



king Abdulaziz University  
Center of Strategic Studies



# STRATEGIC PLANNING GUIDE

Prof. Isam Ben Yahia Al-Filali

Issuance of a series  
Towards the Knowledge Society  
34<sup>th</sup> Edition

2012- 1433





Issuance of a series  
Towards the Knowledge Society  
Center for Strategic Studies  
King Abdulaziz University

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Thirty Fourth Edition  
**Strategic Planning Guide**

2012 - 1433



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تعلموا العلم فإن تعلمه لله خشية، وطلبه عبادة،  
ودراسته تسبيح، والبحث عنه جهاد، وتعليمه من لا يعلمه صدقة.

وبدله إلى الله قربه

(الصحابي الجليل معاذ بن جبل رضي الله عنه)



## PREFACE

Praise be to the Almighty GOD who rise up who believe and who have been granted Knowledge. And, Peace and Blessings upon our Beloved Prophet who commanded us to continuous learning from the cradle to the grave.

For several decades, the world subsist in the society of information, in which the information and communication technology play major role in the process of “modern production” - which is characterized by intensive production of knowledge. With the mounting of human knowledge, the global economy turned to an economy based on scientific knowledge. In this knowledge-based-economy, knowledge achieved the main bulk of the added value. And the key of this knowledge is the innovation and technology. Now, we conceive a period of development known as the development of technical sciences, where, we do not deal with a range of applied sciences with their primitive sense - but we deal with it based on their fields of technological application that interacts with the achievements of all basic sciences - and makes short time difference between the generated knowledge and its application.

The speed with which the economic change occurs, creates a kind of challenge to all nations - even the developed ones, in addition to the growing role of science and technology in the development of communities. This role is increasingly important as the world enters the era of knowledge, during

# PREFACE



which the ideologies were dropped while the knowledge and technologies were emerged. This narrowed the distance between the emergence of scientific knowledge and its actual implementation or application on the real ground. And, the wheel of evolution did not stop at that point - but the global information society took steady turns - even though slow ones - to the knowledge society, which does not mean only advanced information technology as thought by many in the Arab world, but also, this has sort of introductions and essential vitals that must be met to establish the knowledge society.

As the Kingdom has been living the age of informatics and applies its technologies and use its mechanisms in the Kingdom's various projects and programs, it is normal to look forward to the achievement of the knowledge society elements. This requires from us to understand the new trends of the global economy first - and then, to be aware with the real content of the rapid changes occurring in the world around us. We must diagnose the strategic economy issues of the global economy and identify the challenges facing it - and search for ways for its growing and improvement in line with the developments; and with what is required for the future information to achieve sustainable development. And then – we can plan accurately for the establishment of a knowledge society in which the process of knowledge production (which will be the standard issue between underdeveloped communities and developed societies) is the main concern of those who are in charge (the officials) and all the scientific, intellectual and cultural institutions, which are concerned on restructuring our society in its successful path - GOD Willing - towards the scientific renaissance, progress and development.

In this area - King Abdul Aziz University is keen to contribute in building a knowledge society in our country. The University prepared a series of scientific studies to demonstrate the correct implications of the new concepts and developed mechanisms that broadened lately and emerged from the globalization phenomenon to be boosting us and as a leading guide in the foresight planning to achieve the desired transformation required for the establishment of an Arab knowledge society in our country.

The series (towards the Knowledge Society) is considered a new addition to the many aspects of excellence that characterize the research at the University of King Abdul Aziz. Also, it is a fruitful proof about the interaction of this University and its response to the immediate requirements of society and represent a new contribution in the propagation of the scientific culture, which have become necessities of the knowledge era.

I ask The Almighty GOD for the success in achieving the progress of knowledge to our country as well as our society.

**The University President**  
**Prof. Osama Bin Sadeq Tayeb**



## PREFACE

The beginning of this century and the last few years of the twentieth century witnessed a serious development of the concept of scientific and technological progress, which no longer depends on the individual successes achieved by some scientists as was happening in the nineteenth century, and that progress became depending on the research programs adopted by governments and opens areas for the participation of individuals and institutions in it.

The United States succeeded in turning their economic capabilities from depending upon the relative advantage of the commercial production to the relative advantage of the technology production. That was through the creation of disciplines that depend on the technological presentment in several areas. So, the electronics industry became the fastest growing industries and it is the industry with which the technological component rise up.

And the information revolution have caused reduplication of the human knowledge and its accumulation very quickly, especially the scientific and technological knowledge, and the globalization has led to drop the barriers of distance and time and the technological progress became the critical link for the economic progress and as a result of all that, the world economy turned to an economy based mainly on scientific knowledge or knowledge-economy based on knowledge emerged from field and technological research. It is the new knowledge which has turned into a commodity, or service, or restructuring, or production line, and the capability of any nation is represented by the amount of knowledge it has.

attributes. It is a transcontinental culture that shortens the time and distance. It depends on the non-personal media and based on horizontal not vertical knowledge infrastructure. And in the current time, the distance between the emergence of new scientific knowledge and the actual application on the real ground has been narrowed. It also relies on self-education and its continuation throughout life. Therefore, our university





has to undertake new roles because the speed of economic change forms a challenge for developed countries themselves. That is in addition to the growing role of science and technology in the developing of the communities.

This stage of the civilization development of the human race, termed globalization, have imposed numerous challenges we have to identify them first. And then, we should deal with scientific methods and techniques of the present time , and meeting these challenges requires special ability to absorb the new trends of the global economy, and accurate diagnosis of the strategic issues for our society, and its treatment in line with the updated developments.

These shifts have been accompanied by the successive emergence of several innovative concepts, which requires us to stand on the real content of these transitions. And to recognize and foresee its burden and its impact on our local current and future conditions. And what it takes to reshape our society in its path towards the renaissance, the progress and development. That initiated King Abdul Aziz University to issue a series (Towards The Knowledge Society) and publish a number of issues to inform the Arab Reader with the concepts, terminology and mechanisms developed, such as: business incubators, sustainable development, and work from a distance, and e-government, distance learning, and community organizations, voluntary initiatives, and strategic urban planning in addition to other innovative mechanisms and institutional arrangements that spread in recent decades. And about how to utilize them in solving our social & development problems, and thus the series of issues contributed to establishing the scientific bases for the consolidation of the knowledge society in the Kingdom.

This highlights the vital role played by strategic planning at the present stage in order to overcome the constraints and challenges imposed on us by the new global system with the independence of these new mechanisms and developed institutional arrangements which began to be implemented partly in the Kingdom, that confirms our urgent need to rely on strategic studies in our strive for the advancement of our society and its development.

And as a continuation of the University's interaction with the community needs and to contribute in solving its problems based on scientific basis, and as an investment of the excellent successes achieved

by the strategic planning at the University, the University administration has established a Center for Strategic Studies (CSS).

Among its most prominent duties is the study of social, economic, cultural and educational issues that are relevant to the Saudi society, and of a strategic dimension. And in conducting studies and organizing the required events to promote with human economic, social development programs, and to achieve sustainable development implications and propose solutions to social problems such as unemployment and spinsterhood. Also, security problems and delinquency. In addition to conducting research and publishing scientific papers related to research universities and the knowledge society. Also, ways to strengthen the status of the university at the global level.

It is clear that the studies, research and scientific papers published in a series «Towards the knowledge society» are at the core of the work and duties of the new Center for Strategic Studies. Therefore, it was normal to move this series of scientific publications to the Center (CSS) , in order to avoid unnecessary duplication on one side and in expanding the scope and prospects of research and studies issued by the series, and to continue the series «Towards The Knowledge Society» mission in distributing the scientific culture and planning awareness in the community. And to provide beneficial knowledge to the Saudi society with all its institutions at all levels and all the Arab society that seeks to enter the knowledge society.

Praise be to Almighty God in this life and the life after.

**Director of the  
Center for Strategic Studies  
Prof. Isam Ben Yehia AlFilali**



# STRATEGIC PLANNING GUIDE

## PART- 1

### Strategic Planning Guide Purpose

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The strategic planning guide provides:

- Step-by- step approach to conduct strategic planning for higher education institutions, companies, non-profit organizations and government agencies.
- Proven and best practices methodology and tools.
- Detailed instruction for strategic planning sessions and workshops.
- Know- how on conducting , facilitating, and leading strategic planning sessions, workshops and seminars.

## Strategic Planning Guide Purpose

Cont.

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- Templates and forms required for strategic planning sessions, workshops and deliverables.
- Illustrations with examples drawn from leading international organizations.
- Strategic planning challenges and lessons learned.

## Table of Contents

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- Phase- 1 Prepare for Strategic Planning
- Phase- 2 Establish of Strategic Vision
- Phase- 3 Develop Strategies
- Phase- 4 Implement & Evaluate Strategic Plan

# PHASE-1 PREPARE FOR STRATEGIC PLANNING

## Phase-1 Preparation for Strategic Planning

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### Prepare for Strategic Planning

#### A- Understanding Strategic Planning Concepts:

Strategic Management

Strategic Scope

Strategic Planning

Implementation at the Strategic Level

Strategic Monitoring

Strategic Evaluation

#### B- Selecting and Preparing Strategic Planning Team

#### C- Planning for Strategic Planning Activities

## Phase-1 Agenda

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- Phase-1 Overview
  - ▣ Phase-1 List of Activities
  - ▣ Phase-1 Outputs
- Phse-1 Detailed Description
  - A. Understanding Strategic Planning Concepts.
  - B. Selecting and Preparing Strategic Planning Team.
  - C. Planning for Strategic Planning Activities.

## Phase -1 List of Activities

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- Session -1:
  - ▣ Introduce strategic planning concepts to organization Leadership.
  - ▣ Select strategic planning team and define governance.
- Session -2 : Prepare strategic planning team
- Session -3 : Prepare a strategic planning plan (schedule of activities and list of participants)

## Phase -1 Outputs

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- Well-prepared strategic planning team.
- Agreed upon and understood strategic planning concepts.
- Strategic planning process plan: schedule of activities, and list of participants.

## Phase-1 Agenda

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- Phase-1 Overview
  - ▣ Phase-1 List of Activities
  - ▣ Phase-1 Outputs
- Phase-1 Detailed Description
  - A. Understanding Strategic Planning Concepts
  - B. Selecting and Preparing Strategic Planning Team
  - C. Planning for Strategic Planning Activities



# PHASE-1 PREPARE FOR STRATEGIC PLANNING

## A- Understanding Strategic Planning Concepts

### Definitions and Components of Strategic Planning

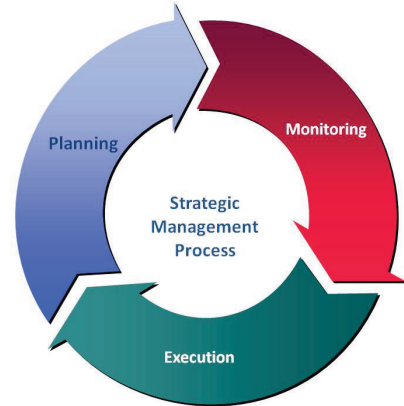
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- Strategic Management
- Strategic Scope
- Strategic Planning
- Implementation at the Strategic Level
- Strategic Monitoring
- Strategic Evaluation

## Strategic Management, What IS It ?

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- Strategic management refers to the art of planning the business at the highest possible level by an organization's leader (or leaders).
- Effective strategic management enables organizations to move quickly in response to new challenges.



## Strategic Management, What IS It ?

Cont.

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- It enables an organization leadership to answer the following questions:
  - ▣ What are our business's objectives?
  - ▣ What are the best ways to achieve those objectives?
  - ▣ What resources are required to make that happen?
- Strategic Leaders need to be surrounded with strategic competencies to ensure successful strategic management.

## Strategic Competencies Needed to Ensure Successful Strategic Management

Range of generic competences centered around an organization leadership to foster improvements



## Definitions and Components of Strategic Planning

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- Strategic Management
- Strategic Scope
- Strategic Planning
- Implementation at the Strategic Level
- Strategic Monitoring
- Strategic Evaluation

## Strategic Scope

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- A business' strategic scope defines **the focus and boundaries** of its operations which are set by management. The decisions management make about strategic scope define the nature of the business.
- A company's strategic scope defines the scope over which the company should compete based on cost leadership or differentiation.

## Strategic Scope

Cont.

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- A company can better meet the needs of a target market by focusing marketing efforts on one or two narrow market segments and tailoring its marketing mix to these specialized markets.
- A focused strategy should target market segments that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investment.

## Strategic Scope, Examples

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- For example, the business management may set the boundaries in terms of:
  - ▣ Geography
  - ▣ Industry or category
  - ▣ Market Penetration
  - ▣ Business Methods
  - ▣ Products / Services

## Strategic Scope, Example

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- The firm can choose to compete in the mass market (like Wal-Mart) with a broad scope, or in a defined, focused market segment with a narrow scope. In either case, the basis of competition will still be either cost leadership or differentiation

## Definitions and Components of Strategic Planning

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- Strategic Management
- Strategic Scope
- Strategic Planning
- Implementation at the Strategic Level
- Strategic Monitoring
- Strategic Evaluation

## Strategic Planning, What IS It ?

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- Strategic Planning is a tool for transforming and revitalizing an organization.
- It enables an organization leadership to answer the following questions:
  - ▣ Where are we?
  - ▣ What do we have to work with?
  - ▣ Where do we want to be?
  - ▣ How do we get there?
- It articulates specific goals and describe the action steps and resources needed to accomplish them.
- It provides guidance in fulfilling a mission with maximum efficiency and impact.

## Strategic Planning Benefits

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- ❑ Bring up Strategic issues for top management review.
- ❑ Identify and analyze available opportunities and potential threats.
- ❑ Define core values and purpose of an organization and establish realistic goals and objectives.
- ❑ Communicate goals and objectives to an organization's stakeholders.

## Strategic Planning Benefits

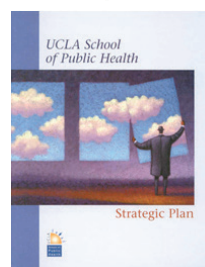
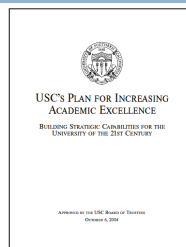
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- ❑ Ensure the most effective use of resources by focusing on the key priorities.
- ❑ Provide a baseline from which progress can be measured and establish a mechanism for informed change when needed.
- ❑ Bring together of everyone's best and most consistent efforts.

## Example: Why A Higher Education Institution Needs Strategic Planning?

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- Meet expected increased demand for higher education in the next 5 years.
- Increase and coordinate strategic investments in tools and technologies.
- Revitalize the educational mission of the institution.

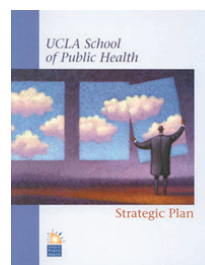
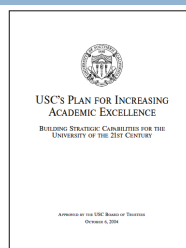


## Example: Why A Higher Education Institution Needs Strategic Planning?

Cont.

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- Seize opportunities in research to increase human well-being.
- Lower institutional barriers to collaboration; and create a more unified, supportive, and inclusive community.
- Introduce new models of higher education.



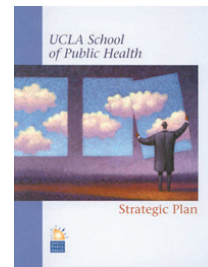
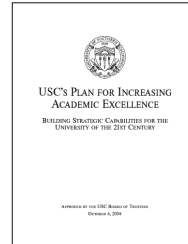


## Example: Why A Higher Education Institution Needs Strategic Planning?

Cont.

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- Improve decision making to drive informed decision making and operate more strategically.
- Compete and succeed in today's marketplace.
- Enhance ongoing customer satisfaction and customer value regarding products, services, and price.



## Example: Why a Company Needs Strategic Planning?

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- Need to expand company's products and services. A strategic plan can help by laying out the process in workable steps.
- Need to grow company's client base: a strategic plan can help you set goals and create an action plan to maintain a clear path that helps you build on existing strengths without incurring significant weaknesses.
- Need to analyze the internal business culture and evaluate its impact on the company's performance.

## Example: Why a Company Needs Strategic Planning?

Cont.

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- Need to recognize the impact the changing business environment is having on the company and affect the needed changes in direction.
- Need to become aware of the company's potentials in light of its strengths and weaknesses.
- Need to Identify and analyze available opportunities and potential threats.
- Need to bring about a needed change of direction of the company.

## Example: Why a Company Needs Strategic Planning?

Cont.

30

- Need to bring up strategic issues for top management review.
- Need to set more realistic objectives that are demanding, yet attainable.

## Example: Why did UK Food Standards Agency Need A New Strategic Plan?

31

- Need to look at ways to increase the transparency of the Agency's decision making, while also making the Agency more receptive to external ideas and views
- Need to develop necessary internal processes to ensure that the Agency works in a more sustainable, economic, efficient and effective way, in its use of public money.



## Example: Why did UK Food Standards Agency Need A New Strategic Plan?

Cont.

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- Need to ensure that the Agency is making full use of the best available scientific evidence and expertise.
- Need to understand better the different circumstances, attitudes and lifestyles that affect what people eat.



## Example: Why did US Department of Education Need a new Strategic Plan?

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- Need to Increase student achievement, reward qualified teachers, and renew troubled schools so that every student can read and do math at grade level by 2014, as called for by the No Child Left Behind Act.
- Need to encourage more rigorous and advanced coursework to improve the academic performance of the middle and high school students.

Strategic Plan  
For Fiscal Years 2007–12



U.S. Department of Education

## Example: Why did US Department of Education Need a new Strategic Plan?

Cont.

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- Need to work with colleges and universities to improve access, affordability, and accountability, so that higher education system remains the world's finest.

Strategic Plan  
For Fiscal Years 2007–12



U.S. Department of Education

## Example: Why did Saudi Aramco Need a New Strategic Plan?

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- Need to accomplish a policy directed for capacity targets; projects evaluated on a return to capital basis (15% hurdle rate).
- Need to move its operations to more proactive field management and toward a future vision of self-governing and autonomous fields.
- Need to leverage intelligent-fields processes and technologies to expand as one of the strategic directions for its upstream businesses.
- Need to leverage deep sensing technologies to increase the accuracy of reservoir surveillance programs.

أرامكو السعودية  
Saudi Aramco



## Why do we need a strategic Plan Now?

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- Set up a brainstorming session with organization 's leadership.
- Appoint one person to record the ideas that come from the session in a format everyone can see and refer to using flip charts, whiteboards, or computers with data projectors.
- If people aren't already used to working together, consider using an appropriate warm-up exercise.

## Why do we need a strategic Plan Now?

Cont.

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- ❑ Define the Question: Why do we need a new (or updated) a Strategic Plan Now?
- ❑ Give people plenty of time on their own at the start of the session to generate as many ideas as possible.
- ❑ Ask people to give their ideas, making sure that you give everyone a fair opportunity to contribute.

## Why do we need a strategic Plan Now?

Cont.

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- ❑ Encourage people to develop other people's ideas, or to use other ideas to create new ones.
- ❑ Encourage an enthusiastic, uncritical attitude among members of the group. Try to get everyone to contribute and develop ideas, including the quietest members of the group.
- ❑ Ensure that no one criticizes or evaluates ideas during the session.

## Why do we need a strategic Plan Now?

Cont.

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- ❑ Let people have fun brainstorming. Encourage them to come up with as many ideas as possible, from solidly practical ones to wildly impractical ones. Welcome creativity!
- ❑ Ensure that no train of thought is followed for too long.

## Definitions and Components of Strategic Planning

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- ❑ Strategic Management
- ❑ Strategic Scope
- ❑ Strategic Planning
- ❑ **Implementation at the Strategic Level**
- ❑ Strategic Monitoring
- ❑ Strategic Evaluation

## Implementation at the Strategic Level

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- Once strategies have been agreed on, the next step is implementation of **strategic initiatives** to have impact on the organization as a whole using the following steps:
  1. Develop total organization agreement to the strategic plan.
  2. Allocate Initiatives to Projects/ Programs
  3. Develop **Strategic Roadmap**
  4. Human capital planning - Importance of having the right people in the right place at the right time with the right skills
  5. Develop communication plan for enthusiastic announcements and information sharing with major stakeholders

## Implementation at the Strategic Level (cont.)

42

6. Strategic Programs Planning: Using the Balanced Scorecard Concept for Planning Implementation - analyzing the cause and effect of business processes needed to successfully implement business strategy, with built-in measurements to track progress.
7. Develop programs/ projects plans that achieve the organization's objectives.
8. Assign programs/projects managers and Teams.
9. Set up programs/ projects schedules.
10. Set up programs/ projects budgets.
11. Start programs/ projects execution, monitoring and control as planned



# Strategic Initiative, Example<sup>(1)</sup>

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## Goal

**GOAL 1:** Establish secure IT infrastructure capabilities to protect the Homeland and enhance our Nation's preparedness, mitigation and recovery capabilities.

## Objective

**Objective 1.1:** Optimized IT Infrastructure

## Strategies & Tactics

### 1.1.1: Achieve Data Center Consolidation

## Initiatives

#### Enterprise Initiatives for the Near-Term (within one year):

- Continued migration of legacy data centers
- Provide Internet Protocol version 6 (IPv6) capability (DNS, DHCP, NTP, etc) at data centers
- Establish C-LAN data backup in the DHS enterprise data centers.
- Integrate Service Level Agreements (SLA) into Memorandums of Understanding (MOU) with our partners

**Information Technology Strategic Plan**  
2009-2013

DEPARTMENT OF HOMELAND SECURITY  
Office of the Chief Information Officer

(1)

# Strategic Roadmap

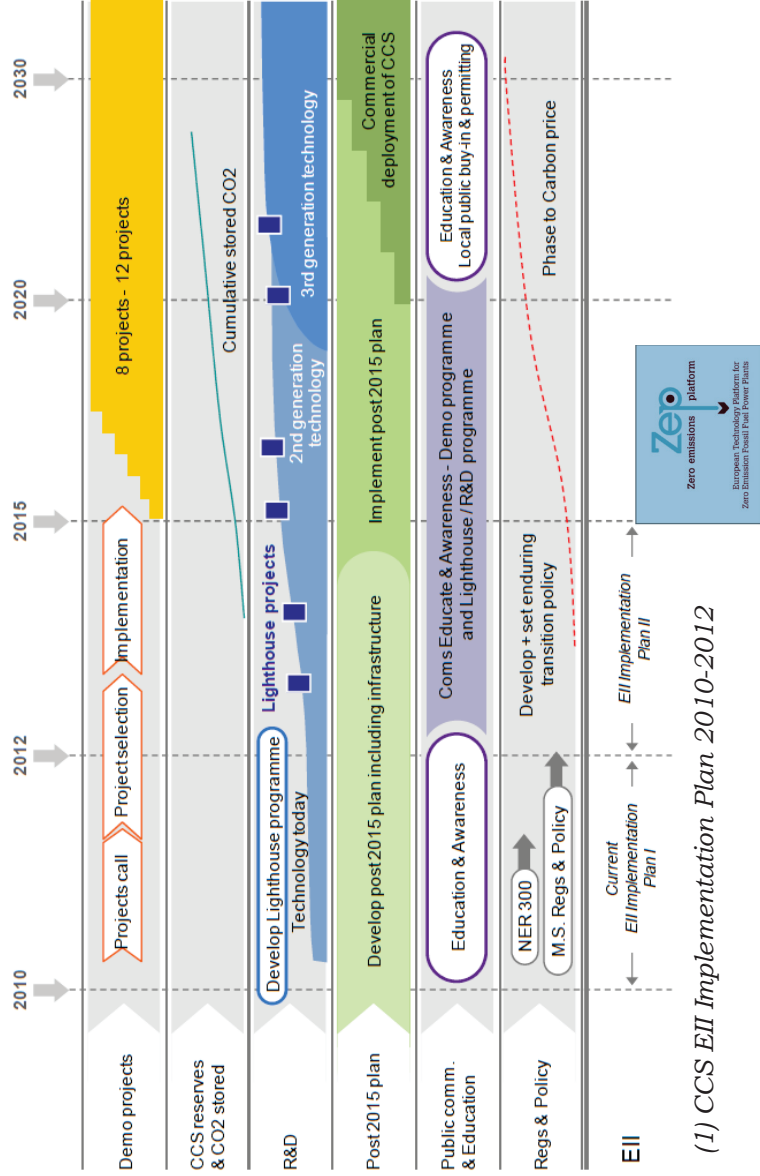
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- A strategic road map is a visual plan that offers goals and strategies for the future of an organization. It is Just like a physical map helps a driver navigate the route to the destination
- A roadmap process is a means to connect vision, and objectives with strategic initiatives that are required to achieve those objectives

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# European Strategic Carbon Capture and Storage (CCS) Roadmap<sup>(1)</sup>, Example

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(1) CCS EII Implementation Plan 2010-2012

# The European Electricity Grid Initiative (EEGI) Roadmap<sup>(1)</sup>, Example

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Smart Grids Functionalities	Project	YEAR										Costs (M€)
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Pan-European Grid Architectures(R&D)	T1		A tool box for new network architecture assessment									19
	T2	REALISEGRID	Tools to analyze the pan European network expansion options									21
	T3				Demonstrations of Powertechnologies for more network flexibility							80
	T4				Demonstrations of Powertechnologies for new architectures							120
	T5	SAFEWIND, WINGRID, IS-POWERS, TWENTIES	Demonstration of renewable integration (ct'd)									130
	T6	PEGASE	Tools for a Pan European network observability									12
Network management and control (R&D)	T7		Tools for coordinated operations with stability margin evaluation									24
	T8				Improved training tools for improved coordination							25
	T9		Tools for Pan European network reliability assessment									14
	T10				Tools for Pan European balancing markets							18
New market design options (R&D)	T11				Advanced tools for congestion management							21
	T12	OPTIMATE	Tools for renewable market integration									14
	T13				Tools to study market integration of active demand							12
	T14		Innovative approaches to improve the public acceptance of overhead lines									50
Pan-European Grid Architectures(R&D)		Total										560

(1) The European Electricity Grid Initiative (EEGI) Roadmap 2010-18

## Definitions and Components of Strategic Planning

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- Strategic Management
- Strategic Scope
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- Strategic Evaluation

## Strategic Monitoring & Evaluation

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- The advantage of strategic monitoring and evaluation is to ensure that the organization is following the direction established during strategic planning.
- Monitoring and evaluating the strategic plan activities and status of implementation of the plan is as important as identifying strategic issues and goals.
- The strategic plan document should specify who is responsible to monitor the implementation of the plan and made decisions based on the results.

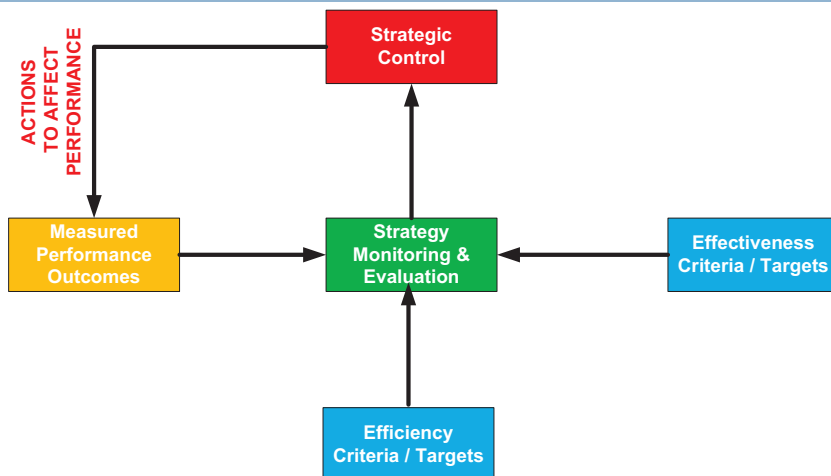
## Strategic Monitoring & Evaluation

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- For example, the board might expect the chief executive to regularly report to the full board about the status of implementation, including progress toward each of the overall strategic goals.
- In turn, the chief executive might expect regular status reports from middle managers regarding the status toward their achieving the goals and objectives assigned to them.

