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STRATEGIC PLANNING

Strategic Planning Essay

*Strategic planning is a process in which an organization's leaders define their vision for the future and identify their organization's goals and objectives. The process includes establishing the sequence in which those goals should be realized so the organization can reach its stated vision.*

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**INTRODUCTION**

Strategic planning is a process in which an organization's leaders define their vision for the future and identify their organization's goals and objectives. The process includes establishing the sequence in which those goals should be realized so the organization can reach its stated vision.

Strategic planning helps you clearly define your company's long-term objectives—and maps how your short-term goals and work will help you achieve them. This, in turn, gives you a clear sense of where your organization is going and allows you to ensure your teams are working on projects that make the most impact.

The purpose of strategic planning is to set overall goals for your business and to develop a plan to achieve them. It involves stepping back from your day-to-day operations and asking where your business is headed and what its priorities should be.

Strategic planning is essential to determine the direction of your organization. It focuses on your efforts and ensures that everyone in the business is pursuing a common goal. It also helps you: agree actions that will lead to business growth.

Strategic planning is a crucial tool for any organization striving to achieve success. It provides direction, enhances decision-making, improves resource management, and enhances operational efficiency. Companies like Apple, Amazon, and Google stand as testaments to the power of effective strategic planning

Businesses need direction as it helps create a strong structure and determines what each department, as well as each individual employee, is responsible for. It gives your organization clear purpose and objectives and ensures that everyone knows how they are helping to achieve them.

Managers and business owners aren’t waiting for their competitors to swoop in and put them out of business. Instead, they’re using their strategic plans to get ahead of the game. But strategic planning doesn’t have to be mysterious, complicated, or time-consuming. In fact, it should be quick, simple, and easily executed. And strategic planning isn’t just something you cross of your list of to-dos — you must create a culture of strategic thinking, so your strategic planning doesn’t become an annual retreat but, instead, a part of daily decision making.

A strategic plan should include many elements:

* A mission statement and vision statement
* A description of the company’s long-term goals and objectives
* Strategies the company plans to use to achieve general goals and objectives
* Action plans to implement the goals and objectives.

The strategic plan may also identify external factors that can affect achievement of long-term goals. Plans may vary in detail and scope (depending on how big the organization is), but for the most part, a strategic plan includes the basic elements listed above.

The central purpose of this process is to ensure that the course and direction is well thought out, sound, and appropriate. In addition, the process provides reassurance that the limited resources of the enterprise (time and capital) are sharply focused in support of that course and direction. The process encompasses both strategy formulation and implementation.

The Strategic Plan’s Key Elements

A company’s strategic plan is the game plan that management uses for positioning the company in its chosen market arena, competing successfully, satisfying customers, and achieving good business performance. Most business owners and executives have countless excuses for not having a formal strategic plan. I’ve heard everything from “We’re too new,” to “We’re not big enough,” to “We’ve never had one; why start now?”

If these excuses sound familiar, check this out: Studies indicate that roughly 90 percent of all businesses lack a strategic plan. Of those who possess a plan, only 10 percent implement it. So, if you’re part of the 90 percent, ask yourself these questions:

* Can your company be more focused?
* Can you be more effective?
* Can your employees be more efficient?
* Can your company be more successful?

I’m guessing that most of you answered yes to all the above. And that’s okay, so in the following sections, you understand how each part of a strategic plan can change how you answer the above questions.

**Vision: Bringing things into focus**

 You get what you focus on. Everyone knows this, but most companies are busy tending to the urgent problems of the day and not focusing on key long-term issues. Unless your staff can focus on a common vision, the company can go nowhere. A strategic plan helps direct energy and guide staff toward a shared goal in an ever-changing world. Orit Gadiesh, chairman of Bain & Co., says, “In the current environment, companies can’t afford not to have a set of guiding principles — a vision that communicates true north to the entire organization.” Can your company be more focused? Yes, and to help find your true north

**Mission, goals, and objectives: Empowering employees**

 The mission statement, goals, and objectives are the roadmap in a strategic plan to empower your employees to be more effective (and you too, for that matter). Don’t let these elements be just a paragraph on the break room wall or bullet points in a memo; let them shine as primary guidelines for leading the organization to higher levels of performance. They provide the framework for independent decisions and actions initiated by departments, managers, and employees into a coordinated, company-wide game plan.

Strategy: Explaining the how

After the mission, goals, and objectives are clear, (see previous section) establish how you’re going to achieve those items. A strategy provides the vehicle and answers the question “How are we going to get there with the resources we have?” A good strategy focuses on efficiency through: Achieving performance targets, Out-performing your competition, Achieving sustainable competitive advantage, Growing your revenue and maintaining or shrinking your expenses, Satisfying customers, Respond to changing market conditions. Basically, strategies keep your whole company acting together while strengthening the company’s long-term competitive position in the marketplace.

