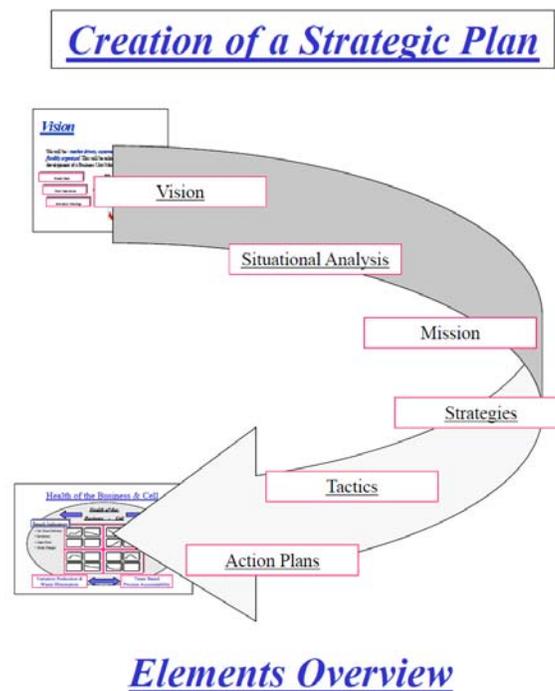


Strategic Planning Overview

Strategic Planning Process:

Strategic Planning enables a company or organization, to determine what to do today to impact the future in a desired predetermined way (outcome). Strategic Planning is a decision making process which shapes the future through use of: Vision, Situational Analysis, Mission Statement, Strategies, Tactics and Action Plans all linked together.



Strategic Management

Strategic Management creates a companywide bond that defines specific responsibilities at each level through deployment of a Strategic Plan. Top Management has responsibility for developing a long-term strategic vision and framework that guides operational decision making and is consistent with the application of its values. But it is the conviction to Strategic Management that allows the company to create its own future by deploying a companywide strategic management initiative and creating a strategic thinking culture. Ownership through organization participation and commitment, as the organization becomes more self-aware and ready to accept and ready to accept challenges, will ultimately bring success as changing external forces create the need for change.



Strategic Planning Overview

Vision Overview

The Vision is future focused. It is a conceptualization of what the organization's ideal "future state" should be and is the reason or force behind the need for change. Creation of the Vision relies on imaginative anticipation or perception of what the future holds and therefore becomes the bias for action.

"Strategic planning is worthless -- unless there is first a strategic vision."

~ John Naisbitt

Effective Vision

I. Core Ideology:

- A. Core Values & Guiding Behaviors are the handful of guiding principles by which a company navigates. They are demonstrated beliefs that support the company. Values and Principles allow a company to grow morally and thereby protect itself against bias towards its reputation. It links the human element to the business goals through esteem, respect, worth and importance.
- B. Core Purpose is an organization's most fundamental reason for being.

II. Envisioned Future:

- A. Big, Hairy, Audacious Goals (BHAGs) are the ambitious plans that rev up the entire organization. (10 – 30 yrs to complete)
- B. Vivid Descriptions paint a picture of what it will be like to achieve the BHAGs.

HRB – Building Your Company's Vision – Jim Collins and Jerry Porras

"When a vision helps create the core values of an organization, it can provide the foundation for the culture or social control system that is essential in rapidly changing situations. When communicated in a way that people believe, a vision becomes a part of the organization's motivational foundation. Well-implemented organizational vision help coordinate action without formal rules and systems.

~ Michael Tushman and Charles O'Reilly



Strategic Planning Overview

Effective Situational Analysis

I. Past and Present:

- A. **External Business Environment:** what external influences caused the past and present business environment to exist? (i.e. Demographics, Customer Base, market Demand, World Economics)
- B. **Internal Abilities of the Organization:** what's the story behind (external or internal influences from the past to the present) that caused the development of your "core competencies" as they currently exist in your organization (i.e. Expertise, Culture, Technology)

II. SWOT:

- A. What are the our competitive, technological, financial, and social strengths and weaknesses?
 - a. **Strengths:** What are the critical resources? (i.e. Technical Capabilities, Capital Resources, market Share, Culture)
 - b. **Weaknesses:** What are the critical deficiencies? (i.e. Technical Capabilities, Capital Resources, Market Share, Culture)
 - c. **Opportunities:** What re the irretrievable prospects? (i.e. New Business, Technology, Customer Reputation, Market Share Growth)
 - d. **Threats:** What conditional actions could occur? (i.e. Competition, Culture, Economy Collapse)
- B. What trends can we perceive from review of ourselves and what demographic changes have occurred?

III. Assumptions:

- A. What must we assume responsibility for; seize control of, without proof, to ensure success? (i.e. Competition, Customers, Economy, Behavior Change.)

"If we could first know where we are and whither we are tending, we could better judge what to do and how to do it."