## Strategic Monitoring & Evaluation

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## Strategic Monitoring

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- A routine tracking process of the key elements of organization's performance, through record-keeping, regular reporting and surveillance systems.
- Tracking changes from baseline conditions to desired outcomes.
- Tracking and assessing performance and process through analysis and comparison of indicators over time.

## Strategic Evaluation, What Is It?

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- Strategic evaluation process is about assessing strategic programs impact on a set of pre-defined criteria to answer the question, to what extent did this program achieve outcomes of value to the organization and its stakeholders?
- This process becomes strategic to the extent that these measured program outcomes are aligned with valuable organizational goals.

## Strategic Evaluation Benefits

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- Keeps the organization on track by checking on the validity of strategic choices.
- Satisfies the need for feedback, appraisal and reward.
- Creates inputs for new strategic planning.
- Makes it easier to compare between decisions and intended strategy.
- Provides the ability to coordinate the tasks performed.
- Successful end of the strategic management process.

## Types of Strategic Evaluation

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- Process Evaluation
  - Is conducted to assess whether a strategy is being implemented as planned and whether it is reaching its intended population.
  - Is a sort of quality assurance that focuses on the implementation itself and, as such, is a critical component in improving the practices that operationalize strategies.



## Types of Strategic Evaluation

Cont.

55

- Outcome Evaluation
  - ▣ Is conducted to learn whether you achieved the intended outcomes of your strategy.
  - ▣ To tell if the strategy was effective
  - ▣ To determine whether or not the strategy intervention was responsible for any observed outcomes

## Criteria for Strategy Evaluation

56

- A strategy that fails to meet one or more of the following criteria will fail to perform at least one of the key functions that are necessary for the survival of the business.
  - ▣ **Consistency**: must not present mutually inconsistent goals
  - ▣ **Consonance**: Must present an adaptive response to the external environment critical changes
  - ▣ **Advantage**: must provide for creation and maintenance of competitive advantage in the selected area of activity
  - ▣ **Feasibility**: must neither overtax available resources nor create unsolvable problems

## Key Questions While Monitoring & Evaluating the Implementation of the Strategic Plan

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1. Are goals and objectives being achieved or not?
2. Will the goals be achieved according to the timelines specified in the plan? If not, then why?
3. Should the deadlines for completion be changed? Why?, what is the Impact of this change?
4. Do personnel have adequate resources (money, equipment, facilities, training, etc.) to achieve the goals?

## Key Questions While Monitoring & Evaluating the Implementation of the Strategic Plan

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Cont.

5. Are the goals and objectives still realistic?
6. Should priorities be changed to put more focus on achieving the goals?
7. Should the goals be changed? Why what is the Impact of this change?
8. What can be learned from our monitoring and evaluation in order to improve future planning activities and also to improve future monitoring and evaluation efforts?

## Reporting Results of Monitoring and Evaluation

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- Status report should describe:
  1. Answers to the previous key questions while monitoring implementation.
  2. Trends regarding the progress (or lack thereof) toward goals, including which goals and objectives
  3. Recommendations about the status
  4. Any actions needed by the organization's leadership

## Strategy Monitoring & Evaluation Approaches

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1. Balanced Scorecard
2. Logic Model

# 1. Balanced Scorecard (BSC)<sup>(1)</sup>

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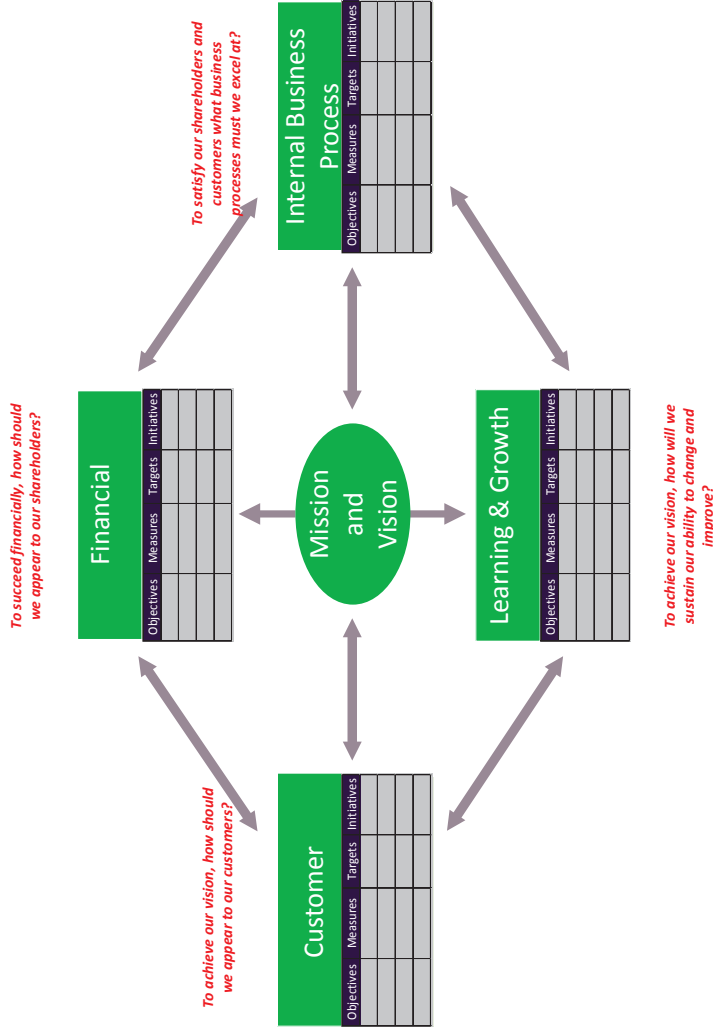
- The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals
- It is a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance.

*(1) The balanced scorecard was introduced in 1992, by Robert Kaplan and David Norton*

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# Balanced Scorecard Perspectives

62



*The Balanced Scorecard aligns objectives, measures and targets with the organization's mission and vision.*

## 2. Logic Model <sup>(1)</sup>

63

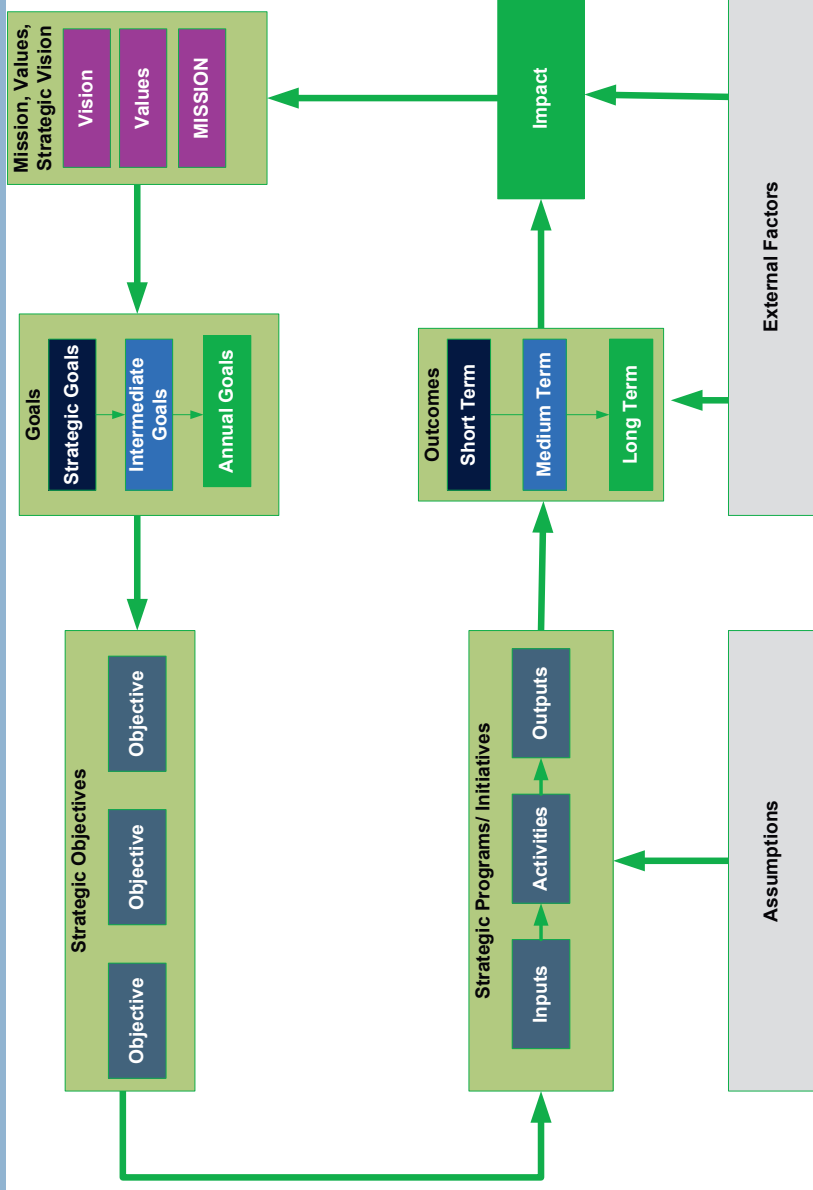
- Logic model is a visual method of describing and sharing an understanding of relationships among elements necessary to operate a program or change effort.
- The model describes logical linkages among program resources, activities, outputs, audiences, and short-, intermediate-, and long-term outcomes related to a specific problem or situation.

*(1) Theory of change and program logic models began 1970 . Carl Weiss, Michael Fullan and Heuy Chen are among the Logic Model pioneers.*

64

# Logic Model AS a Strategy Framework

64



## Phase-1 Agenda

65

- Phase-1 Overview
  - ▣ Phase-1 List of Activities
  - ▣ Phase-1 Outputs
- Phase-1 Detailed Description
  - A. Understanding Strategic Planning Concepts
  - B. **Selecting and Preparing Strategic Planning Team**
  - C. Planning for Strategic Planning Activities

66



# PHASE-1 PREPARE FOR STRATEGIC PLANNING

B- Selecting and Preparing Strategic Planning Team

## Agenda

68

- Who Should Be Involved in Strategic Planning Efforts?
- Preparing Strategic Planning Team
- Strategic Planning Process

## Who Should Be Involved in Strategic Planning Efforts?

69

- While the exact makeup of strategic planning roles will depend on the specific organization and their issues, the following are typically viewed as core roles for effective planning and execution of strategic initiatives. Based on the organization's size, focus or operating model, these roles are not necessarily mutually exclusive.

## Who Should Be Involved in Strategic Planning Efforts?

70

Cont.

- Senior executive who is the organizational leader driving the strategic vision and planning process.
- Sets the tone and focus of the strategy itself (vision, mission, etc.) and for the planning process.
- Macro-level responsibility for communicating the importance of strategic planning, its anticipated impact to the organization, high-level expectations on staff involvement, and progress / accomplishments to the organization.
- The Executive Sponsor remains involved during all phases of the strategic planning lifecycle.



Executive Sponsor

## Who Should Be Involved in Strategic Planning Efforts?

71

- Senior-level resources representing a variety of functional viewpoints and areas of focus relative to the strategic plan.
- Review and provide guidance on strategic plan content and input on plan success factors.
- Steward the Executive Sponsor's vision, and act as key advisors to the sponsor on issues and opportunities.
- Communicate with both the Executive Sponsor and the Working Group to help align, advise on, and resolve issues with the planning process. Supports macro-level communications to the organization.
- The Steering Committee remains involved during all phases of the strategic planning lifecycle.



Cont.

## Who Should Be Involved in Strategic Planning Efforts?

72

- Operational resources who organize planning meetings and set discussion agendas based on Executive Sponsor and Steering Committee guidance.
- Provide operational input and subject matter knowledge required for planning discussions.
- Identifying additional informational or staff resources to inform planning discussions.
- Identify and define discrete operational projects to support organizational goals. Provide high-level project and resource planning in support of these projects.



Cont.

## Who Should Be Involved in Strategic Planning Efforts?

73

- Brief the Steering Committee and Executive Sponsor on the progress of the planning process, key milestones reached and issues identified. Refine planning approach and focus based on this dialogue.
- The Core Planning Team is primarily involved with Phases 1, 2 and 3 of the strategic planning lifecycle, and may transition into leadership roles on the Project Teams during Phases 4.

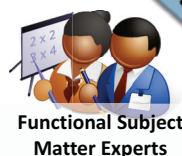


Core Planning Team Size (6- 8 people): enough people to give a variety of perspectives, but not too many to make it difficult to manage

## Who Should Be Involved in Strategic Planning Efforts?

74

- Operational resources within the organization who supplement the Working Group and Project Teams by providing critical knowledge of specific programs, processes, systems, initiatives, organizational structures, legislation, etc.
- Provide guidance to help Inform planning and project execution functional requirements, human resources needs, infrastructure needs, and appropriate prioritization criteria.
- Primary communications responsibilities are with Working Group and Project Team leads, though SMEs may be asked to brief the Steering Committee and Executive Sponsor on relevant topics.
- Functional Subject Matter Experts may be called on to participate in any phase of the strategic planning process.



## Who Should Be Involved in Strategic Planning Efforts?

75

- Operational resources responsible for "owning" discrete pieces of the strategic plan execution.
- Team leaders and members shepherd the execution of projects identified to drive towards specific organizational goals.
- Create detailed project plans and timelines, align team resources and execute work plans.
- Primary communications role is to brief Steering Committee and Executive Sponsor on progress of specific project plans, key milestones met and issues identified.
- Project Teams are primarily involved in Phases 3 and 4 of the strategic planning lifecycle.



Cont.

## Who Should Be Involved in Strategic Planning Efforts?

76

- Primarily engaged to facilitate the strategic planning lifecycle.
- Assist Executive Sponsor, Steering Committee and Working Groups in keeping the process focused and moving forward.
- May provide specific functional subject matter knowledge not resident within the organization to support strategic planning discussions and operational projects flowing from the strategic plan.
- Brief Executive Sponsor, Steering Committee, Core Planning Team and Project Teams on issues affecting progress through planning and execution lifecycle. Also help facilitate communications amongst these stakeholders.
- Consultants may participate in any phase of the strategic planning lifecycle based on the organization's needs.



Cont.

## Who Should Be Involved in Strategic Planning Team?

77

- 1) Set up a meeting with organization 's leadership.
- 2) Appoint one person to record the ideas that come from the session in a format everyone can see and refer to using flip charts, whiteboards, or computers with data projectors.
- 3) If people aren't already used to working together, consider using an appropriate warm-up exercise.

## Who Should Be Involved in Strategic Planning Team?

Cont.

78

- 4) Define the Question: Who Should Be Involved in Strategic Planning Team?
- 5) Give people plenty of time on their own at the start of the session to generate as many ideas as possible.
- 6) Ask people to give their ideas, making sure that you give everyone a fair opportunity to contribute.

## Who Should Be Involved in Strategic Planning Team?

Cont.

79

- 7) Encourage people to develop other people's ideas, or to use other ideas to create new ones.
- 8) Encourage an enthusiastic, uncritical attitude among members of the group. Try to get everyone to contribute and develop ideas, including the quietest members of the group.
- 9) Ensure that no one criticizes or evaluates ideas during the session.

## Who Should Be Involved in Strategic Planning Team?

Cont.

80

- 10) Let people have fun brainstorming. Encourage them to come up with as many ideas as possible, from solidly practical ones to wildly impractical ones. Welcome creativity!
- 11) Ensure that no train of thought is followed for too long.

## Agenda

81

- Who Should Be Involved in Strategic Planning Efforts?
- **Preparing Strategic Planning Team**
- Strategic Planning Process

## Preparing Strategic Planning Team

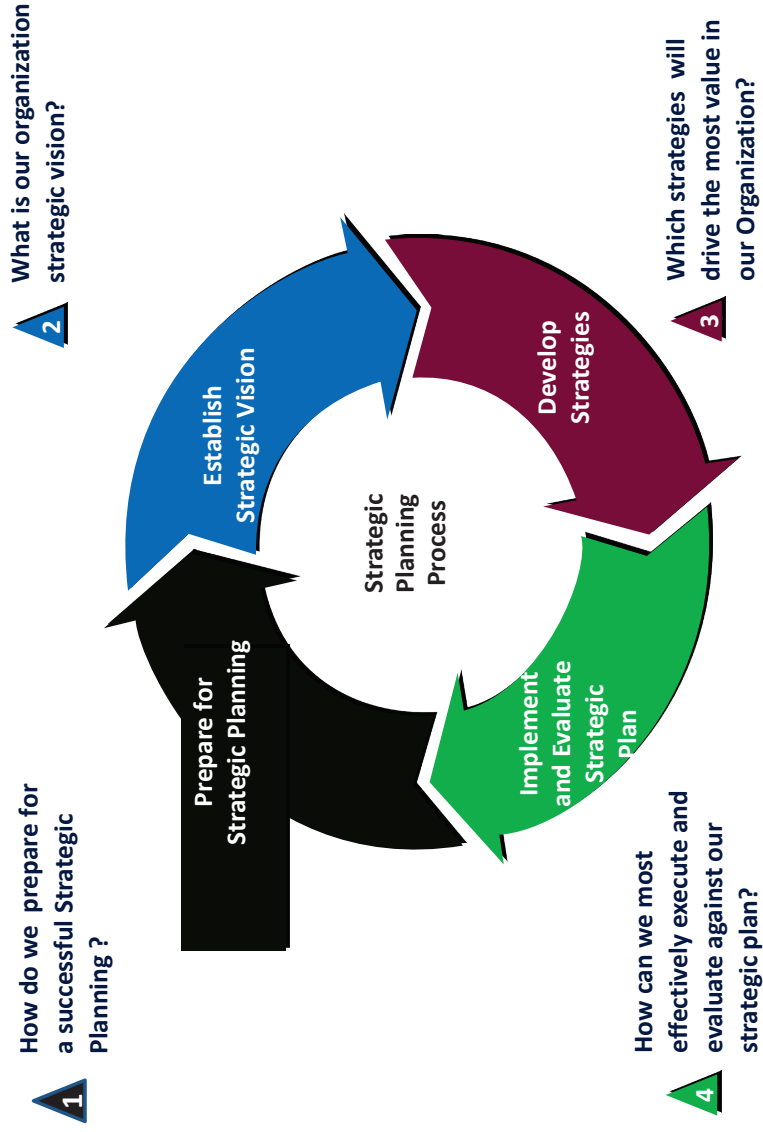
82

- Conduct a workshop with the Selected Strategic planning Team to present and agree upon the terminology, definition and understanding of Strategic Planning Process



# Strategic Planning Process

83



## Phase-1 : Prepare for Strategic Planning

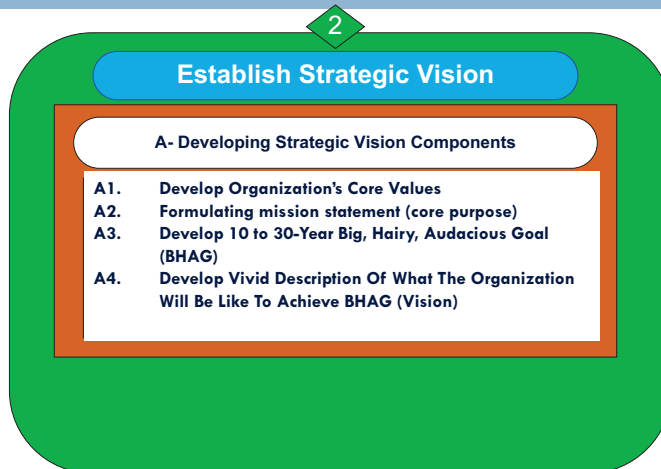
84



How do we prepare for a successful Strategic Planning ?

## Phase 2: Establish Strategic Vision

85

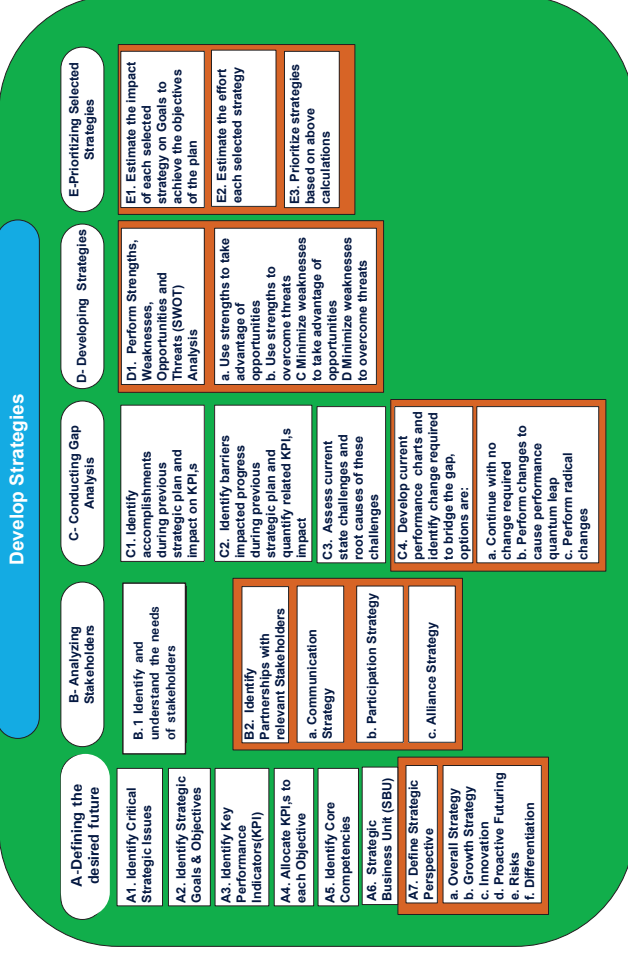


What is the organization mission and vision and how well the organization is aligned to deliver the strategy?

# Phase 3: Develop Strategies

86

3



Which strategies will drive the most value in our organization?

## Phase 4: Implement & Evaluate Strategic Plan

87



How can we most effectively execute and evaluate against our strategic plan?

## Phase-1 Agenda

88

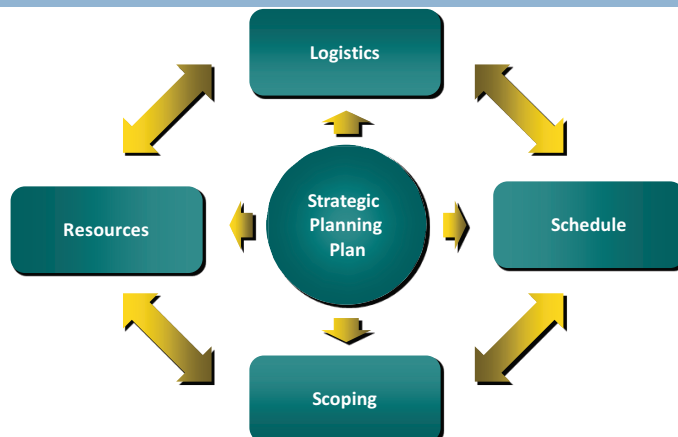
- Phase-1 Overview
  - ▣ Phase-1 List of Activities
  - ▣ Phase-1 Outputs
- Phse-1 Detailed Description
  - A. Understanding of Strategic Planning Terms and Definitions
  - B. Selecting and Preparing Strategic Planning Team
  - c. **Planning for Strategic Planning Activities**

# PHASE-1 PREPARE FOR STRATEGIC PLANNING

## C- Planning for Strategic Planning Activities

### Planning for Strategic Planning Activities

90



Effective planning is essential for successful strategic planning. Effective planning process is a valuable learning experience that leads to trust within the organization.

## Strategic Planning Plan, Scoping

91

- Review existing Strategic Plan(s) and Primary Strategic Goals.
- Review organizational mandates and mission statements that impact the current activity.
- Review all documents and materials that are relevant to strategic planning effort.
- Understand the breadth and scope of the strategic plan.
- Determine with CEO the period covered by new Strategic Plan ( 3 or 5 years).
- List the activities, workshops and meetings in each phase.
- Review Strategic Template Questions and tailor as appropriate (Facilitator).

## Strategic Planning - Resources

92

- Identify Planning Committee participants and determine their willingness to participate.
- Establish a Strategic Planning Committee.
- Establish a Strategic Planning Committee Charter.
- Define roles and responsibilities for completing the strategic planning process.
- Assign roles and responsibilities.
- Assign the role of Facilitator for the planning process.

## Strategic Planning - Resources

Cont.

93

- Nominate a Committee Chair.
- Specify the target audience for the Strategic Plan.
- Determine the plan approval process.
- Establish sub-committees as necessary and ensure that subcommittee chairs understand what is expected of them.
- Identify factors that will ensure a successful planning process.

## Strategic Planning Plan, Schedule

94

- Identify any timing constraints within the organization.
- Schedule a kick-off meeting.
- Determine future meeting frequency and dates.
- Develop a schedule and establish milestone dates for completing the plan.
  - ▣ List the activities in each phase.
  - ▣ Determine with the team who should attend each session/workshop.
  - ▣ Assign dates for each event and alternative dates.
  - ▣ Coordinate with participants for availability.
  - ▣ Review and Publish the Strategic Planning schedule.

## Strategic Planning Plan, Logistics

95

- Check with the CEO if there is a budget to have offsite meetings and food service.
- Determine places for meetings.
- Establish Strategic Planning tools for communication plans
- Before Each Meeting.
  - ▣ Prepare material for each meeting: presentation material, projector, easels, flip charts, pens, notebooks, refreshment, ... etc.
  - ▣ Send meeting notices at least one week before the meeting and follow up with a telephone call to confirm attendance.
  - ▣ Assign note taker for each meeting.
  - ▣ Send Martial to participants to read before the meeting.

96



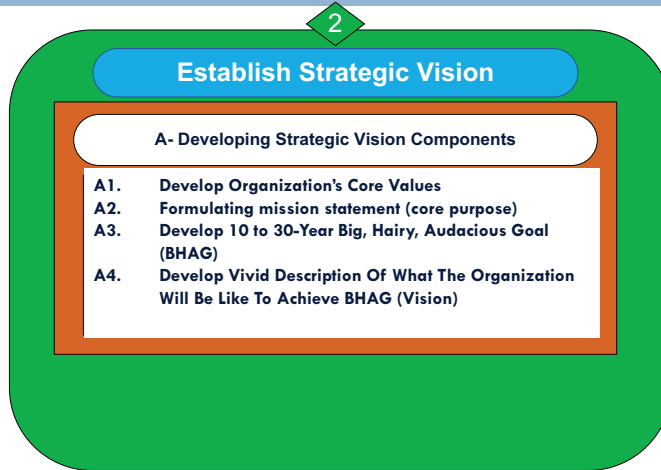
# STRATEGIC PLANNING GUIDE

PART- 2

## PHASE-2 ESTABLISH STRATEGIC VISION

## Phase-2 Establish Strategic Vision


99



What is the organization's mission and vision and how well the organization is aligned to deliver the strategy?