**Tools and Approaches**

Among the most widely used tools for strategic planning is SWOT analysis, which means (Strengths, Weaknesses, Opportunities, and Threats). The main objective of this tool is to analyze internal strategic factors, strengths and weaknesses attributed to the organization, and external factors beyond control of the organization such as opportunities and threats.

 Other tools include:

* Balanced Scorecards, which creates a systematic framework for strategic planning
* Scenario planning, which was originally used in the military and recently used by large corporations to analyze future scenarios
* Pest analysis (Political, Economic, Social, and Technological)

• ASSIMPLER Blueprinting - The Business Blueprinting of the organization is designed based on the ASSIMPLER framework (based on work of Mandar Vanarse). ASSIMPLER stands for Availability, Scalability, Security, Interoperability, Maintainability, Performance, Low cost of ownership, Estendability and Reliability - applied to business services and processes.

* STEER analysis (Socio-cultural, Technological, Economic, Ecological, and Regulatory factors)
* EPISTEL (Environment, Political, Informatic, Social, Technological, Economic and Legal).
* ATM Approach (Antecedent Conditions, Target Strategies, Measure Progress and Impact). Once an understanding of the desired end state is defined, the ATM approach uses Root Cause Analysis (RCA) to understand the threats, barriers, and challenges to achieving the end state.

**Tips for Better Strategic Planning:**

Before you get too far into your strategic planning process, check out the tips below — your quick guide to getting the most out of your strategic planning process:

**Pull together a diverse, yet appropriate, group of people to make up your planning team.** Diversity leads to a better strategy. Bring together a small core team — between six and ten people — of leaders and managers who represent every area of the company.

**Allow time for big picture, strategic thinking.** We tend to try to squeeze strategic planning discussions in between putting out fires and going on a much-needed vacation. But to create a strategic plan, your team needs time to think big. Do whatever it takes to allow that time for big-picture thinking (including taking your team off-site).

**Get full commitment from key people in your organization.** You can’t do it alone. If your team doesn’t buy into the planning process and the resulting strategic plan, you’re dead in the water.

**Allow for open and free discussion regardless of each person’s position within the organization**. (This tip includes you — the CEO.) Don’t lead the planning sessions. Hire an outside facilitator, someone who doesn’t have any stake in your success. When you do, people wonder whether you’re trying to lead them down the path you wanted all along. Encourage active participation, but don’t let any one person dominate the session.

**Think about execution before you start.** It doesn’t matter how good the plan is if it isn’t executed.

**Use a facilitator, if your budget allows.** Hire a trained professional who has no emotional investment in the outcome of the plan. An impartial third party can concentrate on the process instead of the outcome and can ask the tough questions that others may be concerned with.

**Make your plan actionable.** The plan must clearly articulate objectives, action steps, responsibilities, accountabilities, and specific deadlines. And everyone must understand the plan and their role in it.

**Don’t write your plan in stone.** Effective strategic plans are fluid, not rigid and unbending. They allow you to adapt to changes in the marketplace. Don’t be afraid to change your plan as necessary.

**Clearly articulate next steps after every session.** Before closing the strategic planning session, clearly explain what comes next and who’s responsible for what. When you walk out of the room, everyone must fully understand what they’re responsible for and when to meet deadlines.

**Make strategy a habit, not just a retreat.** Examine the strategic plan for performance achievement without a period and as often as monthly or weekly. Focus on accountability for results and have clear and compelling consequences for unapproved missed deadlines.

**Competitive Analysis**

Competitive analysis involves identifying your direct and indirect competitors using research to reveal their strengths and weaknesses in relation to your own. In this guide, we'll outline how to do a competitive analysis and explain how you can use this marketing strategy to improve your business

**How to Run a Competitive Market Analysis**

1. **Identify Your Competition.**

This may sound basic, but if you don't know who you are up against, how will you know how to outperform them.

1. **Audit Their Content**

Now that you know who you are facing, it is time to get a better understanding of what they bring to the table.

1. **Examine Their Website and Analyze Their SEO Content Focus**

Websites are structured, and the better the structure, the more likely the site will receive a high-ranking in-search engines.

To get a feel for how customers might use your competitor’s website—and how search engines latch on to it—click every link in the header and dropdowns. Again, assess what they are doing well and where they have left holes for you to fill.

1. **Take a Plunge into Social Media**

Social media is an essential way to interact with users and fans and share your content, but everyone uses it differently.

How do your competitors show up on social media? What do their profiles say? What do they post and repost? How often? Do they use images? Photos?

Just as importantly, who is following them? Who do they follow? Each social media site has its own thumbprint, so examine the differences (and similarities) among Facebook, Twitter, LinkedIn, YouTube, Snapchat and Pinterest.

1. **Evaluate Your Next Steps**

Now you have a complete picture of who your competition is, what content they are creating, how they design their website and which social media platforms they engage in. You can identify where you need to improve and how to invest your resources to not only keep pace with your competitors, but to remain a successful individual.

Competitor analysis facilitates decision makers to understand who competitors are and what the market structure is. It allows management to identify its competitors' making and selling tactics.

