

DEVELOPING A STRATEGIC PLAN

"If you don't know where you're going, it doesn't matter which way you go" The Cheshire Cat to Alice.

Let's start with a few definitions.

What is a strategic plan?

*It is a document that clearly sets out where your organization is going, how it is going to get there, why it exists and what it is trying to accomplish.

Queen to Alice "Now see it takes all the running you can do to keep in the same place, if you want to get somewhere you have to run at least twice as fast as that."

*It is a set of decisions about what to do, why to do it and how to do it. Typically it will encompass your entire organization.

A Strategic Plan is not a Business Plan.

It is a concise, systematic way to develop a course of action and direction for your company. A Business plan is much more comprehensive – it includes the strategic plan, marketing plan, financial plan and operational plan.

Why do you need a strategic plan?

A framework for decisions.
A basis for more detailed planning.
Explaining your business to others.
Benchmarking performance.
Stimulating change.
A building block for future plans.

Mock turtle to Alice- "I've never heard it before but it sounds uncommon nonsense."

Mission Statement

A mission statement communicates the essence of your business. It is a brief written statement of the purpose of your organization. A broad description of who and what you are, the nature and purpose of your business, its raison d'être.

Who you are .

What you do – The business you engage in. What are your products/services? What industry are you in? What markets do you serve? What is its major driving force?

Why you are doing it.

The purpose of your company. What you seek to accomplish. What activities it will perform and how. What you will really be doing.

What makes it special.

A statement of values

What the ultimate result of your work will be.

Max 150 words and every verb and noun must count.

Eaglet to Alice- "Speak English, I don't know the meaning of half of those big words and I don't believe you do either. "

What is a vision statement?

A vision statement is the guiding image of success, it is a blueprint for the organization's work. "What is our preferred future? What will the business look like in the future? It:

- incorporates your beliefs,
- must meet organizational goals as well as community goals,
- is a statement of your values,
- is a public declaration of outcomes,
- must be precise and practical,
- guide the actions of all involved,
- reflect the knowledge, philosophy and actions of the corporation,
- describes what you want to be in the future, contains compelling descriptions of how your organization will or should operate in the future and how your clients will benefit from your service or product.
- must be positive and inspiring.

It does not define how the company will work but rather how it will look and act if the strategic plan is implemented correctly and successfully. It is a vision of future success - communicates your strategic intent to employees and clients.

You will never be greater than the vision that guides you. Great leaders create great visions.

Values - governing the operation of your relationships with society, suppliers, employees, community etc., the beliefs your org members hold in common - commitment to excellence, innovation, creativity, honesty, etc.

Objectives should be stated in terms of the results you want to achieve. Goals-specific time based measurements

Strategies are a set of actions that enable an organization to achieve its objectives. They represent ways of comparing an organization's strengths with the changing environment

Strategic plan content

1. Introduction by President/Board Chair—stamp of approval
2. Executive summary- reference mission and vision, highlight long term goals, states what is most important to the organization.
3. Mission and Vision statements
4. Organization profile and history – key events, triumphs changes.
5. Critical issues. A brief outline of ideas
6. Identify key strategies and major functioning areas
7. Program Goals and Objectives - the vision and mission have answered the big question of why the org. exists, the goals and objectives are the plan of action-what you intend to do over the next year. Identify major achievable goals
8. Management goals and objectives.
9. Strategies to achieve objectives.

Strategic plans:

- Relate to the medium term 2-4 years
- Should be developed by owners /directors
- Focus on matters of strategic import
- Separated from day to day work
- Be realistic, detached and critical
- Distinguish between cause and effect
- Reviewed periodically
- Be written down

Alice to the Queen – “I think I would have understood it better if I had written it down, but I can't quite follow it as you say it.”

The plan is strategic because:

- It involves the setting of formal and mutually agreed upon goals,
- It lets you prepare for whatever circumstances arise,
- It leads to a thorough understanding of your business environment,
- It focuses attention on the business objectives, resources, problems and opportunities.
- It demands a certain order and discipline
- It raises questions.
- It requires that you have a specific purpose in mind, an understanding of your environment - the forces that effect or impede the fulfillment of your purpose and creativity in developing effective responses to the market forces.
- It forces management to think about “The Big Picture.”

Queen to Alice- “It's a poor sort of memory if it only works backward.”