## Phase-2 Agenda

100

- **Phase-2 Overview** 
  - ▣ **Phase-2 List of Activities**
  - ▣ **Phase-2 Outputs**
- **Phase-2 Detailed Description**
  - A. **Developing Strategic Vision Components**
    - 1) Developing Organization Core Values
    - 2) Formula ting mission statement (Core purpose)
    - 3) Developing 10 to 30-Year Big, Hairy , Audacious Goal (BHAG)
    - 4) Developing Vivid Description of What The Organization Will Be Like to Achieve BHAG (Vision)

## Phase -2 List of Activities

101

- Session -1 : Developing Organization's Core Ideology
  - ▣ Developing Organization Core Values: timeless guiding principles
  - ▣ Developing Core Purpose; Why the Organization Exists (Mission)
- Session -2: Developing Organization's Envisioned Future
  - ▣ Developing 10 to 30-Year Big, Hairy , Audacious Goal (BHAG)
  - ▣ Developing Vivid Description of What The Organization Will Be Like to Achieve BHAG (Vision)

## Phase -2 Outputs

102

- Organization's Strategic Vision

## Phase-2 Agenda

103

- Phase-2 Overview
  - ▣ Phase-2 List of Activities
  - ▣ Phase-2 Outputs
- Phase-2 Detailed Description
  - A. Developing Strategic Vision Components



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## PHASE-2 ESTABLISH STRATEGIC VISION

### A- Developing Strategic Vision Components

#### A. Developing Strategic Vision Components

106

##### □ Strategic Vision Components



- A1. Developing Organization's Core Values
- A2. Formula ting mission statement (Core purpose)
- A3. Developing 10 to 30-Year Big, Hairy , Audacious Goal (BHAG)
- A4. Develop Vivid Description of What The Organization Will Be Like to Achieve BHAG (Vision)

## Strategic Vision Components

107

- Strategic vision is the organization's long-range desired result.
- It should represent a realistic, credible, attractive future for the organization and provide a clear decision-making criteria. It should answer the question: Where the organization is going.

## Strategic Vision Components

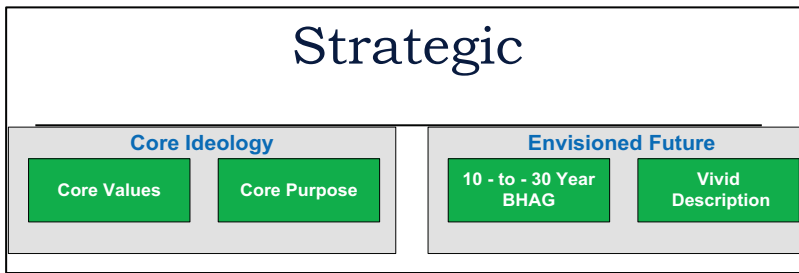
Cont.

108

- An Organization well-conceived strategic vision consists of two major components:
  - 1) Core Ideology
    - Core Values
    - Mission statement (Core Purpose)
  - 2) Envisioned Future
    - 10-to-30- Year BHAG
    - Vivid Description (Vision)

## Strategic Vision

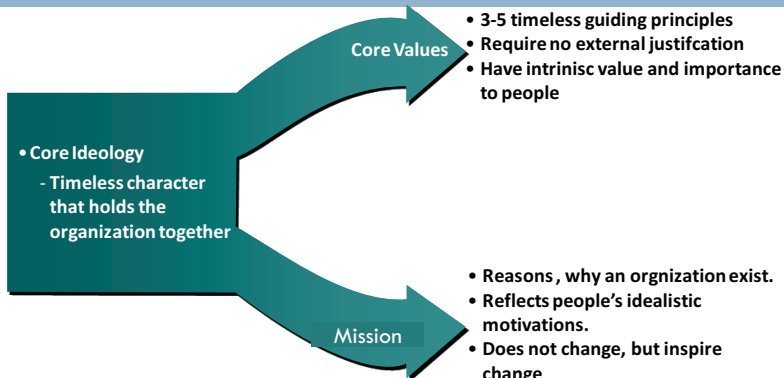
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An Organization well-conceived vision consists of two major components: core ideology and envisioned future

## Core Ideology

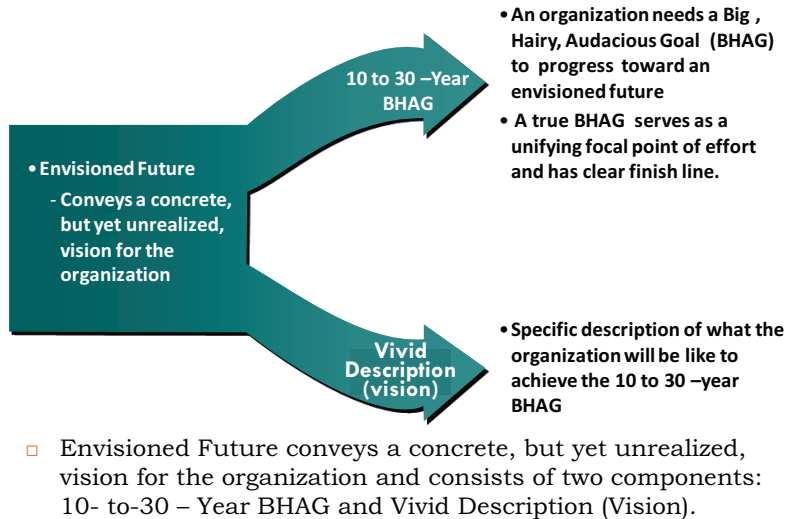
110



- Core Ideology consists of two parts: Core Values, and Mission Statement (Core Purpose)
- It defines the enduring character of an organization, what it stands for and why it exists.
- It provides the glue that holds an organization together as it changes, grows, decentralizes, or expands globally.

## Envisioned Future

111



## A. Developing Strategic Vision Components

112

- Strategic Vision Components
  - A1. Developing Organization's Core Values
  - A2. Formula ting mission statement (Core Purpose)
  - A3. Developing 10 to 30-Year Big, Hairy , Audacious Goal (BHAG)
  - A4. Develop Vivid Description of What The Organization Will Be Like to Achieve BHAG (Vision)



## Organization's Core Values

113

- Organization's Core Values are the ideals that we esteem as an organization
- They are the philosophical foundation of our corporate ideology.
- They are the things that we hold dear and use to make decisions and keep us on-track
- They are what we believe — no matter what.
- We must translate our values into specific behaviors that we expect from one another.

114

# Organizational Core Values, Example-1

114

## Corporate Values

These ten corporate values have been the guiding principles by which Saudi Aramco has achieved extraordinary success. Every employee should be aware of them and understand how these values support continued success in everything the company does.

### EXCELLENCE

We pursue excellence in everything we do.

### HUMAN RESOURCES

We encourage continuous learning and strive to develop our people to their highest potential.

### FAIRNESS AND INTEGRITY

We strive for fairness and adhere to the highest ethical standards.

### TEAMWORK

We support each other and work together to achieve our business objectives successfully.

### SAFETY

We strive to maintain the highest levels of safety, security, health and environmental standards.

### RESPONSIVENESS

We are responsive to the expectations of the government and our customers.

### STEWARDSHIP

We are proud of our company and are committed to preserving its assets and resources.

### TRUST

We place authority where responsibility lies.

### ACCOUNTABILITY

We are accountable for all our actions.

### CITIZENSHIP

We support our communities and serve as a role model for others.



# Organizational Core Values,

## Example-2

115

### McDonald's Values

- **We place the customer experience at the core of all we do**
  - Our customers are the reason for our existence. We demonstrate our appreciation by providing them with high quality food and superior service, in a clean, welcoming environment, at a great value. Our goal is QSC&V for each and every customer, each and every time.
- **We are committed to our people**
  - We provide opportunity, nurture talent, develop leaders and reward achievement. We believe that a team of well-trained individuals with diverse backgrounds and experiences, working together in an environment that fosters respect and drives high levels of engagement is essential to our continued success.
- **We believe in the McDonald's System**
  - McDonald's business model, depicted by the "three-legged stool" of owner/operators, suppliers, and company employees, is our foundation, and the balance of interests among the three groups is key.
- **We operate our business ethically**
  - Sound ethics is good business. At McDonald's, we hold ourselves and conduct our business to high standards of fairness, honesty, and integrity. We are individually accountable and collectively responsible.
- **We give back to our communities**
  - We take seriously the responsibilities that come with being a leader. We help our customers build better communities, support RMHC, and leverage our size, scope and resources to help make the world a better place.
- **We grow our business profitably**
  - McDonald's is a publicly-traded company. As such, we work to provide sustained, profitable growth for our shareholders. This requires a continuing focus on our customers and the health of our System.
- **We strive continually to improve**
  - We are a learning organization that aims to anticipate and respond to changing customer, employee and system needs through constant evolution and innovation.



## Core Values Breakout Session

116

- Step- 1: Have participants review the next sheet “list of values” on the handout. Remind the group members to pay close attention to their inner dialogue as they review this sheet.
- Step-2: Tell the group, “Put a star next to **10** values that are important to them , including any they added
- Step-3: Ask the group to narrow their list to **5**
- Step 4: Ask the group to narrow their list to **3**
- Step 5: Finally, have participants choose their top **2** core values.
- Step-6: Write all selected core value on a white board or a flip chart.

## Core Values Breakout Session (cont.)

117

- Step-7: Ask that all group members stand and share their core values and answer these questions:
  - ▣ How did you choose your core values?
  - ▣ What do your core values mean to you?
  - ▣ How do you express your core values?
  - ▣ How can you make your core values a more present part of your daily life?
- Step-8 : ask group to identify common values and ask the group these question for each value:
  - ▣ How is this value showing up in our business?
  - ▣ In which parts of our business is this value missing or weak?
  - ▣ How is this value showing up in our life?
  - ▣ In which parts of our life is this value missing or weak?



## A. Developing Strategic Vision Components

120

### □ Strategic Vision Components

A1. Developing Organization's Core Values

A2. Formula ting mission statement (Core Purpose)

A3. Developing 10 to 30-Year Big, Hairy , Audacious Goal (BHAG)

A4. Develop Vivid Description of What The Organization Will Be Like to Achieve BHAG (Vision)

## A2. Formula ting mission statement (Core Purpose)

121

### □ Organization's Mission Statement

### □ Mission Statement Session

## Mission Statement

122

- Mission Statement is a brief description of an organization's fundamental purpose and is a snapshot of what the organization business is today .

## Mission Statements

123

Organization	Mission Statements
3M	To solve unsolved problems innovatively
Boeing	To push the leading edge of aviation, taking on huge challenges and doing what others cannot do
Merck	To preserve and improve human life
Nike	To experience the emotion of competition, winning, and crushing competitors
Telecare	To help people with mental impairments realize their full potential
Teaching Co	To ignite in all people the passion for learning
Sony	To experience the sheer joy of advancing and applying technology for the benefit of the public
Becton-Dickinson	To help all people lead healthy lives
Walt Disney	To make people happy
Fannie Mae	To strengthen the social fabric by democratizing home ownership
Times Mirror	To contribute to the performance of the communities we serve
Marriott	To make people away from home feel they are among friends and really wanted
Taylor Corp	To provide entrepreneurial opportunity and security for our people
WL Gore	To have fun doing innovative things that make money
Patagonia	To be a role model and tool for social change
Univ. of Texas	To transform lives through inspired learning
Wal-Mart	To give ordinary folk the chance to buy the same things as rich people

## Mission Statements

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**Hewlett-Packard:** to make technical contributions for the advancement and welfare of humanity.



**Nike:** to experience the emotion of competition; winning; and crushing competitors.



**Walt Disney:** to make people happy.

## A2. Formula ting mission statement (Core Purpose)

125

- Organization's Mission Statement
- Mission Statement Session



## Mission Statement Session

126

- *Activity: Begin developing answers to each of the questions*
- The need: the basic need that leads the organization clients to do business with it
  - Why does the organization exist?
  - Whom does the organization serve (internal and external stakeholders)?
- Value proposition: the fundamental value that the organization provides to those served
  - What does the organization seek to accomplish?
- Differentiation: what sets the organization apart
  - What does the organization do that sets it apart?

## Mission statement

127

- When wording the mission statement, consider:
  - ▣ Organization's products, services, markets, values, and concern for public image, and maybe priorities of activities for survival.
  - ▣ Any changes that may be needed in wording of the mission statement because of any new suggested strategies during a recent strategic planning process.
  - ▣ Wording of the mission is to the extent that management and employees can infer some order of priorities in how products and services are delivered.
  - ▣ Refining the mission, a useful exercise is to add or delete a word from the mission to realize the change in scope of the mission statement and assess how concise is its wording.
  - ▣ Including sufficient description that the statement clearly separates the mission of the organization from other organizations?

# Mission Statement, Examples

128

*"To honorably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow, and by so doing provide the opportunity for our employees and shareholders to achieve their reasonable personal objectives."*



*"To help people transform the way they work, learn and communicate by providing exceptional personal computing products and innovative customer services."*

*"To provide outstanding quality, service, cleanliness and value, so that we make every customer in every restaurant smile."*



*"To establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles as we grow."*

*"We will lead the unified national effort to secure America. We will prevent and deter terrorist attacks and protect against and respond to threats and hazards to the nation. We will ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free-flow of commerce."*



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## Draft Mission Statement, The Need

129

### Why does the organization exist?

- Group-1:
- Group-2:
- Final Draft:

## Draft Mission Statement, The Need

130

### Whom does the organization serve (internal and external stakeholders)

- Group-1:
- Group-2:
- Final Draft:

## Draft Mission Statement, Value Proposition

131

What does the organization seek to accomplish?

- Group-1:
- Group-2:
- Final Draft

## Draft Mission Statement, Differentiation

132

What does the organization do, that sets it apart?

- Group-1:
- Group-2:
- Final Draft:

## Draft Mission Statement

133

### Draft Mission Statements:

Draft-1

Revised Draft

## Mission Statement Checklist

134

- Does the mission statement do the following:
  - Exclude any directorates?
  - Describe the need that the organization fills?
  - Determine the fundamental value that the organization provides?
  - Define who the organization serves?
  - Identify what differentiates the organization from other organizations?
- Is the mission statement:
  - Focused and concise?
  - Clear and agreed upon?

## A. Developing Strategic Vision Components

135

- Strategic Vision Components
  - A1. Developing Organization's Core Values
  - A2. Formula ting mission statement (Core Purpose)
  - A3. Developing 10 to 30-Year Big, Hairy , Audacious Goal (BHAG)
  - A4. Develop Vivid Description of What The Organization Will Be Like to Achieve BHAG (Vision)

## 10 to 30 – Year Big Hairy Audacious Goal (BHAG)<sup>(1)</sup>

136

- A "big hairy audacious goal" is a form of a vision statement used in strategic planning that describes a clear and compelling catalyst that serves as a unifying focal point of effort.
- It is a goal that really stretches the organization way beyond most people's imagination of what is possible.
- It has a clear finish line, so the organization can know when it has achieved the goal; people like to shoot for finish lines.

(1) proposed by [James Collins](#) and [Jerry Porras](#) in their 1996 article entitled Building Your Company's Vision

## 10 to 30 – Year Big Hairy Audacious Goal (BHAG) Examples

137



Google: Organize the world's information and make it universally accessible and useful.



Microsoft: "A computer on every desk and in every home."



Twitter: To become "the pulse of the planet."

## 10 to 30 – Year Big Hairy Audacious Goal (BHAG) Examples (cont.)

138



- Ford: "Democratize the automobile."



- Sony: Change the worldwide image of Japanese products as poor quality; create a pocketable transistor radio.



- Disney: Build Disneyland – and build it to our image, not industry standards. To be the best company in the world for all fields of family entertainment.

## BHAG Breakout Session

139

- **Step-1:** Each person take the time to think through and conceptualize a goal he/she can aim toward, that will change the business . Let go of constraints and let imagination take charge; the BHAG should be overly ambitious and seem unattainable. Here are the other criteria of a BHAG to keep in mind:
  - Minimum of a 10- 30 year plan
  - Action-oriented
  - Innovative
  - Compelling and exciting

## BHAG Breakout Session

Cont.

140

- **Step2:** As a group, select one out of all goals and update together to create a 10- to 30-year BHAG for the organization that is linked somehow back to the core purpose.
- **Step-3:** Test the BHAG against the BHAG questions . If you cannot answer “Yes” to each of the these questions, then you have not yet succeeded in developing a good BHAG. When you have created a BHAG to which two-thirds of the group can answer “Yes” to all questions, write it on a flip chart



## BHAG Questions

141

- ❑ Do you find this BHAG exciting?
- ❑ Is the BHAG clear, compelling, and easy to grasp?
- ❑ Does this BHAG somehow connect to the core purpose?
- ❑ Will this BHAG be exciting to a broad base of people in the organization, not just those with executive responsibility?
- ❑ Do you believe the organization has less than 100% chance of achieving the BHAG?
- ❑ Will achieving the BHAG require a quantum step in the capabilities and characteristics of the organization?
- ❑ In 30 years, would you be able to tell if you have achieved the BHAG?

## 10 to 30 – Year Big Hairy Audacious Goal (BHAG)

142

Conceptualize a goal you can aim toward that will change your business and/or your life. Let go of constraints and let your imagination take charge; your BHAG should be overly ambitious and seem unattainable. Here are the other criteria questions of a BHAG to keep in mind:

Is it long-term?

Is it something people will understand if you share it?

Will it require you to stretch yourself out of your comfort zone?

Is it measurable and life changing?

Does it create momentum?

Does it excite and stimulate you?

▪ Your BHAG

▪ Agreed Upon BHAG

## A. Developing Strategic Vision Components

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- Strategic Vision Components
  - A1. Developing Organization's Core Values
  - A2. Formula ting mission statement (Core Purpose)
  - A3. Developing 10 to 30-Year Big, Hairy , Audacious Goal (BHAG)
  - A4. Develop Vivid Description of What The Organization Will Be Like to Achieve BHAG (Vision)

## Vivid Description (vision)

144

- It is a concrete and specific details that paints a more memorable picture for an organization's workforce
- It is vivid and clear descriptions that makes BHAG comes alive.

# Vivid Description (vision), Example

145

## IEEE's Big Audacious Goal

Be essential to the global technical community and to technical professionals everywhere, and be universally recognized for the contributions of technology and of technical professionals in improving global conditions.

## Vivid Descriptions (vision)

- ❑ The IEEE community and its technologies will positively impact global prosperity and quality of life.
- ❑ Governments will increasingly seek IEEE's input as an unbiased source of technical information.
- ❑ Industry will recognize and value IEEE thereby strongly supporting professionals' participation in IEEE.
- ❑ Communities around the world will universally recognize and appreciate the profession and IEEE's role.
- ❑ Technological literacy will prevail among all educated citizens.
- ❑ IEEE members will have productive, distinguished, and rewarding careers. Increasing numbers of students will choose careers in IEEE fields of interest.
- ❑ IEEE will be recognized as a global force in shaping education and curricula in IEEE fields of interest.
- ❑ IEEE will be a center of excellence in technology information and a global force in intellectual property rights management.
- ❑ IEEE members will universally find value in active engagement and involvement in the organization.

## BHAG Breakout Session

146

- Step-1:
  - ▣ Having the agreed upon BHAG in font of you, each person take a moment to envision and write one page that they would love to see published about the organization 10-30 years from now. Include the name of the publication in which he or she would like to see it appear.
- Step-2
  - ▣ Transform the three to five most exciting vivid snippets from your articles into vivid descriptions that bring the envisioned future to life and write these on a flip chart. Test the vivid description against the test questions (Vivid Description Questions).

## BHAG Breakout Session

Cont.

147

- Step3.
  - ▣ As a group, read the 10- to 30-year BHAG for the organization and see if the description represents the answer to it and that is linked somehow back to the core purpose.

148	
A Vivid Description that invokes pictures and images of what it will be like to achieve our vision	
▪ Your Statement	
▪ Agreed Upon Statement	

- Does the Vivid Description invoke pictures and images of what it will be like to achieve your vision?
- Does it use specific, concrete examples and analogies to bring the vision to life?
- Does it express passion, intensity, and e
- Do you want to be a part of that vision?
- Are you willing to put out significant effort to realize this Vision?



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# STRATEGIC PLANNING GUIDE

PART-3A

152

## PHASE-3 DEVELOP STRATEGIES

# Phase-3 Develop Strategies

153

3

## Develop Strategies

### A- Defining the 5 - Year Strategic Goals

A1. Identify Critical Strategic Issues

A2. Identify Strategic Goals & Objectives

A3. Identify Key Performance Indicators(KPI)

A4. Allocate KPI,s to each Objective

A5. Identify Core Competencies

A6. Strategic Business Unit (SBU)

A7. Define Strategic Perspective

- a. Overall Strategy
- b. Growth Strategy
- c. Innovation
- d. Proactive Futuring
- e. Risks
- f. Differentiation

### B- Analyzing Stakeholders

B1. Identify and understand the needs of stakeholders

B2. Identify Partnerships with relevant Stakeholders

a. Communication Strategy

b. Participation Strategy

c. Alliance Strategy

### C- Conducting Gap Analysis

C1. Identify accomplishments during previous strategic plan and impact on KPI,s

C2. Identify barriers impacted progress during previous strategic plan and quantify related KPI,s impact

C3. Assess current state challenges and root causes of these challenges

C4. Develop current performance charts and identify change required to bridge the gap, options are:

- a. Continue with no change required
- b. Perform changes to cause performance quantum leap
- c. Perform radical changes

### D- Developing Strategies

D1. Perform Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

- a. Use strengths to take advantage of opportunities
- b. Use strengths to overcome threats
- c. Minimize weaknesses to take advantage of opportunities
- d. Minimize weaknesses to overcome threats

### E- Prioritizing Selected Strategies

E1. Estimate the impact of each selected strategy on Goals to achieve the objectives of the plan


E2. Estimate the effort each selected strategy

E3. Prioritize strategies based on above calculations



## Phase-3 Agenda

154

- Phase-3 Overview: 
  - ▣ Phase-3 List of Activities
  - ▣ Phase-3 Outputs
- Phase-3 Detailed Description
  - A. Defining the desired future
  - B. Analyzing Stakeholders
  - C. Conducting Gap Analysis
  - D. Developing Strategies
  - E. Prioritizing Selected Strategies

## Phase -3 List of Activities

155

- Session -1: Defining the desired future
- Session -2 : Analyzing Stakeholders
- Session-3 : Conducting Gap Analysis
- Session-4 : Developing Strategies
- Session-5 : Prioritizing Selected Strategies

## Phase -3 Outputs

156

- Defining the desired future
- Stakeholder Analysis Report
- Communication Strategy
- Gap Analysis Report
- Prioritized Strategies

## Phase-3 Agenda

157

- Phase-3 Overview:
  - ▣ Phase-3 List of Activities
  - ▣ Phase-3 Outputs
- Phase-3 Detailed Description
  - A. Defining the desired future
  - B. Analyzing Stakeholders
  - C. Conducting Gap Analysis
  - D. Developing Strategies
  - E. Prioritizing Selected Strategies




# PHASE-3 DEVELOP STRATEGIES

## A. Defining the desired future

## A. Defining the desired future

160

- A1: Identify Critical Strategic Issues 
- A2: Identify Strategic Goals & Objectives
- A3: Identify Key Performance Indicators(KPI)
- A4: Allocate Key Performance Indicators(KPI)
- A5: Identify Core Competencies
- A6: Strategic Business Unit (SBU)
- A7: Define Strategic Perspective
  - (a) Overall Strategy      □ (c) R& D Strategy      □ (e) Risks
  - (b) Growth Strategy      □ (d) Initiatives      □ (f ) Differentiation

## What is a Strategic Issue?

161

- A Strategic Issue is:
  - ▣ an unresolved question that lies in the heart of the business and needs a decision or waiting for some clarifying future event.
  - ▣ It has major impact on the course and direction of the business
  - ▣ Relates directly to one or more of the fundamental questions:
    - What are we going to sell (products/services)?
    - To whom are we going to sell it (Customers)?
    - How will we beat or avoid our competition?



## What is a Strategic Issue?

Cont.

162

- Some areas that typically produce strategic issues are:
  - ▣ Culture Modification
  - ▣ Organizational Change
  - ▣ Strategic Focus
  - ▣ Strategic Competencies
  - ▣ Resource limitations
  - ▣ Strategic Alliances/Acquisitions/Mergers/Joint Ventures



## Strategic Issue Criteria

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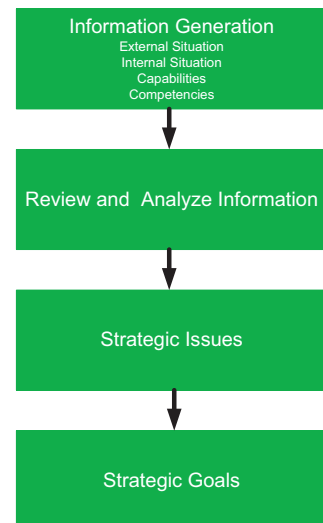
A statement of a strategic issue should contain three elements:

1. Described in a single paragraph, and it should be framed as a question the organization can do something about.
2. List the factors that make the issue a fundamental challenge in terms of the organization's vision, mission, values, internal strengths and weaknesses, and external opportunities and threats
3. Identify the consequences of failing to address the issue:
  - Require an immediate response ( Category 1)
  - Coming up on the horizon and require action in the future and perhaps some action now ( Category 2)
  - Require no action at present, but must be monitored (Category 3)

## How do we identify strategic issues?

164

- Conduct Workshop with strategic planning team and the organization leadership.
- Distribute information sheets that have been collected about the organization external situation, internal situation, capabilities and competences
- Fully explain the concept of Strategic Issues before starting the review of information

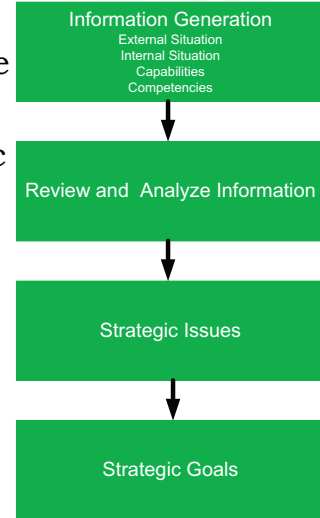


## How do we identify strategic issues?

Cont.

165

- Challenge team to think about the strategic implications of the information.
- Remind the team that Strategic Issues will be linked to the Strategic goals
- Urge each team member to highlight on the information worksheet, key information that suggests a Strategic Issue

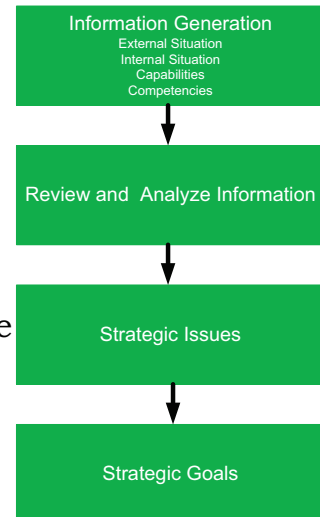


## How do we identify strategic issues?

Cont.

166

- Ask the team members to capture their thoughts on Strategic Issues Sheet in question format
- Review the notes they have made, the information they have highlighted and those critical items highlighted on the team exercises
- Capture the key Strategic Issues on a flip chart.



## Examples of Strategic Issues

167

- How do we organize for innovation within our organization?
- How do we develop a culture of customer service?
- How do we motivate our front-line employees?
- How do we foster collaboration across units?
- How do we bring meaningful change to our culture?
- What can we do to strengthen and sustain our partnerships?

## Organization Information Summary Sheet

168

### *Organization Information Summary Sheet (Confidential)*

#### External Situation:

- Markets
- Legislation
- Demographics
- Environment
- Economy
- Social
- Partners

#### Internal Situation

- People
- Process
- Technology
- Organization
- Policies

#### Capabilities and Competences

- Core Competences

## Critical Issues Sheet

169

Reflect on the following –

- Major external changes/ trends having a positive and/or negative impact on the organization and the people served .
- List what you believe are the 1-3 most critical issues facing the organization over the next 3-5 years.
- Write your statements in the form of questions

1.

2.

3.

