

LECTURE NOTES ON STRATEGIC PLANNING

WHAT IS STRATEGIC PLANNING—OR, PUT ANOTHER WAY, WHAT ARE THE ELEMENTS OF A STRATEGIC PLAN?

- A strategic plan is an overall *defined course of organizational action for a set period of time that guides day-to-day decision-making and activity*;
- The plan examines and reflects an organization's values, current status, and environment—and it relates those factors to the organization's desired future state, usually expressed in five- to ten-year time periods.
- The plan defines how resources will be used given *timelines* and *handles* (which are means by which an organization can leverage resources or realities);
- The plan is based on both the organization's *internal* environment and the *external* action field in which the organization operates;
- The plan is both a reaction to, and a tool for adapting to, environmental changes and creating an organization's future within its changing environments.
- The plan is aimed to achieve specific goals and objectives.
- The plan is evaluated by whether or not it achieves specific events or milestones.
- The purpose of the plan is to help the organization capitalize on its strengths while minimizing its weaknesses, and to take advantage of opportunities and defend against threats.

WHAT IS THE INCENTIVE TO ACTIVELY PARTICIPATE IN STRATEGIC PLANNING?

- In the simplest terms, a strategic plan can help improve everyone's performance.
- A strategic plan cannot only refocus a sense of purpose, but can stimulate future-oriented thinking based on a shared sense of mission.
- Collaboration between members of an organization is more effective when everyone is working with the same set of assumptions and toward the same goals.
- Visioning, planning, and setting goals have consistently proven to be positive influences on organizational performance.
- Strategic planning can help an organization think through the difficult choices imposed by limited budgets.

- But if there is no genuine internal commitment to the plan, and no intention to implement it, strategic planning is a waste of time and energy.
- So strategic planning is for those who are willing to be honest, who want to focus on accurately assessing capabilities, and who are committed to influencing and creating a successful future for themselves.

WHAT ARE THE ESSENTIAL INGREDIENTS OF STRATEGIC PLANNING?

- As a process, strategic planning involves an orderly sequence of activities, each vital to the success of the whole process.
- The activities include:
 1. Assessing the external environment
 2. Assessing the internal environment
 3. Developing a vision or mission for the future
 4. Developing goals and objectives to reach that future
 5. Implementing the plan
 6. Measuring progress and revising the plan
- The external and internal assessments provide a realistic base on which to build future plans.
- The vision or mission identifies the organization's purpose and its desired future state.
- Consensus building is an important part of these phases.
- Once there's consensus, the practical steps necessary to reach the desired future state—the goals and objectives of the organization—can be identified and implemented.
- Evaluation and revision occur at the end of the planning cycle, but may occur at any stage within the planning process.

WHAT'S THE HOW-TO OF STRATEGIC PLANNING?

- The most basic question to ask before starting a strategic planning process is whether to develop a strategic plan.
- The question of whether or not to develop a strategic plan may be based on answers to the following questions:
 1. What purpose will the strategic plan serve?
 2. How will it help the organization?
 3. Will it be better than the system we use now?
 4. Are those in leadership positions committed to strategic planning?
 5. How much will it cost in terms of time and personnel effort?
 6. Who should be on the planning team?
 7. Does anyone have experience with strategic planning?

8. Do we think we can do it?
 9. Are we willing to make decisions about our future?
 10. Will we actually use the plan?
 11. What overriding crises would inhibit our ability to plan?
- If the answers to these questions support the development of a strategic plan, then the process can be initiated.
 - The planning design frequently calls for a small team to direct efforts and develop the written document, but input should come from the entire organization and possibly its organizational allies, so that each member has a stake in the process and outcome.
 - Building the planning process entails asking and answering a number of questions—to wit:
 1. What would you do to build ownership of the strategic planning process, so that the plan developed would be supported?
 2. What groups would you engage in the planning process?
 3. How would you deal with groups or individuals that were likely to be uncooperative or disruptive?
 4. Assuming that the plan identified a number of strategic alternatives and options, how would approach the problem of choosing among them?
 5. How would you develop criteria for choosing and plan for training to enable people to choose?
 - Team members should work well together, be committed to the process, and be respected by their peers.
 - Whoever leads the planning team should understand planning well enough to help others through the process.
 - If this is a first-time experience for everyone involved, outside expertise may be useful to provide an initial orientation or a jump-start.
 - The organization's leader need not be a formal member of the planning team, but leadership and support for the planning process, including implementation, should be clear from the outset.

THE FIRST STEP IS ASSESSING THE EXTERNAL ENVIRONMENT.

- Competition and conflict are factors to be considered in the external environment, particularly when one considers that the adoption of any social legislation or policy invariably creates individuals and organizations that regard themselves as “winners” and “losers.”
- Some more naïve members of social service and educational organizations think they’re outside of the arena of competition and conflict, but that’s not the case.

