

A close-up photograph of a hand moving a light-colored wooden chess king piece on a chessboard. The king piece is the central focus, with its fingers gripping the top. The chessboard has alternating light and dark squares. Another chess piece is visible in the background, out of focus. The background is a dark, solid color.

BASICS OF STRATEGY PLANNING

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Strategic Planning: What Is It?

An organizational development tool designed to influence the future, to anticipate and respond appropriately to changing times, to increase productivity and to develop consensus and commitment. Strategic planning is about shaping change.

A Definition of Strategic Planning

“Strategic planning is the process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future.”

J. William Pfeiffer, Leonard D. Goodstein, and Timothy Nolan of University Associates, Inc.

Strategic planning is aimed at engaging with work groups to envision the future and manage the inevitable changes caused by economic conditions, leadership, student, patient, or departmental needs and technology. It assists organizations to help shape the future, rather than to simply prepare for or adapt to the future. It also looks very carefully at current performance and allows for analysis of the gaps between the present and the envisioned future. Because all levels of staff and faculty are to be included in this process, all tasks and positions are open to evaluation. The Applied Strategic Planning Model looks at the values held and articulated by the

organization and fits those values into the mission of the organization and the plans that are made. Decisions are made more easily and are consistent with predetermined goals, values and missions.

Another goal of strategic planning is to transform the strategic plan into individual plans and actions and to reward behavior accordingly.

Assumptions Around Strategic Planning

- The process of planning is as important, as the product
- It can be painful
- It requires changing the culture of the organization
- It is a crafting process
- It develops the form and function of the department

Strategic Planning in a Higher Education Setting

George Keller, in 1983, began the call for strategic planning in higher education. He noted the following features that distinguish strategic planning from prior management methods to help plan and make decisions.

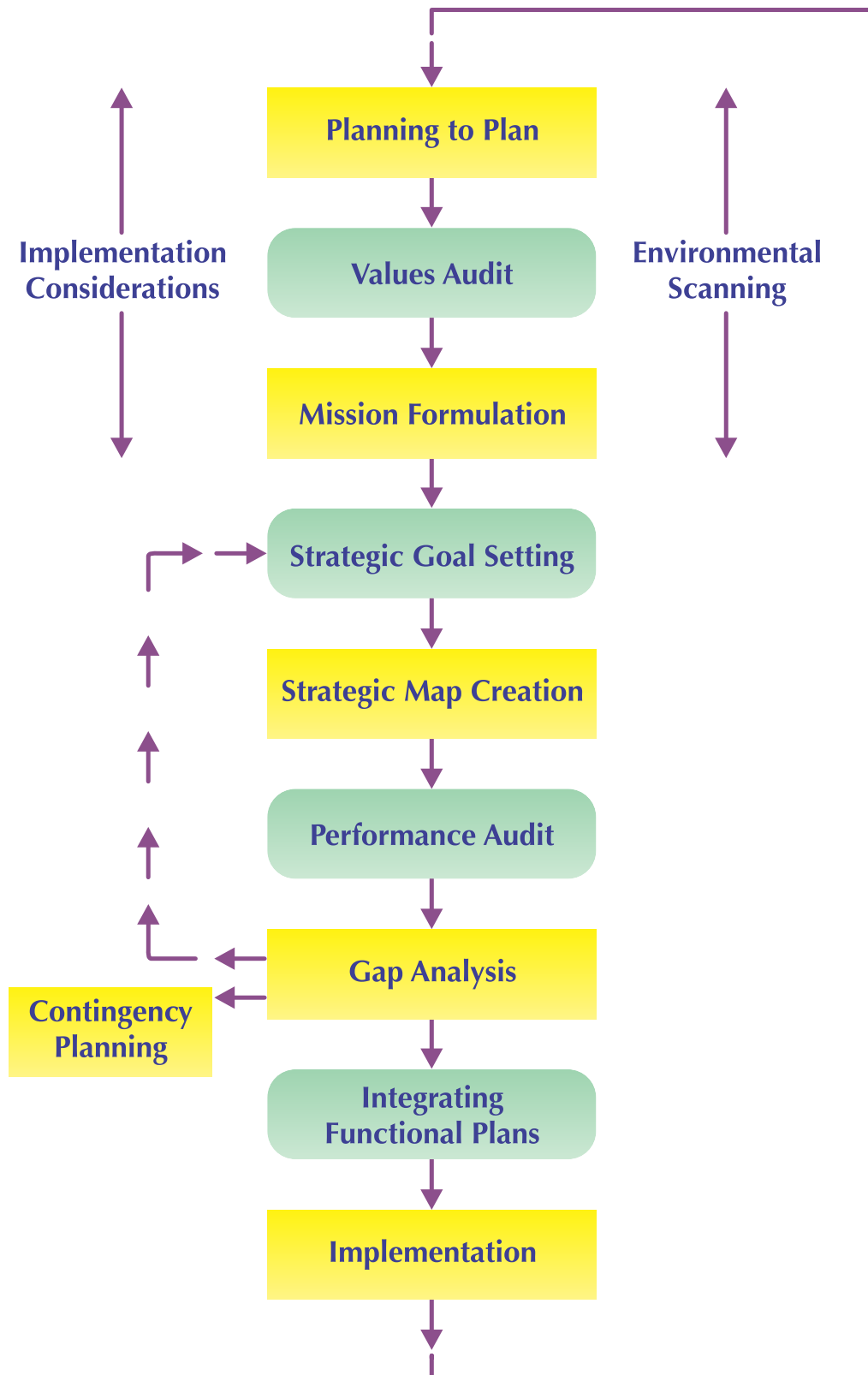
1. Academic strategic decision making means that a college, school, or university and its leaders are active rather than passive about their position in history.
2. Strategic planning looks outward and is focused on keeping the institution in step with the changing environment.
3. Academic strategy making is competitive, recognizing that higher education is subject to economic market conditions and to increasingly strong competition.
4. Strategic planning concentrates on decisions, not on documented plans, analyses, forecasts and goals. Strategic planning is people acting decisively (and roughly in concert) to carry out a strategy they have helped devise.
5. Strategy making is a blend of rational and economic analysis, political maneuvering and psychological interplay. It is therefore participatory and highly tolerant of controversy.
6. Strategic planning concentrates on the fate of the institution above everything else.