## A. Defining the desired future

170

- A1: Identify Critical Strategic Issues
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- (d) Initiatives

- (f ) Differentiation



## Strategic Goals

171

- Goals are broad statements that define high-level priorities the organization aims to achieve over the next few years.
- Goals need to be broadly defined and should reflect the long-range Vision for the Future
- Goals transform strategic issues into specific performance targets that impact the entire organization.



## Strategic goals are most valuable when they meet certain criteria

172

### Strategic Goal Criteria

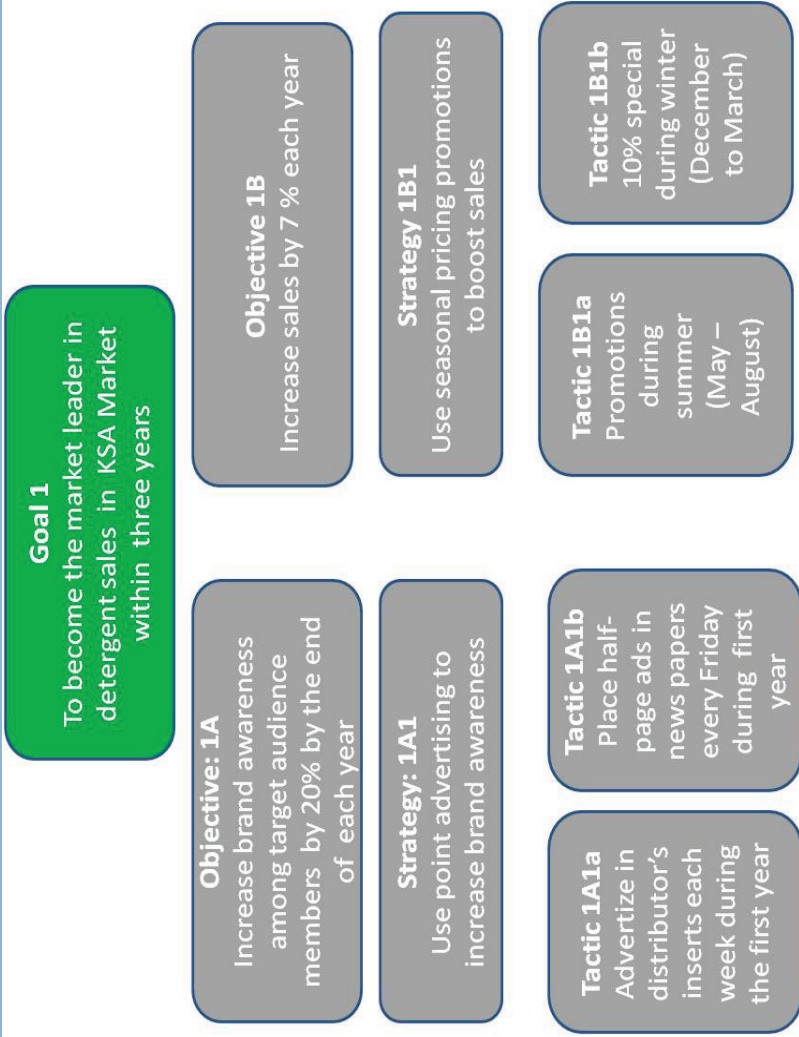


Strategic Goals answer the following questions:

- What does an organization intend to “do” over the next few years?
- What must an organization accomplish if its Vision & Mission is to be achieved?

# Strategic Goal, Example

173

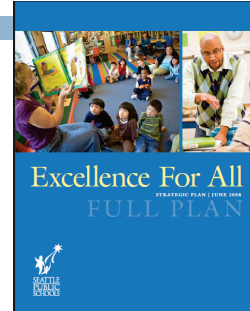


## Strategic Goals, Example

174

- Seattle Public School strategic goals are SMART:

- Specific
- Measurable
- Achievable
- Realistic
- Timeframe



### Our Goals

Over the next five years<sup>1</sup>, we will work to ensure that:

- 88 percent of third grade students meet or exceed reading standards (up from 72 percent in 2006-07);
- 80 percent of seventh grade students meet or exceed math standards (up from 53 percent in 2006-07); and
- 75 percent of students graduate from high school in four years (up from 62 percent in 2006-07).

## Strategic Goals, Stanford University School of Medicine's Graduate Education Program

175

### Mission & Goals



*Our mission at Stanford University School of Medicine's graduate education program is to train future leaders in the biosciences.*

- Attract the most promising students that broadly represent all economic and ethnic groups.
- Provide training programs of unsurpassed quality, depth, and breadth featuring innovative, multidisciplinary, and student-initiated course offerings.
- Provide and encourage opportunities for cross-disciplinary inquiry and scientific interchange.
- Provide continued individualized guidance for each student's research and education.
- Educate graduate students about the challenges in medicine and opportunities in translational research.
- Provide support to optimize opportunities for further training and a successful transition to a career in the biosciences.

## Identify Strategic Goals

176

- Arrange for split group session, each group 3 -5 people representing different parts of the organization
- Each group will be provided with the list of strategic issues and the organization vision.
- Each group will use the examples to identify the top 3 strategic goals for the coming 3-5 years
- Collect and combine the inputs for a group discussion to come up with the agreed upon goals.
- Test the goals against the criteria: reflect vision, clear, understood and achievable.

## Identify Strategic Goals

177

	How do we excel?
1	
2	
3	

- Each group will be provided with the list of strategic issues and the organization Vision
- Each group will use the examples to identify the top 3 strategic goals for the coming 3-5 years
- Each goal should reflect the vision, clear, understood, and achievable.

## Objectives

178

- Broadly defined target that an organization must achieve to make its strategy. Each objective relates to a goal, and there may be more than one objective to help achieve a goal.

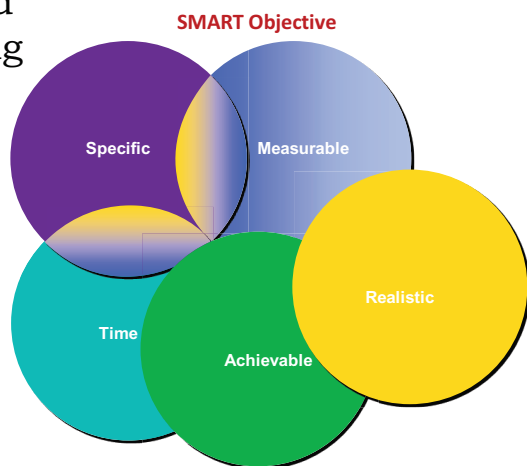


## SMART Objectives

179

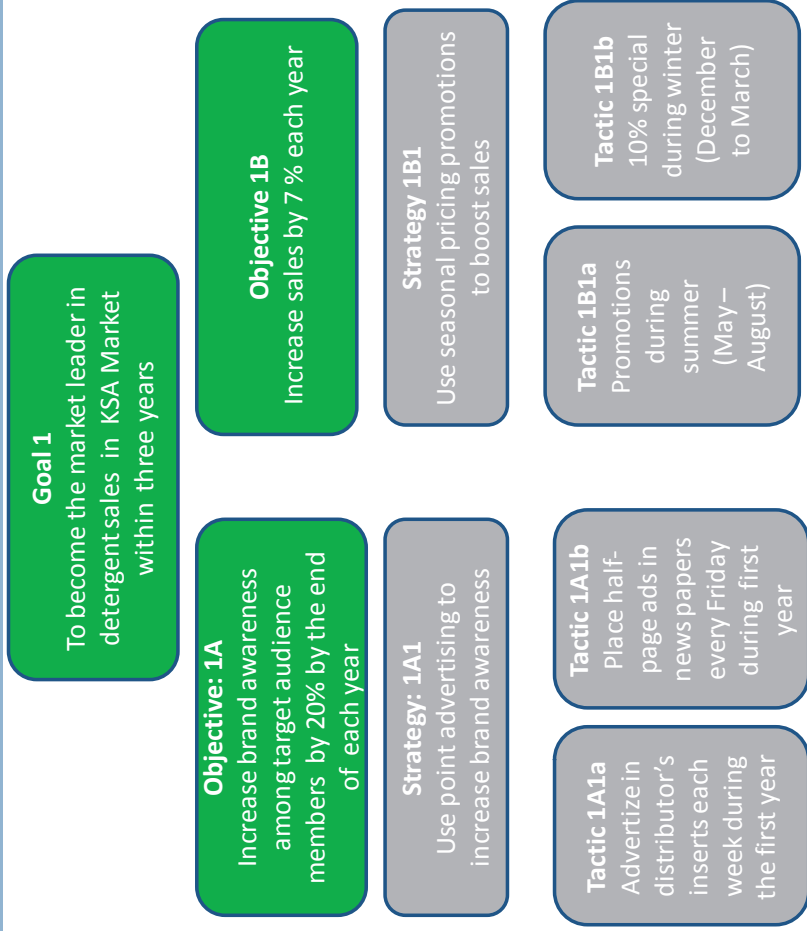
- Objectives should meet the following criteria:

- Specific
- Measurable
- Achievable
- Realistic
- Timeframe



# Objectives, Example

180



## Example: Strategic Goal and Objectives

181

### Strategic Goal 1

## Protect Our Nation from Dangerous People

### Objective 1.1

Achieve Effective Control of Our Borders.

### Objective 1.2

Protect Our Interior and Enforce Immigration Laws.

### Objective 1.3

Strengthen Screening of Travelers and Workers.

### Objective 1.4

Improve Security through Enhanced Immigration Services.



## Identify Objectives

182

- Arrange for split group session, each group 3 -5 people representing different parts of the organization
- Each group will be provided with the list of strategic goals and the organization vision.
- Each group will use the examples to identify up to 3 objectives for each goal.
- Collect and combine the inputs for a group discussion to come up with the agreed upon objectives.
- Test the objectives against the SMART criteria: Specific, Measurable, Achievable, Realistic, and Time – specific.

## Identify Objectives

183

	Goal-1
1	
2	
3	

- ☐ Each group will be provided with the list of Goals and the organization Vision
- ☐ Each group will use the examples to identify the top 3 objectives for each goal
- ☐ Each Objective should be SMART (Specific, Measurable, Achievable, Realistic, and Time – specific).

## Identify Objectives

184


	Goal-2
1	
2	
3	

- ☐ Each group will be provided with the list of Goals and the organization Vision
- ☐ Each group will use the examples to identify the top 3 objectives for each goal
- ☐ Each Objective should be SMART (Specific, Measurable, Achievable, Realistic, and Time – specific).



## A. Defining the desired future

185

- A1: Identify Critical Strategic Issues
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## What are Key Performance Indicators (KPIs)? What are KPIs Benefits?

186

- Key Performance Indicators (KPI) are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organization and reflect the organizational goals and objectives.
- Benefits of KPIs:
  - Are used to improve productivity and better align employee output with the mission and goals of the organization
  - Allow management to see the organization performance in one place.
  - Support organization's employees working together to a common set of measurable goals.
  - Provide quick way of seeing the actual performance of a goal or strategic objective
  - Make it easier to take decisions based on accurate and visible measures that back them up.

## KPIs are most valuable when they meet certain criteria

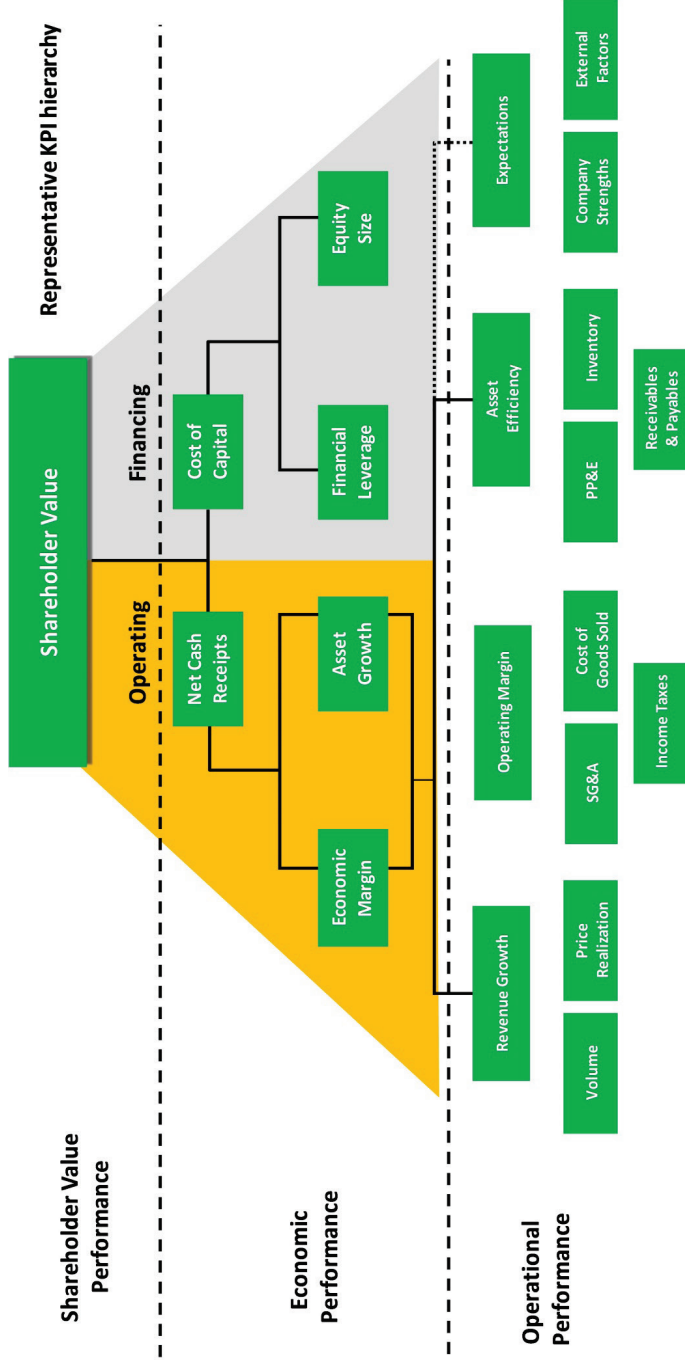
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Process Dependent	■ KPIs should be derived from or be the outcome of specific processes to ensure that they are relevant and can be easily obtained and tracked
Reliable	■ The data used for the KPIs should not be “arbitrarily” derived and should reflect accurate, verifiable information
Quantifiable	■ KPIs should be concrete, as opposed to conceptual, and should be measurable and easily expressed in relevant units
On-Going and Comparable	■ KPIs should provide information that is comparable and relevant across periods, rather than being “one-time” indicators of performance
Linked to Objectives	■ KPIs should provide information that can be linked to and which support appropriate enterprise objectives

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A well-defined set of KPIs will focus on operational measures that drive economic performance and shareholder value

188



Corporate level KPIs are typically developed with inputs from various sources and balanced across several important attributes

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Inputs to KPI Scorecard Development

1	Corporate Strategies
2	Corporate Initiatives
3	Existing KPIs & Reports
4	External Views

Balance Points

- Leading vs. Lagging
- Core Business vs. Strategic/Initiative Focus
- Financial vs. Operational
- Strategic Elements vs. Tactical Elements

An effective set of KPIs tends to be balanced between leading and lagging, financial vs. non-financial, corporate vs. business unit, etc.

## Key Performance Indicators(KPI), Examples

190

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>□ Marketing KPIs :             <ul style="list-style-type: none"> <li>▣ public relations</li> <li>▣ Promotion</li> <li>▣ Advertisement</li> <li>▣ e-marketing</li> </ul> </li> <li>□ Production KPIs             <ul style="list-style-type: none"> <li>▣ material management</li> <li>▣ order management</li> <li>▣ productivity</li> <li>▣ Quality</li> <li>▣ maintenance</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>□ Purchasing KPIs             <ul style="list-style-type: none"> <li>▣ delivery on time</li> <li>▣ delivery is not enough quantity</li> <li>▣ quality,</li> <li>▣ quantity bought over required</li> <li>▣ purchasing cost</li> <li>▣ cost of purchasing units,</li> <li>▣ transaction cost unit of purchasing</li> <li>▣ suppliers rating.</li> </ul> </li> </ul> |
|---|---|

## Key Performance Indicators(KPI), Examples

191

- Financial KPIs
  - ▣ asset management,
  - ▣ payroll management
- Accounting KPIs
  - ▣ accounts payable management
  - ▣ accounts receivable management



## How do we Identify Key Performance Indicators(KPI)?

192

- Determine the Unit to be measured : entire organization, major business unit, geographical sites, function, or department.
- Determine the three most important processes within the Unit that are related to customer service, profitability and the mission of your organization and determine the final output of each process
- Compile a List KPIs being used by the Unit to measure each process above (ask employees, existing balanced scorecard, KPIs built on incentives structure for the employees)



# How do we Identify Key Performance Indicators(KPI)?

193

- For each KPI in the list, find:
  - ▢ Frequency of measurement
  - ▢ how senior leadership act upon KPI
  - ▢ kind of information it provides
  - ▢ correction actions taken based on it
  - ▢ Ownership
  - ▢ Relationship with other performance measures
- Eliminate KPIs with less impact or not being consistently used
- Brainstorm with the Team about the validity the list
- Compile a short list



# Key Performance Indicators(KPI), Example

194

Strategic Goal 1

## Protect Our Nation from Dangerous People

### □ Goal-1 KPI,s

Measure	FY 2013 Target
Border miles under effective control (including certain coastal sections).	*
Air Passenger Apprehension Rate for Major Violations. [Percent of the total number of individual passengers with major violations of customs and immigration laws and regulations that were apprehended based on statistical estimates of the total number of violations that came through our international airports.]	43.5%
Land Border Apprehension Rate for Major Violations. [Percent of the total number of vehicles (travelers with major violations of customs and immigration laws and regulations that were apprehended based on statistical estimates of the total number of violations that came through the Points of Entry (POEs).]	37.5%
Percent of at-risk miles under strategic air surveillance.	95%
Percent of undocumented migrants who attempt to enter the U.S. via maritime routes that are interdicted. [As estimated, based upon data obtained from the U.S. Coast Guard and U.S. Customs and Border Protection.]	71.5%
Number of incursions into the U.S. exclusive economic zone (EEZ).	185
Percent of time that Coast Guard assets included in the Combatant Commander Operational Plans are ready at a Status of Resources and Training System (SORTS) rating of 2 or better.	100%

\* The degree of effective control will be determined by the resources devoted to the task as developed in the Department's FY 2010-14 budget proposal and by funding provided by Congress.



## Identify Key Processes and Related KPIs

195

Process	KPI,s
1-	
2-	
3-	

Determine the three most important processes within the Unit

## Identify Key Performance Indicators(KPIs) Information


196

KPI	Frequency of Measurement	Ownership	Process	Information	Relationship with other KPI, s	Leadership Action

Compile a List KPIs being used by the Unit to measure each process

## A. Defining the desired future

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- A1: Identify Critical Strategic Issues
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- A5: Identify Core Competencies
- A6: Strategic Business Unit (SBU)
- A7: Define Strategic Perspective
  - ▣ (a) Overall Strategy      ▣ (c) R& D Strategy      ▣ (e) Risks
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## Balanced Scorecard, What is It?

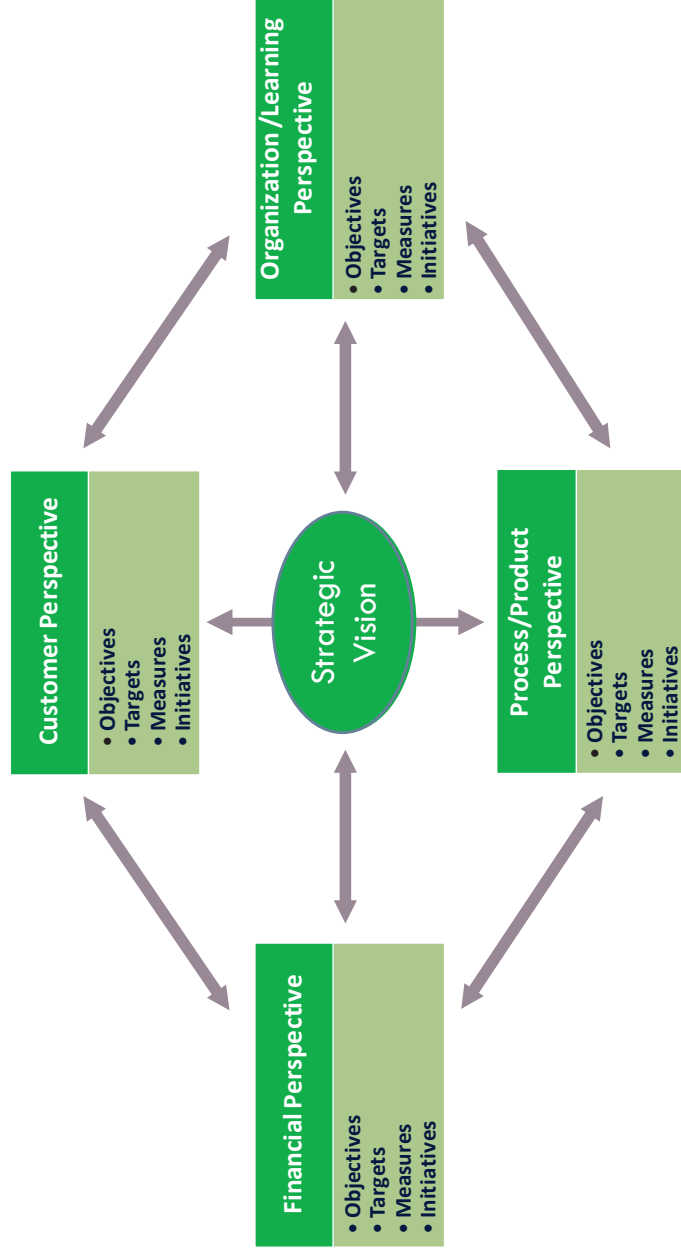
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- Balanced scorecard measures an organization performance in four broad areas, which are known as perspectives:
  - ▣ Customer
  - ▣ Business Process/ Product
  - ▣ Learning and Growth
  - ▣ Finance.
- It links each perspective with one or more KPIs.
- It helps managers across an organization translate corporate strategy into tangible objectives and measurements



Balanced Scorecard (BSC) aligns KPI,s with organization's objectives using four integrated perspectives

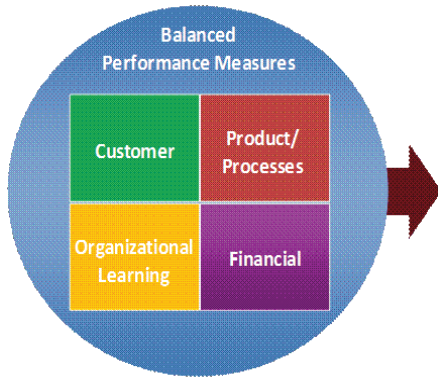
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The Balanced Scorecard aligns objectives, measures and targets with the organization's mission and vision.

## Benefits of a Balanced Scorecard

200



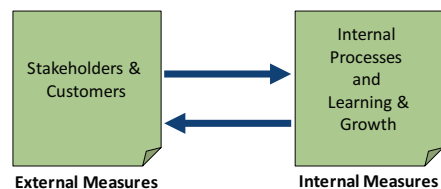
- ❑ Alignment of performance measures with business strategy
- ❑ Facilitates communications of corporate objectives to all levels
- ❑ Reinforcement of corporate goals into operating unit objectives
- ❑ Foundation for incentive compensation plans
- ❑ Indication of future results
- ❑ Diagnostic tool to monitor performance with financial and non-financial measures

The Balanced Scorecard can effectively link strategic objectives into meaningful, measurable actions.

## How is the Balanced Scorecard Different?

201

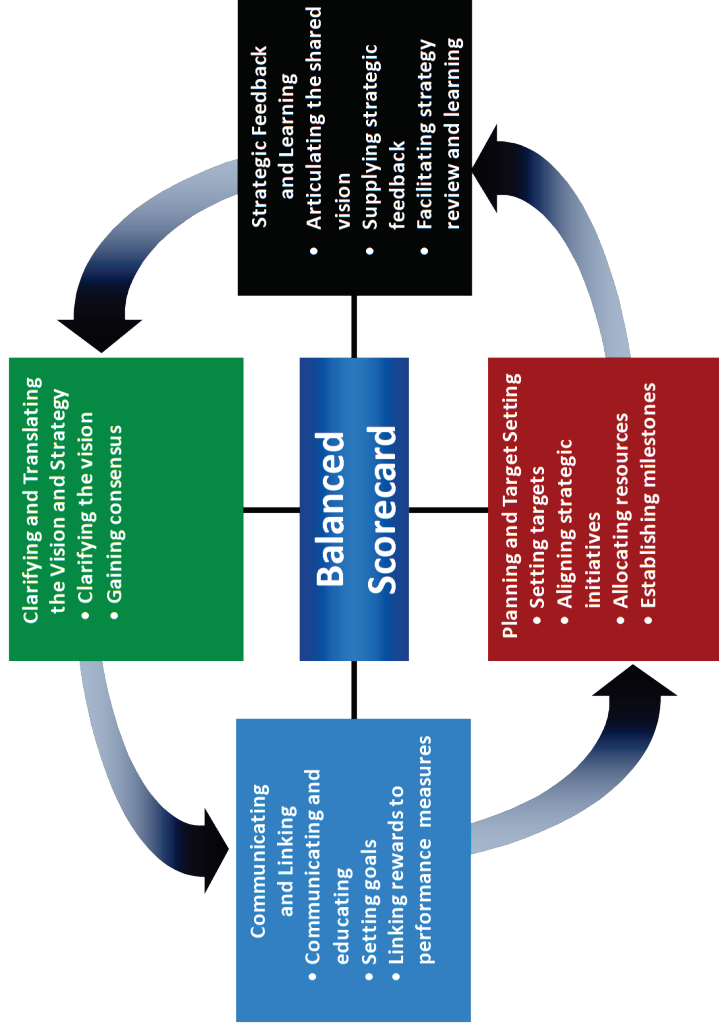
- ❑ The measures derived from the strategy represent a balance between external and internal measures
- ❑ Other Characteristics:
  - ❑ A top-down reflection of the organization's mission and strategy
  - ❑ It should be forward-looking
  - ❑ It should help you focus



The Balanced Scorecard can serve as a “strategic framework” for proactively manage performance.

