

Steps in strategic planning

Business, Strategic Management



Strategic Planning Model

Many books and articles describe how best to do strategic planning, and many go to much greater lengths than this planning response sheet, but our purpose here is to present the fundamental steps that must be taken in the strategic planning process. Below is a brief description of the five steps in the process. These steps are a recommendation, but not the only recipe for creating a strategic plan; other sources may recommend entirely different steps or variations of these steps. However, the steps outlined below describe the basic work that needs to be done and the typical products of the process. Thoughtful and creative planners will add spice to the mix or elegance to the presentation in order to develop a strategic plan that best suits their organization!

Step One – Getting Ready

To get ready for strategic planning, an organization must first assess if it is ready. While a number of issues must be addressed in assessing readiness, the determination essentially comes down to whether an organization's leaders are truly committed to the effort, and whether they are able to devote the necessary attention to the “big picture”. For example, if a funding crisis looms, the founder is about to depart, or the environment is turbulent, then it does not make sense to take time out for strategic planning effort at that time.

An organization that determines it is indeed ready to begin strategic planning must perform five tasks to pave the way for an organized process:

- identify specific issues or choices that the planning process should address
- clarify roles (who does what in the process)
- create a Planning Committee
- develop an organizational profile
- identify the information that must be collected to help make sound decisions.

The product developed at the end of the Step One is a Workplan.

Step Two – Articulating Mission and Vision

A mission statement is like an introductory paragraph: it lets the reader know where the writer is going, and it also shows that the writer knows where he or she is going. Likewise, a mission statement must communicate the essence of an organization to the reader. An organization's ability to articulate its mission indicates its focus and purposefulness. A mission statement typically describes an organization in terms of its:

- Purpose – why the organization exists, and what it seeks to accomplish
- Business – the main method or activity through which the organization tries to fulfill this purpose
- Values – the principles or beliefs that guide an organization's members as they pursue the organization's purpose

Whereas the mission statement summarizes the what, how, and why of an organization's work, a vision statement presents an image of what success will look like. For example, the mission statement of the Support Centers of America is as follows:

The mission of the Support Centers of America is to increase the effectiveness of the nonprofit sector by providing management consulting, training and research. Our guiding principles are: promote client independence, expand cultural proficiency, collaborate with others, ensure our own competence, act as one organization.

We envision an ever increasing global movement to restore and revitalize the quality of life in local communities. The Support Centers of America will be a recognized contributor and leader in that movement.

With mission and vision statements in hand, an organization has taken an important step towards creating a shared, coherent idea of what it is strategically planning for.

At the end of Step Two, a draft mission statement and a draft vision statement is developed.

Step Three – Assessing the Situation

Once an organization has committed to why it exists and what it does, it must take a clear-eyed look at its current situation. Remember, that part of strategic planning, thinking, and management is an awareness of resources and an eye to the future environment, so that an organization can successfully respond to changes in the environment. Situation assessment, therefore, means obtaining current information about the organization's strengths, weaknesses, and performance – information that will highlight the critical issues that the organization faces and that its strategic plan must address. These could include a variety of primary concerns, such as funding

issues, new program opportunities, changing regulations or changing needs in the client population, and so on. The point is to choose the most important issues to address. The Planning Committee should agree on no more than five to ten critical issues around which to organize the strategic plan.

The products of Step Three include: a data base of quality information that can be used to make decisions; and a list of critical issues which demand a response from the organization – the most important issues the organization needs to deal with.

Step Four – Developing Strategies, Goals, and Objectives

Once an organization's mission has been affirmed and its critical issues identified, it is time to figure out what to do about them: the broad approaches to be taken (strategies), and the general and specific results to be sought (the goals and objectives). Strategies, goals, and objectives may come from individual inspiration, group discussion, formal decision-making techniques, and so on – but the bottom line is that, in the end, the leadership agrees on how to address the critical issues.

This can take considerable time and flexibility: discussions at this stage frequently will require additional information or a reevaluation of conclusions reached during the situation assessment. It is even possible that new insights will emerge which change the thrust of the mission statement. It is important that planners are not afraid to go back to an earlier step in the process and take advantage of available information to create the best possible plan.

The product of Step Four is an outline of the organization's strategic directions – the general strategies, long-range goals, and specific objectives of its response to critical issues.

Step Five – Completing the Written Plan

The mission has been articulated, the critical issues identified, and the goals and strategies agreed upon. This step essentially involves putting all that down on paper. Usually one member of the Planning Committee, the executive director, or even a planning consultant will draft a final planning document and submit it for review to all key decision makers (usually the board and senior staff). This is also the time to consult with senior staff to determine whether the document can be translated into operating plans (the subsequent detailed action plans for accomplishing the goals proposed by the strategic plan) and to ensure that the plan answers key questions about priorities and directions in sufficient detail to serve as a guide. Revisions should not be dragged out for months, but action should be taken to answer any important questions that are raised at this step. It would certainly be a mistake to bury conflict at this step just to wrap up the process more quickly, because the conflict, if serious, will inevitably undermine the potency of the strategic directions chosen by the planning committee.

The product of Step Five is a strategic plan!

What's in a vision statement?