Seven Questions for Strategy Planning

1. Who is your primary customer?
2. How do your core values prioritize shareholders, employees and customers?
3. What critical performance variables are you tracking?
4. What strategic boundaries have you set?
5. How are you generating creative tension?
6. How committed are your employees to helping each other?
7. What strategic uncertainties keep you awake at night?

*“Stress-Test Your Strategy: The 7 Questions to Ask” by Robert Simons,
November 2010 edition, Harvard Business Review*

Strategic Planning Model



J. William Pfeiffer, Leonard D. Goodstein, and Timothy Nolan of University Associates, Inc.

Phases of Planning

These phases, although linear in design, do not always proceed in a linear fashion. The process is dynamic and needs to shift as required by the planners, rather than by sticking with the outlined steps. In addition, paying attention to environmental considerations is imperative (e.g. legislative activities, changing regulations) as well as beginning to implement new ideas and plans as they emerge.

Throughout the planning process, care needs to be taken to ensure complete frankness and trust. All aspects of your organization are worthy of review.

Planning to Plan

Done in conjunction with the top level management in the department or school, this phase includes decisions on who will be involved in the process, how long it will take, who will perform certain tasks or roles, and other similar logistical issues.

Outcomes:

- Identification of the planners and their roles (usually no more than 12)
- Understanding and support for planners to reallocate their responsibilities in order to participate
- Awareness of the strategic planning model and the time frame (3–10 days in planning meetings over 9–12 months)
- Determination of organizational assistance needed to enhance the planning effort

Values Audit

This phase includes two parts: first, a look at the values of individual members of the planning group and second, a look at the current values of the orga-

nization, and how those values are articulated or presented to the staff and constituencies. This is a very important section of the strategic planning process because the values held and espoused directly affect what will or will not be accomplished within the work unit.