# A Strategic Framework for Action

202



*"The Balanced Scorecard;" Robert Kaplan and David Norton, Harvard Business School Press, 1996*

## Balanced Scorecard Example

203

Commercial Bank		
Shareholder	Achieve returns of 1% on assets and 15% on equity	Net interest margin / non-interest expense
	Achieve efficiency ratio of 68%	Overhead expenses
	Achieve asset growth of 15%	Asset growth rate
	Loan loss rate of .5% or less	Number of problem loans
	Loan delinquencies of 2% or less	Number of bad loans made
Customer	High personal quality service	Number of complaints / customer satisfaction rating
	Competitive product offerings	Number of product offerings per year / Sales volumes
	Competitive pricing	Cost of doing business / competitive price comparisons
	Customer satisfaction	Customer surveys
Employee	Competitive compensation	Annual market review
	Participation in organization	Bonus pay per personal performance
	Enhance job skills	Training completed
	Quality evaluation of performance	Comparison to best standards
Community	Increased upward career movement	Number of internal promotions
	Provide community support activities	Extent of employee participation
	Act as a good corporate citizen	Extent employees vote / extent employees support outside activities

Source: Applying the Balanced Scorecard to Small Companies by Chee W. Chow, Kamal M. Haddad, and James E. Williamson - Management Accounting, August 1997

## Balanced Scorecard Example

204

Electronics Company		
Customer	Quality	Number of Defects
	Price	Competitive Comparison
	Delivery	Number of On time Deliveries
	Shipments	Sales Growth
	New Products	Number of new products to support
	Support	Customer Satisfaction Survey
Internal	Efficiency in manufacturing	Cycle Time
	New product introductions	Rate of new introductions
	New product success	Number of orders
	Sales penetration	Actual vs. Plan
	New businesses	Number of new businesses each year
Innovation	Technology leadership	Product performance benchmarking
	Cost leadership	Quarterly Manufacturing Overhead
	Market leadership	Market share (all markets)
	Research & Development	Number of new products
Financial	Sales	Annual growth rate
	Cost of Sales	Annual trend line
	Profitability	Return on capital employed
	Prosperity	Cash flows
Employee	Competitive Salaries	Local area comparisons
	Opportunity	Satisfaction rating
	Citizenship	Contributions to community

Source: Applying the Balanced Scorecard to Small Companies by Chee W. Chow, Kamal M. Haddad, and James E. Williamson - Management Accounting, August 1997

## Developing Balanced Scorecard

205

	Objective	KPI
Customer		
Product / Processes		
Financial		
Organizational Learning		

## A. Defining the desired future

206

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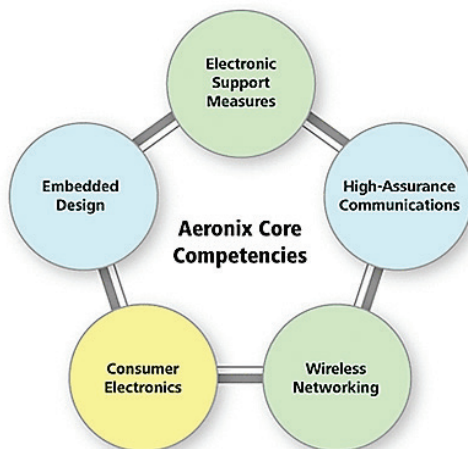
## What are Core Competencies?

207

- Core competencies are discrete activities that an organization performs better than the competition which generate significant customer value for a family of end products or services
- Core competencies are critical to the corporation's current and future performance and lead to an enduring competitive strategic advantage
- The intersection of market opportunities with core competences forms the basis for launching new business.

## Core Competencies, Example

208



Core competencies are critical to the corporation's current and future performance and lead to an enduring competitive strategic advantage

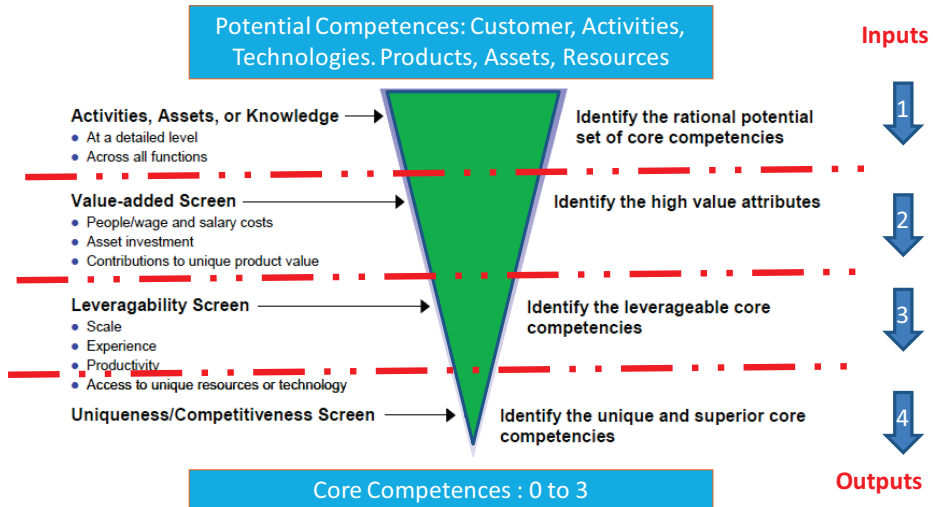
## How Do We Identify Core competencies?

209

- Brainstorming session with strategic planning team and selected representatives from all departments and functions
  1. Identify the organization's balanced potential set of core competencies at detailed level across all functions
  2. Identify the high value attributes:
    - People, wages, salary cost, asset investment, contributions to a unique product
  3. Identify the core competences that can be leveraged
    - Scale, experience, productivity
  4. Identify the unique and superior competencies

## How Do We Identify Core Competencies?

210



## Identify Core Competencies

211

Organization / Department	Products	Value (L/M/H)	Process	Value (L/M/H)	Assets	Value (L/M/H)
Organization High Value Core Competences	Unique/superior core competences are:					

## A. Defining the desired future

212

- A1: Identify Critical Strategic Issues
- A2: Identify Strategic Goals & Objectives
- A3: Identify Key Performance Indicators(KPI)
- A4: Allocate Key Performance Indicators(KPI) to each objective
- A5: Identify Core Competencies
- **A6: Strategic Business Unit (SBU)**
- A7: Define Strategic Perspective
  - ▣ (a) Overall Strategy      ▣ (c) R& D Strategy      ▣ (e) Risks
  - ▣ (b) Growth Strategy      ▣ (d) Initiatives      ▣ (f) Differentiation





## What is A Strategic Business Unit (SBU)?

213

- Strategic Business Unit (SBU) is defined as the basic organizational unit within the overall corporate identity which is distinguishable from other business for which it is meaningful to formulate a separate competitive strategy .
- SBU provides a single product or a number of closely related products that serve a well defined product-market combination and compete with a well defined set of competitors.

## What is A Strategic Business Unit (SBU)?

214

Cont.

- When companies become really large, they are best thought of as being composed of a number of businesses (or SBUs).
- Analyzing business units helps the company allocate resources and support brand marketing, product management, strategic management, and portfolio analysis

## Strategic Business Unit (SBU) Model

215

- Client service teams and resources fully dedicated to business needs
- Clear financial accountability and visibility
- Industry and process expertise
- Dedicated production team, equipment and facility.
- Each SBU contains all key personnel functions

## Strategic Business Unit (SBU) Model

216

Cont.

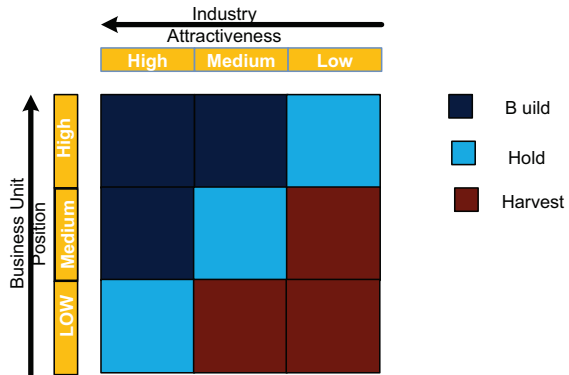
- Benefits:
  - ▣ Professionals and their priorities strategically aligned to provide best service and value
  - ▣ Employees exhibit client expertise; they are responsible solely for your business, and they become experts
  - ▣ Clear financial accountability and visibility
  - ▣ Managers structure their organization to be effective and efficient

## Strategic Business Unit (SBU) Position

217

### Criteria for Business Unit Position:

- Size
- Growth
- Share
- Position
- Profitability
- Margins
- Technological Position
- Strengths and weaknesses
- Image
- Pollution
- People



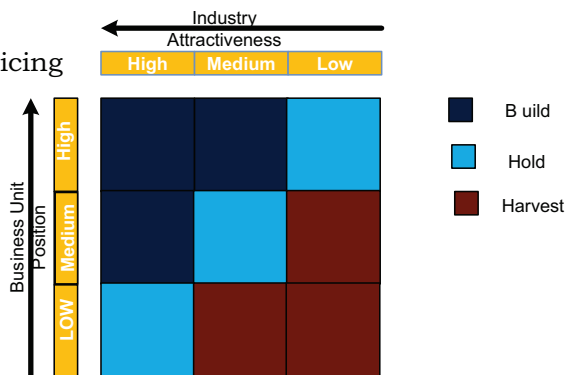
Depending on where a business unit falls on the matrix, its broad strategic mandate is either to invest capital to build position,, to hold by balancing cash generation and selective cash use, or to harvest or divest.

## Strategic Business Unit (SBU) Position

218

### Criteria for Industry Attractiveness:

- Size
- Market Growth, Pricing
- Market Diversity
- Competitive structure
- Industry Profitability
- Technical Role
- Social
- Environmental
- Legal
- Human



Depending on where a business unit falls on the matrix, its broad strategic mandate is either to invest capital to build position,, to hold by balancing cash generation and selective cash use, or to harvest or divest.

Cont.

## A. Defining the desired future

219

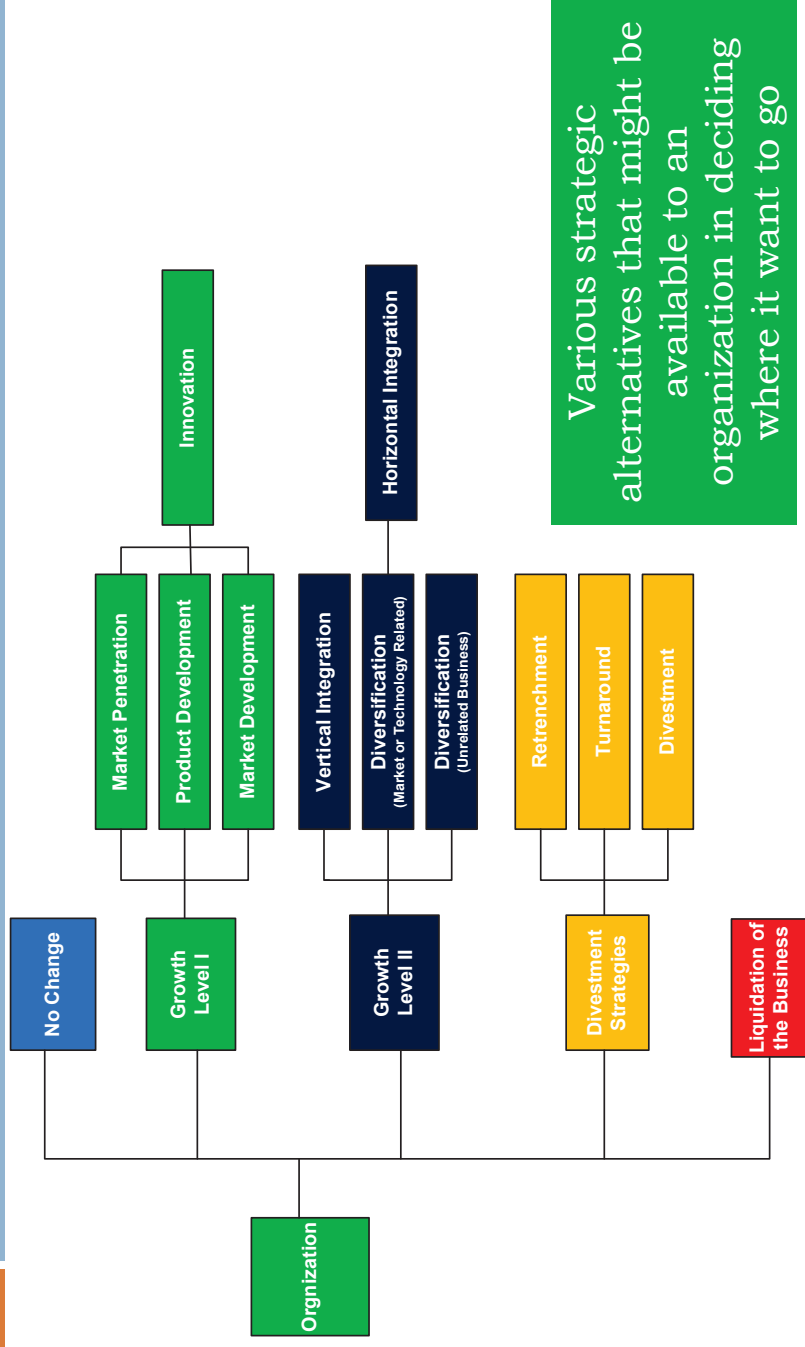
- A1: Identify Critical Strategic Issues
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  - ▣ (d) Initiatives
  - ▣ (e) Risks
  - ▣ (f ) Differentiation



220

## (a) Selecting an Overall Strategy

220



## Selecting an Overall Strategy (cont.)

221

- Various strategic alternatives that might be available to an organization in deciding where it want to go. Each alternative will be affected by the vision of the organization. Selected strategies might be implemented through internal or external growth:
  - ▣ Diversification Strategy : grow company by buying another company that is completely unrelated to current business
  - ▣ Product development Strategy : involves developing new products/ services to sell to existing customers as well as to new ones.

## Selecting an Overall Strategy (cont.)

222

- ▣ Market penetration Strategy : to sell more of current products/services to its current customers
- ▣ Market development Strategy : to sell more of current products/ services to an adjacent market
- ▣ Divestment Strategy : is a strategy used by businesses when they downsize the scope of their business activities and usually involves eliminating a portion of a business.

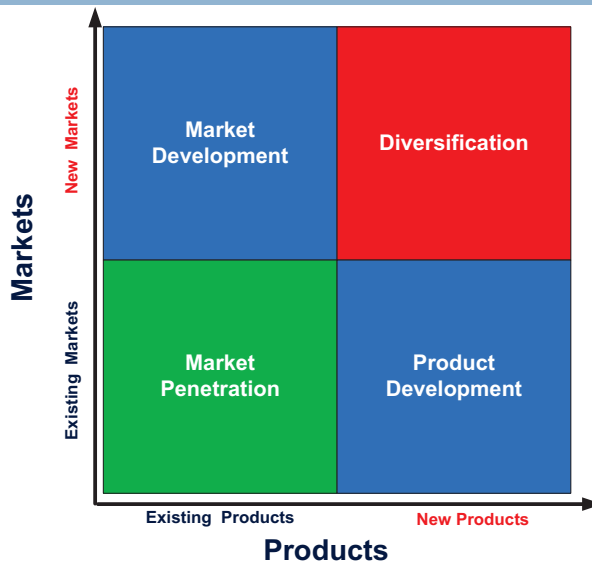
## (b) Growth Strategy, What is It?

223

- Strategy aimed at winning larger market share, even at the expense of short-term earnings.
- Growth strategies are:
  - ▣ Diversification: grow company by buying another company that is completely unrelated to current business
  - ▣ Product development: involves developing new products/ services to sell to existing customers as well as to new ones.
  - ▣ Market penetration: to sell more of current products/services to its current customers
  - ▣ Market development: to sell more of current products/ services to an adjacent market

## Growth Strategies

224



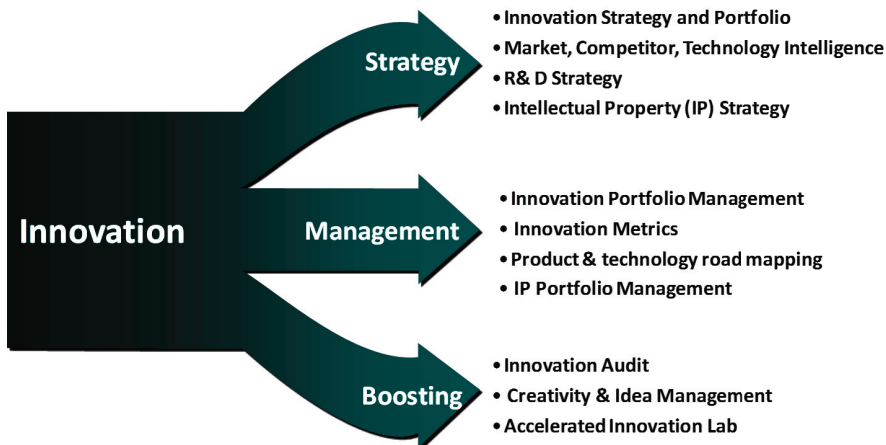
## (c) Innovation

225

- Innovation is a multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace.
- Innovation is a key component of an organization's strategic planning cycle.
- In many cases, an organization's future success may well be dependent on the innovation efforts.

## Innovation Framework

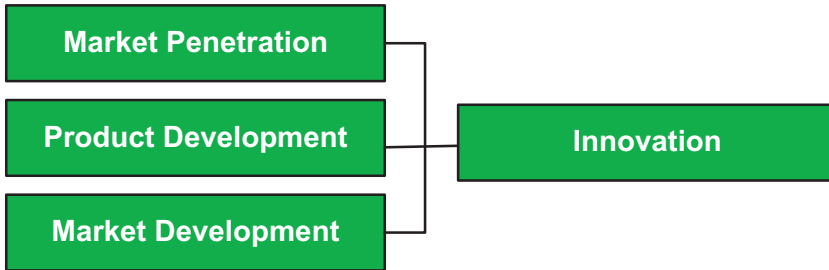
226





## Innovation Strategy

227



- Innovation strategy is linked to three growth strategies as shown and involves significant changes to products or services or processes.

## (d) Proactive Futuring, What is It?

228

- Proactive futuring is the process of identifying what can be done today to move the organization closer to the ideal future described in its vision.
- The purpose of proactive futuring is to create the future that is seen in shared vision.
  - ▣ An organization takes responsibility for its own future , rather than guising what future will bring.
  - ▣ Responsibility for the future on leaders and other members of the organization rather than on unseen external forces.

## (d) Proactive Futuring, Example

229

- Proactive futuring enables an organization to create a future that might otherwise not have existed:
  - ▣ Procter & Gamble created the disposable - diaper business by their invention.
  - ▣ Apple created new markets for music by introducing iPod and iTunes



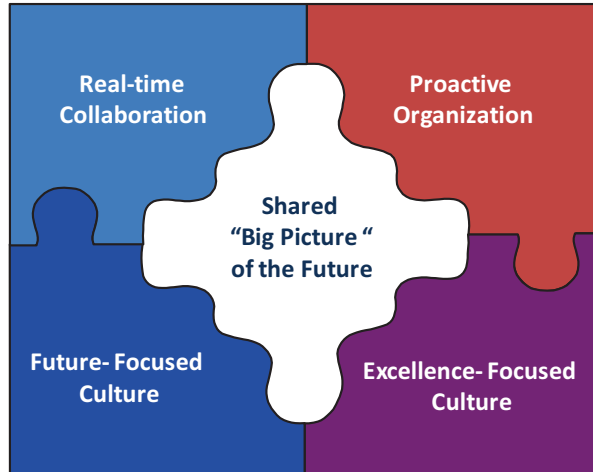
## How can we adopt proactive futuring?

230

- Shared “Big Picture” of the Future. Members of the organization share and believe in the organization's big picture.
- Proactive Organization: Creating a proactive organization that is receptive to change.
- Real-time Collaboration
- Future Focused Culture
- Excellence -Focused Culture : making shift in the mindset of members of the organization by accepting only excellence from everyone: doing the right thing, doing their best, and treating others the way they want to be treated.

## How can we adopt proactive futuring ?

231



Five elements to be considered for a proactive futuring

### (e) Risk

232

- Business risk is a circumstance or factor that may have a negative impact on the operation or profitability of a given organization
- An organization business risk represents the uncertainty of the organization's return on its assets.



An organization with clear values and objectives will be able to prioritize the key enhancements in developing comprehensive risk framework.

## Types of Risk

233



## Risk, Examples

234

- Business risk can be the result of internal and /or external factors
- Internal Factors:
  - ▣ Deteriorating sales can be attributed to an incompetent marketing effort or a sales force that is not performing up to expectations
  - ▣ Manufacturing facilities are not operating at optimum efficiency
- External Risks:
  - ▣ Change in demand for the goods and services

# Risk Management Process

235

## □ Objective

Proactive management of critical organization's risks.

## □ Approach

1. Risk Identification
2. Risk Assessment
3. Risk Mitigation
4. Risk Tracking



236

## Risk Worksheet

Title \_\_\_\_\_

Seq. #: \_\_\_\_\_

Submitted by: \_\_\_\_\_

Date: \_\_\_\_\_

1 Risk Description:		2 Level: H M L	
3 Source:			
4		Risk Type	
<input type="checkbox"/> Financial <input type="checkbox"/> Operational		<input type="checkbox"/> Market <input type="checkbox"/> Hazard <input type="checkbox"/> Regulatory <input type="checkbox"/> Project	
Consequence		1 2 3 4 5	
Likelihood		1 2 3 4 5	
<p>5 4 3 2 1</p> <p>Likelihood</p> <p>1 2 3 4 5</p> <p>Consequence</p> <p>High Medium Low</p>		Rationale	
5	Mitigation Options	Description	New Risk Level if Implemented
<input type="checkbox"/>	Avoidance		H M L
<input type="checkbox"/>	Transfer		H M L
<input type="checkbox"/>	Reduction		H M L
<input type="checkbox"/>	Retention		H M L
<input type="checkbox"/>	R & D		H M L

Risk Owner: \_\_\_\_\_

## (f) Differentiation Strategy

237

- Differentiation Strategy is the process of distinguishing a product or offering from others, to make it more attractive to a particular target market.
- It involves differentiating a product from competitors' products as well as an organization's own product offerings:
  - ▣ The value is provided to customers through the unique features and characteristic of products or services rather than by lowest price.
  - ▣ Organizations can charge premium prices for differentiated products or services.

## Differentiation Strategy

238

- Products can be differentiated in a number of ways:
  - ▣ Superior quality
  - ▣ Unique features
  - ▣ Responsive customer service
  - ▣ Rapid innovation
  - ▣ Advanced technological features
- An organization's strengths fall in one of two advantages: cost advantage or differentiation

## Cost Advantage vs. Differentiation

239

Target Scope	Advantages	
	Low Cost	Product Uniqueness
Broad (Industry)	Cost Leadership Strategy	Differentiation Strategy
Narrow (Market Segment)	Focus Strategy (Low Cost)	Focus Strategy (differentiation)

240



# STRATEGIC PLANNING GUIDE

## PART-3B

### Phase-3 Agenda

242

- Phase-3 Overview:
  - ▣ Phase-3 List of Activities
  - ▣ Phase-3 Outputs
- Phase-3 Detailed Description
  - A. Defining the desired future
  - B. Analyzing Stakeholders
  - C. Conducting Gap Analysis
  - D. Developing Strategies
  - E. Prioritizing Selected Strategies



## PHASE-3 DEVELOP STRATEGIES

### B- Analyzing Stakeholders

### B. Analyzing Stakeholders

244

- B1. Identify and understand the needs of stakeholders
- B2. Identify partnerships with relevant stakeholders
  - ▣ a. Communication strategy
  - ▣ b. Participations strategy
  - ▣ c. Alliance strategy



## B1. Identify and understand the needs of stakeholders

245

- What are stakeholders?
- Types of Stakeholders
- What is stakeholder analysis?
- Why do we conduct a stakeholder analysis?
- How do we conduct a stakeholder analysis?
  - ▣ Step-1: Identify major stakeholders
  - ▣ Step2: Evaluate stakeholder groups' interest and influence
  - ▣ Step 3: Identify stakeholder groups' needs
  - ▣ Step-4: Summarize results
  - ▣ Step 5: Create stakeholder engagement plan



## What Are Stakeholders?

246

- **Stakeholders** are individuals or groups who have an interest in an organization's ability to deliver intended results and maintain the viability of its products and services.



Our goal is to Identify stakeholders and engage them appropriately throughout the strategic planning process

## Types of Stakeholders

247

### □ Social stakeholders:

Include external groups and organizations that may be affected by or exercise influence over organization strategy and performance, such as unions, governments, and activist groups

### □ Organizational stakeholders: Include both high-level managers and frontline workers



## Types of Stakeholders

Cont.

248

### □ Capital-market stakeholders: Are groups that affect the availability or cost of capital (shareholders, venture capitalists, banks, ..etc)

### □ Product-market stakeholders: Include parties with whom the organization shares its industry, including suppliers and customers.



## What Is Stakeholder Analysis?

249

Stakeholder Analysis refers to the range of techniques and tools used to identify and understand the needs and expectations of major interests inside and outside the organization environment.



## Why Do We Conduct A Stakeholder Analysis?

250

- Stakeholder Analysis enables the strategic planning team to:
  - ▣ Assess the appropriate type of participation by different stakeholders, at successive stages of the strategic planning lifecycle.
  - ▣ Understand the need for information and involvement within the different business organizations and departments.
  - ▣ Identify relations between stakeholders which can be built upon
  - ▣ Ensure the right people receive the right information, at the right time, in the right way.

## Why Do We Conduct A Stakeholder Analysis?

251

Cont.

- Stakeholder Analysis enables the strategic planning team to:
  - ▣ Ensure the right people participate at the right time, in the right way.
  - ▣ Proactively manage the pace and amount of change that each stakeholder group must undergo to avoid “change overload”.
  - ▣ Build organizational buy-in, commitment and capability for change.
  - ▣ Maximize the potential for a successful transition from current to future state

## B1. Identify and understand the needs and expectations of major stakeholders

252

- What are stakeholders?
- Types of Stakeholders
- What is stakeholder analysis?
- Why do we conduct a stakeholder analysis?
- How do we conduct a stakeholder analysis?
  - ▣ Step-1: Identify major stakeholders
  - ▣ Step2: Evaluate stakeholder groups' interest and influence
  - ▣ Step 3: Identify stakeholder groups' needs
  - ▣ Step-4: Summarize results
  - ▣ Step 5: Create stakeholder engagement plan



## Step-1: Identify Major Stakeholders

253

- 1) List all the stakeholders on cards and sort them by categories of stakeholders :
- 2) Identify number of stakeholders within each group – How many key stakeholders are part of this group?
- 3) Identify work activities - What typical work activities do these stakeholders perform? Is there someone in the group that we could talk to, in case we have any clarifying questions?
- 4) Identify Contact information : Point of contact, phone, address, email.. Etc
- 5) Record the results in the Stakeholder Information Sheet

## Stakeholder Information Sheet

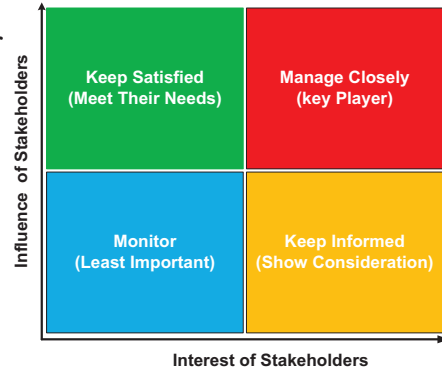
254

Stakeholder Group	Key Individuals Names	Number of Stakeholders Within Group	Work Activities	Contact Information

## Step2: Evaluate stakeholder groups' interest and influence

255

- Evaluate interest and influence of each stakeholder group and selected key individuals in each group to be able prioritize the amount of effort invested in addressing their needs:
  - Evaluate Interest (High or Low)
  - Evaluate Influence (High or Low)
- Record results at the stakeholder Information Sheet



## Sample of key questions to understand the stakeholder groups' interest and influence

256

1. How important is the Stakeholder?
2. How is he affected?
3. What are his interests, views, objectives?
4. What are his expectations?
5. What benefits are there likely to be for him?
6. How do he affect / influence the organization?



## Sample of key questions to understand the stakeholder groups' interest and influence

257

7. What are his capacities to support/ hinder strategies implementation?
8. Does He have other interests that may conflict with the organization's strategies?
9. Where and how does his interest align or diverge?
10. What kind of relations?
11. How should he participate or contribute?

## Stakeholder Information Sheet

258

Stakeholder Group	Key Individuals Names	Number of Stakeholders Within Group	Work Activities	Contact Information

## Step 3: Identify stakeholder groups' needs

259

To determine specific stakeholder group needs, and prioritize the amount of effort invested in addressing those needs, the following criteria are used to rate each stakeholder group.

- **Stakeholder Issues** - Is there anything we should know that will help with our planning?
- **Type of Information** - What type of information is this stakeholder interested in receiving as the strategic planning progresses?
- **Communication Media** - What are the best mediums to use to deliver strategic planning information to this stakeholder?