[From <http://www.allianceonline.org/faqs.html>]

Martin Luther King, Jr. said, “ I have a dream,” and what followed was a vision that changed a nation. That famous speech is a dramatic example of the power that can be generated by a person who communicates a compelling vision of the future.

Management author Tom Peters identified a clear vision of the desired future state of the organization as an essential component of high performance.

Widely-read organizational development author Warren Bennis identified a handful of traits that made great leaders great. Among them is the ability to create a vision.

So, What Is a Vision and How Do I Get One?

A vision is a guiding image of success formed in terms of a contribution to society. If a strategic plan is the “ blueprint” for an organization’s work, then the vision is the “ artist’s rendering” of the achievement of that plan. It is a description in words that conjures up a similar picture for each member of the group of the destination of the group’s work together.

There is one universal rule of planning: You will never be greater than the vision that guides you. No Olympic athlete ever got to the Olympics by mistake; a compelling vision of his or her stellar performance inevitably guides all the sweat and tears for many years. The vision statement should require the organization’s members to stretch their expectations, aspirations, and performance. Without that powerful, attractive, valuable vision, why bother?

How a Vision is Used

John Bryson, the author of Strategic Planning for Public and Nonprofit Organizations, states that typically, a vision is “ more important as a guide to implementing strategy than it is to formulating it.” This is because the development of strategy is driven by what you are trying to accomplish, your organization’s purposes. A mission statement answers the questions: Why does our organization exist? What business are we in? What values will guide us? A vision, however, is more encompassing. It answers the question, “ What will success look like?” It is the pursuit of this image of success that really motivates people to work together.

A vision statement should be realistic and credible, well articulated and easily understood, appropriate, ambitious, and responsive to change. It should orient the group’s energies and serve as a guide to action. It should be consistent with the organization’s values. In short, a vision should challenge and inspire the group to achieve its mission.

The Impact of Vision

John F. Kennedy did not live to see the achievement of his vision for NASA, but he set it in motion when he said, “ By the end of the decade, we will put a man on the moon.” That night, when the moon came out, we could all look out the window and imagine... And when it came time to appropriate the enormous funds necessary to accomplish this vision, Congress did not hesitate. Why? Because this vision spoke powerfully to values Americans held dear: America as a pioneer and America as world leader.

In an amazing longitudinal study on goal setting, Yale University surveyed the graduating class of 1953 on commencement day, to determine if they had written goals for what they wanted their lives to become. Only three percent had such a vision. In 1973, the surviving members of the class of 1953 were surveyed again. The three percent who had a vision for what they wished their lives would become had accumulated greater wealth than the other 97 percent combined.

Great wealth, a man on the moon, brother and sisterhood among the races of the globe... what is your organization's vision?

Shared Vision

To a leader, the genesis of the dream is unimportant. The great leader is the servant of the dream, the bearer of the myth, the story teller. " It is the idea (vision) that unites people in the common effort, not the charisma of the leader," writes Robert Greenleaf in Leadership Crisis. He goes on to write:

Optimal performance rests on the existence of a powerful shared vision that evolves through wide participation to which the key leader contributes, but which the use of authority cannot shape.... The test of greatness of a dream is that it has the energy to lift people out of their moribund ways to a level of being and relating from which the future can be faced with more hope than most of us can summon today.

The Process for Creating a Vision

Like much of strategic planning, creating a vision begins with and relies heavily on intuition and dreaming.

As part of the process, you may brainstorm with your staff or your board what you would like to accomplish in the future. Talk about and write down the values that you share in pursuing that vision. Different ideas do not have to be a problem. People can spur each other on to more daring and valuable dreams and visions — dreams of changing the world that they are willing to work hard for.

The vision may evolve throughout a strategic planning process. Or, it may form in one person's head in the shower one morning! The important point is that members of an organization without a vision may toil, but they cannot possibly be creative in finding new and better ways to get closer to a vision without that vision formally in place. Nonprofit organizations, with many of their staff and board members actively looking for ways to achieve a vision, have a powerful competitive and strategic advantage over organizations that operate without a vision.

Perceptions of Ideal Futures: An Exercise in Forming Vision

This section outlines an exercise you may employ to assist your organization in defining its own vision. By using this exercise to develop your organizational vision, you may be better assured that the vision statement that is developed is a shared vision.

At a retreat, or even at a board meeting or staff meeting, take an hour to explore your vision. Breaking into small groups helps increase participation and generate creativity. Agree on a rough time frame, say five to ten years. Ask people to think about the following questions: How do you want your

community to be different? What role do you want your organization to play in your community? What will success look like?

Then ask each group to come up with a metaphor for your organization, and to draw a picture of success: “ Our organization is like ... a mariachi band – all playing the same music together, or like a train – pulling important cargo and laying the track as we go, or” The value of metaphors is that people get to stretch their minds and experiment with different ways of thinking about what success means to them.

Finally, have all the groups share their pictures of success with each other. One person should facilitate the discussion and help the group discuss what they mean and what they hope for. Look for areas of agreement, as well as different ideas that emerge. The goal is to find language and imagery that your organization’s members can relate to as their vision for success.

Caution: Do not try to write a vision statement with a group. (Groups are great for many things, but writing is not one of them!). Ask one or two people to try drafting a vision statement based on the group’s discussion, bring it back to the group, and revise it until you have something that your members can agree on and that your leaders share with enthusiasm.