is often used as a motivational tool and can go directly before or after your mission statement. Vision statements vary from being one sentence to being a number or paragraphs long. When constructing your vision statement, be sure to:

- Draw on the beliefs, mission, and environment of the organization.
- Describe what you want to see in the future.
- Be specific to your organization.
- Be positive and inspiring.
- Do not assume that the system will have the same framework as it does today.
- Be open to dramatic modifications to current organization, methodology, teaching techniques, facilities, etc.

Examples of Vision Statements:

Any individual who takes steps to minimize the chance of financial loss should be able to purchase quality insurance at a reasonable cost and receive fair and equitable treatment by the insurance industry. (Missouri Department of Insurance)

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We provide vital leadership in forging a deep community commitment that results in: Dramatic improvements in student achievement; High levels of cooperation and satisfaction among all stakeholders; Ever-increasing enthusiasm, pride and support for public education in Milwaukee. (Quality Education Commission)

- 2.3 An organization may also choose to develop a values statement. Values manifest in everything an organization plans and does; articulating these values provides a guide in the planning process. Establish 4-6 core values from which the organization would like to operate. Consider values of clients, employees, and the community. When writing the strategic plan, it may be useful to incorporate actions to align actual behavior with preferred behavior.

Examples of Values Statements:

We are committed to the principle of shared governance, meaning that those who are responsible for and affected by the various functions of the University should have a voice in the policies that govern those actions. Shared responsibility goes along with shared governance. (Unknown Company/University)

- *Recognize and support the contributions of insurance in providing the security necessary to build healthy families, stable neighborhoods and a prosperous economy*
- *Protect and advocate on behalf of consumers*
- *Promote fair and open competition among the insurance industry*
- *Enforce the laws and regulations of Missouri fairly and effectively*
- *Promote the highest standards of ethics, suitability, and accountability*
- *Create and support a diverse workforce*

(Missouri Department of Insurance)

3 Perform a Strategic Analysis

- 3.1 If following the Alignment Model, consider the organization's performance, resources, and necessary support. In order to fine-tune strategies and/or explore why strategies are not working, the planning group should outline the organization's programs, resources, performance thus far, and the support that the organization requires.

Another way to assess an organization that is already in place is to perform a Gap Analysis and examine how the actual results being obtained from current activities compare to the desired results, i.e., what are the successes and where is the organization falling short? How short?

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3.2 Conduct a SWOT Analysis. This is a way to address the strengths, weaknesses, opportunities, and threats in an organization. The SWOT Analysis is often summarized in the written plan either in table, list, or paragraph form.

The SWOT analysis should provide you with information that helps in making decisions so a laundry-list of strengths, weaknesses, opportunities, and threats may not be helpful; however, when the potential implications of this information is considered, that is when you will get a meaningful analysis.

To conduct a SWOT analysis, carefully consider the following basic steps:

A. You start by identifying your **strengths**, which represent your internal capabilities and resources. Here are some questions you can use to help you get started:

- What are your core competencies?
- What relevant skills, talents, or abilities are at your disposal?
- What resources do you have?
- What specialized knowledge or expertise do you have access to?
- Who can you ask for advice, support, or help?
- What special/proprietary tools can you use or develop?
- What is already working well in this area? What related strengths does that reveal?

B. Identify your **weaknesses**, which represent your internal liabilities. In many cases, the lack of a strength or resource can be considered a weakness. Consider the following:

- What are your main liabilities?
- List all the relevant skills, abilities, and talents that you would find helpful. Which ones are you the least proficient at?
- List the specialized knowledge or expertise that you would find helpful in this result area. Any knowledge or expertise that you lack could be considered a weakness.
- Are there any resources (money, time, help) that you currently don't have access to?
- What is not working in this area right now? What related weaknesses does that reveal?

C. Your **strengths** and **weaknesses** give you an idea of your internal capabilities, resources and liabilities. The next step in SWOT analysis is to identify your external **opportunities** for growth and improvement. Here are some ideas to help you identify them:

- List the opportunities you have been considering.
- What things could you improve on?
- Think of one thing you could do that would significantly improve your situation.
- What important goals could you pursue?
- How can you take advantage of your strengths?

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- Can you take advantage of any changes in your environment or circumstances?
- What opportunities would become available to you if you eliminate some of your weaknesses?

D. Now identify your **threats**, which represent external events, environmental factors, or changes that could affect you negatively. Here are some ideas to help you identify some threats:

- Make a list of serious risks you are facing in this area if you continue along your current path.
- What obstacles or roadblocks are impeding your progress?
- What environmental factors are affecting you negatively?
- Think about how current changes to your environment or circumstances could affect you negatively.

