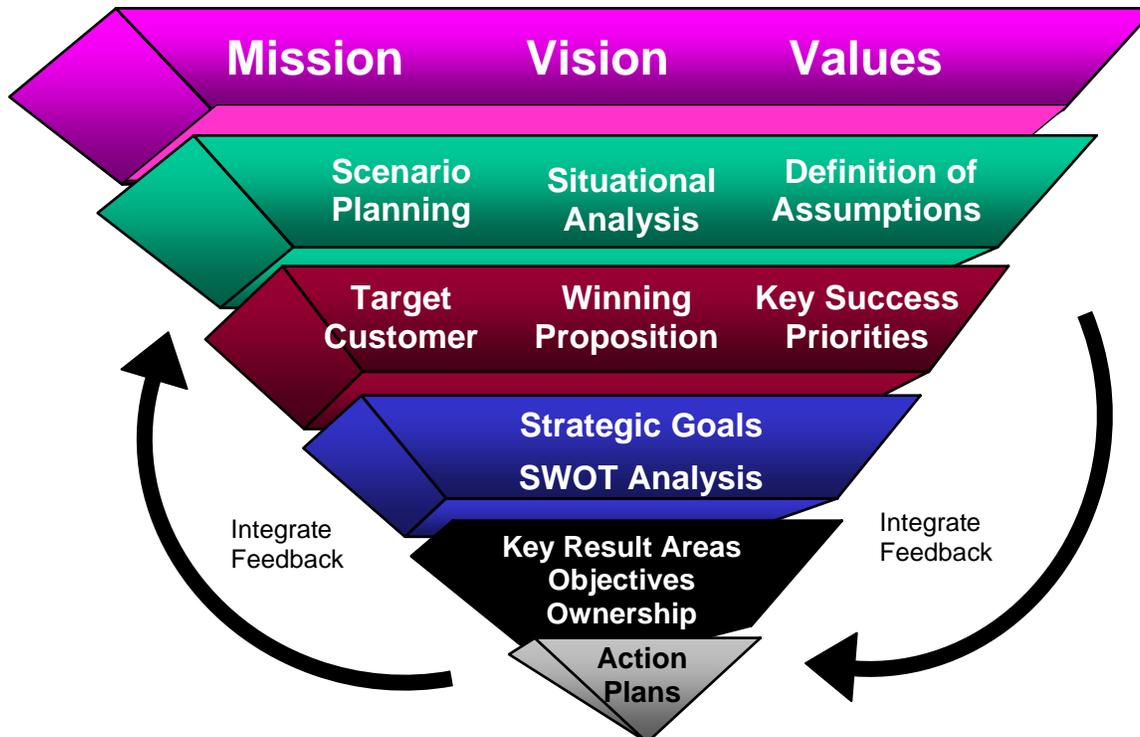




The Strategic Planning Process



Our Process

The foundation of any strategic plan is defining its Mission, Vision and Values. Mission answers the questions, "Why do we exist? What's our Purpose?" Vision is a concise, compelling and attainable picture of the future. It is often summarized in an overriding goal that the entire organization is committed to. Vision answers the questions, "Where do we see ourselves going? What's our BHAG (big, hairy, audacious goal)?"

Values are your code of ethics, what you won't compromise. Values answer the questions, "What do we stand for? What is it that we refuse to compromise no matter what?"

Once an organization has defined its Mission, Vision and Values, gathering data from the external environment is a critical next step. There are a variety of ways to do this.

Research and our experience have shown us that a powerful way of doing this is by conducting a comprehensive **situational analysis**. During the situational analysis we examine:

- Customers (Internal and External)
- Other peer organizations that implement best practices
- The organization's own realities
- The broader environment

Here are some of the types of questions that we would ask when doing a situational analysis:

About Customers:

- What are the underlying trends affecting our customers preferences?
- What is the hierarchy of our customer/s' needs?
- How well do we currently serve those needs?
- How do our employees feel we are doing?
- What are the priorities in serving both external and internal customers?
- What's important to your customers now and in the future?

About Other Organizations that serve as Benchmarks:

- What trends are the most important in shaping the future?
- What are best practices that we can learn from?
- What are we currently doing to exploit those developments so that we can produce greater value for our customers?
- What barriers do we need to overcome to take the lead in addressing trends?
- What would the top priorities be?

Our Realities:

- What are our critical performance measures?
- Do we have ownership in our plan and measures?
- What conclusions can we draw?
- What are our key strengths that we can leverage?
- Where are our weaknesses that represent barriers to better performance?

Broader Environment Section

- Economic and International Trends
- Social habits and attitudes
- Technology
- Demographics and Government Policies

Next, we summarize the data into a single list of the most important findings, trends and assumptions. Once you've listed the major opportunities and threats stemming from this data, it's now time to identify your strategic choices. The first step is to come to agreement on your **target customer/s** and the services you'll offer. An often-ignored next step is defining the winning proposition, which answers the question, "How are you going to distinguish your organization and achieve what you set out to achieve?"

With the winning proposition in place, asking what are the 3-5 major things or **key success priorities** that you'll focus your resources on in order to deliver your winning proposition. An example might be:

1. Focus on the needs of the customer
2. Apply cost controls
3. Maintain operational efficiency
4. Integrate learning and work across departments so that "silos" no longer exist

The key success priorities become the basis for your **strategic goals**. Strategic goals are broad based and directional, not measurable at this point. Once the strategic goals have been set, a SWOT analysis is completed. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Internal strengths and weaknesses and external opportunities and threats are analyzed in relation to each goal. Data developed in the situational analysis is considered during this process as well.

After the strategic goals are set and the SWOT analysis completed, each department then defines the **key result areas** or performance indicators that could serve as measures for tracking progress and results. An example here might be "customer retention" as an indicator of achieving the goal of "Increased Customer Satisfaction." Consistent with a balanced scorecard approach, key result areas are sorted into four broad categories:

1. Customers
2. Financial
3. Internal Business/Operational Processes
4. Learning & Growth

Key result areas motivate us to assess our current position against where we need to be. Assessing where you are now and establishing where you want to be to be successful in executing on the plan allows you to drill down to the specifics. During this gap analysis we define observable, measurable, and verifiable objectives that will continue to focus our resources on what matters most.

How will you close the gap? The action plans developed must address how we will do this. The framework for these can be taught and then all key stakeholders get involved in building and reporting on their action plans. To build accountability into the system, we strongly recommend assigning an "**owner**" for each key result area. Each objective will also have an owner responsible and accountable for achieving the results committed to. Budget decisions are based on these KRAs, objectives and action plans.