~ Abraham Lincoln



Strategic Planning Overview

Mission Statements

The Mission Statement describes the direction and thrust of an organization that unites its employees to a common goal. It provides the framework or context within which the company's strategies are formulated. It often articulates the:

- **Key market** – who is your target client/customer?
- **Contribution** – what product or service do you provide to that client”
- **Distinction** – what makes your product or service unique, so that the client would choose you? ~ Bart 1997

Effective Mission Statements

It is focused on the “here and now.” It functions as a:

- **Tactical Decision Making**
- **Prioritization**

Tool that helps employees and leaders effectively focus on and organize the work to be done on a daily, weekly and monthly basis. In short, it is the “Organizational Compass” pointing the way to the desired “Future State” – Vision.

Strategy

A Strategy is a plan of action or policy designed to achieve a major or overall aim. The mission statement becomes the umbrella that the Strategies link to. They are the design/blueprint of the organizational “Bridge” from the “Current State” (Situational Analysis) to their “Desired State” (Vision). Unlike the Vision and Mission which are more timeless, Strategies are time dependent and dictate the where and how the company will place efforts and resources for the planned period.

Effective Strategies

Strategies also are derived from the Situational Analysis in the form of Key Success Initiatives, Key Result Areas and the Values and Guiding Principles that come from the Vision.

- **Key Success Initiatives** – outcomes that must be done well to ensure success. These outcomes typically reflect critical success factors (present and future) that relate to the Vision.
- **Key Result Areas** – results that must be realized to succeed. Result areas for the most part are financial or performance based but should also consider social areas, such as culture, development and reward and recognition.



Strategic Planning Overview

Effective Tactics

Tactics combine strength of the Mission Statement with the energy of Strategies for achieving specific goals linked to the Mission *and Values and Guiding Behaviors*. Effective Tactics incorporate best use of the organization's resources, strengths and opportunities to outline the *how* to achieve desired outcomes.

Tactics should be S.M.A.R.T.:

- S**pecific
- M**easurable
- A**ggressive but **A**chievable
- R**ealistic
- T**ime Based

Effective Action Plans

Action Plans are the chronological event schedule for Strategy and Tactics implementation. It identifies what actions are required, timeline of actions, specific responsibilities and accountabilities, resource allocation, and appropriate controls for successful task completion.

Action Plans should identify:

- Who:** resources
- What:** task identification
- When:** timeline
- How:** actions required

Action Plans are followed up in Team and Leadership meetings throughout the year where regular reports/updates on progress of action plans are made by the individual assigned the action.



Strategic Planning Overview

Effective Personal Goals

Personal Goals should be linked to the Tactics and Action Plans for 2005 using your Performance Management form. Once Personal Goals are set by the employee, they should be reviewed with their immediate leader and then finalized. The Leader and the Employee should sit down on a regular basis throughout the year and review the Employee's Personal Goals. Part of the Personal Goals for ALL employees will include living the Values and Guiding Behaviors.

Employee Personal Goals should also be S.M.A.R.T.

Specific

Measurable

Aggressive but **A**chievable

Realistic

Time Based

"A goal not written is only a wish"

~ Unknown

In Summary

The key to success in any plan is involvement. Certain stages of the Strategic Plan requires specific levels of Management for logistical reasons, but to engender commitment, ownership and organization development, initial and continued involvement is critical at each stage. It is imperative that senior management stays involved, supports the corporate Vision, ensures alignment with Strategies and Tactics, and above all insist on adherence to Action Plans as the Strategic Plan is organizationally flowed down and deployed through the company.

Strategic Planning is a process that defines a future state (Vision), assesses effectiveness of the current business (Situational Analysis – Strengths & Weaknesses), targets problem areas (Strategic Analysis - Threats) and evaluates possible solutions (Situational Analysis - Opportunities). Adhering to the process and determining future requirements gives the company tools and a tactical path for effective Business Management.

"The rate of change is not going to slow anytime soon. If anything, competition in most industries will probably speed up even more in the next few decades."

~ John Kotter, Author *Leading Change*



Strategic Planning Overview

It must be considered that the competition is aware of inherent weaknesses to your capabilities and will exploit them for promotion and/or advancement. Strategic Planning will provide awareness of those weaknesses and promote stimulating ideas to emerge through the intensity of this self-analysis process.

The result will be a focused Strategic Plan that relates to the whole and is supported from the bottom up. This synergy will produce unforeseen results that will ultimately separate your business from others. Remember that the Strategic Plan should be a living constitution that requires periodic review for effectiveness due to the global dynamic environment of business in the 21st Century.

"Cheshire Puss, Would you tell me, please, which way I ought to go from here?"

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where--" said Alice.

"Then it doesn't matter which way you go," said the Cat.

"--so long as I get SOMEWHERE," Alice added as an explanation.

"Oh, you're sure to do that," said the Cat, "if you only walk long enough."

~ Alice in Wonderland by Lewis Carroll