Strategic Planning: It’s A Process

Strategic Planning: What Is It?

• Simply put, strategic planning determines where an organization is going over the next year or more, how it’s going to get there and how it'll know if it got there or not.
• The focus of a strategic plan is usually on the entire organization, while the focus of a business plan is usually on a particular product, service or program.

Variety of Models

• Goals-based starts with focus on the organization’s mission (and vision and/or values), goals to work toward the mission, strategies to achieve the goals, and action planning (who will do what and by when).

• Issues-based strategic planning often starts by examining issues facing the organization, strategies to address those issues, and action plans.
Everyone On The Same Page

• Development of the strategic plan greatly helps to clarify the organization’s plans and ensure that key leaders are all “on the same script”.

• Far more important than the strategic plan document, is the strategic planning process itself.

Organization Size and Make-up

• Small nonprofits and small for-profits tend to conduct somewhat similar planning activities that are different from those conducted in large organizations.

• Nonprofits tend to focus more on matters of board development, program effectiveness, fundraising and volunteer management.

• For-profits tend to focus more on activities to maximize profit.

Benefits of Strategic Planning

1. Clearly define the purpose of the organization and to establish realistic goals and objectives consistent with the mission.

2. Communicate those goals and objectives to the organization’s constituents.

3. Develop a sense of ownership of the plan.

4. Ensure the most effective use is made of the organization’s resources by focusing the resources on the key priorities.

5. Provide a base from which progress can be measured.

6. Creating consensus about where an organization is going.
When Should Strategic Planning Be Done?

- New organization.
- In preparation for a new major venture.
- To identify the organizational goals to be achieved at least over the coming fiscal year.
- Each year, action plans should be updated.
- Progress reviewed at least on a quarterly basis.

Preparation for Strategic Planning

1. The real benefit of the strategic planning process is the process, not the plan document.
2. There is no "perfect" plan. This year's plan provides learning for next year's plan.
3. The strategic planning process is usually not an "aha!" experience. It's like the management process itself — it's a series of small moves that together keep the organization doing things right as it heads in the right direction.
4. In planning, things usually aren't as bad as you fear, nor as good as you'd like.
5. Start simple, but start!

When Do you Need Third Party Facilitation?

1. If your organization has not conducted strategic planning before.
2. The previous strategic planning was not deemed to be successful.
3. There are a wide range of ideas and/or concerns among planning team.
4. There is no one in the organization whom members feel has sufficient facilitation skills.
When Do you Need Third Party Facilitation?

5. No one in the organization feels committed to facilitating strategic planning for the organization.

6. Leaders believe that an inside facilitator will inhibit participation from others or will not create the opportunity for full participation.

7. Leaders want an objective voice, i.e., someone who is not likely to have strong predispositions about the organization’s strategic issues and ideas.

Who Should Be Involved in Planning?

1. The senior management team and executive committee of the board should be included in the planning group, and should drive development and implementation of the plan.

2. Those who will provide key information to the process, those who will review the plan document, those who will authorize the document, etc.

3. Representation (various skill sets and levels of expertise) from outside the company that is not represented on the board.

Who Should Be Involved in Planning?

4. Internal and external stakeholders.

5. Someone to administrate the process, including arranging meetings, helping to record key information, helping with flipcharts, monitoring status of pre-work, etc.

7. In general, where there's doubt about involvement, it's best to involve them. It's worse to exclude someone useful than it is to have one or two extra people in planning.

An organization may be better off to involve board and staff planners as much as possible in all phases of planning. Mixing the board and staff during planning helps board members understand the day-to-day issues of the organization, and helps the staff to understand the top-level issues of the organization.
**Number and Duration of Planning Meetings**

- The number of meetings depends on whether the organization has done planning before, how many strategic issues and goals the organization faces, whether the culture of the organization prefers short or long meetings, and how much time the organization is willing to commit to strategic planning.

- Attempt to complete strategic planning in at most two to three months, or momentum will be lost and the planning effort may fall apart.

**Scheduling of Meetings**

- Have each meeting at most two to three weeks apart when planning. It's too easy to lose momentum otherwise.

- The most important factor in accomplishing complete attendance to planning meetings is evidence of strong support from executives. Therefore, ensure that executives:
  - issue clear direction that they strongly support and value the strategic planning process, and
  - are visibly involved in the planning process.

