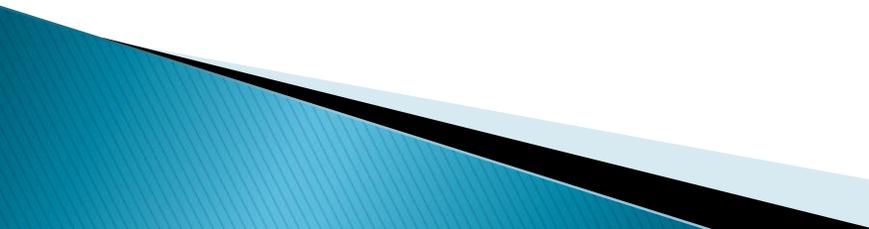


# Unit 12: Strategic Planning

Dwayne Cargill  
Colbourne College

January 26, 2016

# Content

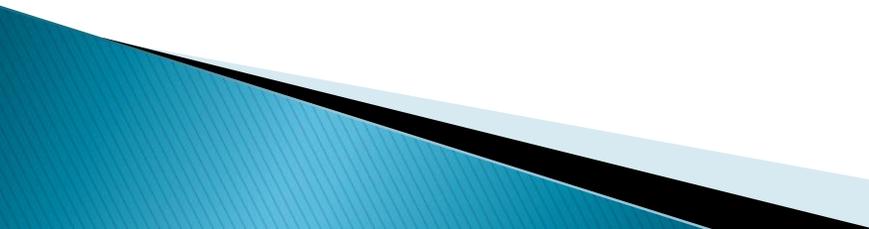
- ▶ Learning Objectives:
  - ▶ Ac. 4 Be able to construct a strategy plan for an organisation
    - 4.1 propose a suitable structure for a strategy plan that ensures appropriate participation from all stakeholders of an organisation
    - 4.2 develop criteria for reviewing potential options for a strategy plan
    - 4.3 construct an agreed strategy plan that includes resource implications
- 

# In This Lesson

- ▶ Learning Objectives:
  - ▶ Ac. 4 Be able to construct a strategy plan for an organisation
    - 4.1 propose a suitable structure for a strategy plan that ensures appropriate participation from all stakeholders of an organisation
  - ▶ Assessment Criteria
  - ▶ Further Readings
  - ▶ References
- 

4.1 Propose a suitable structure for a strategy plan that ensures appropriate participation from all stakeholders of an organisation

# Introduction

- ▶ To many people, strategic planning is something meant only for big businesses, but it is equally applicable to small businesses. According to bizmove.com (2016) Strategic planning is matching the strengths of your business to available opportunities.
  - ▶ To do this effectively, you need to collect, screen and analyze information about the business environment. You also need to have a clear understanding of your business – its strengths and weaknesses – and develop a clear mission, goals and objectives.
  - ▶ Acquiring this understanding often involves more work than expected. You must realistically assess the business you are convinced you know well. Familiarity can breed contempt for thorough analysis; you cannot properly evaluate your firm's strengths or shortcomings.
- 

# Developing a Strategy Plan

- ▶ The first stage of a strategy plan is an assessment of the market. However, before you begin to assess the market, it is important that you complete a careful assessment of your own business and its goals (bizmove.com, 2016). The outcome of this assessment is your mission statement (for discussion in AC 5).
- 

# Defining your Business

- ▶ A primary concern in defining a mission statement is addressing the question "What business are you in?" Answering this may seem fairly easy: however, it can be a complex task.
- ▶ Your Firm's Philosophy
  - Once you have defined your mission statement, the next step is to define the firm's basic philosophy. Such a statement will help explain to your employees and associates how you would like to see the firm operate. Are you a risk taker, or would you prefer to build your business slowly from a solid base? How will you relate to customers, suppliers and competitors? What type of community involvement do you plan for your business, e.g., participation in recycling and volunteer activities?

# Your Firm's Goals

- ▶ The next step is to set clear goals to guide and maintain the business on a path consistent with its mission. Daniel Robey provides an excellent list of the key functions of business goals. To summarize his comments, goals serve to:
  - Justify or legitimize the organization's activities.
  - Focus attention and set constraints for member behavior.
  - Identify the nature of the organization and elicit commitment.
  - Reduce uncertainty by clarifying what the organization is pursuing.
  - Help an organization to learn and adapt by showing discrepancies between goals and actual progress (providing feedback).
  - Serve as a standard of assessment for organization members.
  - Provide a rationale for organization design.