Outcomes:

- Comparison of individual values
- Agreement on shared organizational values
- Statement of organizational values
- Understanding of organizational culture and operating philosophies

Mission Formulation

During this section of strategic planning the group will write a mission statement that clearly defines answers to three questions and defines the most important element: 1) what function does the department perform, 2) for whom and 3) how? Identifying the answers to these questions is often fairly easy; writing the mission statement to the group's satisfaction is most difficult.

Phases of Planning (cont'd)

Outcomes:

- Identification of organization's primary mission and what makes it distinctive
- Understanding of who the organization is primarily serving
- Understanding of how the organization does its work
- Agreed upon mission statement (Clear, brief, realistic, reflective of values, energizing)
- Consideration of the positive and negative consequences of expanding or contracting the current mission

Strategic Goal Setting

This phase works on envisioning the future, and defining goals and directions in the context of the functions the department wants to perform. It looks at how to measure success, how to achieve it and how these elements fit within the mission of the unit. Decision making criteria is also determined in this phase.

Outcomes:

- Understanding of planners' orientation to creativity and risk
- Identification of critical success measures
- Understanding of primary functions/program areas
- Understanding of the kind of culture needed to support the plan

Performance Audit

This audit analyzes the current or recent performance of the department. Discussion of internal strengths and weaknesses and external opportunities and threats is begun here. This phase looks at communication methods, how tasks get completed, how duties are allocated and assessment of productivity.

Outcomes:

- Determination of how the performance audit will be conducted
- Understanding of strengths, weaknesses, opportunities and threats to the organization
- Measurement of the current performance of the organization

Gap Analysis

The gap analysis is a comparison of the performance audit and the envisioned future. Plans are made to address any gaps.

This phase can be disheartening to some if the gaps are large between current and desired performance.

Outcomes:

- Identification of the gaps between current performance and desired performance
- Development of strategies to bridge the gaps, such as broadening the time frame, reducing the scope of the objective, reallocating resources to focus effort, or obtaining new resources

Phases of Planning (cont'd)

Contingency Planning

This phase includes considerations of any opportunities or threats which may occur to jeopardize the strategic plan. Examples might include changing economic times, a decrease in enrollments, leadership shifts or the assignment of new divisions or functions. The planners will develop indicators and plans to deal with contingencies based on factors that could affect the organization.

Outcomes:

- Understanding of the most important and probable internal and external vulnerabilities of, and opportunities for, the organization
- Understanding of the point at which to take action if the contingency comes true

Developing and Integrating Functional Plans

This phase includes the development of functional plans and budgets (general-not overly detailed) by the units/teams. Plans which may be included are financial, human resources, operations, customer service and perhaps marketing. The plans should be completed before budget decisions are made so that they may be prioritized and incorporated. Plans are then checked against organizational values and the mission statement. This phase entails group agreement to work together, share resources and support each approved plan.

Outcomes:

- Consideration of appropriate organizational structure needed to make the plan successful
- Identification of functions to submit supporting plan
- Overall resource review (budgets, resources needed, etc.)
- Understanding of predicted conflict between areas

Implementation

The final phase involves taking the action plans and integrating them within the organization. Implementation is the step in the strategic plan when the plans become functional. A review of the process, plans to evaluate progress, and a reward system need to be incorporated in this phase as well. Finally, the plan should capture the commitment of the organization, be consistent with its values, beliefs and culture, and spur the unit into action.

Outcomes:

- Creation of a communications plan to reinforce the strategic plan with all impacted.
- Identification of any changes needed to support the plan, e.g., management structure, reward system and/or information systems.
- Identification of ongoing training and tools needed to manage strategically.

