

# Planning Guide

---

**Contents**

Summary..... 3

Understanding Strategic Planning..... 3

    Introduction -- What is Strategic Planning? ..... 3

    Benefits of Strategic Planning ..... 4

    Guide to the Strategic Planning Process ..... 4

        Timing ..... 4

        Process..... 5

        Successful Strategic Planning Effort ..... 6

        Who Should Be Involved in Planning?..... 7

        Planning Meetings ..... 8

        Example Planning Process and Design of Meetings ..... 8

        "Plan for a Plan" ..... 9

        Components of the Strategic Plan ..... 9

## Summary

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. There are a variety of perspectives, models and approaches used in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture of the organization, complexity of the organization's environment, size of the organization and expertise of the planners.

## Understanding Strategic Planning

### Introduction -- What is Strategic Planning?

There are a variety of perspectives, models and approaches used in strategic planning including goals-based, issues-based, and organic.

- 1) Goals-based planning is probably the most common and 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).
- 2) Issues-based strategic planning often starts by examining issues facing the organization, strategies to address those issues and action plans.
- 3) Organic strategic planning might start by articulating the organization's vision and values, and then creating action plans to achieve the vision while adhering to those values.

Some plans are scoped to one year, many to three years, and some to five to ten years into the future. Some plans include only top-level information and no action plans. Some plans are five to eight pages long, while others can be considerably longer.

Quite often, an organization's strategic planners already know much of what will go into a strategic plan (this is true for business planning, too). However, 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.

Also, in addition to the size of the organization, differences in how organizations carry out the planning activities are more of a matter of the nature of the participants in the organization. For example, detail-oriented people may prefer a linear, top-down, general-

to-specific approach to planning. On the other hand, rather artistic and highly reflective people may favor of a highly divergent and "organic" approach to planning.

NOTE: Much of the following information is in regard to goals-based strategic planning; probably the most common form of strategic planning. However, issues-based planning is also a very popular approach to strategic planning.

## Benefits of Strategic Planning

Strategic planning serves a variety of purposes in organizations, including to:

1. Clearly define the purpose of the organization and to establish realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation.
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 and establish a mechanism for informed change when needed.
6. Listen to everyone's opinions in order to build consensus about where the organization is going.
7. Provide clearer focus for the organization, thereby producing more efficiency and effectiveness.
8. Bridge staff/employees and the board of directors (in the case of corporations).
9. Build strong teams in the board and in the staff/employees (in the case of corporations).
10. Provide the glue that keeps the board members together (in the case of corporations).
11. Produce great satisfaction and meaning among planners, especially around a common vision.
12. Increase productivity from increased efficiency and effectiveness.
13. Solve major problems in the organization.

## Guide to the Strategic Planning Process

### Timing

The scheduling for the strategic planning process depends on the nature and needs of the organization and its immediate external environment. For example, planning should be carried out frequently in an organization whose products and services are in an industry that is changing rapidly. In this situation, planning might be carried out once or even twice a year and done in a very comprehensive and detailed fashion (that is, with attention to

mission, vision, values, environmental scan, issues, goals, strategies, objectives, responsibilities, time lines, budgets, etc). On the other hand, if the organization has been around for many years and is in a fairly stable marketplace, then planning might be carried out once a year and only certain parts of the planning process, for example, action planning (objectives, responsibilities, time lines, budgets, etc) are updated each year.

Consider the following guidelines:

1. Strategic planning should be done when an organization is just getting started. (The strategic plan is usually part of an overall business plan, along with a marketing plan, financial plan and operational/management plan.)
2. Strategic planning should also be done in preparation for a new major venture, for example, developing a new department, division, major new product or line of products, etc.
3. Strategic planning should also be conducted at least once a year in order to be ready for the coming fiscal year (the financial management of an organization is usually based on a year-to-year, or fiscal year, basis). In this case, strategic planning should be conducted in time to identify the organizational goals to be achieved at least over the coming fiscal year, resources needed to achieve those goals, and funds needed to obtain the resources. These funds are included in budget planning for the coming fiscal year. However, not all phases of strategic planning need be fully completed each year. The full strategic planning process should be conducted at least once every three years. As noted above, these activities should be conducted every year if the organization is experiencing tremendous change.
4. Each year, action plans should be updated.
5. Note that, during implementation of the plan, the progress of the implementation should be reviewed at least on a quarterly basis by the board. Again, the frequency of review depends on the extent of the rate of change in and around the organization.