E. The strengths, weaknesses, opportunities, and threats that you have identified are often put into a SWOT matrix:

		Positive	Negative
Internal factors	Strengths	<ul style="list-style-type: none"> >Technological skills >Leading Brands >Distribution channels >Customer Loyalty / Relationship >Production quality >Scale >Management 	<ul style="list-style-type: none"> >Absence of important skills >Weak brands >Poor access to distribution >Low customer retention >Unreliable product / service >Sub-scale >Management
	Opportunities	<ul style="list-style-type: none"> >Changing customer tastes >Liberalisation of geographic markets >Technological advances >Changes in government politics >Lower personal taxes >Change in population age-structure >New distribution channels 	<ul style="list-style-type: none"> >Changing customer tastes >Closing of geographic markets >Technological advances >Changes in government politics > Tax increases >Change in population age-structure >New distribution channels
External factors			Threats

Review your SWOT matrix with a view to creating an action plan that will address each of the four quadrants. In summary,

- Strengths need to be maintained, built upon, or leveraged.
- Weaknesses need to be remedied or stopped.
- Opportunities need to be prioritized and optimized.
- Threats need to be countered or minimized.

4 Develop Goals and Strategies

- 4.1 Identify what is working well and what needs adjustment. Use the information that you gathered and analyzed in your SWOT and Gap analyses to determine areas where current practices and behaviors need to be reformed.

Construct broad approaches (strategies) to be taken in order to resolve the gap between the current situations and the desired situations. The strategies will depend on matters of affordability, practicality, and efficiency.

Since strategies are made up of broad ideas, identify specific objectives that are closely related and similar to goals but are more concrete and measurable. Create objectives with deadlines, responsibilities, timelines, and checkpoints. It is difficult to pinpoint whether the organization has accomplished a goal or strategy, but much easier to determine whether it has achieved a well defined, concrete objective.

- 4.2 Establish goals that reinforce your mission, vision, and values statements. Based on the assessments that you have done, and in alignment to the mission, vision, and values statements, institute a set of goals that utilize strengths to take advantage of opportunities, while building up weaknesses and warding off threats. The set of goals that you determine should break down your overall mission into individual elements.

Once you have established goals, form broad strategies to reach these goals, followed by specific, measurable objectives as described in section 4.1.

- 4.3 If you choose to incorporate Scenario Planning, select several external forces and imagine how they will influence the organization. Scenario Planning is often used in conjunction with other models to help identify strategic issues and goals. In order to utilize this approach, consider the following steps:

- Select several external forces and imagine related changes which might influence the organization, e.g., changes in regulations, changes in current technology, etc.
- For each change, discuss three different future scenarios that might arise—best case, worst case, and OK case. (Reviewing the worst case scenario often provokes strong motivation to change the organization.)
- Suggest what the organization might do, or potential strategies in each of the scenarios. Planners soon detect common considerations that must be addressed to respond to possible external changes.
- Select the external changes most likely to affect the organization within the timeline of your strategic plan and identify the most reasonable and effective strategies the organization can undertake to respond to these changes. Incorporate the issues that you feel strongly about within your written strategic plan.

5 Finalize the Strategic Plan

5.1 Designate a member of the planning committee to draft the final planning document based on the ideas outlined by the group in the above steps. The executive director or a planning consultant will often assume this duty. It is important for the planning group to clearly communicate to the person drafting the document everything that it should cover.

In writing the plan, be specific when designating responsibility and setting timelines. To create a successful strategic plan, keep it realistic and clear so that the actions and objectives can be carried out by the organization's staff. If you would like to reference other strategic plans, see the following site:

http://dmoz.org/Business/Management/Strategic_Planning/Sample_Plans/

5.2 Once the document has been drafted, submit it for review too all key decision makers. Consult with senior staff to determine whether the document can be translated into operating plans. Use this review time to ensure that the plan answers key questions and addresses priorities in sufficient detail to serve as a guide throughout the organization. Revisions should be made in a timely manner.

5.3 Implement the plan. To ensure the plan is implemented successfully, it may be helpful to

- Communicate the role of follow-ups to the plan. Let people know the action plans will be regularly reviewed.
- Document and distribute the plan inviting review input from all.
- Be sure that one internal person has ultimate responsibility that the plan is enacted in a timely fashion.
- Integrate the plan's goals and objectives into the chief executive's performance reviews.
- Place huge emphasis on feedback to the board's executive committee from the planning participants.