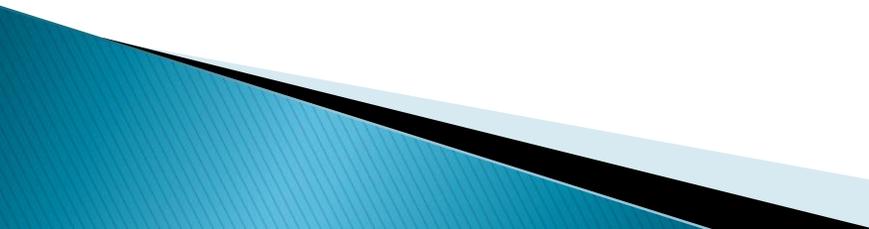
# Elements of a Strategic Plan

- ▶ socrates.berkeley.edu (2006) notes that There are a variety of ways to approach strategic planning. The way that a strategic plan is developed depends on the nature of the County prevention leadership, culture of the County, complexity of the organization's environment, size, expertise of planners, etc. Similarly, the specific process, planning period, and specific stakeholder participation can all vary. The elements are listed below:
  - 1) Preparation for planning
  - 2) Vision
  - 3) SWOT analysis
  - 4) Context (Needs Assessment/Demographic Profile)
  - 5) Mission
  - 6) Problem Statement
  - 7) Strategies (Determine Rational for approach)
  - 8) Goals
  - 9) Objectives
  - 10) Action plans/activities
  - 11) Evaluation
  
- ▶ Read: [http://socrates.berkeley.edu/~pbd/pdfs/Strategic\\_Planning.pdf](http://socrates.berkeley.edu/~pbd/pdfs/Strategic_Planning.pdf)

# Elements of a Strategic Plan cont

- ▶ Hanover Research (2014) also identifies similar major components which includes:
  - **Vision Statement.**
  - **Mission Statement**
  - **Contextualization** – it can help the institution identify its current challenges and the context that shapes its strategic planning process.
  - **Strategic Goals** – Sometimes organized within broader themes, these are typically broad goals, such as increasing student retention or diversity.
  - **Operational Goals or Objectives** – many plans break strategic goals into more specific operational goals or objectives.
  - **Metrics, Targets, Strategies, and Actions** – Each objective or goal should have at least one specific, measurable target and at least one specific action, strategy, or initiative to be taken or implemented in order to achieve the target or targets. Targets should be based on measurable indicators, such as four-year, five-year, and six-year graduation rates.
  - **Implementation Action Plan and Assessment Template** – When implementing the plan, it is crucial to have a comprehensive plan that addresses the actions, responsible actors, timeframes, resources, and method of evaluation for each objective.
- ▶ Read:  
<http://www.subr.edu/assets/StrategicInitiatives/ORSI/StrategicPlanFrameworkandTemplate-SouthernUniversityandA&MCollege.pdf>

# Moving Strategically to a Desirable State

- ▶ Conduct a Gap Analysis
  - ▶ Gap Analysis is a method used extensively in the process of designing the strategy of an organization (Kyriazoglou, 2013). With the use of this method, the gaps between the present situation and the desired state are defined, in terms of processes, procedures, technology, systems, human resources, infrastructure and organizational structure.
  - ▶ Kyriazoglou (2013) identify a 10 step process in achieving this.
- 

# Gap Analysis / Build Consensus

## Clarifying the Gap Between the Vision and What's Actually Happening

In responding to the following questions, think in terms of what's in place and what may be missing with respect to the vision, policy, infrastructure, leadership, staff, capacity building mechanisms and resources, etc.

Process (if done by group):

- C First jot down your own answers.
- C Group members then can share their respective responses.
- C Discuss similarities and differences.
- C Finally, to the degree feasible arrive at a working consensus.

(1) Where are things currently in terms of policy and practice for addressing barriers to student learning?

(2) What is the nature and scope of the gap between the vision and the current state

# Who Should be Involved

- ▶ Kotter 8-step Change Model suggests that for change to be successful, 75 percent of a company's management needs to "buy into" the change (mindtool.com, 2016).
- ▶ In other words, you have to work really hard on Step 1, and spend significant time and energy building urgency, before moving onto the next steps. Don't panic and jump in too fast because you don't want to risk further short-term losses – if you act without proper preparation, you could be in for a very bumpy ride.

# Kotter 8-step Model



4.2 develop criteria for  
reviewing potential  
options for a strategy  
plan

# Risk Assessment

- ▶ A risk is 1. A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action (businessdictionary.com, 2016)
- ▶ Regardless of the size or scope of the issues to be assessed, or the length of time available, the process of assessing risk involves the same basic key steps:
  - Identifying
  - categorising/rating
  - managing and
  - reviewing risk.

# Risk Management Template

Step 1: Risk Identification	Step 2: Risk Assessment			Step 3: Risk Management			
List of Possible Risks	Likelihood H/M/L	Impact H/M/L	What are we already doing about it? (mitigating factors)	What more can we do about it?	Timescale	Person Responsible	Reviewed Level of Risk

Date to be reviewed	
Person/Group responsible for review	

Adopted from: Voluntary Development Agency, 2008

# Feasibility Study

- ▶ This is an assessment of the practicality of a proposed plan or method.
  - ▶ According to Hofstrand and Holz-Clouse (2009) it is an analysis of the viability of an idea. The feasibility study focuses on helping answer the essential question of “should we proceed with the proposed project idea?” All activities of the study are directed toward helping answer this question.
  - ▶ A feasible business venture is one where the business will generate adequate cash-flow and profits, withstand the risks it will encounter, remain viable in the long-term and meet the goals of the founders.
- 