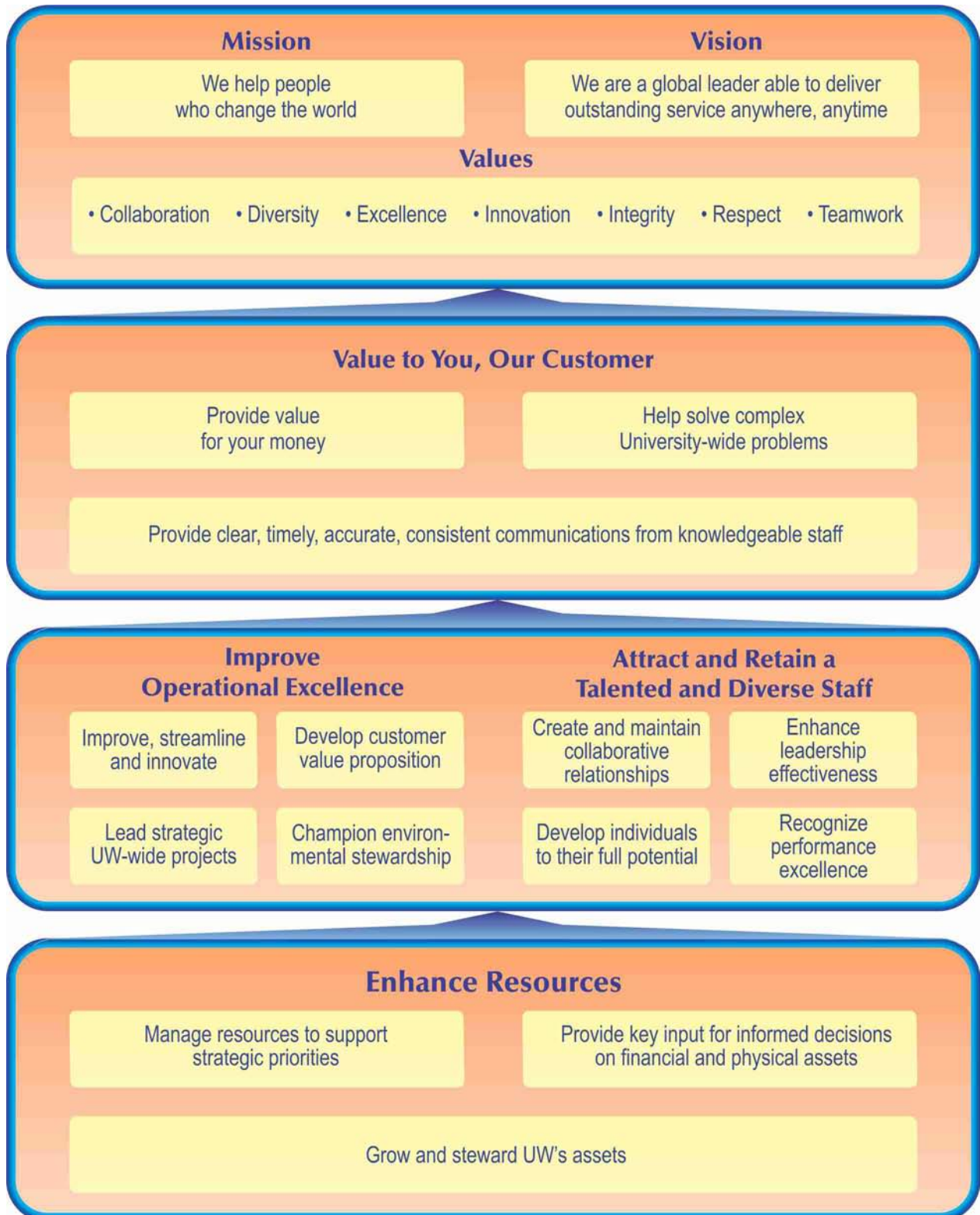
Balanced Scorecard Strategy

- Strategy is an organization's plan to look forward
 - Initiatives are the key action programs needed to achieve the strategy
- Illustrates patterns to examine past performance
 - Measures are chosen to track success
 - Targets are the level of performance needed

Structure of the Scorecard

- Financial
 - Financial performance
- Customer
 - Identification of the customer segments and what they value
- Internal Process
 - Work flow towards accomplishment of strategies
- Learning and Growth
 - The employees, organizational structure, capacity, and training and development

