

Strategic Planning : An Overview

Introduction and Objectives of the module

This module addresses the meaning and importance of the strategic planning process for a non for profits organizations and outlines a process that can be used to conduct strategic planning. It includes tools, sample formats, and resources that organizations can use to conduct effective, strategic planning processes.

The objectives are as follows:

- To build an understanding of strategic planning.
- To discuss the various components of strategic planning.
- To outline the process of strategic planning and provide access to tools and resources.
- To discuss the process to operationalize the plan and how to measure its performance.

What is Strategic Planning?

Strategic planning is the process used to determine what an organization wants to accomplish and to establish direction, strategies, and resources to reach those goals. Strategic planning is about making future, directional, and fundamental decisions and is less about operational decisions about day-to-day implementation. The decisions made at the strategic level include big picture goals, the segments the organization will serve, the organization's role in the community, key programs and/or services, resources, and how all these factors will come together to achieve the organization achieve its mission.

Why is it Important to Develop a Strategic Plan?

Many organizations may jump straight into implementation activities because of resource limitations or the inability to devote time, priority, and resources to

planning. While this may seem feasible in the short term, the absence of strategic planning limits the organizational growth in the long term.

A strategic plan is important for the following reasons:

- ⇒ Provides a roadmap for action: The strategic plan acts as a reference to keep everyone in the organization on track towards meeting ITS mission and goals.
- ⇒ Maximizes opportunities and minimizes risks: The strategic plan helps to anticipate opportunities and challenges and be proactive.
- ⇒ Increases stakeholder engagement: The process of developing a strategic plan involves engaging stakeholders and partners. The availability of a strategic plan allows existing and new stakeholders to clearly understand the organization and to gain knowledge on their roles in the process.
- ⇒ Facilitates alignment of the organization: The strategic plan begins with defining the vision, mission, strategies goals and objectives of an organization. It also includes implementation strategies and a framework for evaluation.
- ⇒ Assist in setting priorities. The strategic plan assists in focusing on activities that are critical to achieving its overall mission, vision, and goals.
- ⇒ Increases effectiveness and impact. The strategic plan should find creative solutions and optimize resource utilization.

What Are the Components of a Strategic Plan?

The strategic plan is a comprehensive document that helps to broadly define the organization from the long-term vision to the tactical aspects employed by organization. One of the first decision that the Board should make is the duration of the strategic plan. More and more, due to the constant changes in our society, a three-year plan is often the decision made by the Board to review its priorities. The key components of the strategic plan may be customized to suit the need of the organization. Here are the various parts of a strategic plan:

Description: The description of the organization usually includes the name, years of existence, governance structure, programs and services and members and/clients.

Assessment of the present state of the organization: What we have achieved since our last strategic planning exercise and what are the gaps between what we said that we would do and what we have achieved. It should answer the most basic but most critical question: Why are we doing what we are doing? A SWOT (strengths, weaknesses or challenges, opportunities and threats) analysis is usually done at this stage of the process.

Vision: The vision describes that future of the organization and to answer the question – “Where do we aim to be? Where do we want to be as an organization in 10-12 years from today? The vision statement is the “collective dream” of the members and partners of the organization.

Mission: The mission outlines the present and answers the question – “What do we do?” Why do we exist? What differentiate our organization from others? What is our “Raison d’être”.?

Values: The values are guiding principles that help the organization to function with guiding principles. It is important that a common set of values is agreed upon and serve to guide members and partners in their behaviors and conduct.

Following these general orientations, the next steps contains the essence of the priorities, goals, and objectives that the organization want to pursue. Development priorities are the base from which the goals and objectives will be put forward. Priorities are directions enabling the organization to focus its actions and its resources. Following the development and the definition of these priorities are presented and agreed upon, the cascade begins to examine the next steps required to move forward.

The next steps require the members of the Board, stakeholders, and members of the organization to examine the goals and strategic objectives that will enable the organization to move forward. Goals are broad statements that are usually defined for a longer term than objectives (12-18 months). It provides directions that are required in each priority developed earlier. Again, 3-4 goals could accompany each priority that were developed earlier in the process.

For each goal, strategic priorities are developed under each goal. Again, for every goal that were agreed upon, 3-4 priorities could be presented. At this stage, the Board has completed its roles by agreeing on the strategic components of the strategic plan and adopting the plan, the next steps required the Executive Director and staff to develop an operational plan. For each priority, activities and initiatives are submitted as part of the implementation of the strategic plan.

An operational plan focuses on answering the following questions: Who does what? When? With which resources? How will the results be measured and monitored (namely a monitoring and evaluation framework), with indicators and targets. A well thought out monitoring and evaluation framework can go a long way to help review the program strategies, objectives, and activities and based on a results-based approach and what impact the initiatives have on the members and people the organization represents. Timelines and resources allocation are an important element of the operational plan. And more importantly, it will dictate the budgetary process. Very often, the Executive Director will report back to the Board on the evolution of the operational plan. The operational plan is reviewed and updated on a yearly basis.

How to develop a Strategic Plan?

The leadership to develop and update the strategic plan of an organization is an essential responsibility of the Board of the group? The Board might decide to delegate this task to a standing or Adhoc committee of the Board. Decisions are made and approved by the Board on the following items:

- ⇒ What process will be followed?
- ⇒ Will we establish a planning team, steering group, or committee?
- ⇒ Who will participate, engage, and be consulted in the strategic planning exercise?
- ⇒ Do we favour developing a survey, questionnaire as part of the process?
- ⇒ What is the timeline to develop the strategic and operational plans?
- ⇒ Should the Board solicit external resources to facilitate the process?

- ⇒ What financial resources are required and is it allocated in the budget?
- ⇒ Are we favoring a 5- or 3-years window for the plan?
- ⇒ What documents and reports are required to initiate the process? (prior plans and results, assessment of the performance of the last plan, annual and financial reports, etc.).

We also suggest that a draft version of the strategic plan be circulated to the participants that were part of the process, stakeholders and partners to solicit their input on the content. This task should be initiated before the development of the operational plan.

Other questions and suggestions that require the attention of the Board members and other partners engaged in the process:

- ⇒ How do we build consensus on the process and the results?
- ⇒ Who will read this document and represent the targeted audience?
- ⇒ Avoid technical expressions (or outline a definition or a glossary for clarity) if this document is distributed to a larger group than your members.
- ⇒ Develop a process to keep the strategic plan alive and update its content to reflect any changes that might have occurred.
- ⇒ Once goals and objectives are attained, they should be reviewed and updated periodically.
- ⇒ Ensure that there is team ownership for the plan, and it is nurtured throughout its development and implementation.
- ⇒ The Executive Director should report to the Board on a regular basis as to the evolution and results achieved regarding the plan

Conclusion

A strategic plan represents a roadmap and not an end. It should guide the organization in achieving its vision and mission and to focus on priorities and important issues. It is a valuable tool to assess where the organization stands at the present time and where it wants to be in the future.