

STRATEGIC PLANNING – A PRIMER

Strategic planning is...

“An organized response to the environment, based upon a particular set of goals, which seeks optimal benefits to the organization's stakeholders and customers by building on strengths and/or building up weaknesses in order to pursue the greatest possible advantage of opportunities and distinguish the organization from others.” ~ Tecker & O’Neal

Successful strategic planning requires an organization to keep its eye on several planning horizons: 10 to 15 years – the Envisioned Future and 5 to 10 years – the Relevant Future. It also requires an organization to have a core ideology that clearly articulates its identity. Using a regular process of examining the relevant future (environmental scanning), an organization maps how it will achieve its envisioned future through the development of strategic outcomes, objectives, and strategies.

Understanding the terminology...

Core Ideology*:

- Describes an organization’s consistent identity that transcends all changes related to its relevant environment
- Consists of two elements – core purpose and core values

Core Purpose*:

- An organization’s reason for being; its mission
- Is assessed periodically, but may last unchanged for 100 years
- Is continually pursued, but never achieved
- Can evolve, but is never outgrown
- To identify core purpose, an organization begins by asking:
 - Why do we exist?
 - What would be lost if the organization ceased to exist?
 - To what sense of purpose would we dedicate our collective and creative energies for the organization’s sake?

Core Values*:

- The essential and enduring tenets of an organization
- A set of timeless guiding principles
- Require no external justification; they have intrinsic value and importance to those inside the organization
- So fundamental and deeply held that they will change seldom, if at all
- Moves the individuals within an organization from operating based on personal values to operating based on shared values
- A test of whether or not a value is core is the question - if circumstances changed and we were penalized for holding these core values, would we still keep them?

Envisioned Future*:

- Conveys a concrete yet unrealized vision for 10 to 15 years in the future
- Offers a clear and compelling catalyst that serves as a focal point for an organization’s effort
- It’s where you find an organization’s BHAG – Big Hairy Audacious Goal or Vision
- It represents the intersection among what an organization is deeply passionate about, what drives an organization’s economic engine, and at what the organization has the capability to be the best in the world

Relevant Future:

- The 5 to 10 year planning horizon
- In order to make progress against the 10 to 15 year planning horizon of the envisioned future, an organization must build assumptions about the relevant future through a regular process of anticipating the strategic factors likely to affect its ability to succeed over the next 5 to 10 years and assessing the implications of those factors, also referred to as environmental scanning
- Strategic factors to consider include: business and economic factors, cultural and sociological factors, technology and science factors, geographic and societal factors, and legislative and regulatory factors
- A regular process of assumption development and assessment helps an organization keep its view of the relevant future current, provides a strong basis upon which to update the strategic outcomes, strategies and objectives in its strategic plan on an annual basis, and ensures the ongoing relevance of its strategic plan

Strategic Outcomes:

- Explicitly state the conditions or attributes an organization wants to achieve and define what will constitute success in the next one to five years
- The achievement of each strategic outcome will move an organization toward realization of its envisioned future
- Grounded in the assumptions about the relevant future
- Reviewed annually

Objectives:

- Describe the desired direction in which an organization needs to move during the next 3 to 5 years in order to accomplish its strategic outcomes
- Define what constitutes success for each strategic outcome in observable or measurable terms
- Reviewed annually

Strategies:

- Specific actions/activities to make progress on objectives during a 1 to 3 year timeframe
- Reviewed annually

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