Finance & Facilities Strategy Map 2010–2013



Office of Research ISTAR Initiative

**Office Of Research Mission:
To Enable and Advance
Research**

Phase 4: 5 Year Plan

Achieving Strategic Goals

- Add Value to the Overall Research Experience
- Attract & Retain Top, Diverse Staff
- Achieve Operational Excellence
- Add Value to the UW

Phase 3:
Initiated 7/2008

**Improving Organizational Effectiveness:
Organizational Climate & Structure
Process Improvement & Metrics**

- Create Unit Goals & Objectives
- Define Roles & Responsibilities
- Set Metrics & Work Standards
- Communicate Expected Deliverables
- Establish Work Performance Expectations based on Unit Goals
- Promote a Culture based on Customer, Staff & Compliance Needs
- Create Process for Continuous Organizational Improvement

Phase 2:
Initiated 2/1/2007

Building the Strategic Framework & Infrastructure

- Create Vision
- Build Strategic Goals & Objectives
- Develop Communication & Feedback Plan for:
*Stakeholders
*Process Partners
*Staff
- Develop Mission
- Create Values & Guiding Principles

Phase 1:
Initiated 8/1/2007

Gathering Information about Organization

- Facilitate stakeholder focus groups and conduct survey
- Facilitate employee focus groups and conduct survey

Leading the Effort: Your Role

The leader/planner role varies depending of the leader's skills, abilities and interests, and those of the department he or she is leading. However, Mintzberg identifies several key qualities of the planner:

1. Planners are crafters: they must have intimate knowledge of the area being studied and be flexible to shift as needed (think of a potter).
 2. Planners see patterns in action and plan for the future with consideration from patterns from the past.
 3. Planners understand that strategies need not be deliberate, they can emerge and form, as well as be formulated.
 4. Planners manage strategy—they are involved, responsive, sensitive, encouraging, have individual vision and are continuous learners.
 5. Planners manage stability—they know the subject area, detect discontinuity, manage patterns and reconcile change and continuity.
- Leader drafts plan for consideration
 - Leader leads team based effort to draft plan
 - Team prepares plan and presents to leader
 - Find a consultant to lead team through the effort
 - Check with other leaders and institutions for their models

Leadership Style Considerations

Who should be involved with the effort? Faculty, staff, visiting committees, customers, etc.

Who else outside the department should I talk to? Units, colleges, peers, business, etc.

What changes are occurring in your discipline, on campus, in the state or in the US that might influence your plan?

How will you communicate about the planning effort and final plan?

What is your role as coordinator of the effort—a visionary, a doer, a meeting leader, a member, etc.?

Structural Alternatives

- Do it alone and present to department/ guiding members
- Do it alone, ask for response and revise based on input
- Charter strategic planning team

Timeline Example

- February 11** Finalize and communicate plan
- January 11**
- Review action plans
 - Discuss and roll out communications
- December 10**
- Agree to priorities, assign leader
 - Agree to mission, vision, values, strategies, goals
- November 10**
- Plan to plan: structure and participants
 - Begin planning meetings, draft pieces

In between meetings:

- Small group meetings
- Wordsmithing
- Review drafts
- Draft action plans (who, what, how, resources)
- SWOT Analysis
- Develop Metrics

SWOT Assessment Model

Internal Assessment

Organizational assets, resources, people, culture, systems, partnerships, suppliers, etc.

- Strengths
- Weaknesses

Strengths

Those things that you do well, the high value or performance points

- Strengths can be tangible: Loyal customers, efficient distribution channels, very high quality products, excellent financial condition
- Strengths can be intangible: Good leadership, strategic insights, customer intelligence, solid reputation, highly skilled workforce
- Often considered “Core Competencies” – Best leverage points for growth without draining your

Weaknesses

Those things that prevent you from doing what you really need to do

- Since weaknesses are internal, they are within your control
- Weaknesses include: Bad leadership, unskilled workforce, insufficient resources, poor product quality, slow distribution and delivery channels, outdated technologies, lack of planning . . .

External Assessment

Marketplace, competitors, social trends, technology, regulatory environment, economic cycles

- Opportunities
- Threats

Opportunities

Potential areas for growth and higher performance

- External: marketplace, unhappy customers using your competitors, better economic conditions, alternative funding sources
- Internal: classified as strengths

Timing may be important for capitalizing on opportunities.

