Developing a Strategic Plan
• Present an overview of the strategic planning development process
  – Identifying the various steps in the strategic planning process

• Highlight critical components for strategy development

• Discuss strategy elements:
  – Vision, Mission, Values, Goals and Objectives, Key Results, SWOT Analysis

• Determine appropriate tools for strategic planning process

• Discuss:
  – How to initiate stakeholder support and involvement in the process
  – How to develop communication strategies to promote the strategic planning process
  – How to initiate and manage a strategic planning process
How to Do it, What to achieve, What Elements to Include
What Is Strategic Planning?

- The overall planning that facilitates the good management of a process
- Provides the big picture of what you are doing and where you are going
- Gives clarity about what you actually want to achieve and how to go about achieving it
Questions that Strategic Planning Enables an Organisation to Answer

- **Organization Identity**
  - Who are we?

- **Capacity of the organization**
  - What do we have/what can we do?

- **Problems are being addressed**
  - What problems are we addressing?

- **The difference we want to make**
  - What difference do we want to make?

- **Plans on how to tackle things/issues**
  - Which critical issues must we respond to?

- **Prioritizing issues and resources**
  - Where should we allocate our resources?
  - What should our priorities be?
Prerequisite to Planning

- Senior leadership commitment
- Who will do what?
- What will each group do?
- How will we do it?
- When is the best time?
Who Should be Involved in the Strategic Planning Development Process
## The 5 Human Dynamics Elements

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<td><strong>Qualities</strong></td>
<td>energetic, empathic, intuitive, creative, individualistic, communicative.</td>
<td>Individualistic, communicative, creative, intense feelings, animated.</td>
<td>rather detached, calm, precise, objective, consequent, trustful.</td>
<td>Quiet, both feet on the ground, patient, flexible stable mood, will not get angry soon.</td>
<td>Both feet on the ground, patient, flexible, practical, stable</td>
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<td><strong>Way of processing information</strong></td>
<td>starts with listening, through dialogue and interaction with others. Take only what is of personal value out of a communication.</td>
<td>starts with talking and listening, in interaction with others, experimental (learns by doing), easy enthusiast for new ideas.</td>
<td>Works on its own, demands clarity about goals, values and tasks, demands information on paper.</td>
<td>Practice oriented (a doer!), prefers to work with scheme’s and structures; demands first the objective, direction and vision of an assignment and will select details on that bases; processes information on its own before communicating it; prefers to work on one thing at a time.</td>
<td>Practice oriented (a doer), collects lots of information and starts then to create an order; processes information alone, not by interaction with others, judges if this inner process is fulfilled.</td>
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<td><strong>Way of communicating</strong></td>
<td>Easy going with people, verbal fluency, tendency to make all things personal talks often about feeling strong aware of own and others feelings, and is often not able to distinguish the two.</td>
<td>Wants good contact, good verbal expression, talks a lot about ideas, is often not aware of feelings of himself or others.</td>
<td>Will not express feelings easy, is accurate in the choice of words, make feelings subordinate to a task, leads a stable emotional live; may need help to make contact with others.</td>
<td>Tolerant, takes the needs of others into consideration, reliable, talks about practical things; may need help to express feelings. Strategic in thinking and performance.</td>
<td>Tolerant, takes others needs into consideration, reliable, communicates mainly about work and team questions; may need help to express personal feelings, will use stories and anecdotes for clarification of situations, strategic in thinking and performance.</td>
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<td><strong>Will be stressed by ...</strong></td>
<td>Atmosphere with lack of or too much emotions Lack of possibilities to get over own and others feelings.</td>
<td>Lack of possibilities to experiment and to start up things. Tendency to live unhealthy.</td>
<td>Too long interaction with others and not enough time alone. Insufficient time to finish work in a precise and conscientious way.</td>
<td>Not enough time to process data and to react on it, accumulation of data and memories; insufficient time to be alone</td>
<td>Not enough time to process data and to react on it, accumulation of data and memories; insufficient time to be alone</td>
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Why some people in a team say less than others: *Creativity and Innovation Conference in Dec 1999. Drs. Frank de Mink, Dinkel Institute, University of Twente, De Mink Denktechnieken*
Developing a Strategy