## Process

Many managers spend most of their time "fighting fires" in the workplace. -- their time is spent realizing and reacting to problems. For these managers -- and probably for many of us -- it can be very difficult to stand back and take a hard look at what we want to accomplish and how we want to accomplish it. We're too busy doing what we think is making progress. However, one of the major differences between new and experienced managers is the skill to see the broad perspective, to take the long view on what we want to do and how we're going to do it. One of the best ways to develop this skill is through ongoing experience in strategic planning. The following tips and considerations may help you to get the most out of your strategic planning experience.

1. The real benefit of the strategic planning process is the process, not just the plan document.
2. There is no "perfect" plan. There's doing your best at strategic thinking and implementation, and learning from what you're doing to enhance what you're doing the next time around.
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!

### **Successful Strategic Planning Effort**

It's best to have a team of planners conduct the strategic planning process. Therefore, it's important to have the following skills;

1. Conflict Management in Groups
2. Creative Thinking (very important when setting goals and how they will be reached)
3. Innovation (very important when designing strategies, or methods to reach goals)
4. Decision Making (useful when selecting which goals and strategies to follow)
5. Facilitating in Face-to-Face Groups (these skills are very important when helping a group come to consensus)
6. Understanding the use of focus groups (get input from internal & external customers to identify issues, goals, methods)
7. Group-Based Problem Solving and Decision Making (these activities are at the core of strategic planning)
8. Meeting Management (planners make decisions in meetings; these skills will be very useful)
9. Problem Solving (this is helpful, especially when tackling difficult decisions)
10. Valuing Diversity (it's best to get a wide variety of perspectives when planning)

Often, organizations consider the use of a consultant or outside facilitator in the event, that:

1. The organization has not conducted strategic planning before.
3. There appears to be a wide range of ideas and/or concerns among organization members about strategic planning and current organizational issues to be addressed in the plan.
4. There is no one in the organization who has sufficient time to facilitate the process or with the necessary facilitation skills.
5. No one in the organization feels committed to facilitating strategic planning for the organization.

6. Leaders believe that an inside facilitator will either inhibit participation from others or will not have the opportunity to fully participate in planning themselves.
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?**

Strategic planning should be conducted by a planning team. Consider the following guidelines when developing the team.

1. The chief executive and board chair should be included in the planning group, and should drive development and implementation of the plan.
2. Establish clear guidelines for membership, for example, those directly involved in planning, those who will provide key information to the process, those who will review the plan document, those who will authorize the document, etc.
3. A primary responsibility of a board of directors is strategic planning to effectively lead the organization. Therefore, insist that the board be strongly involved in planning, often including assigning a planning committee (often, the same as the executive committee).
4. Ask if the board membership is representative of the organization's clientele and community, and if they are not, the organization may want to involve more representation in planning. If the board chair or chief executive balks at including more of the board members in planning, then the chief executive and/or board chair needs to seriously consider how serious the organization is about strategic planning!
5. Always include in the group, at least one person who ultimately has authority to make strategic decisions, for example, to select which goals will be achieved and how.
6. Ensure that as many stakeholders as possible are involved in the planning process.
7. Involve at least those who are responsible for composing and implementing the plan.
8. Involve someone to administrate the process, including arranging meetings, helping to record key information, helping with flipcharts, monitoring status of prework, etc.
9. Consider having the above administrator record the major steps in the planning process to help the organization conduct its own planning when the plan is next updated.