Successful strategic planning leads to:

- action
- inclusive ownership
- external focus
- shared vision
- acceptance of accountability
- quality data
- effective management

Implementation

1. Engage leadership-involvement of senior personnel communicates a message of importance and priority.
2. Work from a common understanding - list expectations and goals.
3. Include those who will be responsible to execute the plan
4. Address critical issues for the organization
5. Agree on how the plan will be actioned.

Competitive Analysis - What the competition is doing that effects your business and your clients.

Situation assessment-

External and internal stakeholders' perceptions about the company.

- An evaluation of programs' impact on clients,
- An evaluation of costs/benefits,
- A database of quality information.
- Is the current vision being realized?
- Has the company's mission changed?
- Describe strategies used in last few years, define outcomes,
- How has the company been managed, funded?
- How have you sought to increase sales and share?
- How have productivity and costs moved?

1. Prepare and define the scope of your planning by reviewing previous plans
2. SWOT
3. Formulate strategies based on the above analysis
4. Implement the strategies
5. Communicate

SWOT

1. What are the organization's internal strengths?
2. What are the organization's weaknesses?
3. What external opportunities might move you forward?
4. What external threats might hold you back?

Strengths and weaknesses include—

- Staff and board capabilities, quality of programs and products, reputation, management info
- Financial systems, office facilities/equipment, sales
- Marketing, distribution, promotion, support, management, expertise
- Systems, operations efficiency, capacity, processes
- Products – quality, pricing, features, range, competitiveness, finances
- Resources
- Performance, R&D, costs, systems.

Threats and Opportunities

1. Industry where changes occur
2. Marketplace may be altering
3. Competition
4. New techniques and technology

Build on Strengths

Resolve weaknesses

Exploit opportunities

Avoid threats

“For want of a nail, the horse was lost, for want of a horse the battle was lost, for want of a victory a kingdom was lost. And all for the want of a nail.”

A company rarely fails or succeeds for trivial reasons..The causes are usually substantial and are often self evident to the outsider.

Queen to Alice- "Sometimes I've believed as many as six impossible things before breakfast."

Gathering the intelligence

Alice – "Curiouser and curiouser"

Interview all board members and senior executives through questionnaires, telephone, and in person methods. Include line staff. Repeat with external stakeholders- clients, community leaders.

"It would be so nice if something made sense for a change." Alice

*Program Outcome

*Inputs - the resources required to operate.

*Throughputs - how the program is operated

*Outputs - immediate, observable results

*Outcomes - how the program effects clients 'lives'

*Impact - benefit to client

How to start

Doorknob to Alice- "Read the directions and directly you will directed to the right direction."

- **Obtain formal commitment - commitment of leadership**
- **Select a planning committee of 5-7 people**
- **Develop a workplan with specific responsibilities and time frames.**
- **Commit time and resources**

- **Question the status quo**
- **Assign resources and budgets**

Three Phases

**Phase i Start up Intelligence
 Segmentation-
 Responsibilities**

**Phase ii Diagnosis Internal & external systems
 Situation analysis
 Key issues**

**Phase iii Strategy Mission and vision
 Strategies
 Action plan**

The process ends with a new corporate mission, a new vision of the future, a review of management philosophy and implementation of the plan.

The King to Alice- Begin at the beginning and go on 'til you come to the end. Then stop.

Developing The Strategic Plan

Developing the Mission Statement

1. Define the purpose of your business

2. What do you do?

3. What are your products/services?

4. What are you trying to accomplish?

WRITING THE VISION STATEMENT

9. What do you as a corporation believe in?

10. What do you want the corporation to be in 3-5 years?

11. What is your business philosophy?

12. How will your clients benefit from the "Future company"?

13. BASED ON THE ABOVE WRITE A BRIEF VISION STATEMENT. IT SHOULD BE POSITIVE AND INSPIRING.



14. What are the critical issues facing your company?

15. Define objectives and goals of your company for the next year.

- a. To _____
- b. To _____
- c. To _____
- d. To _____
- e. To _____
- f. To _____

16. Develop strategies to accomplish each objective.

a. _____

b. _____

c. _____

d. _____

e. _____

f. _____

17. Competitive Analysis--List all major competitors, assess their positions vs. your company now and in the future, site strengths and weaknesses of each and how you will react to each.

18. Situation assessment

19. Implementing the plan.

a. Have you engaged all senior management
in the process?

b. Are you working from a common
understanding?

c. Were those responsible for execution of
the strategic plan involved in the

development?

d. Have you addressed all the critical
issues facing the corporation?