## Step-4: Summarize Results

260

- To ensure that stakeholder concerns are considered during strategic planning, briefly summarize results in a for future references.

## Step-5: Create Stakeholder Engagement Plan

261

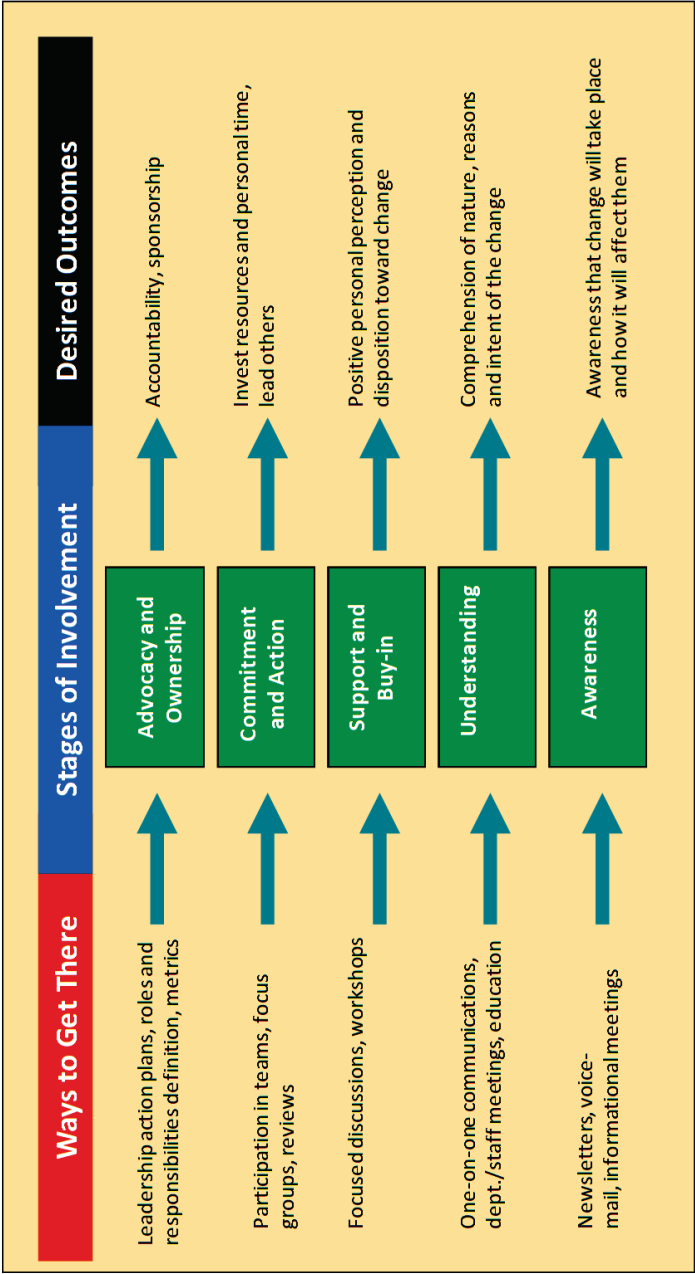
- The intent of the Stakeholder Engagement Plan is to keep all key stakeholders committed to and focused on the desired business results for the project.

262

# Stakeholder Engagement Plan

262

Stakeholder needs can be categorized into one of five stages of involvement



## Key Messages

263

Stakeholder Group	Key Messages

## B. Analyzing Stakeholders

264

- B1. Identify and understand the needs of stakeholders
- B2. Identify partnerships with relevant stakeholders
  - ▣ a. Communication strategy
  - ▣ b. Participations strategy
  - ▣ c. Alliance strategy



## Communication Strategy

265

- A communication strategy outlines a process for communicating and sharing information on strategy benefits and facts to target audiences and stakeholders:
- Benefits:
  - ▣ Inform stakeholders (internal and external) by providing accurate information and enhancing understanding, curbing rumors and speculation, as well as reducing uncertainty.
  - ▣ Achieve stakeholder buy-in and promote ownership by specifying their roles in making change happen and generating enthusiasm and excitement the change.

## Communication Strategy

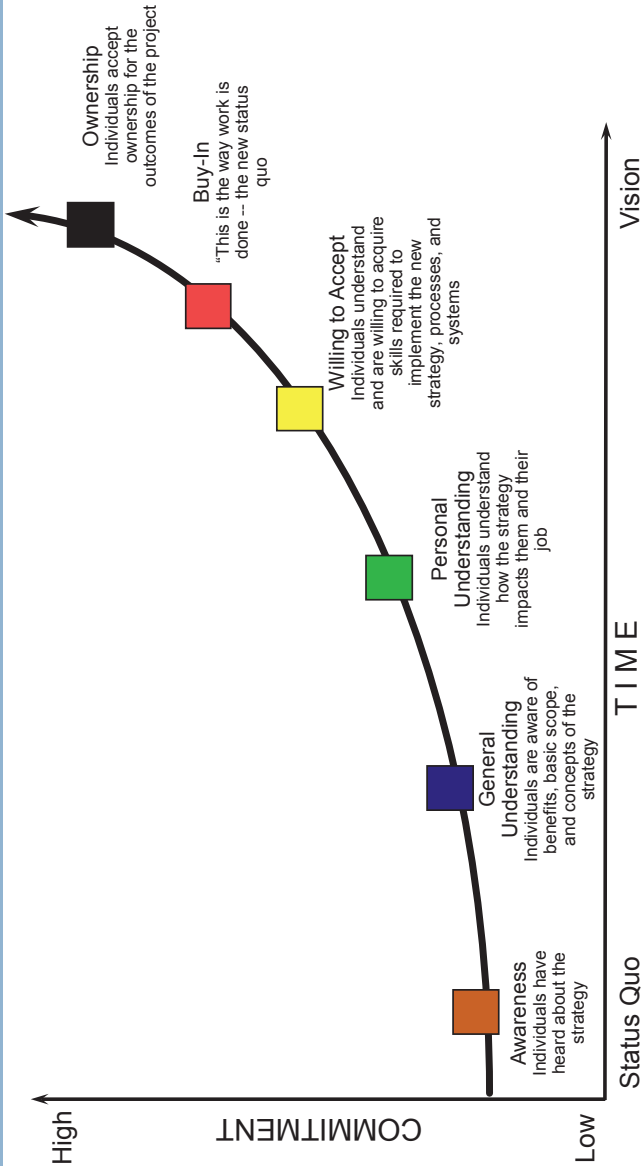
Cont.

266

- Benefits:
  - ▣ Provide a forum for two-way communication for stakeholder feedback by soliciting valuable feedback for strategic planning teams and allowing mid-course adjustments to the communication process.
  - ▣ Develop/maintain the profile of the strategic planning within the business and with external stakeholders

# Stages For Building Personal Commitment to Change

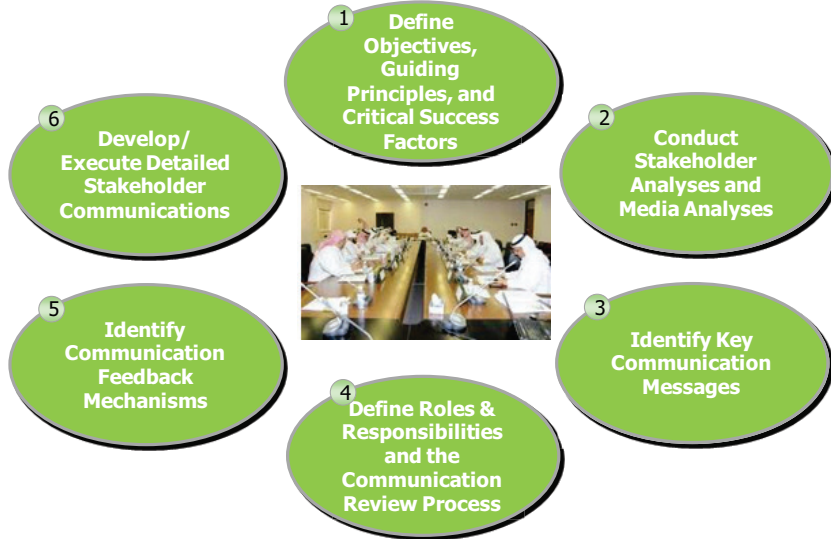
267



Communications strategy achieves stakeholder buy-in and promotes ownership

# Communication Planning Process

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269



# Media Analysis

269

## STRENGTHS

## WEAKNESSES

### PERSON-TO-PERSON

- Staff/team meetings
- Information Sessions
- Focus Groups
- Video Conferencing

- Establishes relationship between communicator and recipient
- Conveys empathy more easily
- Supports two-way communications
- Facilitates assessment of audience understanding and receptiveness
- Increases credibility of message
- Allows language to be tailored to the audience

- Limits portability of message to other groups
- Places onus on employee to participate unless mandatory
- May require coaching and preparation of communicators and conflict management techniques
- High potential for filtering/screening
- Expensive
- Takes more time

### PRINT

- FAQs/Fact Sheets
- Newsletter
- Reports/Presentations
- Surveys
- Information Kits

- Improves portability of message for future reference
- Effectively supports person-to-person communications
- Facilitates mass distribution

- Increased cost of preparation (time and materials)
- May limit timeliness of messages
- Limits ability to tailor language and messages
- Limits ability to convey empathy
- Supports one-way communication
- Potential for filtering/screening

### ELECTRONIC

- Voicemail
- Email
- Webcasts
- Email Newsletters

- Facilitates rapid, broad distribution
- Reduces potential for filtering or screening
- Supports some two-way communication
- Facilitates repetitive delivery
- Supports visually stimulating presentation of messages
- Permits easy sharing and storage by end-users

- May require changes in technology to support group-wide distribution of some of the media
- Limits ability to convey empathy
- Video requires significant time and cost to produce
- Can be easily overshadowed by large volume of electronic communications

## Lessons Learned About Strategic Communications

270

1. Always consider the information needs of the recipient
2. Regularly update your stakeholder analysis
3. Leverage your team members – you can't do it alone!
4. Use multiple communication channels to communicate messages
5. Solicit feedback via informal channels

## Lessons Learned About Strategic Communications

Cont.

271

6. Encourage top-down vs. bottom-up communications
7. Don't underestimate the time it takes
8. Communicate the good with the bad!
9. Silence is not golden
10. Accept that no matter how hard you try, you won't be able to reach every stakeholder!

## B. Analyzing Stakeholders

272

- B1. Identify and understand the needs of stakeholders
- B2. Identify partnerships with relevant stakeholders
  - ▣ a. Communication strategy
  - ▣ b. Participations strategy
  - ▣ c. Alliance strategy



## Participation Strategy

273

- Stakeholder participation is the process of involving those who are affected by and thus have an interest in the formulation of an organization strategy.
- It is a two-way communication process that seeks to identify and to clarify interests at stake, with the ultimate aim of developing a well-informed organization strategy that has a good chance of being supported and implemented

## Stakeholder Participation Benefits

274

- Ensure that alternatives serving a broad range of interests are considered,
- Help in the collection and analysis of data, including identification of data gaps, potential data sources, and data gathering priorities.
- Provide transparency, accountability and in some cases a sense of ownership regarding the decision-making process and the decisions taken.
- Accustom stakeholders to the fact that difficult choices and tradeoffs will have to be made,
- Help build broad commitment to management plans and policies.

## Participation Matrix

275

		Type of Participation			
		Inform	Consult	Partnership	Control
Strategic Planning Phase	Phase-1				
	Phase-2				
	Phase-3				
	Phase-4				

## B. Analyzing Stakeholders

276

- B1. Identify and understand the needs of stakeholders
- B2. Identify partnerships with relevant stakeholders
  - ▣ a. Communication strategy
  - ▣ b. Participations strategy
  - ▣ c. Alliance strategy



## Alliance Strategy

277

- The alliance strategy is a cooperation or collaboration which aims for a synergy where each partner hopes that the benefits from the alliance.
- A Strategic Alliance is a formal relationship between two or more parties to pursue a set of agreed upon goals or to meet a critical business need while remaining independent organizations.

## Alliance Strategy

Cont.

278

- Partners may provide the strategic alliance with resources such as products, distribution channels, manufacturing capability, project funding, capital equipment, knowledge, expertise, or intellectual property.
- The alliance often involves:
  - ▣ Technology transfer through access to knowledge and expertise
  - ▣ Economic specialization
  - ▣ Shared expenses
  - ▣ Shared risk

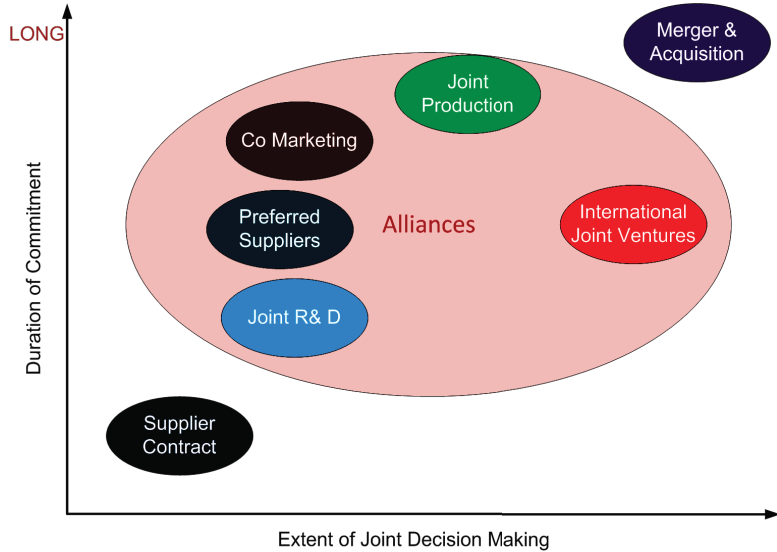
## Advantages of Strategic Alliance

279

- Focus: allows each partner to concentrate on activities that best match their capabilities.
- Added Competences: allows each partner to learn and develop new competences
- Added Capabilities: allows each partner to add new resources.

## Types of Alliance

280



## Partner Selection

281

- Alliance to explore vertical markets
- Alliance to develop new technologies
- Alliances to enter businesses
- Alliances to add complementary capabilities

## Alliances Questions?

282

- Need:
  - ▣ Have we documented your needs based on your business's strengths and weaknesses and shared them with your partner(s)
- Scope:
  - ▣ What is in ? and what is out?
- Roles
  - ▣ Who does what ? and when?
- Risk
  - ▣ How do we protect intangible assets?
- Process:
  - ▣ What is the process for decision making?
  - ▣ What is the process for maintaining partners alignment?

## Alliances Questions?

Cont.

283

- Collaboration
  - ▣ What are the incentives for collaboration?
- Relationships:
  - ▣ How do we create trust among partners?
- Measurement
  - ▣ Do we have a measurement system in place to document and track your partnership's mutual benefits?
  - ▣ Do we measure the relational components of the alliance along with its economic benefits?
- Communication
  - ▣ Do we have Alliance communication strategy being implemented?



## Alliance Stages

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## Phase-3 Agenda

285

- Phase-3 Overview:
  - ▣ Phase-3 List of Activities
  - ▣ Phase-3 Outputs
- Phase-3 Detailed Description
  - A. Defining the desired future
  - B. Analyzing Stakeholders
  - C. **Conducting Gap Analysis**
  - D. Developing Strategies
  - E. Prioritizing Selected Strategies



## PHASE-3 DEVELOP STRATEGIES

### C- Conducting Gap Analysis

### C- Conducting Gap Analysis

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- What is Gap Analysis?
- What Are Key Performance Indicators (KPI)?
- How to Conduct Gap Analysis:
  - C1. Identify accomplishments during previous strategic plan and impact on KPI,s
  - C2. Identify barriers impacted progress during previous strategic plan and quantify related KPI,s impact
  - C3. Assess current state challenges and root causes of these challenges
  - C4. Develop current performance charts and identify change required to bridge the gap, options are:
    - (a) Continue with no change required
    - (b) Perform changes to cause performance quantum leap
    - (c) Perform radical changes

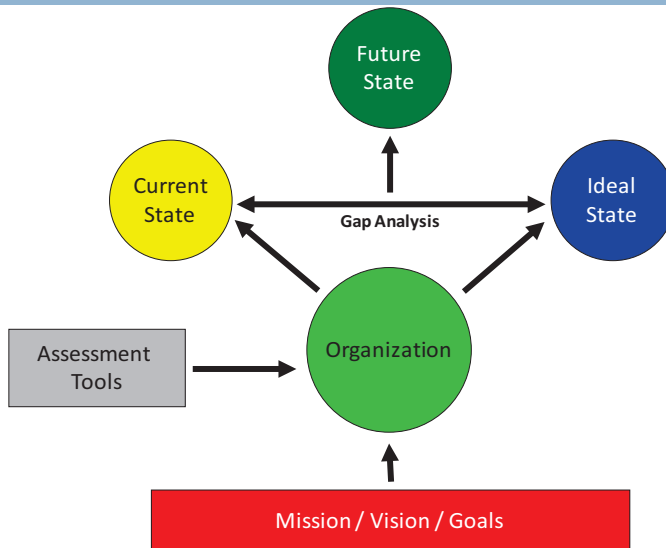
## What is Gap Analysis?

289

- Gap analysis is a tool that helps an organization to compare its current state performance with its potential performance “Ideal State” and the steps to be taken in moving from a current state to a desired “Future State”
- It answers two questions:
  - ▢ Where are we?“
  - ▢ Where do we want to be?“

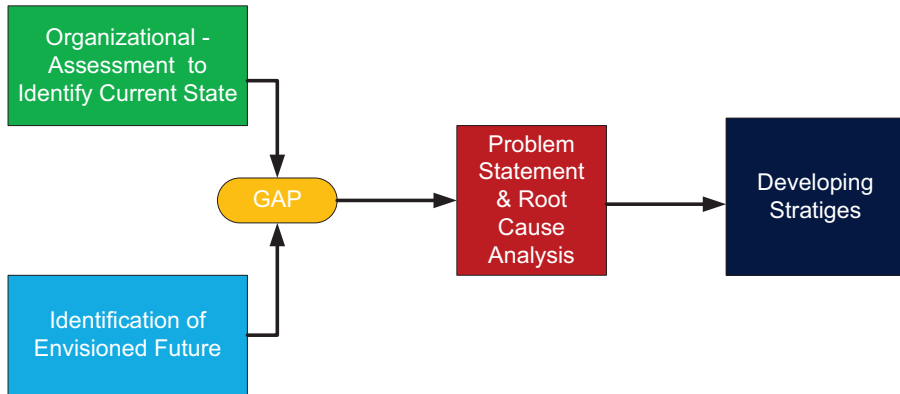
## Gap Analysis

290



## Gap Analysis Process

291



### C1: Identify accomplishments during previous strategic plan and impact on KPI,s

292

- Environmental Scan
- Identify KPI,s : current state
- Identify improvements since previous strategic plan
- Identify KPI,s impact

## Environmental Scan, What is it?

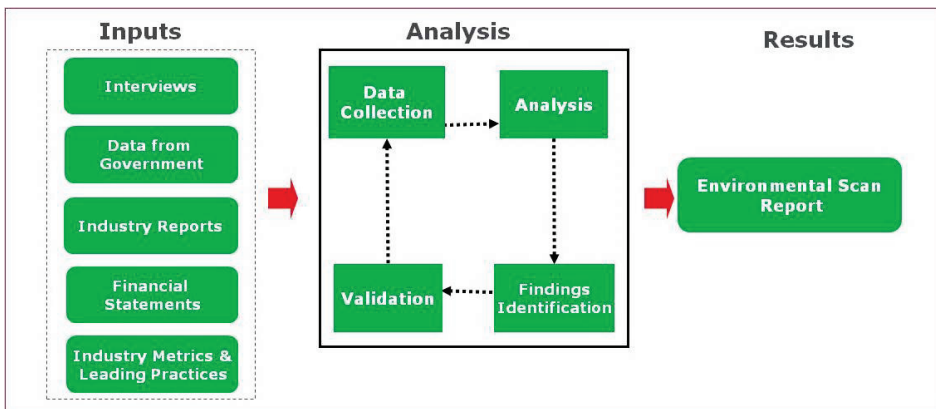
293

- an analysis and evaluation of internal conditions and external data and factors that affect the organization.
- Involves considering the factors that will influence the direction and goals of the organization
- helps an organization develop the understanding of the external and internal environment .



## Environmental Scan Process

294



## C2: Identify barriers impacted progress during previous strategic plan and quantify related KPI,s impact

295

- Barriers are obstacles in the pathway of success.
- Barriers represent impediments which require the development of alternative strategies to ideal state architecture implementation

## C2: Identify barriers impacted progress during previous strategic plan and quantify related KPI,s impact

296

- Record the main barriers themes, description , impact and recommendations
- Define Mitigation Plan:
  - ▣ define, develop, evaluate, select and implement an alternative solution that affords the organization a realistic opportunity for goal achievement.

### C3: Assess current state challenges and root causes of these challenges

297

Theme	Barrier Description	Impact Assessment	Recommendation
Political			
Cultural			

### C4: Develop current performance charts and identify change required to bridge the gap

298

- Identify Performance Chart
- Plotting performance charts
- Understanding performance charts
- Identify gaps

## Phase-3 Agenda

299

- Phase-3 Overview:
  - ▣ Phase-3 List of Activities
  - ▣ Phase-3 Outputs
- Phase-3 Detailed Description
  - A. Defining the desired future
  - B. Analyzing Stakeholders
  - C. Conducting Gap Analysis
  - D. **Developing Strategies**
  - E. Prioritizing Selected Strategies



300



# PHASE-3 DEVELOP STRATEGIES

## D- Developing Strategies

### D. Developing Strategies

302

- SWOT Analysis
- Developing Strategies
  - ▣ a. Use strengths to take advantage of opportunities
  - ▣ b. Use strengths to overcome threats
  - ▣ C Minimize weaknesses to take advantage of opportunities
  - ▣ D Minimize weaknesses to overcome threats

## SWOT Analysis

303

- ❑ SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats of an organization.
- ❑ SWOT analysis identifies the key internal and external factors that are important to achieving the organization's objectives.

## SWOT Analysis

304

- ❑ **Strengths:** characteristics of the business or team that give it an advantage over others in the industry.
- ❑ **Weaknesses:** are characteristics that place the organization at a disadvantage relative to others.
- ❑ **Opportunities:** external chances to make greater sales or profits in the environment.
- ❑ **Threats:** external elements in the environment that could cause trouble for the business.

	Positive	Negative	
	Strengths	Weaknesses	Internal Factors
	Opportunities	Threats	External Factors

Strengths and Weaknesses are often internal to an organization, while Opportunities and Threats are often relate to external factors.

## SOWT, Examples

305

### Strengths Examples

Advantage of proposition?  
 Capabilities?  
 Unique selling points?  
 Resources?  
 Experience, knowledge, data?  
 Financial reserves, returns?  
 Marketing , distribution?  
 Location?  
 Innovative aspects?

### Weaknesses Examples

Disadvantage of proposition  
 Gaps in capabilities  
 Lack of corporate strength  
 Own known weaknesses  
 Cash flow  
 Reliability of data, plan ,  
 predictability?  
 Effects on core activities,  
 distraction?  
 Timeline, deadliness and  
 pressure?

### Opportunities Examples

Market development?  
 Competitors vulnerabilities?  
 Industry or lifecycle trends?  
 Technology, innovation?  
 Global influences?  
 Geographical, export, import?  
 Business and product  
 development?  
 Seasonal, weather fashion?  
 Volume, production,  
 economics?

### Threats Examples

Political effects?  
 Legislative effects?  
 Environmental effects?  
 Competitors intentions?  
 Market demand?  
 New technology, services,  
 ideas?  
 Economy?  
 Seasonal, weather effect?

## Strengths

306

**Strengths:** Characteristics of the business or team that give it an advantage over others in the industry.

**Questions**

- ▣ What advantages does our organization have?
- ▣ What do we do better than anyone else?
- ▣ What unique or lowest-cost resources do we have access to?
- ▣ What do people in our market see as our strengths?
- ▣ What factors mean that we "get the sale"? .

*Consider answering these questions from an internal perspective, and from the point of view of your customers and people in your market*

# Higher Educational Institute, Example

307

## Strengths

- Strong academic programs complemented by a unique approach to General Education and dedicated student advising services
- Geographic location and natural campus environment
- Continued national recognition as a desired partner in educational innovation
- Commitment to faculty development, including using instructional technology effectively
- Living/ Learning residential communities and other leading edge opportunities for faculty and student interaction.
- New centers and programs, responsive to regional needs
- Highly qualified faculty
- Increasingly diverse student body
- Strong internal collaborations and external relationships across broad array of local industry/ government
- Capacity to increase tuition and fee revenues
- Successful programming efforts designed to prepare students for leadership roles
- Enrollment Management's micro-marketing campaigns and targeted segmental marketing strategies
- Ability to quickly mobilize staff in response to crisis situations
- Measurable growth of positive print and broadcast media coverage
- Growing alumni base and professionalization of Alumni Affairs

## Our Strengths

308

### Strengths

*Divide the attendees to groups ( 4-5 people each) . Select a scrip and a Lead for each group. Each one in the group reads the strengths questions and the example (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with our Strengths. Follow brainstorming rules.*

## Weaknesses

309

**Weaknesses:** are characteristics that place the organization at a disadvantage relative to others.

**Questions**

- ▣ What could we improve?
- ▣ What should we avoid?
- ▣ What are people in our market likely to see as weaknesses?
- ▣ What factors lose us sales?
- ▣ Do other people seem to perceive weaknesses that we do not see?
- ▣ Are our competitors doing any better than us?

*Consider answering these questions from an internal perspective, and from the point of view of your customers and people in your market*

# Higher Educational Institute, Example

310

## Weaknesses

- Critical space shortages impact our capacity to enroll more students, especially in programs that need specialized space, including basic electronic classrooms
- Environmental and other limits on locating and building facilities
- Insufficient funds to build a Science Center
- Statutory and funding issues negatively impact hiring
- Funds for faculty and staff development remain insufficient
- A budgeting environment constantly straining to balance long-term institutional growth against maintaining high quality
- Constraints on Library resources diminish program expansion
- Perceptions of imbalance and inconsistency in shared governance among stakeholders of the institution
- Inconsistent institutional approaches to measuring key performance indicators
- Comparatively limited number of degree program offerings, including individualized majors and masters' programs
- Ongoing concern about levels of student engagement as measured by standardized instruments, particularly opportunities for commuter students to engage
- Missed opportunities to respond to empirical data about transfer student preparedness (to customize academic programs to needs)
- Decentralized nature of communications, public relations and marketing result in inconsistencies, poor brand/presence
- Lack of a unified College message and standards for communication

## Our Weaknesses

311

### Weaknesses

Divide the attendees to groups ( 4-5 people each) . Select a scrip and a Lead for each group. Each one in the group reads the weaknesses questions and the example (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with our weaknesses . Follow brainstorming rules.

## Opportunities

312

**Opportunities:** external chances to make greater sales or profits in the environment.

### Questions

- ▣ Where are the good opportunities facing us?
- ▣ What are the interesting trends we are aware of?
- ▣ Useful opportunities can come from such things as:
  - ▣ Changes in technology and markets on both a broad and narrow scale
  - ▣ Changes in government policy related to our field
  - ▣ Changes in social patterns, population profiles, lifestyle changes, etc.
  - ▣ Local events
    - Consider answering these questions from an external perspective, and from the point of view of your customers and people in your market.
    - A useful approach for looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities.
    - Alternatively, look at your weaknesses and ask yourself whether you could create opportunities by eliminating them.