**Strategy and Competitive Advantage**

The initial task in strategic management is the compilation and dissemination of the vision and the mission statement. This outlines the purpose of an organization. Additionally, it specifies the organization's scope of activities and the markets a firm wishes to serve.
Follow-on strategy formation is a combination of three main processes which are as follows:

Performing a situation analysis, self-evaluation and competitor analysis: both internal and external; both micro-environmental and macro-environmental.

A strategic plan guides your business toward its long-term goals by focusing resources, actions, and priorities on a united purpose. It creates a shared understanding of the company's direction among company leaders, stakeholders, and staff, ensuring they synchronize their efforts to serve a desired outcome.

**Design and Planning Strategy**

Strategic planning affects how a business achieves its goals. Design strategy applies the principles of design thinking to the structure of a business strategy to meet user needs in a manner that ultimately enhances a business.

**Information Management**

Is the infrastructure used to collect, manage, preserve, store and deliver information. The guiding principles that allow information to be accessible to the right people at the right time. There are 5 key areas of information management.

* Collection
* Storage
* Distribution
* Archiving
* Destruction

**Interventions in the Field of Organizational Development**

Is a systematic and planned series of actions or activities designed to improve the overall effectiveness, health, and performance of an organization. To simplify, an OD intervention is a process that is actioned in response to a need for change.

Organizational development (OD) interventions are programs and processes designed to enhance an organization's effectiveness by transforming leadership styles, organizational culture, structures, or behavioral patterns.

Effective interventions will have clear objectives, utilize evidence-based strategies and effectively utilize assessment to evaluate pupil progress and evaluate the effectiveness of interventions, adjusting along the way.

The five major steps to intervention are the "5 A's": Ask, Advise, Assess, Assist, and Arrange.

**Process Monitoring and Measurement**

To monitor is to watch closely to observe, record, or detect; in effect, it's an act of surveillance. Meanwhile, measurement is the act of determining the actual traits of something (such as dimensions, capacity, etc.).

There are three major categories of process metrics, which include:

* Static process metrics: Relate to the properties of a defined process.
* Dynamic process metrics: Relate to the performance of a process.
* Process evolution metrics: Relate to making changes within a process over time.

Following its purpose, monitoring relies on data collection techniques like observations, checklists, questionnaires, feedback mechanisms, audits, etc. Measurement adopts methods like checking the dimensions of a product, controlled testing, and process capability analysis to obtain precise data

**Competence (Human Resources)**

HR competencies are essential skills and traits that enable human resources professionals to perform their duties properly. These abilities include communication, negotiation, talent acquisition, business acumen, leadership, and analytical thinking.

You must possess a highly skilled HR department capable of assessing your employees, and this Gaining a better understanding of human resources core competencies prepares you to make decisions that have long-lasting impacts on your entire organization. And this need only grows with large or medium-sized companies with many moving pieces.

There are 10 must -have competencies for HR professionals

1. Communication skills
2. Time management
3. Negotiation skills
4. HR fundamentals
5. Talent acquisition
6. Critical thinking
7. Attention to textual detail
8. Leadership and people management
9. Analytical skills
10. Cognitive flexibility

These 10 capabilities provide you with an overview of what HR employees should know and how to assess them during hiring.

**Business administration**

The administration of a business includes the performance or management of business operations and decision making as well as the efficient organization of people and other resources to direct activities toward common goals and objectives. This may include assisting and overseeing teams, problem-solving, developing and implementing plans, and meeting objectives.

Administrator is occasionally the title of the general manager or company secretary who reports to a corporate board of directors. This usage is archaic [citation needed]. In general, administration refers to the broader management function, including the associated finance, personnel and MIS services.

A business administrator focuses on the work being done and the results that work is producing. Monitoring productivity and accounting are cornerstone responsibilities of a business administrator. It also includes operations and decision making as well as the efficient organization of people and other resources to direct activities toward common goals and objectives.

**Conclusion:**

We have reviewed many popular approaches for strategic planning. The key points are the following:

The two basic strategies for business planning include product differentiation and striving to be the most affordable producer.

Product differentiation can be accomplished by focusing on Midas versions of products using extravagant engineering and design. Having a low-cost producer can be accomplished by focusing on Hermes versions of products utilizing frugal engineering and design.

Planning strategies can be classified as having an internal organizational focus (looking inside) or an external or environmental focus (looking outside).

The development of an abbreviated SWOT analysis that is supported with a strategy analysis can be utilized to incorporate the key elements of the various strategic planning approaches.

The planning process never ends. With constant pressure from the market and competition, firms are urged to develop a new strategy and plan from time to time.

We reviewed the various analytic approaches for strategic planning. There is no single business plan that can be utilized to deal with the complexity of monopolistic competition, nor is there a single planning approach that will take the organization down the path. A revised analysis tool, called quick SWOT analysis, was introduced that incorporates the various strategic planning approaches.

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