

Business Strategy

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**WEEK ONE: THE PROCESS OF STRATEGIC
PLANNING
PREPARED BY NADINE QUARRIE**

Objectives

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- By the end of this lesson you should be able to:
- assess how business missions, visions, objectives, goals and core competencies inform strategic planning

What is Strategic Planning?

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- According to scorecardbalanced.com "Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. "

What is strategic plan?

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- “A strategic plan is a document used to communicate with the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise.” scorecardbalanced.com

Strategic management

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- Strategic management is the comprehensive collection of ongoing activities and processes that organizations use to systematically coordinate and align resources and actions with mission, vision and strategy throughout an organization.
- Source: scorecardbalanced.com

Strategy Execution

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- Strategy Execution simply the implementation of the planned strategy.
- So after the strategy is planned the aim is to make it a reality. Making it a reality involves putting whatever is planned into action.
- Source: scorecardbalanced.com

Concepts

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- Important concepts

Vision

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- What do we mean by a company's vision?
- The vision of a company are futuristic by nature. It summarizes the future plans of the company; this is what the company aspires to be in the future. so in essence it answers the question "Where the company wants to be in the future?"

SMART

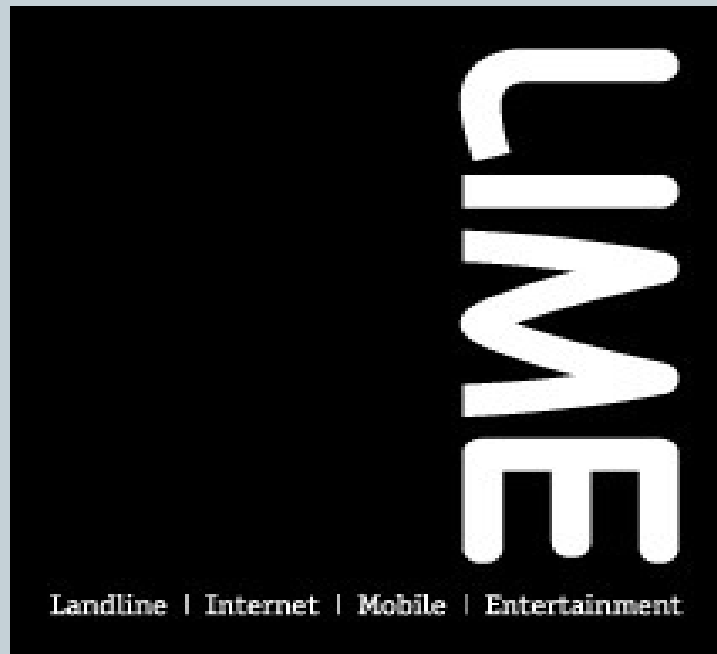
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- The vision of the company should be SMART. Lets discuss:
- Specific
- Measurable
- Achievable
- Relevant
- Time

Vision

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- Their vision: Always working to improve life in the Caribbean



Missions Statement

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- The mission statement captures what the company is about at the moment. It therefore captures the core/main focus of the company. It answers the question: Where is the company at the moment?
- Identify a company and indicate what its vision statement.

Mission statement

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- Examples of mission statement.
- Supreme court of Jamaica
- "Timely delivery of a high standard of justice for all"

LIME Jamaica

"To understand and deliver to our governments, businesses, and families."

Objectives

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- Objectives capture the specific goals of the company. These are usually listed and measured within a specific time span. So for example the company may decide to have the objectives achieved within a year or it could be within a given month.
- Identify a company and indicate what are some of their objectives.

Values

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- Companies also have values. The values of a companies are really guidelines as to what the company considers to be right or wrong.
- One very good example that highlights the values and moral stance of a company is Best Dress's Chicken Jamaica approach to sponsoring events. It is said that they are a christian company and as such they do not sponsor etc. It is also said that they are a company that values family and communal living and as such they support events/activities really to these value.

Core competences

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- A company must ensure that they decide what their core competences are. These refer to the different skills, knowledge and expertise that the company has to offer.

Connecting Strategies with concepts

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- All the concepts previously explained informs the strategic planning for a company.
- The mission statement guides the strategic planning of a company. A company should ensure that whatever is planned is in line with the current status of the business.

Connecting Strategies with concepts

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- For example, if the mission of the company is to provide excellent customer service but the strategic planning includes activities that will worsen customer service then that could be very detrimental to the company.

Connecting Strategies with concepts

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- Core competences: During the strategic planning process a company must consider the skills, knowledge and competences of the labour force of the company.
- This is very important as this will help the company to determine whether or not they need to hire persons to assist with different aspects of the strategic plan.

Connecting Strategies with concepts

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- Objectives: the objectives of a company dictates the actions of that company.
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- Thus if the company's objective is to make large profits and their strategic plan includes activities that will improve customer loyalty but not profit then it means that the objectives of the company did not inform strategic plan.
- This will of course affect the future of the company.

Group activity

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- In groups of six, identify or create fictitious company. Write a mission statement for this company. Now assume that you want to make some changes to the company, describe one activity that you would use to do this.
- This should lead to mini presentation with the teacher and students and should take a maximum of 25 minutes.

Review questions

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- What is meant by the vision of a company?
- List two examples of a mission statement
- What is meant by the mission statement of a company?
- What do we mean by core competencies?
- Why should a company's objectives, mission statement, core competencies etc inform its strategic plans?

References/Additional Reading

1. Gabriel, John & Farmer, Paul. “Developing a Vision and Mission Statement,” www.ascd.org, 2012.
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