Threats

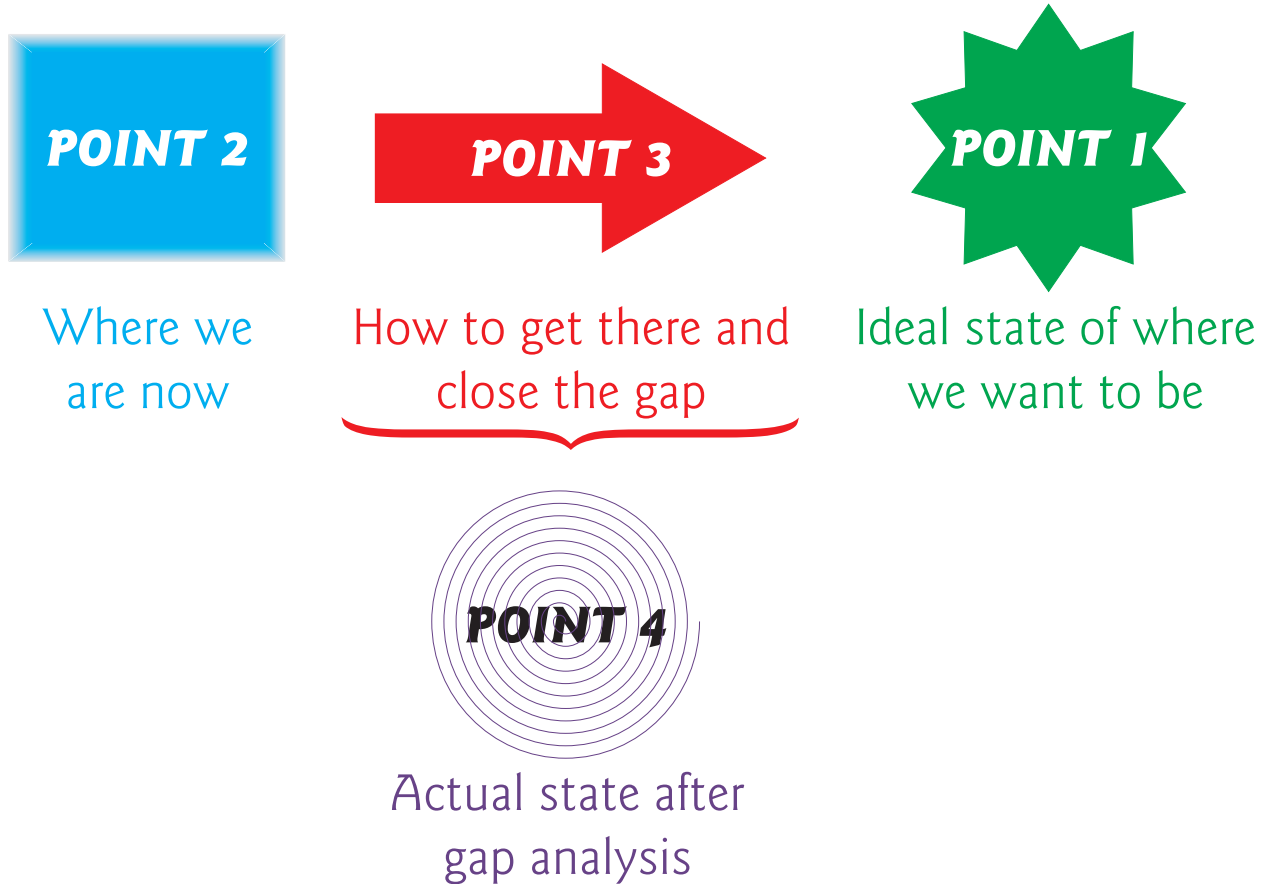
Challenges confronting the organization, external in nature

- Threats can be wide-ranging— bad press coverage, shifts in consumer behavior, substitute products, new regulations . . .