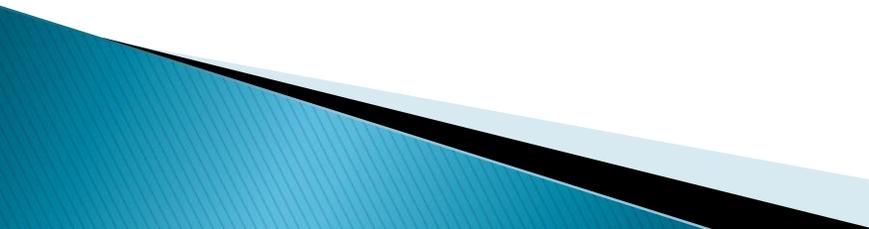
# Feasibility Study

- ▶ Hofstrand and Holz–Clause (2009) identify 4 steps in this process:
  - Evaluate Alternatives: A feasibility study is usually conducted after producers have discussed a series of business ideas or scenarios. The feasibility study helps to “frame” and “flesh-out” specific business scenarios so they can be studied in–depth.
  - Pre–Feasibility Study: A pre–feasibility study may be conducted first to help sort out relevant scenarios. Before proceeding with a full–blown feasibility study, you may want to do some pre–feasibility analysis of your own. If you find out early–on that the proposed business idea is not feasible, it will save you time and money.
  - Market Assessment: Also, a market assessment (Information File C5–30) may be conducted that will help determine the viability of a proposed product in the marketplace. The market assessment will help to identify opportunities in a market or market segment. If no opportunities are found, there may be no reason to proceed with a feasibility study.
  - Results and Conclusions: The conclusions of the feasibility study should outline in depth the various scenarios examined and the implications, strengths and weaknesses of each. The project leaders need to study the feasibility study and challenge its underlying assumptions. This is the time to be skeptical.
  - Go/No–Go Decision: The go/no–go decision is one of the most critical in business development. It is the point of no return. Once you have definitely decided to pursue a business scenario, there is usually no turning back. The feasibility study will be a major information source in making this decision. This indicates the importance of a properly developed feasibility study.

# Other methods of Assessment

- ▶ Organisations can use these methods for review options for their strategies.
  - Reviewing additional recent material;
  - Cost–benefit analysis;
  - consistency with organisational values;
  - effects on market position and share;
  - costs and investments;
  - opportunity costs;
  - scenario planning;
  - simulation modelling;
  - sensitivity analysis;

# Assessment Criteria

- ▶ For AC4.1, learners need to propose a suitable structure for a strategy plan. They need to show that the plan will be developed in such a way that all stakeholders in their chosen organisation will be able to participate in its formation.
  - ▶ For AC4.2, learners need to develop criteria for reviewing potential options for their strategic plan. For example, if one strategic option is to raise prices, then the learner would describe how the effect of this would be measured.
- 

# Further Reading

1. [http://socrates.berkeley.edu/~pbd/pdfs/Strategic\\_Planning.pdf](http://socrates.berkeley.edu/~pbd/pdfs/Strategic_Planning.pdf)
2. <http://www.subr.edu/assets/StrategicInitiatives/ORSI/StrategicPlanFrameworkandTemplate-SouthernUniversityandA&MCollege.pdf>
3. <http://smhp.psych.ucla.edu/pdfdocs/partnership/scpart4.pdf>
4. <http://www.diycommitteeguide.org/article/conducting-risk-assessment>
5. For information on Conducting Feasibility Studies refer to [http://www.uwcc.wisc.edu/manual/chap\\_5.htm](http://www.uwcc.wisc.edu/manual/chap_5.htm)

# References

- ▶ Bizmove.com (2016) BizMove Small Business Guide retrieved from <http://www.bizmove.com/general/m6c.htm>
- ▶ Diycommittee.org (2016) Conducting a Risk Assessment retrieved from <http://www.diycommitteeguide.org/article/conducting-risk-assessment>
- ▶ Hanover Research (2014) Strategic Plan Framework and Template retrieved from <http://www.subr.edu/assets/StrategicInitiatives/ORSI/StrategicPlanFrameworkandTemplate-SouthernUniversityandA&MCollege.pdf>
- ▶ Hofstrand, Don and Holz-Clause, Mary (2009) What is a Feasibility Study? retrieved from <https://www.extension.iastate.edu/agdm/wholefarm/html/c5-65.html>
- ▶ Kyriazoglou (2013) Strategy Assessment Methods: GAP Analysis retrieved from <http://businessmanagementcontrols.blogspot.com/2013/01/strategy-assessment-methods-gap-analysis.html>
- ▶ Mindtool.com (2016) Kotter 8-step Model: Creating change powerfully and successfully retrieved from [https://www.mindtools.com/pages/article/newPPM\\_82.htm](https://www.mindtools.com/pages/article/newPPM_82.htm)
- ▶ socrates.berkeley.edu (2006) Strategic Planning: Tip Sheet retrieved from [http://socrates.berkeley.edu/~pbd/pdfs/Strategic\\_Planning.pdf](http://socrates.berkeley.edu/~pbd/pdfs/Strategic_Planning.pdf)
- ▶ Ucla.edu (2016) School-Community Partnership: A Guide retrieved from <http://smhp.psych.ucla.edu/pdfdocs/partnership/scpart4.pdf>