

Managing for Maximum Performance

UCSD Extension Business & Technology

Chapter 7 – Planning and Strategic Management – Winter 08

***Best Practices
Planning & Strategic Management***

by

***Susi Goodman
Vasu Bobba***



**Managing for Maximum Performance
Winter 2008, UCSD Extension**

Topics

- What is Planning?
- What is Strategic Planning?
- What is Strategic Management?
- Case Study: UCSD Extension

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What is Planning?



- Process of actively effecting the future
- Built by extrapolating the past
- Types
 - Operations Planning
 - Functional
 - Contingency
 - Strategic Planning
- Horizon
 - Short Range
 - Long Range

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What is Strategic Planning?



- Conducted by Top level managers
- Past successes may be unsuitable for future
- Focused on firms environment
- Driven by Strategic Management

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Case Study: UCSD Extension



- Planning
 - Functional planning
 - Operate in 3 quarters
 - Manage current enrolments and courses
 - Developing curriculum and schedules
 - Producing marketing materials (Catalog deadline)
 - Managing resources (facilities, instructors, ...)
 - Contingency planning
 - Unavailability of instructor for scheduled courses
 - Cancellation of class due to low enrolment
 - Natural disaster handling like wild fires

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UCSD Extension: Strategic Planning



- Developed by Senior Management (Dean, Controller, Director (BST))
- Focused on growing our International program
- Concentric Diversification Strategy
- Long range time frame of 3 to 5 years
- Short range time frame of 1 to 2 years for sub-strategies
- Monitor and evaluate continuously

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What is Strategic Management?



Formulation

- Mission
- Objectives

Analysis

- PEST
- SWOT
- Porters 5 Forces

Implementation

- SBA & SBU
- Strategic Plan

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Strategy Formulation



- Mission Statement – Defines the basic purpose of the organization at a high level
- Objectives – Specific and Measurable goals to achieve company mission

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UCSD Extension: Strategy Formulation



Mission

“As the professional education and public service division of UC San Diego, Extension is focussed on being a **major catalyst** for the **continued economic, intellectual, and cultural growth** of the **San Diego** and Baja California region. Core offerings include professional education and training, cultural enrichment, and regional economic solutions.”

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UCSD Extension: Strategy Formulation



Objectives

- Educate and develop international students
- Provide opportunities for internships and OPT
- Build cultural understanding and awareness
- Prepare students for Graduate school
- Maintain integrity and reputation of program while building bottom line

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UCSD Extension: Strategy Monitoring & Evaluation



Performance is measured using:

- Surveys
- Number of students continuing into Business programs
- Number of New Students coming via referrals
- Alumni web site

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Strategic Analysis: PEST



- Political
 - How stable is the political environment
 - Will government policy have direct impact on business
- Economic
 - Long term prospects of economy
 - Financial incentives
- Social
 - Do products/services match social norms
- Technology
 - Is infrastructure suitable to business needs

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Strategic Analysis: SWOT



- Internal Analysis
 - Strengths
 - Weaknesses
- External Analysis
 - Opportunities
 - Threats

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Strategic Analysis: Porters 5 Forces



- Bargaining Power of Buyers
- Bargaining Power of Suppliers
- Threat of New Entrants (Barriers to Entry)
- Threat of Substitues
- Rivalry/Degree of Competition

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UCSD Extension: PEST Analysis



- Political
 - Visas not granted or limited (Example: China)
 - Military activity around the world (Example: Turkey)
 - Terrorist activity
- Economic
 - Dollar valuation against foreign currency effects affordability
- Social
 - US business leadership in the world is a plus
- Technological
 - Leveraging the Internet to provide distant education

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UCSD Extension: SWOT Analysis



- Strengths
 - UCSD reputation
 - Curriculum is well developed and comprehensive
 - Internships very dynamic
 - San Diego
- Weaknesses
 - Lack of facilities to expand program
 - Bureaucracy in an academic environment
 - Disparity of students
 - Lack of Fortune 500 companies

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UCSD Extension: SWOT Analysis Cont...



- Opportunities
 - Number of International students interested in US education in a variety of disciplines
 - Number of students interested in program is greater than what we can accommodate
- Threats
 - Similar offerings by local universities
 - Growth of business and education in other countries

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Strategy Implementation: SBA & SBU



- SBA – Strategic Business Area
- SBU – Strategic Business Unit
- 1 SBU : 1 or more SBAs
- Each unit responsible for Profit & Loss
- Run as independent companies
- Popularized by GE under Jack Welch
- GE's goal was to be top 1 or 2 in SBA for each SBU

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UCSD Extension: SBA & SBU



- SBAs
 - Health care
 - Arts & Humanities
 - Business, Science, & Technology
 - Language Arts
- SBUs/Clusters
 - ◆ Health care
 - ◆ Arts & Humanities
 - ◆ Business, Science, & Technology
 - International Program
 - ◆ Language Arts

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Questions?

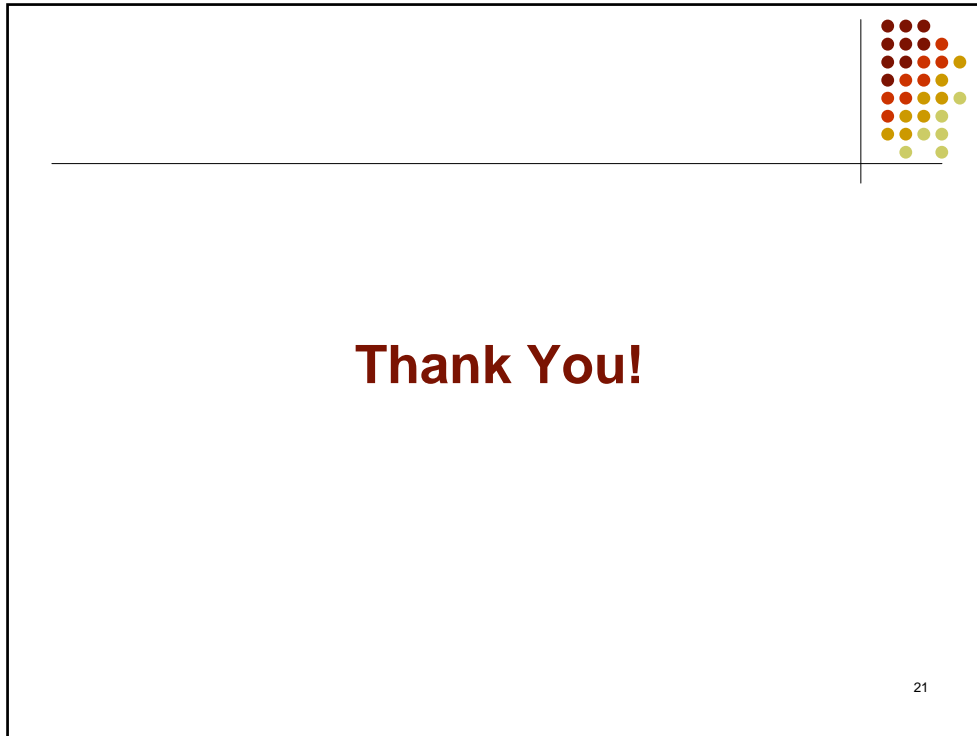
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*1253 Orchard Glen Circle, Encinitas, California 92024 Ph: 760-519-9360 Fx: 760-753-9380
greg@goatesconsulting.com www.goatesconsultinggroup.com*