**WILLY KORIR**

**ID: UB50187SCI59141**

**BACHELOR IN CIVIL ENGINEERING**

**COURSE NAME: STRATEGIG PLANNING IN CONSTRUCTION ENGINEERING**

**ATLANTIC INTERNATIONAL UNIVERSITY**

**STRATEGIC PLANNING IN CONSTRUCTION ENGINEERING**

**Strategic Planning**

According to Michael A., & Jude, K., (2015), strategic planning as a “systematic process through which an organization agrees on and builds key stakeholder commitment to priorities that are essential to its mission and responsive to the organizational environment. Strategic planning guides the acquisition and allocation of resources to achieve these priorities.”

It involves setting up a plan and allocating the necessary resources with the aim of achieving a set objectives

It further entails setting up a construction vision, mission, objectives, programs and projects

The process should be

1. Strategic
2. Structured
3. Synergistic and focused
4. Well financed and resource equipped

**Differences between Strategy and Plan**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Parameters of Comparison** | **Strategy** | **Plan**  |
| 1 | Meaning  | It is a form of expansive plan and it involves action  | It is futuristic  |
| 2 | Time period  | Long term  | Goal bound |
| 3 | Requirement  | Thorough analysis | Thinking of next action  |
| 4 | Basis  | Requires thinking and acting  | Thinking only |
| 5 | Process  | First step | Followed by strategy  |

**Factors to consider to include in strategic planning;**

* Capitalizing on the core competencies
* Concentrating on customer satisfaction
* Minimizing on costs while maximizing on outputs/outcomes
* Effectiveness and efficiencies
* Ensure synergy within functional units

**Impacts of Strategic plans**

Strategic plan is an important tool for growth in that;

1. It is a critical management tool

Most successful construction companies use strategic plans as a key management tool for their day to day engineering operations.

It ensures that the resources are allocated optimally

1. Averts failures

There is a saying that says that failure to plan is planning to fail. With a properly drafted and executed strategic plan, the engineer avoids chances of failures

1. Gives a competitive edge

A strategic plan in itself is a competitive tool. It forms the basis of comparing individual performance and also an opportunity of comparing performance with the competitors

1. Increase performance

The strategic plans enables construction engineers to be proactive leading to increased performance

**Successful Strategic planning**

For successful planning, key answers to the following questions should be sought;

1. Where the company is currently at
2. The direction its heading
3. And how to get to the planned destination

**Strategic planning process**

The process is continuous and can be summarized diagrammatically as follows;



1. Getting ready.

This is the initial and critical step. It entails formation of lead teams and allocating the necessary resources for the planning process

1. Articulate the mission and vision

The strategic plan should be in sync with the company’s mission and vision.

1. Review your strategic position.

A SWOT analysis is necessary at this point so as to capitalize on core competencies

1. Agree on priorities

Given the scarce resources, prioritization is paramount at this stage

1. Organize the plan

A clear road map indicating the execution process should be developed and documented at this stage.

1. Identify your next actions

The plan should indicate all the action plans in a systematic manner

1. Roll out the plan

Strategy implementation is critical. It is argued that it is even better to implement a second grade strategy other than having a first grade strategy and failing to implement

1. Hold everyone accountable

For successful implementation, every team member should be held responsible for their actions

**Strategy Evaluations**

Construction is a continuous and ever changing processgiven the dynamics in technology. For successful strategic planning the following evaluations are critical

1. A review of previous achievements

Having a review of the previous year’s performance enables one to capitalize on achievements and eliminate failures as much as possible

1. Review of profitability

The main goal is always on profitability. An evaluation on arears of high profitability should be done so as to allocate additional resources to this arears

1. A competitive mix

Through the previous activities and by conducting a SWOT analysis, the company should be in a position to come up with a competitive package that is superior to that of the competitors

1. Financial performance

Financial performance are important yard sticks to planning. The future course of action will majorly be influenced by the previous financial performance based on key financial performance indicators

**Competitive advantage**

For a successful strategic plan, competitive advantage is paramount. It entails;

1. Identifying strengths
2. Determining core activities
3. Determining competitive edge
4. Sustaining competitive advantage

**Refining Mission, Vision and Values**

A **mission** should be short, concise and gives and explanation of the reasons for existence.

It should focus on;

* Customer satisfaction
* Key/core competencies
* Motivating employees
* Clearly defined
* Being focused and specific
* Easily understood
* Memorability

A **vision** is a dream of the future

Qualities of a good vision includes;

* It is visionary
* Builds on competitive advantage
* A model of the imaginary future
* Inspirational
* Motivating and
* Purpose driven

**Values** on the other hand are beliefs and guiding principles

To continually inculcate these values to employees, a company should;

* Continuously communicate them
* Train employees
* Have a reinforcing mechanism
* Reward adherence to these values
* Use as a guide in recruiting and hiring
* Synchronize with daily activities

**Assessing Strengths**

A comprehensive strategic plan needs an assessment of an organizations competencies and strengths. These entails the following activities

1. Capitalizing on strengths

After conducting SWOT analysis, it gives a clear understanding on the company’s strength’s and capabilities. This forms the basis for capitalizing on these strengths at the same time minimizing and/or working on the weaknesses

1. Productive workforce

The company should strive to hire, train and maintain the right mix of productive workforce. It should also strive to put in place effective and efficient structures as well as impart the necessary soft skills to these workforce

1. Synergy between capabilities and resources

The necessary physical, financial and the intangible resources should be availed to complement the organizations capabilities

1. Profitability

**Summary of Key Steps in Strategic planning process**

Strategic planning process can be summarized as follows;

1. Setting up the process

This is the initial step. It is dependent on the organization leadership, availability of resources and commitment towards the process.

It involves identifying specific issues to be handled, the processes and the information required

1. Stakeholder engagement

This is the second and also important step in the planning process

Involvement of stakeholder ensures that

* Their input is factored-in in the initial stages
* Future possible resistances are avoided
1. Aligning Mission, Vision and Core values

Aligning mission, vision and core values expounds the reason the organization exist, the expected future successes and what it stands for.

1. Business Environment scanning

The business environment is shaped by the economic, cultural, political and social conditions prevailing at a particular point in time. In strategic planning, the impacts of these environments should be considered

1. Theory of change and program portfolio

This process involves undertaking SWOT analysis so as to assist in preparing for the anticipated change

1. Business model

The core objective of most business is to maximize profits and minimize on cost. This objective should be in line with the planned strategy to avoid conflicts of interest

1. Organization capacity

The physical infrastructures and the organizational structure should support the strategic planning process. A competent human resource should be in place to assist the process from inception to its end.

1. Leadership

Leadership is critical for the process to be successful

1. Completing the strategic plan

It is the second last important step in strategic planning process. It involves a lot of review process with the aim of finalizing the strategic plan.

1. Implementing the plan successfully

The last and the most essential process in strategic planning is implementation. It is argued that it is even better to implement a second class strategy than having a first class strategy and failing to implement. In other words, failure to implement a strategy negates all the initial nine processes.

Despite being a critical and important step, the process is faced by challenges such as;

* Difficulties of cascading the strategy into operational plans
* Difficulties in adapting to new developments
* Lack of motivation and direction

**References**

Erica Olsen, (2007). Strategic planning for Dummies

Michael A., & Jude, K., (2015). Strategic Planning for Non-profit Organizations; A Practical guide for dynamic times