# Higher Educational Institute, Example

313

## Opportunities

- Seeking new sources of income, donations, partnerships and sponsorships during these difficult economic times. Reevaluate all departments and the use/purpose of each one, including staffing, materials and space.
- Increase the degree opportunities in all areas of study. Be more creative in course offerings. EX: How many students want a course? How much do you need to offer course? What courses go unfilled?
- Prospective students have expressed increased demand for alternative delivery methods
- Research communities in surrounding area to establish educational environments other than the main campus. Look for pre-established environments, good use facilities and use community businesses.
- Expand use of facilities to public and community organizations to enhance development of cooperative efforts. Increase student exposure to unique and diversified ideas regarding on hands learning, service learning and the use of apprenticeships, internships and volunteerism.
- Develop transparency and dialogue with all members of the college community. Community members may have unrecognized sources for donations and learning experiences.
- Increased investment in our athletic and recreational facilities
- Strong regional and national reputation among publishers



## Our Opportunities

314

### Opportunities

*Divide the attendees to groups ( 4-5 people each ) . Select a scrip and a Lead for each group. Each one in the group reads the opportunities questions and the example (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with our opportunities. Follow brainstorming rules.*

## Threats

315

**Threats:** external elements in the environment that could cause trouble for the business.

Questions

- ❑ What obstacles do we face?
- ❑ What is our competition doing that we should be worried about?
- ❑ Are the required specifications for our job, products or services changing?
- ❑ Is changing technology threatening our position?
- ❑ Do we have bad debt or cash-flow problems?
- ❑ Could any of our weaknesses seriously threaten our business?

*- Consider answering these questions from an external perspective, and from the point of view of your customers and people in your market.*

*- Alternatively, look at your weaknesses and ask yourself Could any of your weaknesses seriously threaten your business.*

# Higher Educational Institute, Example

316

## Threats

- Economy and government cuts in higher education funding, private resources being cut back and the loan market drying up creating more challenges for raising funds and seeking monies for student tuition
- Challenges from other areas of education; community colleges, on line offerings, auxiliary campus of other colleges watering down the applications pool for Stockton students
- Many organizations seeking funding and partnerships to keep their own programs alive, creating competitions for donors. Student apathy and lack of interest in actual cost for education, creating the desire to attend a college that cost less or uses their scholarship monies more effectively
- Losing site of the original mission of the college and getting lost in the idea that the more “elite” and broad based college is more progressive. Forgetting that we can enhance what we do best and use our resources better.
- Lack of performance by students with capabilities
- unduly affected by “first time-away from home syndrome”, inadequate support systems and services to successfully assist students with needs. There could be a polarization of the student body affecting support of only personal interests and a strong desire not to be involved in college life
- The new mentality that we need to keep increasing the number of students to be a better school. Adding more students without expanding the infrastructure that supports them is overstretching our resources and weakening us
- Campus-wide space shortages, most importantly, the lack of state of the art science labs that most of our competitors have
- Encroachment of our recruiting areas by other colleges and universities (competition for good students)
- Unsupportive state funding mechanism / environment – prevailing economic situation not making this easier

## Our Threats

317

### Threats

*Divide the attendees to groups ( 4-5 people each) . Select a scrip and a Lead for each group. Each one in the group reads the threats questions and the example (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with our threats . Follow brainstorming rules.*

## Developing Strategies

318

- After completing and cleaning up SWOT analysis charts, ask the these questions to develop strategies:
- 1. How can we use our strengths to enable us to take advantage of the opportunities we have identified?
- 2. How can we use these strengths to overcome the threats identified?
- 3. What do we need to do to minimize the identified weaknesses in order to take advantage of the opportunities?
- 4. How will we minimize our weaknesses to overcome the identified threats?

## Strategies

319

- Strategies refer to a general plan of action for achieving an organization's goals and objectives and relate to **how** a given end is to be attained.

## Strategies

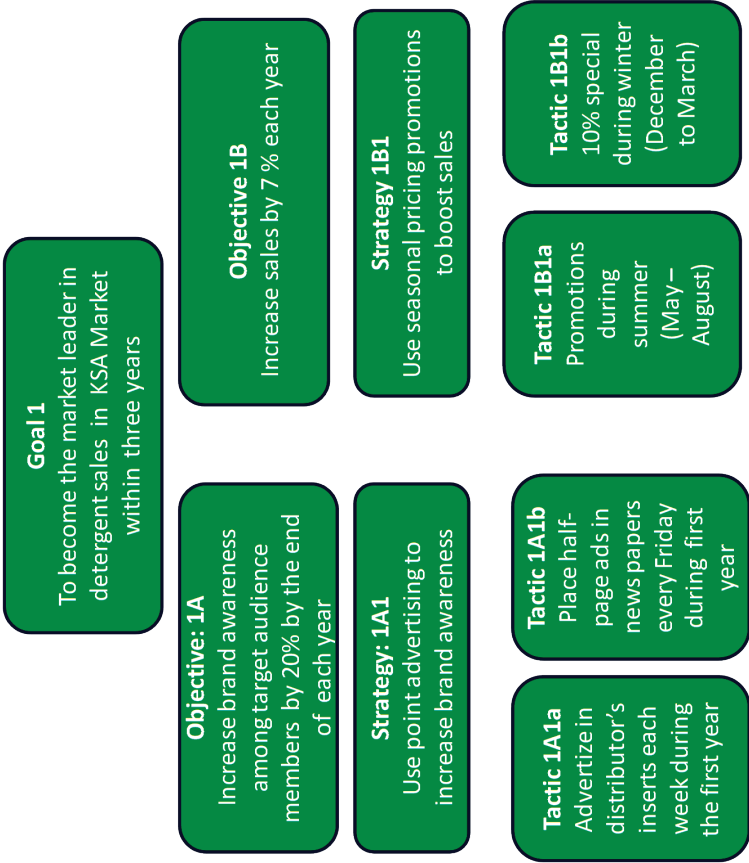
320

- Strategies refer to a general plan of action for achieving organization's goals and objectives and relate to **how** a given end is to be attained.



# Strategies, Example

321



## Tactics

322

- Tactics are the specific tools you use to implement your strategies.
- Examples: News releases, brochures, media pitches, e-newsletters, blogs, Web sites, surveys, focus groups, and videos
- This is the creative part of the plan to decide exactly which tactics are needed to successfully implement the chosen strategies.



323

# Tactics

323

## Goal 1

To become the market leader in detergent sales in KSA Market within three years

### Objective: 1A

Increase brand awareness among target audience members by 20% by the end of each year

### Strategy: 1A1

Use point advertising to increase brand awareness

#### Tactic 1A1a

Advertise in distributor's inserts each week during the first year

#### Tactic 1A1b

Place half-page ads in news papers every Friday during first year

### Objective 1B

Increase sales by 7 % each year

### Strategy 1B1

Use seasonal pricing promotions to boost sales

#### Tactic 1B1a

Promotions during summer (May – August)

#### Tactic 1B1b

10% special during winter (December to March)

## Developing Strategies-1

324

1. How can we use our strengths to enable us to take advantage of the opportunities we have identified?

*Divide the attendees to groups ( 4-5 people each) . Select a scribe and a Lead for each group. Each one in the group reads “our strengths” and “our opportunities “ chart s (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with strategies. Follow brainstorming rules.*

## Developing Strategies-2

325

2. How can we use these strengths to overcome the threats identified?

*Divide the attendees to groups ( 4-5 people each) . Select a scribe and a Lead for each group. Each one in the group reads “our strengths” and “our threats” charts (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with strategies. Follow brainstorming rules.*



## Developing Strategies-3

326

3. What do we need to do to overcome the identified weaknesses in order to take advantage of the opportunities?

*Divide the attendees to groups ( 4-5 people each) . Select a scrip and a Lead for each group. Each one in the group reads “our weaknesses ” and “our opportunities” charts (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with strategies. Follow brainstorming rules.*

## Developing Strategies - 4

327

4. How will we minimize my weaknesses to overcome the identified threats?

*Divide the attendees to groups ( 4-5 people each) . Select a scrip and a Lead for each group. Each one in the group reads “our weaknesses ” and “our threats” charts (5 minutes). Conduct brainstorming session in each group (10 minutes ) to come up with strategies. Follow brainstorming rules.*

## Phase-3 Agenda

328

- Phase-3 Overview:
  - ▣ Phase-3 List of Activities
  - ▣ Phase-3 Outputs
- Phase-3 Detailed Description
  - A. Defining the desired future
  - B. Analyzing Stakeholders
  - C. Conducting Gap Analysis
  - D. Developing Strategies
  - E. **Prioritizing Selected Strategies**




# PHASE-3 DEVELOP STRATEGIES

## E - Prioritizing Selected Strategies

### E. Prioritizing Selected Strategies

330

- E1. Estimate the impact of each selected strategy on Goals to achieve the objectives of the plan 
- E2. Estimate the effort each selected strategy
- E3. Prioritize strategies based on above calculations

## How to Score Strategies Benefits (Impact) Against Goals/ Objectives

331

□ Very Strong	6
□ Strong	5
□ Reasonable	4
□ Moderate	3
□ Low	2
□ Minimum or No	1


## Score Strategies Benefits (Impact) Against Goals/ Objectives, Example

332

	Goal # 01		Goal # 02				Goal # 03			TOTAL
	Objective # 1A	Objective # 1B	Objective # 1C	Objective # 2A	Objective # 2B	Objective # 2C	Objective # 3A	Objective # 3B	Objective # 3C	Score
Strategy #01	6	5	5	5	2	1	1	1	1	3.0
Strategy #02	4	6	3	4	2	2	2	4	4	3.4
Strategy #03	5	5	6	5	5	4	5	5	5	5.0
Strategy #04	4	4	2	6	3	4	4	2	1	3.3
Strategy #05	5	5	3	2	6	3	2	1	2	3.2
Strategy #06	2	6	5	6	5	6	5	5	5	5.0
Strategy #07	1	1	6	2	3	3	6	1	5	3.1
Strategy #08	3	3	1	2	3	2	2	6	2	2.7
Strategy #09	4	4	1	4	1	2	2	2	6	2.9

## E. Prioritizing Selected Strategies

333

- E1. Estimate the impact of each selected strategy on Goals to achieve the objectives of the plan
- E2. Estimate the effort each selected strategy 
- E3. Prioritize strategies based on above calculations

## How to Score Strategy Efforts

334

1. Number of organization's resources required to support the strategy
2. Budget required
3. Duration required to implement strategy
4. Strategy implementation risks
5. Strategy feasibility

You may need to come up with your appropriate parameters and scores to calculate efforts/risk based on your organization's environment

## Number of organization's resources required to support the strategy

335

Organization's Resources	
Number of Resources	Score
from 0 to 3	1
from 4 to 7	2
from 7 to 9	3
from 10 to 14	4
from 15-20	5
more than 20	6

## Budget required

336

Budget	
Total Budget in US Dollar	Score
from \$ 0 to \$50K	1
from \$ 51K to \$100K	2
from \$ 101K to \$200K	3
from \$ 201K 0 to \$500K	4
from \$501K to \$1 M	5
More than \$1M	6

## Duration required to implement strategy

337

Duration	
Duration in weeks	Score
from 1 w to 4 w	1
from 5 w to 12 w	2
from 13 w to 26 w	3
from 27 w to 36 w	4
from 37 w to 52 w	5
More than one year	6

## Strategy implementation risks

338

Organization's Risks	
Risks	Score
Routine Documentation	1
Training /Outreach	2
Process Improvement	3
Impact People, Process and Organization	4
Impact s External Stakeholders	5
Requires Cutting Edge Technology , Software Development	6

## Strategy feasibility

339

Feasibility	
Feasibility	Score
Minimum or No	1
Low	2
Moderate	3
Reasonable	4
Strong	5
Very strong	6

## Strategy Efforts Scoring , Example

340

	Resources	Duration	Budget	Risks	Feasibility	Score
Strategy #01	6	5	5	5	2	4.6
Strategy #02	4	6	3	4	2	3.8
Strategy #03	5	5	6	5	5	5.2
Strategy #04	4	4	2	6	3	3.8
Strategy #05	5	5	3	2	6	4.2
Strategy #06	2	6	5	6	5	4.8
Strategy #07	6	1	6	6	3	4.4
Strategy #08	3	3	1	2	3	2.4
Strategy #09	4	4	1	4	1	2.8



## E. Prioritizing Selected Strategies

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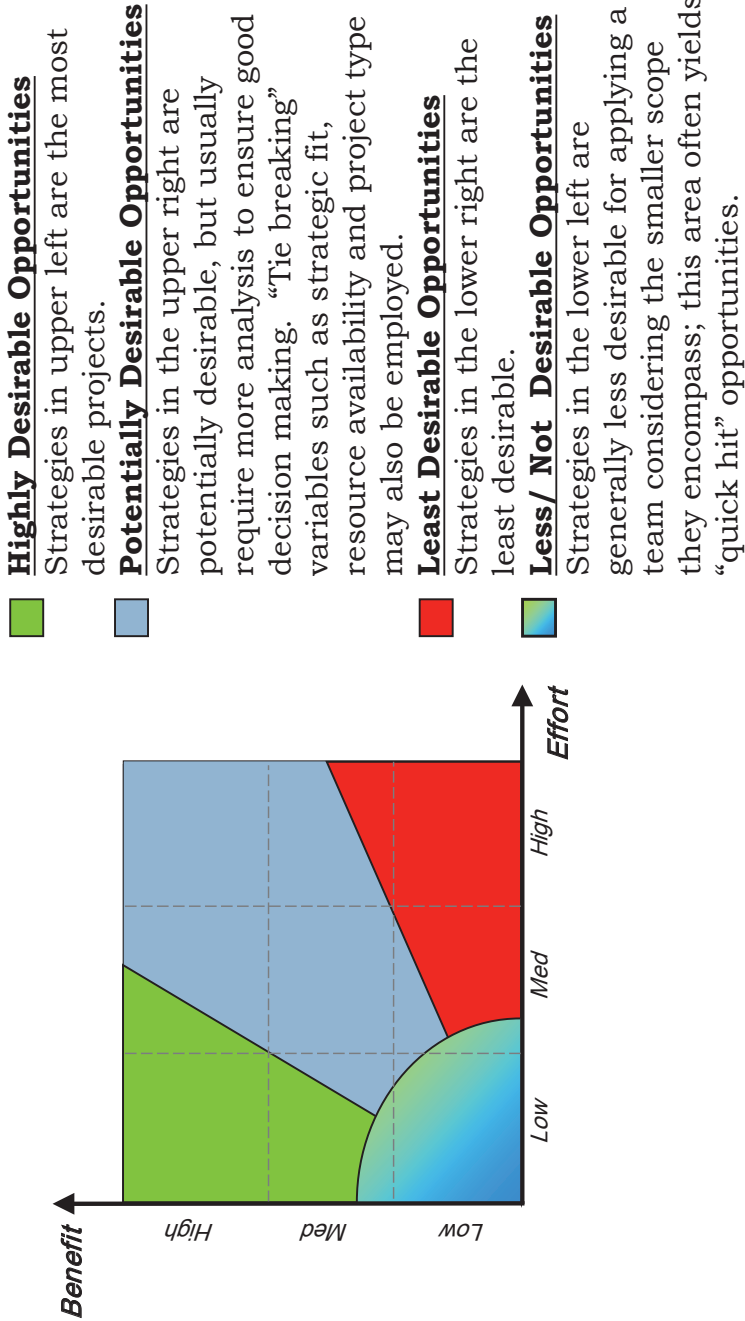
- E1. Estimate the impact of each selected strategy on Goals to achieve the objectives of the plan
- E2. Estimate the effort each selected strategy
- E3. Prioritize strategies based on above calculations



342

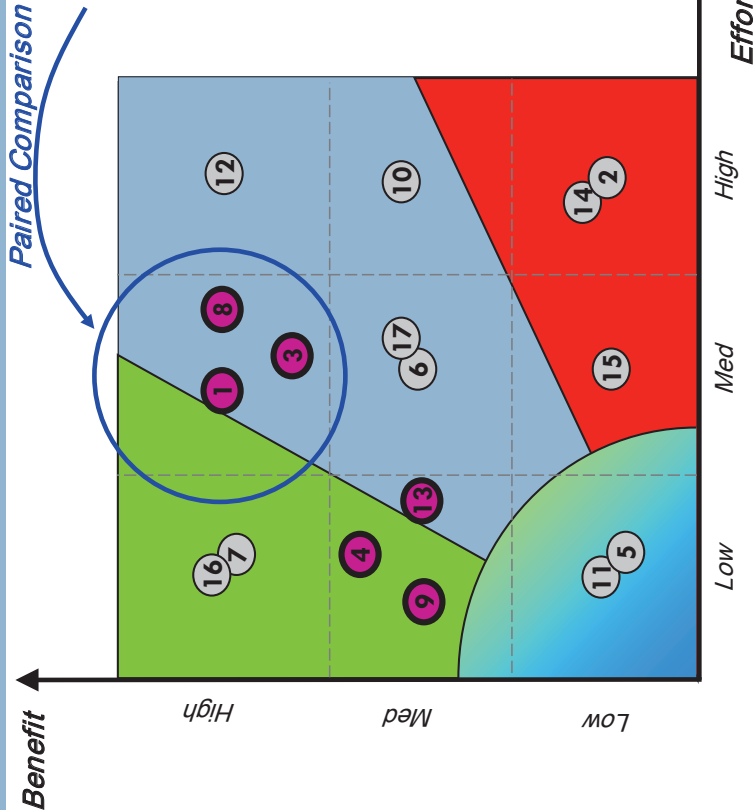
# A Benefit /Effort Matrix is Used to Prioritize Strategies

342



# Initial Plotting Example

343

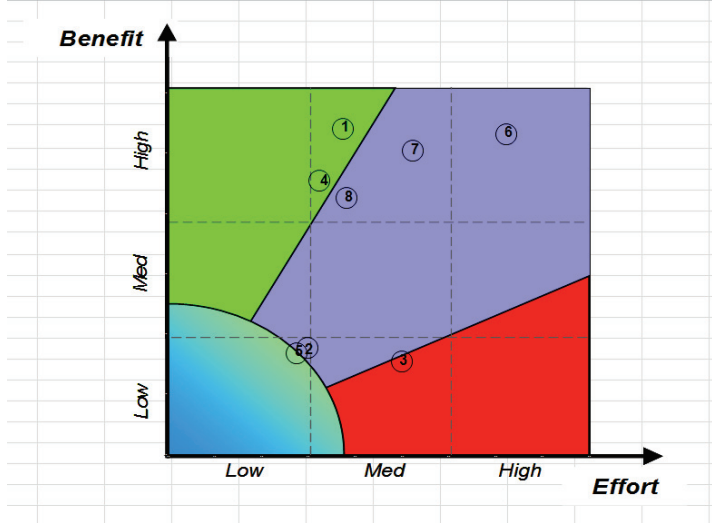


Assume we performed a paired comparison analysis on the Strategies shown in purple to separate them. The new plot looked like this.

Which 5 Strategies would you choose ? Why ?

## Project Prioritization Sheet

344



## Types of Strategy Evaluation

345

### □ Process Evaluation

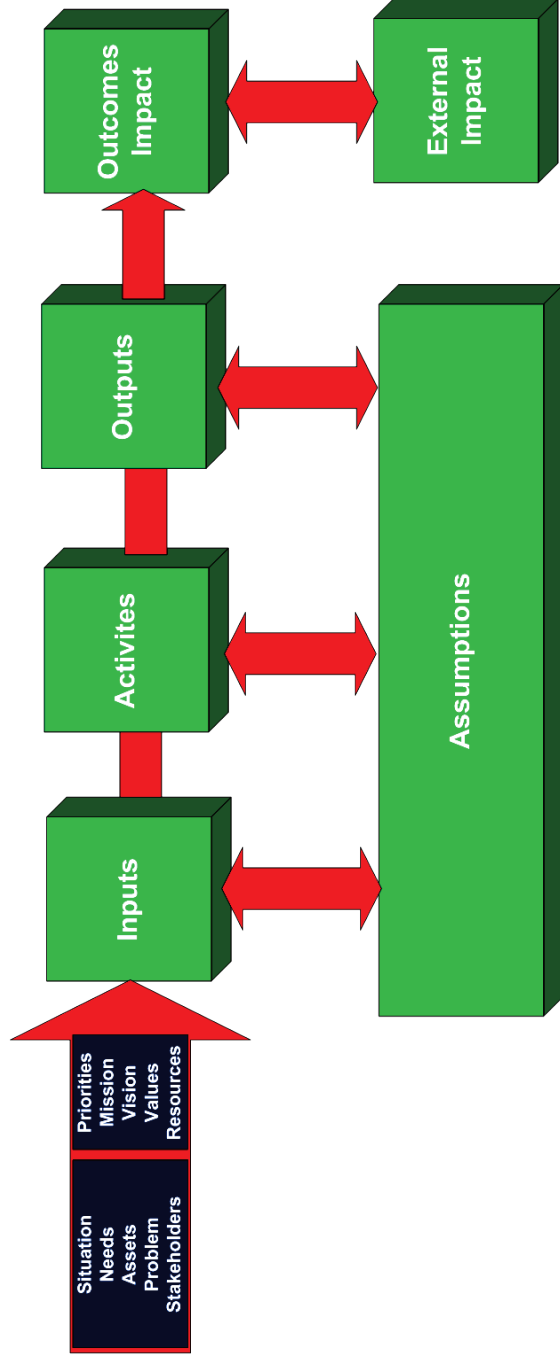
- ▣ is conducted to assess whether a strategy is being implemented as planned and whether it is reaching its intended population.
- ▣ Is a sort of quality assurance that focuses on the implementation itself and, as such, is a critical component in improving the practices that operationalize strategies.

### □ Outcome Evaluation

- ▣ is conducted to learn whether you achieved the intended outcomes of your strategy.
- ▣ To tell if the strategy was effective
- ▣ To determine whether or not the strategy intervention was responsible for any observed outcomes

# Strategic Evaluation Tool

346



A logic model is a valuable tool for strategic evaluation to demonstrate the effectiveness of the program activities by initiating and completing outcome-oriented evaluations.

## Strategy Evaluation Questions, Examples

347

- Is the strategy internally consistent?
- Is the strategy consistent with the environment?
- Is the strategy appropriate in view of available resources?
- Does the strategy involve an acceptable degree of risk?
- Does the strategy have an appropriate time framework?
- Is the strategy workable?

## Strategy Evaluation Questions, Examples

Cont.

348

- How have competitors reacted to our strategies?
- How have competitors' strategies changed?
- Have major competitors' strengths and weaknesses changed?
- Why are competitors making certain strategic changes?
- Why are some competitors' strategies more successful than others?

## Strategy Evaluation Questions, Examples

Cont.

349

- How satisfied are our competitors with their present market positions and profitability?
- How far can our major competitors be pushed before retaliating?
- How could we more effectively cooperate with our competitors?

## Difference Between Monitoring and Evaluation

350

- **Monitoring.**
  - ▣ To track changes from baseline conditions to desired outcomes
  - ▣ Methodology:
    - Tracks and assesses performance and process through analysis and comparison of indicators over time
- **Evaluation.**
  - ▣ To validate the outcomes and objectives that were achieved
  - ▣ To determine how and why outcomes and objectives were or were not achieved
  - ▣ Methodology:
    - Evaluates achievement of outcomes by comparing indicators before and after the intervention
    - Relies on monitoring data on information from external sources
    - Time-bound , periodic, in depth

## Strategic Control, What Is it?

351

- Strategic Control is the critical evaluation of plans, activities, and results, thereby providing information for the future action.
- Strategic control focuses on the dual questions of whether:
  - ▣ The strategy is being implemented as planned; and
  - ▣ The results produced by the strategy are those intended

## Strategic Control, Types of Control

352

### **Strategic Control, 4 types**

- **Premise Control**
  - ▣ Serves the purpose of continually testing the assumptions to find out whether they are still valid or not.
  - ▣ Enables the strategists to take corrective action at the right time rather than continuing with a strategy which is based on erroneous assumptions
- **Implementation Control**
  - ▣ Evaluates whether the plans, programs and projects are actually guiding the organization towards its predetermined objectives or not.



## Strategic Control, Types of Control

Cont.

353

### **Strategic Control, 4 types**

#### □ **Strategic Surveillance**

- ▣ Designed to monitor a broad range of events inside and outside the organization that are likely to threaten the course of an organization's strategy.

#### □ **Special alert control**

- ▣ Triggers mechanism for rapid response and immediate reassessment of strategy In the light of sudden and unexpected events

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# STRATEGIC PLANNING GUIDE

## PART 4

### Table of Contents

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- Phase-1 Prepare For Strategic Planning
- Phase-2 Establish of Strategic Vision
- Phase-3 Develop Strategies
- Phase- 4 Implement & Evaluate Strategic Plan 

# PHASE-4 IMPLEMENT & EVALUATE STRATEGIC PLAN

## Phase-4 Implement & Evaluate Strategic Plan

358

4

### Implement & Evaluate Strategic Plan

**A- Strategy  
Implementation**


**B- Strategy  
Evaluation**

**C- Strategy  
Monitoring &  
Control**

- A1. Derive strategic trends of selected strategies
- A2. Identify stages of implementation
- A3. Develop programs/ projects that achieve the organization's objectives
- A4. Set up programs/ projects schedules
- A5. Set up programs/ projects budgets
- A6. Develop strategic plan document and associated templates

## Phase-4 Agenda

359

- Phase-4 Overview: 
  - ▣ Phase-4 List of Activities
  - ▣ Phase-4 Outputs
- Phase-4 Detailed Description
  - A. Strategy Implementation
  - B. Strategy Evaluation
  - C. Strategy Monitoring & Control

## Phase -4 List of Activities

360

- Session -1: Strategy Implementation
- Session -2: Strategy Evaluation
- Session-3: Strategy Monitoring & Control


## Phase - 4 Outputs

361

- Strategic Plan Document
- Strategic Roadmap

## Phase-4 Agenda

362


- Phase-4 Overview:
  - ▣ Phase-4 List of Activities
  - ▣ Phase-4 Outputs
- Phase-4 Detailed Description 
  - A. Implementing at Strategic Level
  - B. Strategy Evaluation
  - C. Strategy Monitoring

# PHASE-4 IMPLEMENT & EVALUATE STRATEGIC PLAN

## A. Implementing at Strategic level

## A. Implementing at Strategic level

364

- A1. Derive strategic trends of selected strategies 
- A2. Identify stages of implementation
- A3. Develop programs/ projects that achieve the organization's objectives
- A4. Set up programs/ projects schedules
- A5. Set up programs/ projects budgets
- A6. Develop strategic plan document and associated templates

## A1. Derive strategic trends of selected strategies

365

- Strategic Trends provides a measure of context and coherence in an uncertain predictive area characterized by risk, ambiguity and change.
- Strategic Trends provides a detailed analysis of the future strategic context for an organization out to 30 years.
- Strategic Trends Analysis helps to ensure objectivity, intellectual rigor and freedom from accusations of compromise, lobby-group pressure or partiality.

## A1. Derive strategic trends of selected strategies

Cont.

366

- Strategic Trends presents an understanding of the changes that are likely to take place during the next 30 years, by considering major trend-based outcomes in 5 dimensions:
  - ▣ Economical
  - ▣ Social
  - ▣ Political
  - ▣ Technological
  - ▣ Demographic



## Strategic Trends, Examples

367

- **Economic trends examples:** Real estate occupancy rates, unemployment rates, sovereign debt, household debt, corporate debt, government intervention in markets, corporate merger and acquisition activity, energy factors, raw material availability
- **Social trends examples:** aging populations, urbanization, mixed families, increased prevalence of diabetes, hypertension, and kidney failure
- **Political trends examples:** Legislation, regulation, political parties, authoritarianism versus liberal democracy

## Strategic Trends, Examples

Cont.