It may be useful to classify or assign probabilities to threats

- The more accurate you are in identifying threats, the better position you are for dealing with the “sudden ripples” of change

Visioning



Step 1

Define the ideal state in the future (POINT 1)

Step 2

Diagnose where we are now (POINT 2)

Step 3

Action plan for how to get from POINT 2 to POINT 1

Step 4

Where did we really end up (POINT 4)

Communicating with Others

Who Needs To Know?

Deans, directors, administration, faculty, students, staff, customers, visiting committees?

How Can They Find Out?

Emails, newsletters, web pages, departmental meetings, word of mouth?

What Do People Need To Know?

Ideas, possible changes, timelines, who's involved?

How Frequently Do They Need To Know?

After each meeting, quarterly, after the plan is completed?

What Do I Need From Them?

Input, questions, ideas, feedback?

Implementation Questions

- How do you know you are future focused, rather than today/to do focused?
- How will you free up time to do this?
- Do you have a method for rewarding efforts to make strategic change?
- How will you make new improvements?
- How will you keep track of the changing environment?
- What metrics will you use?

Strategic Planning Summary

- Is future focused
- Is leadership driven
- Provides for a high level of organizational involvement
- Allows contention within the broad framework of the organization's goals
- Creates broad objectives that encompass organization purpose and culture
- Produces a plan that is widely understood and accepted
- Produces a plan that is both comprehensive and detailed
- Is a model that can be rigorously applied
- Provides the energizing force to drive the needed changes
- Will enable an organization to create and achieve its ideal future
- Allows dialog to take place in a continuous and interactive manner
- Is measurable

Tools: Strategic Planning Readiness

Instructions

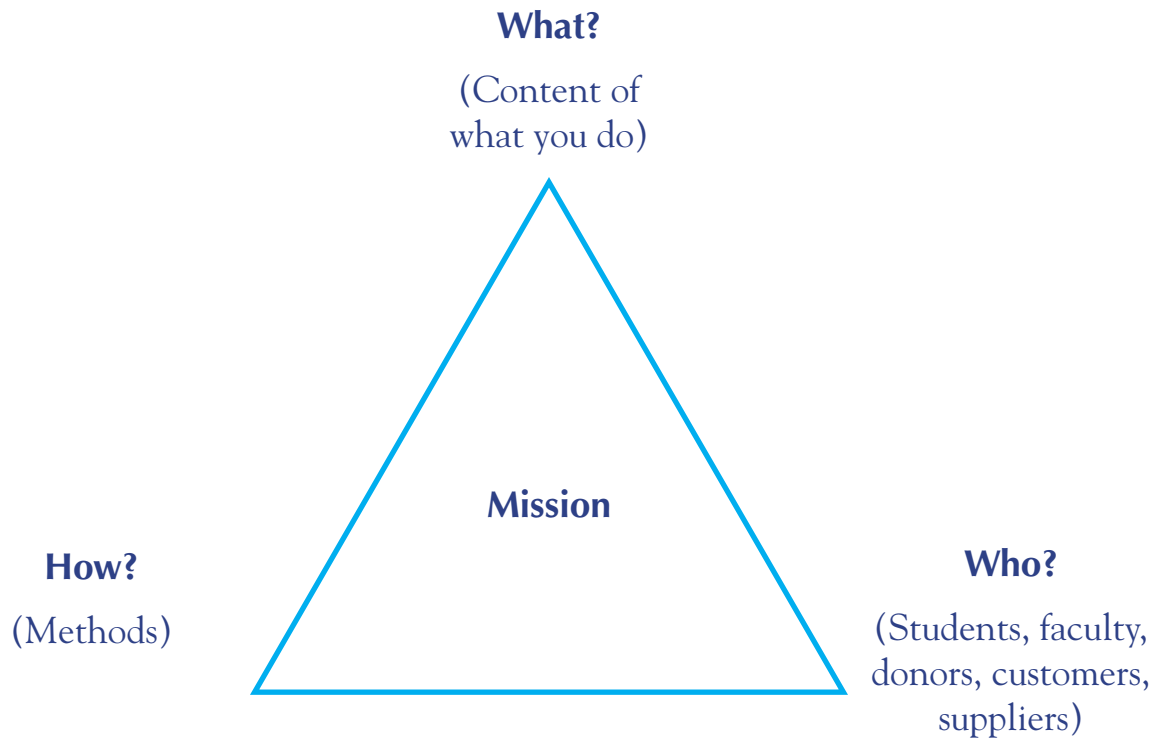
This instrument will help you and your fellow participants examine the strength of support in your organization for effective strategic planning. Sixteen conditions which foster effective strategic planning are listed below. Consider to what extent each condition is present in your organization and state your feelings by circling the number that best corresponds to your opinion. Add all of the circled numbers and write the total in the box provided.