• Explore the critical issues
  – Strategic thinking
• Identify a range of possible routes to your goals
  – Road mapping
• Identify and prioritize the goals and objectives
  – Goal and objective setting
• Identify any gaps or discrepancies in your knowledge and experiences
  – Capacity gap
• Communicate to the different constituents
  – Communicate the plan
Strategic Planning Framework

Where we are

Assessment
- Environmental Scan
- Background Information
- Situational Analysis
- SWOT – Strengths, Weaknesses, Opportunities, Threats

Baseline
- Situation – Past, Present and Future
- Significant Issues
- Align / Fit with Capabilities
- Gaps

Where we want to be

Components
- Mission & Vision
- Values / Guiding Principles
- Major Goals
- Specific Objectives

How we will do it

Down to Specifics
- Performance Measurement
- Targets / Standards of Performance
- Initiatives and Projects
- Action Plans

How are we doing

Evaluate
- Performance Management
- Review Progress – Balanced Scorecard
- Take Corrective Actions
- Feedback upstream – revise plans
Assessment Model - SWOT

Internal Assessment: Organizational assets, resources, people, culture, systems, partnerships, suppliers, ...

External Assessment: Marketplace, competitor's, social trends, technology, regulatory environment, economic cycles.

- **Strengths**
- **Weaknesses**
- **Opportunities**
- **Threats**

**SWOT**

**Good Points**
- Easy to Understand
- Apply at any organizational level

**Possible Pitfalls**
- Needs to be Analytical and Specific
- Be honest about your weaknesses
SWOT

Strengths
- Things that you do well
  - the high value or performance points
- Best leverage points for growth without draining your resources
- Can be tangible:
  - Loyal customers, efficient distribution channels, very high quality products, excellent financial condition
- Can be intangible:
  - Good leadership, strategic insights, customer intelligence, solid reputation, high skilled workforce

Weaknesses
- Things that prevent you from doing what you really need to do
- Since weaknesses are internal, they are within your control
- Include: bad leadership, unskilled workforce, insufficient resources, poor product quality, slow distribution and delivery channels, out-dated technologies, lack of planning
Opportunities

• Potential areas for growth and higher performance
• External in nature
  – Marketplace, unhappy customers with competitors, better economic conditions, more open trading policies, etc.
• Internal opportunities should be classified as strengths
• Timing may be important for capitalizing on opportunities

Threats

• Challenges confronting the organization, external in nature
• Can take a wide range
  – Bad press coverage, shifts in consumer behavior, substitute products, new regulations, etc.
• May be useful to classify or assign probabilities to threats
• The more accurate you are in identifying threats, the better position you are for dealing with the “sudden ripples” of change
Why create a baseline?

• Puts everything about the organization into a single context for comparability and planning
• Descriptive about the company as well as the overall environment
• Include information about relationships
  – customers, suppliers, partners, etc.
• Preferred format is the organizational profile
1. Operating environment:

- Products and services
  - Suppliers, delivery channels, contracts, arrangements, etc.
- Organizational culture
  - Barriers, leadership, communication, cohesiveness, etc.
- Workforce productivity
  - Skill levels, diversity, contractor’s, aging workforce, etc.
- Infrastructure
  - Systems, technology, facilities, etc.
- Regulatory
  - Product /service regulation, ISO quality standards, safety, environmental, etc.
Organizational Profile: Baseline

2. Business relationships:

- Organizational structure
  - Business units, functions, board, management levels
- Customer relationships
  - Requirements, satisfaction, loyalty, expectations
- Value chain
  - Relationship between everyone in the value chain
- Partner relationships
  - Alliances, long-term suppliers, customer partnerships, etc.
3. Key Performance Categories

- Customer
- Products and services
- Financial
- Human capital
- Operational
- External (regulatory compliance, social responsibility)
Gap Analysis

Baseline / Org Profile

Challenges / SWOT

Gap = Basis for Long-Term Strategic Plan
Components of a Strategic Plan

- Mission: Why we exist
- Vision: What we want to be
- Goals: What we must achieve to be successful
- Objectives: Specific outcomes expressed in measurable terms (NOT activities)
- Initiatives: Planned Actions to Achieve Objectives
- Measures: Indicators and Monitors of success
- Targets: Desired level of performance and timelines