Note the following considerations:

10. Different types of members may be needed more at different times in the planning process, for example, strong board involvement in determining the organization's strategic direction (mission, vision, and values), and then more staff involvement in determining the organization's strategic analysis to determine its current issues and goals, and then primarily the staff to determine the strategies needed to address the issues and meet the goals.

11. In general, where there's any doubt about whether a certain someone should be involved in planning, 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 -- this is true in particular with organizations where board members often do not have extensive expertise about the organization and its products or services.

12. Therefore, 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.

## Planning Meetings

1. New planners usually want to know how many meetings will be needed and what is needed for each meeting, i.e., they want a procedure for strategic planning. 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.
2. 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

1. Have each meeting at most two to three weeks apart when planning. It's too easy to lose momentum otherwise.
2. The most important factor in accomplishing complete attendance to planning meetings is evidence of strong support from executives. Therefore, ensure that executives;
  - a) issue clear direction that they strongly support and value the strategic planning process, and
  - b) are visibly involved in the planning process.

## Example Planning Process and Design of Meetings

One example of a brief planning process is the following which includes four planning meetings and develops a top-level strategic plan which is later translated into a yearly operating plan by the staff:

1. Planning starts with a half-day or all-day board retreat and includes introductions by the board chair and/or chief executive, their explanations of the organization's benefits from strategic planning and the organization's commitment to the planning process, the facilitator's overview of the planning process, and the board chairs

and/or chief executive's explanation of who will be involved in the planning process. In the retreat, the organization may then begin the next step in planning, whether this be visiting their mission, vision, values, etc. or identifying current issues and goals to which strategies will need to be developed. (Goals are often reworded issues.) Planners are asked to think about strategies before the next meeting.

2. The next meeting focuses on finalizing strategies to deal with each issue. Before the next meeting, a subcommittee is charged to draft the planning document, which includes updated mission, vision, and values, and also finalized strategic issues, goals, strategies. This document is distributed before the next meeting.

3. In the next meeting, planners exchange feedback about the content and format of the planning document. Feedback is incorporated in the document and it is distributed before the next meeting.

4. The next meeting does not require entire attention to the plan, e.g., the document is authorized by the board during a regular board meeting.

5. Note that in the above example, various subcommittees might be charged to gather additional information and distribute it before the next planning meeting.

6 Note, too, that the staff may take this document and establish a yearly operating plan which details what strategies will be implemented over the next year, who will do them, and by when.

7. No matter how serious organizations are about strategic planning, they usually have strong concerns about being able to find time to attend frequent meetings. This concern can be addressed by ensuring meetings are well managed, having short meetings as needed rather than having fewer but longer meetings, and having realistic expectations from the planning project.

## "Plan for a Plan"

Too often, planners jump into the planning process before taking the time develop and articulate the plan for how they intend to facilitate the completion of the strategic planning process.

## Components of the Strategic Plan

- Strategic Analyses - Clarify the mission, vision and/or values of the organization. Taking a Wide Look Around the Outside of the Organization to Identify Opportunities and Threats
- External Analysis - An external analysis usually includes looking at various trends, including political, economic, societal, technological and ecological.
- Consider the needs and wants of stakeholders by conducting a stakeholder analysis.
- Looking around the Inside of Organization to Identify Strengths and Weaknesses
- The following assessments might be useful in helping you to take a look around the inside of your organization -- to assess the quality of all of its operations.
  - Organizational Assessments

- People Problems Masquerading as Business Problems
- Creative Thinking (useful when strategizing new ideas)
- Innovation (also use when strategizing new ideas)
- Organizational Sustainability - One of the most important aspects of a strategic plan is to understand how the company can remain sustainable -- that it not only survives, but that it thrives well into the future. So it's important to understand what makes an organization sustainable -- it's not just getting enough money.
- Clearly state the goals and objectives of the organization.
- Draw conclusions based on the information gathered.
- Identify steps that can be taken to achieve goals.
- Show how the steps recommended align with the achievement of each goal.
- Speculate the results if all steps are implemented.
- Understand the financial impact of recommendations.