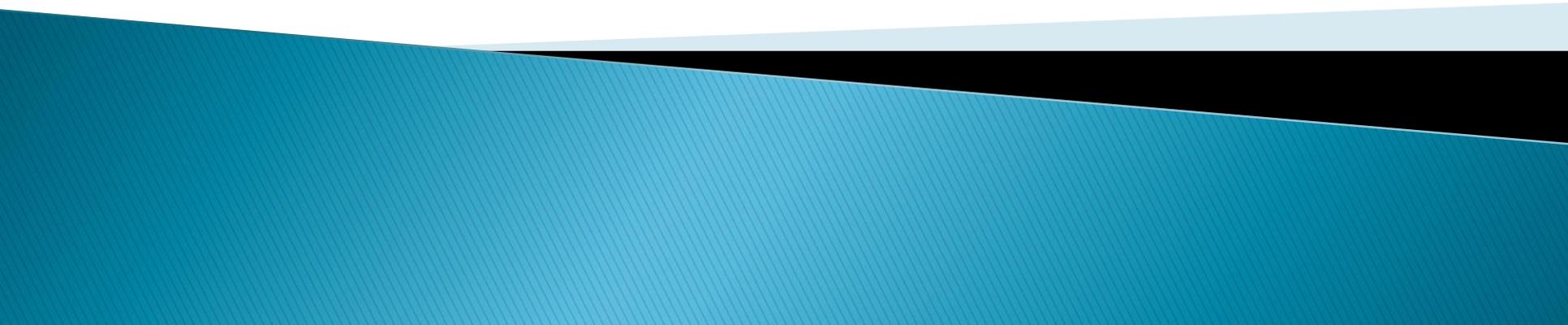


Unit 12: Strategic Planning

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Content

- ▶ Learning Objectives:
- ▶ Ac. 5

In This Lesson

- ▶ Learning Objectives:
- ▶ LO. 5 Be able to examine factors affecting an organisational strategy plan
 - AC 5.1 compare core organisational values (ethical, cultural, environmental, social and business) with the current business objectives of an organisation
 - AC 5.2 develop appropriate vision and mission statements for an organisation
- ▶ Assessment Criteria
- ▶ Further Readings
- ▶ References

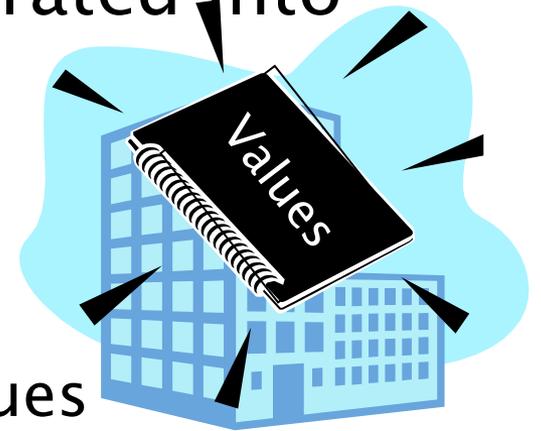
AC 5.1 compare core organisational values (ethical, cultural, environmental, social and business»») with the current business objectives of an organisation

Core Values

- ▶ According to ukessay.com (2016) each organisation needs to have some core values which are based on the ethical, cultural, environmental, social and business background of the concerned organisation.
- ▶ Values are highly motivational principles that make an identification for that organisation, they are considered as generalized believes and motivations that what is going on and what is desirable that how individuals have to behave within organisation.

Linking the Vision With Company Values

- ▶ A *statement of values* is often provided to guide the company's pursuit of its vision
- ▶ *Values* – Beliefs, business principles, and ways of doing things that are incorporated into
 - Company's operations
 - Behavior of workforce
- ▶ *Values statements*
 - Contain between four and eight values
 - Are ideally tightly connected to and reinforce company's vision, strategy, and operating practices



Example: Company Values

Home Depot



Comparing Values with Objectives

- ▶ In order to compare the core values with the current Objectives, you can:
 - Identify the Values on right and Objectives on left
 - Look at values individually and ask yourself if each value is aligned with the objectives:
 - Are there any conflicts in the belief and expected actions?
 - Do the values support the achievement of the objectives?

AC 5.2 develop
appropriate vision and
mission statements for
an organisation

Developing a Strategic Vision

Phase 1 of the Strategy-Making Process

- ▶ Involves *thinking strategically* about
 - *Future* direction of company
 - *Changes* in company's product-market customer-technology to improve
 - Current market position
 - Future prospects



A *strategic vision* is a road map showing the route a company intends to take in developing and strengthening its business. It paints a picture of a company's destination and provides a rationale for going there.