**CONDUCTING STRATEGIC PLANNING**

- Planners often decide to plan only from what they know now. This makes the planning process much less strategic and a lot more guesswork.

- Strategic analysis is the heart of the strategic planning process and should not be ignored.
Environmental Scan (taking a wide look around)

- Market Segment Analysis (For-Profit)
- Program Evaluations (Not-for-Profit)
- Competitor Analysis
- Analysis of Technology; Regulations; Suppliers
- Review of Marketing and Distribution
- Analysis of Internal Operational concerns

SWOT Analysis

- Strengths
- Weaknesses
- Opportunities
- Threats

Developing Long Range Strategies

- 3 years at the most
- Strategies that are Core to the business
- Strategies that are Outside the Core of the business
- Strategies to enhance Internal Operations
A. Strategic Vision
   Employer Advocate providing quality, comprehensive business solutions

B. Core Business Strategies (Business As Usual)
   Membership & Member Services
   705 members in 2011 – 27.36% of revenue
   Market Strategy: Expand
   Grow AE membership to # members; $$$ - by 2014
   Innovation of program design & delivery: Hotline; Member Consulting Hours; Posters
   Maintain 80% Contact rate
   Maintain 90% member retention rate
   Promote Successes in conjunction with marketing plan

C. Strategies Outside the Core Business
   NEW PRODUCTS/SERVICES – BUSINESS DEVELOPMENT
   Workers Compensation Products and Services
   Market Strategy: Development
   Develop and evaluate business plan for expansion of workers compensation insurance as a component to AE’s overall services
   Expand market through:
      Strategic partnerships with other service providers
      Aggressive marketing outside AE

D. Strategies to Enhance Operations
   Sales and Marketing
   Develop systems for marketing/sales of products and services
   Develop systems for marketing membership
   Develop retention strategies

Defining Short-Term Objectives

- Objectives that are tied to, and taken out of, the long range strategies
- Objectives that will take up to 12 months to accomplish
- Objectives that further the advancement towards the long range strategies chosen
**Action Planning**

- Strategic planning can be exhilarating when coming up with new visions and missions and values, talking about long-standing issues in the workplace and coming up with new and exciting opportunities. But without careful action planning -- and diligently ensuring actions are carried out -- the plan ends up collecting dust on a shelf.

<table>
<thead>
<tr>
<th>Action Plan</th>
<th>Action Step</th>
<th>Responsible</th>
<th>Start Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Objective</td>
<td>Comprehensive Marketing Plan</td>
<td>Gregg; Paul-TL; Greg; Bryan; Aaron</td>
<td>2a-1</td>
<td>Not Started</td>
</tr>
<tr>
<td>2nd Strategy</td>
<td>Sales and Marketing</td>
<td>Gregg; Paul-TL; Greg; Bryan; Aaron</td>
<td>2a-2</td>
<td>Not Started</td>
</tr>
<tr>
<td>Team Lead</td>
<td>Gregg; Paul-TL; Greg; Bryan; Aaron</td>
<td>2a-2</td>
<td>Not Started</td>
<td></td>
</tr>
</tbody>
</table>

**Writing and Communicating the Plan**

- If you’ve followed the guidelines, so far, then writing your plan will be fairly straightforward. A frequent mistake at this point is not communicating the plan to enough people, including external stakeholders.

- There are dozens of plan designs, choose what fits your culture and best communicates the plan.
Developing/Updating a Mission Statement

• What is the focus problem(s) that our organization exists to solve?

• What is the purpose of our organization (answers the question of why we exist, does not describe what we do)?

• What is our business? Describe the business or businesses we are in—our primary services or activities.

Developing/Updating a Vision Statement

• External vision: Describe how the world would be improved, changed, or different if our organization was successful in achieving its purpose.

• Internal vision: Envisioning our organization’s future.

The Process

• Utilize questionnaires and worksheets to solicit input/feedback from planning team members around:
  – External Environmental Scans
  – Internal Environmental Scans
  – SWOT
• Consolidate feedback into planning session documents
• Conduct session meetings to discuss feedback and identify solutions
The Process

- Develop Long Range Strategies
- Identify Short-Term Objectives
- Select objectives to be worked on in the next 12 months
- Develop Action plans for each objective
- Hold bi-monthly accountability sessions to ensure progress
- Do it again in twelve months

Questions?

Thank You

406-248-6178
www.associatedemployers.org
bryan@aehr.org