- The competition and conflict over limited funding is clear, and the turf problems frequently encountered between social service organizations fundamentally represent competition for clients.
- The methods for gathering information about the external environment include in-house workshops, planning committee discussions, surveys, interviews, the key informant technique, community forums, the charette process,¹ and the Delphi technique.²
- Typical questions posed during an external assessment for purposes of an organizing or lobbying campaign might include:
 1. Who are the major organizational players in our action field?
 2. Are the demographics of our action field changing and, if so, how, and how will those changes affect the organizational players?
 3. What are the implications of today's social, political, and economic trends for the future of the action field players?
 4. Which organizational players are likely to become our allies, what's our understanding of their ideologies and interests, and what's our assessment of their resources?
 5. Which organizational players are likely to become our opponents, what's our understanding of their ideologies and interests, and what's our assessment of their resources?
 6. What are the likely responses of third-party players?

¹ Conference facilities are obtained, the relevant parties-at-interest are chosen and mailed a study guide of the salient information on the issues they will address. Group leaders are chosen from among the participants on the basis of abilities, interest in the project, and open-mindedness. Upon arrival at the conference site the participants receive registration, reference materials, and motivation and orientation speeches. The participants are divided into groups with a leader and recording secretary for generating and recording of ideas. The lists of ideas are aggregated and edited, and a report is prepared and distributed to the participants and other appropriate persons. When required by problem needs, meetings and group discussions are continued to generate alternative solutions and plans. Hence, end results may include ideas and alternate plans, and these may result in convergence on a specific plan and a strategy to implement it.

² The purpose of the Delphi technique is to elicit information and judgments from participants to facilitate problem-solving, planning, and decision-making. It does so without physically assembling the contributors. Instead, information is exchanged via mail, FAX, or email. This technique is designed to take advantage of participants' creativity as well as the facilitating effects of group involvement and interaction. It is structured to capitalize on the merits of group problem-solving and minimize the liabilities of group problem-solving. The technique requires a Coordinator to organize requests for information, information received, and to be responsible for communication with the participants. The technique requires an efficient communication channel to link the Coordinator with each of the participants. It is common to use the U.S. mail for this purpose, but FAXes and email can decrease the time required for completing a Delphi technique. Elapsed time from beginning to end of the process averages 44 days using the U.S. mail and as little as five days using email. Recent experience suggests that coordination of the Delphi technique using email with 20 participants and the processing of three questionnaires could utilize 30-40 hours of the Coordinator's time.

THE SECOND STEP IS ASSESSING THE INTERNAL ORGANIZATIONAL ENVIRONMENT.

- We might start with our organizational history:
 1. How would you learn about an organization's history?
 2. How would you resolve for yourself conflicting versions of the history?
- We might then go on to inventory our organization's resources—its assets and liabilities:
 1. How would you take such an inventory?
 2. How would you learn about the past year's strengths and weaknesses?
 3. How would you get people who distrusted you or your sponsor to cooperate in giving you information or access to it?
- We would certainly review any existing strategic plan—goals, methods, players, successes and failures--and how it came into existence.
- We would want to determine the value-base and ideology of the organization:
 1. In what kinds of documents might you learn more about the organization's values and ideology?
 2. What other sources might you use?
- Effective organizations embody an organizational purpose, direction, and culture fostering leadership development.
- Some organizations, especially nonprofits, can become so immersed in the day-to-day functioning of activities that the activities become ends in themselves, disconnected from their original purpose.
- In practice, members may also come to have differing views and may, in fact, be operating within very different frameworks.
- What's seen as a source of strength by one may be identified as a weakness by another; one person's critical issue for the future may seem extraneous to another; an organization's stated purpose—what it can and ought to do—may seem clear and viable to some members, and outmoded or irrelevant to others.
- It is not uncommon for an organization, especially a nonprofit organization, to lose its sense of mission and purpose.
- Yet the values of the organization, and especially of its leaders, have a direct impact on what can and cannot be accomplished.
- These values are the centerpiece of the organization's culture, not only defining what can be done, but also providing the setting that affects the behavior of individual members.
- Reaching organizational consensus on identified strengths, weaknesses, purpose, and capacity is one of the greatest challenges of internal analysis.

- Internal assessment questions might include:
 1. What purpose do we serve?
 2. What do we believe in?
 3. What are our strengths and weaknesses?
 4. What resources are available to us (e.g., people, funds, credibility, allies, third-party recognition, etc.)?
 5. What internal issues must be addressed?
 6. How do we interact with the community?
 7. Whom do we serve?
 8. What needs do we meet?

THE THIRD STEP IS DEVELOPING AN ORGANIZATIONAL VISION OR MISSION FOR THE FUTURE.

