

# Strategy Planning

## How to conduct strategy planning

### Approaches

There are several approaches to undertaking strategic planning, four of which are listed below. However, this is not an exhaustive list.

#### **Model One - “Basic” Strategic Planning**

This very basic process is typically followed by organisations that are extremely small, busy, and have not done much strategic planning before. Often organisations can move on to more sophisticated strategic planning approaches as they grow. The basic strategic planning process includes:

- Identify your purpose (mission statement): This is the statement(s) that describes why your organisation exists. The statement should describe what user needs you intended to meet and how you will deliver these services. The top level management should develop and agree on the mission statement. The statements may change somewhat over the years.
- Select the aims your organisation must reach if it is to accomplish your mission - Aims are general statements about what you need to accomplish to meet your purpose, or mission, and address major issues facing the organisation and these can be broken down into specific aims.
- Identify specific approaches or strategies that must be implemented to reach each aim or outcome - The strategies are often what change the most as the organisation eventually conducts more robust strategic planning, particularly by more closely examining the external and internal environments of the organisation. Your organisation might have more than one aim or outcome and more than one strategy to achieve that aim or outcome.
- Identify specific action plans to implement each strategy - These are the specific activities that each team must undertake to ensure it effectively implements each strategy. Aims and specific aims should be clearly worded to the extent that people can assess if the specific aims have been met or not.
- Monitor and update the plan - Planners regularly reflect on the extent to which the aims and outcomes are being met and whether action plans are being implemented. Perhaps the most important indicator of success of the organisation is positive feedback from the organisation’s users.

#### **Model Two - Issue-Based Planning**

Organisations that begin with the “basic” planning approach often evolve to using this more comprehensive and more effective type of planning. Sometimes organisations might use only some of these steps in one year.

#### Process of Issue-Based Strategic Planning

- External/internal assessment to identify strengths, weaknesses, opportunities & threats
- Strategic analysis to identify and prioritise major issues and aims



- Design major strategies (or programmes) to address issues and aims
- Check if strategies & plans fit with vision, mission and values
- Establish action plans (specific aims, resource needs, roles and responsibilities for implementation)
- Record issues, specific aims, strategies/programmes, updated mission and vision, and action plans in a Strategic Plan document, and attach SWOT, etc. Develop and authorise budget for year one (allocation of funds needed to fund year one)
- Conduct the organisation's year one operations and evaluate
- Monitor/review/evaluate/update Strategic Plan document

### **Model Three - Scenario Planning**

Scenario planning is a method for learning about the future by understanding the nature and impact of the most uncertain and important driving forces affecting our world. It is a group process which encourages knowledge exchange and development of deeper understanding of central issues important to the future of your organisation. The goal is to craft a number of diverging stories by extracting uncertain and heavily influencing driving forces. The stories, together with the work getting there, have the dual purpose of increasing the knowledge of the external/business environment and widen both the receiver's and participant's perception of possible future events. A common tool used in scenario planning is Porter's 5 forces (see tools section). This approach might be used in conjunction with other models to ensure planners truly undertake strategic thinking. The model may be useful, particularly in identifying strategic issues and goals. The basic process is outlined below:

- Select several external forces and imagine related changes which might influence the organisation. This might concern change in regulations or demographic changes. Scanning the newspaper for key headlines often suggests potential changes that might affect the organisation. These factors that can be influential to your organisation may be referred to as drivers, variables or forces. These factors, forces or drivers might form clusters or be linked – this is often the most conceptually difficult step.
- For each change in a force, discuss three different future organisational scenarios (including best case, worst case, and OK/reasonable case) which might arise with the organisation as a result of each change. Reviewing the worst-case scenario often provokes strong motivation to change the organisation.
- Suggest what the organisation might do, or potential strategies, in each of the three scenarios to respond to each change.
- Planners soon detect common considerations or strategies that must be addressed to respond to possible external changes.
- Select the most likely external changes to affect the organisation, over the next three to five years perhaps, and identify the most reasonable strategies the organisation can undertake in order to respond to the change.

### **Model Four - "Organic" (or Self-Organising) Planning**

Traditional strategic planning processes are sometimes considered "mechanistic" or "linear," and might be rather general-to-specific or cause-and-effect in nature. For example, the processes often begin by conducting a broad assessment of the external and internal environments of the organisation, conducting a strategic analysis ("SWOT" analysis), narrowing down to identifying and prioritising issues, and then developing specific strategies to address the specific issues.



Another view of planning is similar to the development of an organism, ie, an “organic”, self-organising process. Certain cultures might prefer unfolding and naturalistic “organic” planning processes more than the traditional mechanistic, linear processes. Self-organising requires continual reference to common values, holding dialogue around these values, and reflecting together on an ongoing basis about the system’s current processes. Storyboarding techniques and dialogue processes usually work well with the organic or self-organising planning process.

General steps include

- Clarify and articulate the organisation’s cultural values.
- Articulate the group’s vision for the organisation.
- On an ongoing basis, for example once every quarter, hold dialogue about what processes are needed to arrive at the vision and what the group is going to do now about those processes.
- Continually remind yourself and others that this type of naturalistic planning is never really “over with”, and that, rather, the group needs to learn to conduct its own clarification of values, dialogue/reflection, and process updates.
- Be very, very patient.
- Focus more on learning and less on method.
- Ask the group to reflect on how the organisation will portray its strategic plans to stakeholders, etc., who often expect the “mechanistic, linear” plan formats.