Key Elements of a Strategic Vision

- ▶ Delineates management's aspirations for the business –
- ▶ Charts a strategic path for the future
“Where are we going?”
- ▶ Steers energies of employees in a common direction
- ▶ Molds organizational identity
- ▶ Is *distinctive* and *specific* to a particular organization
- ▶ *Avoids use of generic language*
- ▶ Triggers *strong emotions*
- ▶ Is *challenging, uncomfortable, nail biting*



table 2.3 Common Shortcomings in Company Vision Statements

1. Incomplete—short on specifics about where the company is headed or what kind of company management is trying to create.
2. Vague—doesn't provide much indication of whether or how management intends to alter the company's current product/market/customer/technology focus.
3. Bland—lacking in motivational power.
4. Not distinctive—could apply to most any company (or at least several others in the same industry).
5. Too reliant on such superlatives as *best*, *most successful*, *recognized leader*, *global or worldwide leader*, or *first choice of customers*.
6. Too generic—fails to identify the business or industry to which it is supposed to apply. The statement could apply to companies in any of several industries.
7. So broad that it really doesn't rule out most any opportunity that management might opt to pursue.

Source: Thompson et. al. (2005)

Strategic Vision vs. Mission

- ▶ A *strategic vision* concerns a firm's *future* business path – “*where we are going*”
 - Markets to be pursued
 - Future technology–product–customer focus
 - Kind of company management is trying to create



- ▶ The *mission statement* of most companies focuses on *current* business activities – “*who we are and what we do*”
 - Current product and service offerings
 - Customer needs being served
 - Technological and business capabilities



Characteristics of a Mission Statement

- ▶ Defines *current* business activities, highlighting *boundaries* of current business
 - Present products and services
 - Types of customers served
- ▶ Conveys
 - *Who* we are,
 - *What* we do, and
 - *Why* we are here



A company's mission is *not* to make a profit! Its true mission is its answer to *“What will we do to make a profit?”*
Making is profit is an *objective* or *intended outcome*!

Key Elements of a Mission Statement

▶ Three factors to consider

- Customer needs –
What is being satisfied

- Customer groups –
Who is being satisfied

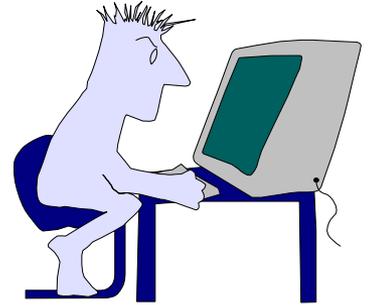
- Technologies/resources/business approaches used and activities performed –
How customer needs are satisfied



Examples: Mission and Vision Statements

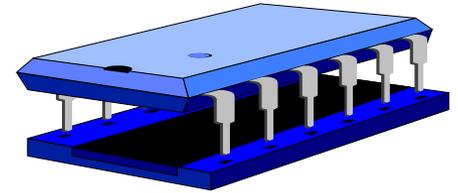
Microsoft

Microsoft Corporation



**Empower people
through great software
anytime, anyplace, and
on any device.**

Examples: Mission and Vision Statements



Our *vision*: Getting to a billion connected computers worldwide, millions of servers, and trillions of dollars of e-commerce. Intel's core *mission* is being the building block supplier to the Internet economy and spurring efforts to make the Internet more useful. Being connected is now at the center of people's computing experience. We are helping to expand the capabilities of the PC platform and the Internet.

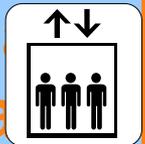
Examples: Mission and Vision Statements



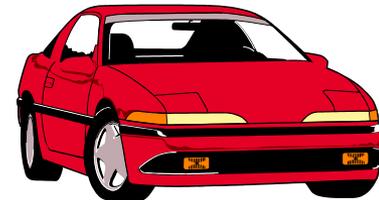
Otis Elevator



Our *mission* is to provide any customer a means of moving people and things up, down, and sideways over short distances with higher reliability than any similar enterprise in the world.



Avis Rent-a-Car



Our *business* is renting cars. Our *mission* is total customer satisfaction.

Examples: Mission and Vision Statements

TRADER JOE'S (a unique grocery store chain)

Our *mission*: To give our customers the best food and beverage values that they can find anywhere and to provide them with the information required for informed buying decisions. We provide these with a dedication to the highest quality of customer satisfaction delivered with a sense of warmth, friendliness, fun, individual pride, and company spirit.

Assessment Criteria

- ▶ Class Discussion:
 - ▶ For AC 5.1

 - ▶ For AC 5.2
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Further Reading

1. 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>

References

- ▶ Youth Net Strategic Plan 2013–2016 retrieved from <http://www.diycommitteeguide.org/resource/example-strategic-plans>
- ▶ Thompson, Arthur, Strickland A.J, Gamble, John (2005) *Crafting and Executing Strategy: The Quest for Competitive Advantage, Concepts and Cases*, 14th ed. McGraw–Hill/Irwin Company
- ▶ Ukessay.com (2016) *The Core Values in Business Ethics* retrieved from <http://www.ukessays.com/essays/business/the-core-values-in-business-ethics-business-essay.php#ixzz3ylyq5WaK>