	Not Very Present	Some- what Present	Mostly Present	Almost Completely Present
1. Clarity of responsibilities between operating units	0	1	2	3
2. Successful history with planning and implementation	0	1	2	3
3. Prior skills in planning	0	1	2	3
4. Effective communication and feedback systems	0	1	2	3
5. Rewards for long-term thinking and action	0	1	2	3
6. Available information on the organization's business activities	0	1	2	3
7. Available information on the organization's business environment	0	1	2	3
8. Sufficient time and attention given to planning tasks	0	1	2	3
9. Good relations between segments of the organization	0	1	2	3
10. Desire among managers to do strategic planning	0	1	2	3
11. Financial and political stability	0	1	2	3
12. Willingness to take calculated risks	0	1	2	3
13. Demonstrated creativity	0	1	2	3
14. Demonstrated flexibility and adaptiveness to change	0	1	2	3
15. Skill at group processes and interpersonal relations	0	1	2	3
16. Commitment of the senior leader (dean, chair) to planning	0	1	2	3

UA Consulting and Training Services

Total Score (100 possible)

Mission Building



Proposed Objective Statement

What end result do you plan to achieve? Be as specific as possible.

Action Steps

What incremental tasks are needed to reach the objective?

- Who will be directly involved (indicate lead by circling name)? _____
- Who else might be affected? _____
- How will we know if we've succeeded? _____
- Who will be responsible for implementation? _____
- People's time required _____
- Dollar resources required _____
- Other resources required _____
- Completion Date/Check Points _____

Resources

Articles and Books

- Academic Strategy: The Management Revolution in American Higher Education*
George Keller, 1983
- Applied Strategic Planning: An Introduction*, Goodstein, Nolan and Pfeiffer, 1992
- Applied Strategic Planning: An Overview*, Goodstein, Nolan and Pfeiffer, 1992
- Crafting Strategy*, Henry Mintzberg & Harvard Business Review, no 87407
- Department of Civil Engineering Strategic Plan*, 1998
- Changing the Role of Top Management: Beyond Strategy to Purpose*, Christopher A. Bartlett and Sumantra Ghoshal, Harvard Business Review, November–December 1994
- Reviewing Objectives and Strategies: A Planning Task for Managers*, 1982 Annual for Facilitators, Trainers and Consultants, University Associates
- Shaping Strategic Planning*, William Pfeiffer, 1989,
- Steps to Strategic Success*, Robert Kaufman, Training and Development, May 1992
- Strategic Planning: An Overview*, Robert C. Shirley, New Directions in Higher Education, No. 64, Winter 1988
- Stress-Test Your Strategy: The 7 Questions to Ask.*, Robert L. Simons, Harvard Business Review, November 2010
- The Vision Thing*, Chris Lee, Training, February 1993
- The Balanced Scorecard—translating Strategy Into Action.* Boston: Harvard Business School, 1996.
- Using The Balanced Scorecard As A Strategic Management System.* HBR 74, no.1 (January—February 1996): 75+.
- Tips for Effective Strategic Planning*, Christine D. Keen, HR Magazine, August 1994

Trainers/Consultants/Facilitators

- American Society for Training and Development (206-224-6644)
- Balanced Scorecard Collaborative (training, consulting, materials): <http://www.bscol.com/Center for Instructional Development and Research> (206-543-6588)
- UW Training and Development (206-543-1957) has a staff of facilitators who can help guide the strategic planning effort