- There are several approaches to developing this vision.
- The desired future state can be expressed philosophically in terms of the belief system capable of moving the organization into the future, and practically in terms of what the organization wishes to accomplish, in the future.
- For small to medium-sized nonprofit organizations, either a scenario or critical issues approach to future visioning may be useful.
 1. In the scenario approach, several alternative images of what the organization will be like in the future are developed and rated in terms of their fit with the organization's mission, the community needs, and financial feasibility—and these are discussed with members of the organization and the best fit is selected, tested, and refined.
 2. The critical issues approach focuses on the challenges facing the organization—so critical issues are identified and prioritized, with possible solutions listed for each.
- As a best solution to each issue is identified, the organization's strategy for the future becomes clear.

THE FOURTH STEP IS DEVELOPING ORGANIZATIONAL GOALS AND OBJECTIVES TO REACH THE FUTURE.

- Who, what, when, where, why, and how is not only the mantra of journalists, it's also the guideline for developing *goals and objectives*.
- And, the future vision of the organization—the *why*—is the guiding force in their development.
- Specific goals—what's to be achieved—are identified to help move the organization from its current state to the desired future state.
- *Goals* may be sequential for any planning period, from six months to multiple years, with a completion date specified for each goal.

- The *objectives* may be considered action steps, the accumulation of accomplishments necessary to satisfy each goal.
- *Objectives* answer the questions of *who* is responsible, *what* specifically will be done, *how* and *where* it will be done, and *when* it will be completed.
- The goals and objectives are the essence of the strategic plan.
- The plan builds from a statement of the current situation to a description of the desired future situation, with a schematic of how that future is to be achieved.
- Section headings may include:
 1. Current Environments
 2. Future Needs
 3. Organizational Mission and Purpose
 4. Goals for the Future
 5. Action Plan to Meet the Future
 6. Assessment and Revision of the Plan
- The strategic plan should be the organization's guiding spirit, providing a shared sense of direction and purpose.
- It need not identify every step in the process; that can be left to the implementation plan.
- The plan, however, must be commonly agreed upon and in place before day-to-day activity can have meaningful implementation.
- What are the criteria for evaluating strategic alternatives when there are differences of opinion among members of the planning team?
 1. Which of the alternatives best draws on the organization's present and likely future capabilities?
 2. Which of the alternatives is most likely to fulfill the known desires of those who own or charter the organization?
 3. Which of the alternatives is likely to produce the most organizational mileage?
 4. Which of the alternatives best reflects what the organization's leadership really wants to do?
 5. Which of the alternatives does the least to foreclose future options?
 6. Which of the alternatives is likely to cause the least disruption or need for major reorganization?

THE FIFTH STEP IS IMPLEMENTING THE STRATEGIC PLAN.

- Implementation shifts the organizational focus from developing the strategic plan to acting upon it.
- This occurs not only at the upper leadership and management levels of the organization, but also within each unit of the organization.

- The status and progress of the strategic plan becomes a subject of *regular* discussion at weekly staff meetings, quarterly workshops, and annual leadership retreats, and it becomes the primary means of continuing commitment and coordination.
- As a part of the implementation process, organizational leaders and senior staff incorporate the plan in their day-to-day activities, particularly in regard to their supervision and training responsibilities.
- The plan is put into a presentation format that allows for ease of examination and modification.
- The plan is continuously updated, because the degree to which it is regularly modified through honest and accurate self-examination, environmental assessment, and stakeholder participation will likely determine the ease or difficulty the organization experiences when implementing the plan.
- Implementation may require greater specificity in the objectives, a detailed description of the steps that must be taken in each unit in order to reach the organization's long-term goals.
- Implementation can also serve as a strategic management tool, providing both a framework for leadership and staff development and a solid basis for evaluating progress and performance.

THE SIXTH STEP IS EVALUATING PROGRESS AND REVISING PLANS.

- In fact, evaluation and revision—of both the planning process and achievement of its goals and objectives—are required at every step of strategic planning.
- If continuous evaluation and revision have been an integral part of the process of developing the plan, formal evaluation and revision following implementation are unlikely to involve major changes.
- The later in the planning process a major revision occurs, however, the greater retrenchment necessary.
- Strategic planning requires a broad base of information; it involves stakeholders in order to develop consensus around a future vision for the organization and the specific steps or activities necessary to reach that future.
 1. With faulty information or lack of consensus, there is an insufficient base to support the future vision.
 2. Thus, evaluation and revision must begin with the first steps of developing a strategic plan to ensure an adequate base for further development.

- Additionally, the environment is not static during the development of a strategic plan.
- Revisions may be necessitated by events or changes in leadership or staff, funding patterns, or other factors.
- As a process and as a method of management, therefore, strategic planning requires flexibility—the ability to adapt and revise as conditions change.
- The expression we use in the world of macro social action is that “Planning is everything—plans are nothing”—which means what?
- To a significant extent, the overall effectiveness of the strategic plan to achieve its objectives and goals is taken up at annual meetings of organizational members through presentations of the leadership.
- In the genre of grassroots and public-interest lobbying organizations, these annual meetings are the times when leaders are elected, and thus they are ideal settings for accountability on the effectiveness of the organization’s strategic planning.