368

- **Technology trends examples:** increased distribution of GPS, IPv6 networking, decreasing price and increase application of robotics in the home, genomic medicine, electric automobiles, nanotechnology
- **Demographic trends examples:** gender, race, age, income, disabilities, mobility (in terms of travel time to work or number of vehicles available), educational attainment, home ownership, employment status, and location.

## Strategic Trends Analysis Process

369


- Determine which factors, on each level, are relevant for each chosen strategy
- Score each item as to specify its importance
- Identify those factors that can influence selected strategy

## Example

370

## A. Implementing at Strategic level

371

- A1. Derive strategic trends of selected strategies
- A2. Identify stages of implementation 
- A3. Develop programs/ projects that achieve the organization's objectives
- A4. Set up programs/ projects schedules
- A5. Set up programs/ projects budgets
- A6. Develop strategic plan document and associated templates

## A2. Identify stages of implementation

372

- Strategic Initiatives
- Strategic Roadmap

## Strategic Initiative

373

Strategic Initiatives are programs or projects that turn strategies into operational terms and actionable items, and provide an analytical underpinning for decisions, and a structured way to prioritize projects according to strategic impact.



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# Strategic Initiative, Example<sup>(1)</sup>

374



**GOAL 1:** Establish secure IT infrastructure capabilities to protect the Homeland and enhance our Nation's preparedness, mitigation and recovery capabilities.

**Objective 1.1:** Optimized IT Infrastructure

**1.1.1: Achieve Data Center Consolidation**

Enterprise Initiatives for the Near-Term (within one year):

- Continued migration of legacy data centers
- Provide Internet Protocol version 6 (IPv6) capability (DNS, DHCP, NTP, etc) at data centers
- Establish C-LAN data backup in the DHS enterprise data centers.
- Integrate Service Level Agreements (SLA) into Memorandums of Understanding (MOU) with our partners

**Information Technology Strategic Plan**  
**2009-2013**  
DEPARTMENT OF HOMELAND SECURITY  
Office of the Chief Information Officer

(1)

## Strategic Roadmap

375

- A strategic road map is a visual plan that offers goals and strategies for the future of an organization. It is Just like a physical map helps a driver navigate the route to the destination
- A roadmap process is a means to connect vision, and objectives with strategic initiatives that are required to achieve those objectives

## High-Level Roadmap Overview

376

- Roadmap:
  - Presents recommendations in solution sets.
  - Useful in communicating program components and project status.
  - Shows beginning and ending dates and projects completed or in progress.
- Notional Timeline:
  - Presents relative recommendation durations.
  - Depicts dependencies on other recommendations.
  - Useful in visualizing program timeframes.
- ▣ *Both documents must be continually updated to incorporate program updates and environmental changes.*

## High-Level Roadmap Overview

377

- ▣ The recommendations groupings in the roadmap according to implementation strategy.
- ▣ Approach:
  - Initiate All Projects
  - Staged Project Launch
  - Focus on One High Benefit Project

## Initiate All Projects

378

- ▣ Advantages
  - ▣ Organization gets results faster
  - ▣ Creates strong positive energy in the organization
  - ▣ Success demonstrates power of team driven change
  - ▣ Leverages team of project leaders
- ▣ Disadvantages
  - ▣ Require high level of internal resources
  - ▣ Represents a lot of change
  - ▣ Require significant management attention to guide

# Focus on One High Benefit Project

379

- Advantages
  - ▣ Demonstrates results of process prior to committing significant resources to effort
  - ▣ Creates success story to motivate subsequent efforts
  - ▣ Trains team that can work on Phase II projects
- Disadvantages
  - ▣ Impact of pilot is small compared to potential opportunity
  - ▣ Results from larger projects are delayed
  - ▣ Does not leverage potential of other team leaders

There are various approaches to managing the scope, sequencing, and pacing of initiatives

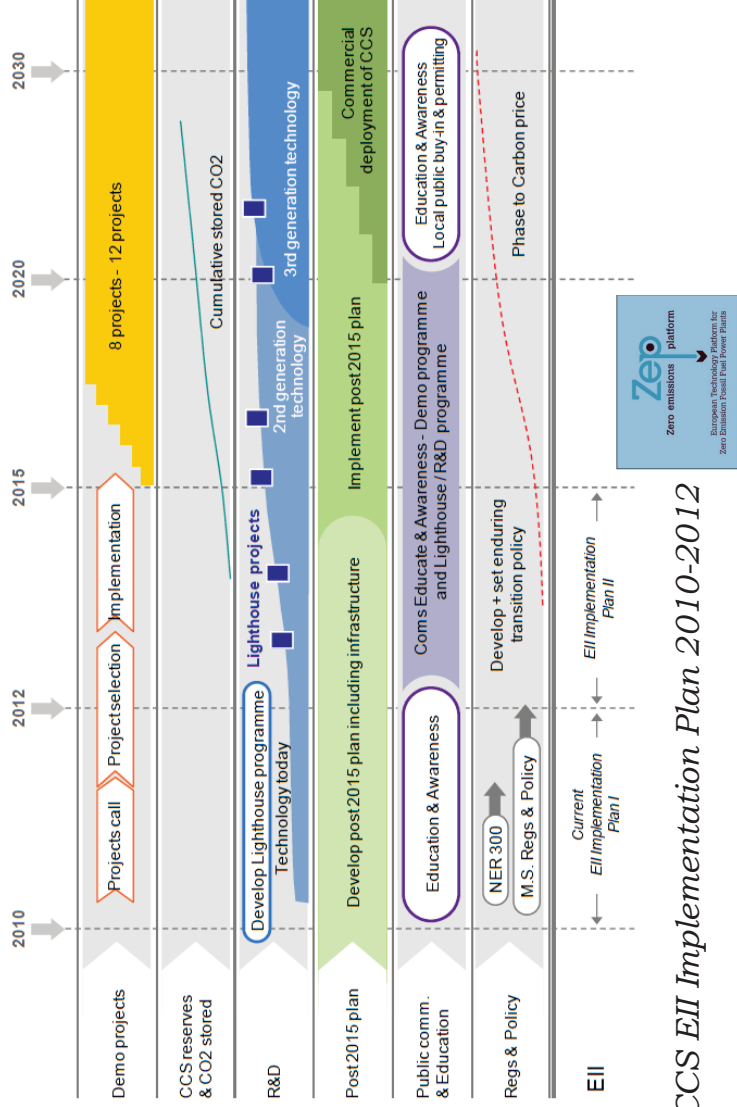
380

Approach	Description		
	Characteristics	Advantages	Disadvantages
Initiate All Projects			
Staged Project Launch			
Pilot Re-Engineering Effort			
Focus on One High Benefit Project			



# European Strategic Carbon Capture and Storage (CCS) Roadmap<sup>(1)</sup>, Example

381



(1) CCS EII Implementation Plan 2010-2012

# The European Electricity Grid Initiative (EEGI) Roadmap<sup>(1)</sup>, Example

382

Smart Grids Functionalities	Project	YEAR										Costs (M€)	
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		2020
Pan-European Grid Architectures(R&D)	T1	A tool box for new network architecture assessment										19	
	T2	REALISEGRID	Tools to analyze the pan European network expansion options										21
Power Technologies (Demonstration)	T3				Demonstrations of Powertechnologies for more network flexibility								80
	T4				Demonstrations of Powertechnologies for new architectures								120
	T5	SAFEWIND, WINGRID, IS- POWERS, TWENTIES	Demonstration of renewable integration (cfd)										130
	T6	PEGASE	Tools for a Pan European network observability										12
Network management and control (R&D)	T7		Tools for coordinated operations with stability margin evaluation										24
	T8				Improved training tools for improved coordination								25
	T9		Tools for Pan European network reliability assessment										14
	T10				Tools for Pan European balancing markets								18
New market design options (R&D)	T11				Advanced tools for congestion management								21
	T12	OPTIMATE	Tools for renewable market integration										14
	T13				Tools to study market integration of active demand								12
	T14		Innovative approaches to improve the public acceptance of overhead lines										50
Total												560	

(1) The European Electricity Grid Initiative (EEGI) Roadmap 2010-18




383



384

## A. Implementing at Strategic level

385

- A1. Derive strategic trends of selected strategies
- A2. Identify stages of implementation
- A3. Develop programs/ projects that achieve the organization's objectives 
- A4. Set up programs/ projects schedules
- A5. Set up programs/ projects budgets
- A6. Develop strategic plan document and associated templates

## Projects/ Programs, Definitions

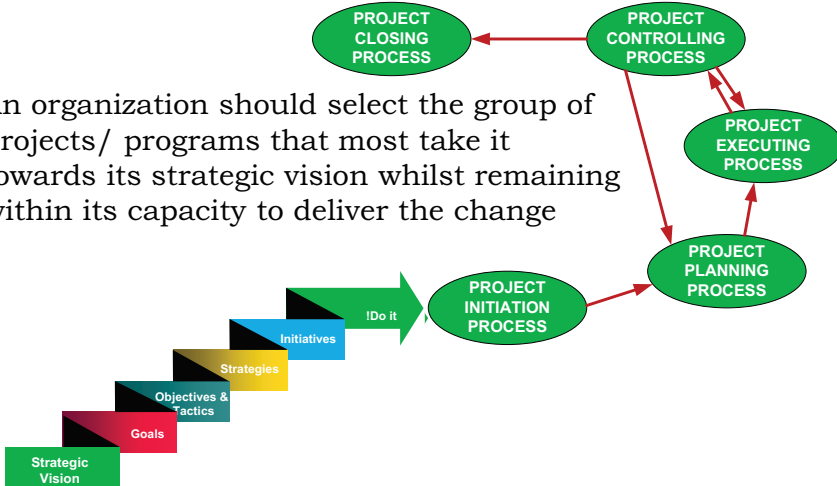
386

- Strategic Project : A temporary activity or set of activities undertaken to implement an initiative through creating or improving a process or service.
  - ▣ Examples: Project might deliver a new factory, hospital or IT system.
- Strategic Program: is nothing more than either a large project or a set (or portfolio) of projects. By combining these projects with other deliverables and changes will implement strategic initiatives.
  - ▣ Examples: Programs might deliver increased income from a new product, shorter waiting lists at the hospital or reduced operating costs due to improved technology.

## Allocate Initiatives to Projects/ Programs

387

An organization should select the group of projects/ programs that most take it towards its strategic vision whilst remaining within its capacity to deliver the change



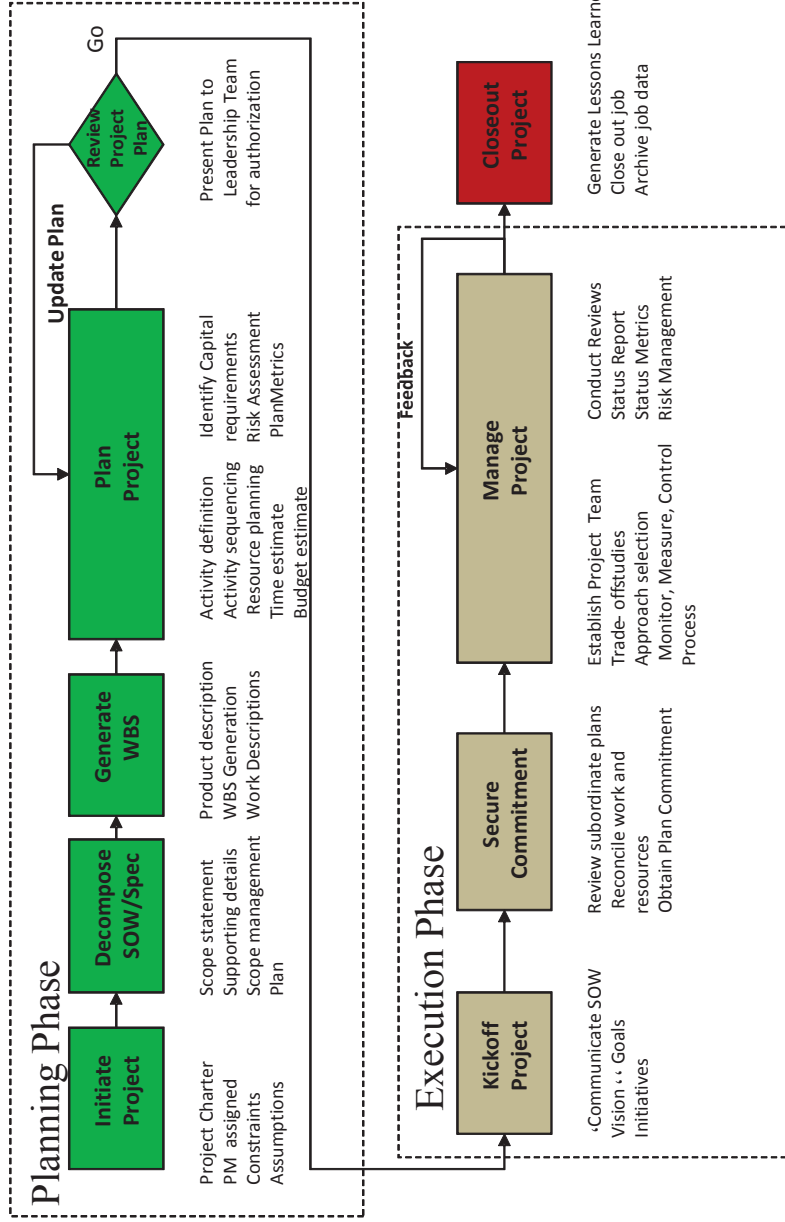
## Project Management

388

- Applying knowledge, skills, and tools to balance the scope, cost, time, requirements, and customer expectations of the process or service
- Project management is accomplished through the use of the processes such as: initiating, planning, executing, controlling, and closing

# Project Management Process

389

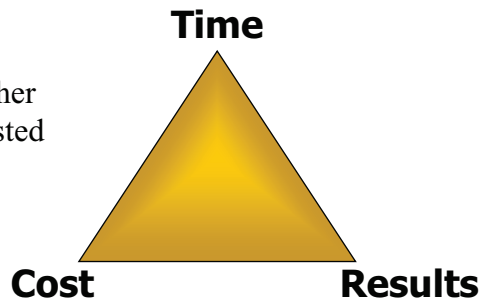


## The Essence of Project Management

390

**Project** ...ensuring a project is completed on time, within budget (the allocated resources) and to the required results.

If one point of the triangle slips, the other points must be adjusted



### A. Implementing at Strategic level

391

- A1. Derive strategic trends of selected strategies
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## Project Resources

392



## Resources

393

- Resource scheduling
  - ▣ Applying resources to complete a project
- Resource allocation
  - ▣ Determining the best trade-off between available resources
- Resource loading
  - ▣ Determining the amount of individual resources required for a given schedule during a specific time period
- Resource leveling
  - ▣ Creating a smoother distribution of resource usage



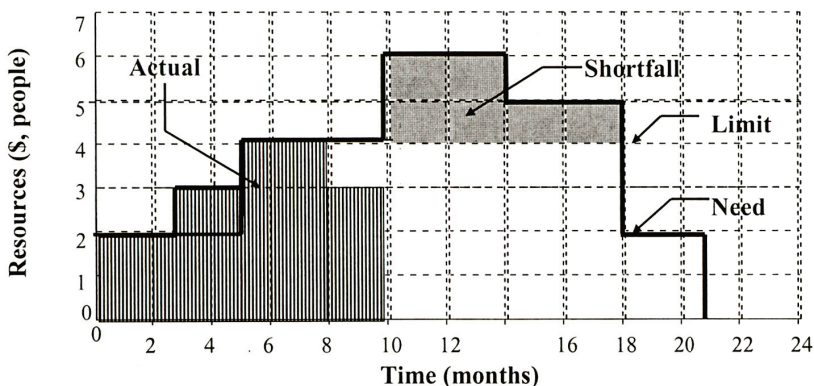
## Develop the Resource Loading Chart

394

1. Start with a Gantt chart
2. Assign resources to each task bar; one resource at a time
3. For each time period, sum up the resources required
4. Develop a histogram to balance resources

## Resource Allocation

395



Resources shortfall leads to:

- Overtime costs
- Slipped schedules
- Reduced capability

## Resource Leveling Techniques

396

- Move tasks within Float
  - ▣ Current project and other projects
- Change time/cost/resource use trade-off
  - ▣ Current project and other projects
- Allow overtime
  - ▣ Compensated
  - ▣ Non-compensated
  - ▣ Compensatory time off
- Temporary help
  - ▣ Job shoppers
  - ▣ Contract labor
- Increase staffing
  - ▣ Augment project staff
  - ▣ Augment permanent staff
- Resource constrained scheduling
  - ▣ Sacrifice low priority projects

## Cost Estimating

397

- Cost estimating is the process of developing an approximation (estimate) of the costs of the resources needed to complete project activities
- Cost estimates are made for many purposes including:
  - ▣ Presentation of bids
  - ▣ Feasibility studies
  - ▣ Selection from among alternative designs
  - ▣ Selection from among alternative investments
  - ▣ Appropriation of funds, and

## Types of Estimates

398

- Order of Magnitude (ROM) Estimate
  - ▣ An estimate made without detailed engineering data
  - ▣ It is normally expected that an estimate of this type would be accurate within +50% to -30%
  - ▣ Examples:
    - An estimate from cost capacity curves (parametric)
    - An estimate using scale-up or scale-down factors (analogous)
  - ▣ Tools:
    - Parametric cost estimating
    - Analogous cost estimating
- Cost Estimate for a Firm Fixed Price
  - ▣ A deterministic cost estimate with a fair degree of certainty
  - ▣ Tools:
    - Bottom-up Cost Estimate
    - Computerized Cost Estimate tools

## Cost Estimate Tools and Techniques

399

- Analogues Estimate: an estimate made without detailed engineering data using actual cost of previous project as the basis and applying scale-up or scale- down factors.
- Parametric Estimate: Uses a cost model based on correlation of cost and variables as weight, size, and number of parts, type of assembly.
- Bottom-up Estimate: Add up all the little pieces of work to get the total cost by using WBS, project files, team knowledge
- Computerized tools: software packages to evaluate the cost after you answer questionnaire. Example COCOMO Software Cost Model

## A. Implementing at Strategic level

400

- A1. Derive strategic trends of selected strategies
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- A5. Set up programs/ projects budgets
- A6. Develop strategic plan document and associated templates



## Strategic Plan Contents, Example

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- |   |  |
|---|--|
| <p><b>1. Executive Summary</b></p> <ul style="list-style-type: none"> <li>□ Introduction</li> <li>□ Developing the Future State Vision</li> <li>□ Assessing the Current State</li> <li>□ Analyzing the Barriers to Success</li> <li>□ Recommended Transformation Strategy</li> <li>□ Transformation Roadmap Summary</li> </ul> <p><b>2. Core Values</b></p> | <p><b>3. Vision</b></p> <p><b>4. Mission</b></p> <p><b>5. Strategic Goals &amp; Objectives &amp; Balanced Scorecard</b></p> <ul style="list-style-type: none"> <li>□ Attachment A: Stakeholder Outreach</li> <li>□ Attachment B: Transformation Roadmap</li> </ul> |
|---|--|

# Strategic Plan Contents, Example

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HM Government

Cutting Crime, Delivering Justice

A Strategic Plan for Criminal Justice  
2004-08

CRIMINAL JUSTICE SYSTEM

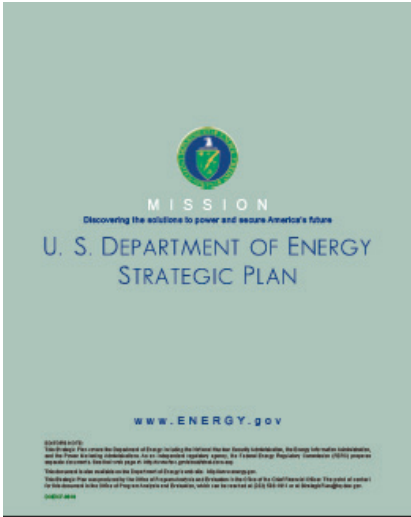


# Strategic Plan Contents, Example

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## Strategic Plan Contents, Example

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## Strategic Plan Contents, Example

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### Contents

2	I. Introduction
3	II. Vision
3	III. Mission
3	IV. Core Values
4	V. Guiding Principles
6	VI. Goals and Objectives
26	Appendix A: Linking Strategy and Performance
30	Appendix B: Strategic Context and Stakeholder Outreach
32	Appendix C: Planning Process
38	Appendix D: DHS Organizational Chart



## Phase-4 Agenda

406

- Phase-4 Overview:
  - ▣ Phase-4 List of Activities
  - ▣ Phase-4 Outputs
- Phase-4 Detailed Description
  - A. Strategy Implementation
  - B. Strategy Evaluation
  - C. Strategy Monitoring



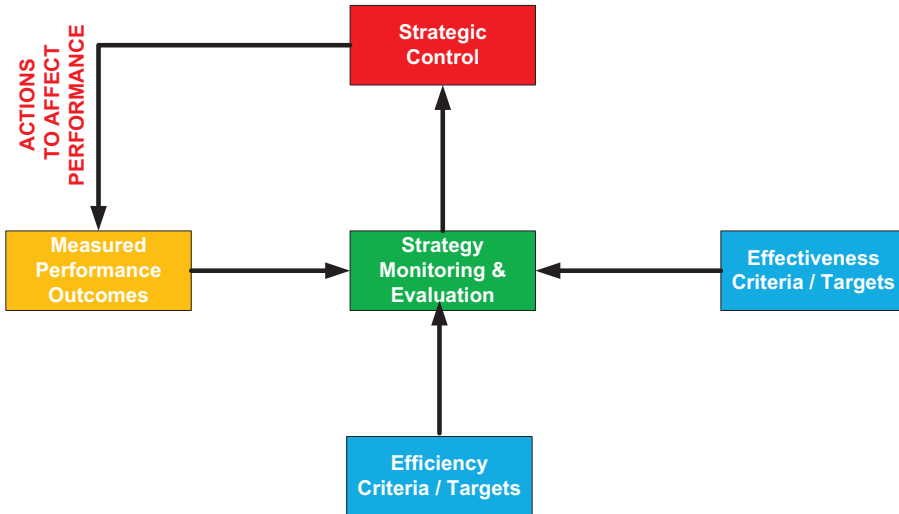
## Strategy Evaluation and Monitoring

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- Strategy Evaluation. What is It?
- Strategy Evaluation Benefits
- Criteria for Strategy Evaluation
- Types for Strategy Evaluation
- Strategic Evaluation Tool
- Difference Between Monitoring and Evaluation
- Strategy Evaluation Questions, Example
- Strategic Control. What is It?
- Strategic Control Types

## Strategy Evaluation & Monitoring

408



## Strategy Evaluation, What Is It?

409

- Strategy Evaluation is a process that throws light on the efficiency and effectiveness of a comprehensive strategy in achieving its desired results.
- Evaluation is an iterative process and thus provides continuous feedback
- Evaluation is the process of asking questions related to a particular topic you are concerned with and collecting and analyzing information to answer those questions and is usually done for a specific purpose.



## Strategy Evaluation Benefits

410

- Keeps the organization on track by checking on the validity of strategic choices
- Satisfies the need for feedback, appraisal and reward
- Makes it easier to compare between decisions and intended strategy
- Provides the ability to coordinate the tasks performed
- Successful end of the strategic management process
- Creates inputs for new strategic planning

## Criteria for Strategy Evaluation

411

- A strategy that fails to meet one or more of the following criteria will fail to perform at least one of the key functions that are necessary for the survival of the business.
  - ▣ **Consistency:** must not present mutually inconsistent goals
  - ▣ **Consonance:** Must present an adaptive response to the external environment critical changes
  - ▣ **Advantage:** must provide for creation and maintenance of competitive advantage in the selected area of activity
  - ▣ **Feasibility:** must neither overtax available resources nor create unsolvable problems

## Types of Strategy Evaluation

412

### □ Process Evaluation

- ▣ is conducted to assess whether a strategy is being implemented as planned and whether it is reaching its intended population.
- ▣ Is a sort of quality assurance that focuses on the implementation itself and, as such, is a critical component in improving the practices that operationalize strategies.

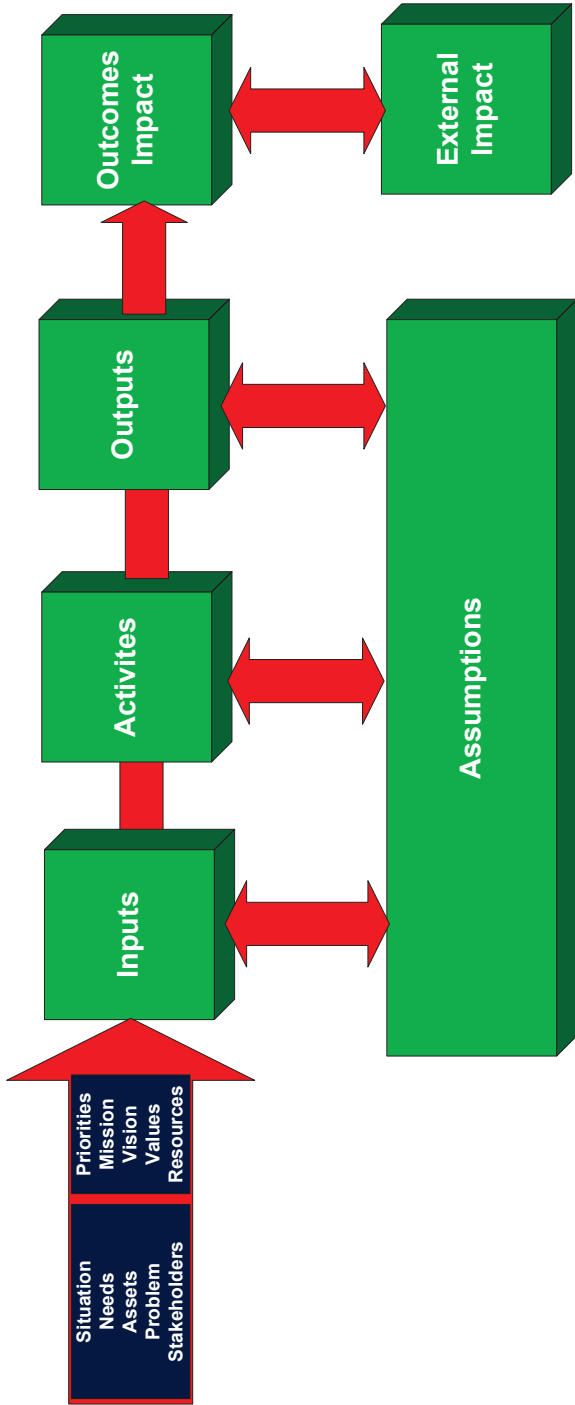
### □ Outcome Evaluation

- ▣ is conducted to learn whether you achieved the intended outcomes of your strategy.
- ▣ To tell if the strategy was effective
- ▣ To determine whether or not the strategy intervention was responsible for any observed outcomes

413

# Strategic Evaluation Tool

413



A logic model is a valuable tool for strategic evaluation to demonstrate the effectiveness of the program activities by initiating and completing outcome-oriented evaluations.

## Strategy Evaluation Questions, Examples

414

- Is the strategy internally consistent?
- Is the strategy consistent with the environment?
- Is the strategy appropriate in view of available resources?
- Does the strategy involve an acceptable degree of risk?
- Does the strategy have an appropriate time framework?
- Is the strategy workable?
- How have competitors reacted to our strategies?
- How have competitors' strategies changed?

## Strategy Evaluation Questions, Examples

Cont.

415

- Have major competitors' strengths and weaknesses changed?
- Why are competitors making certain strategic changes?
- Why are some competitors' strategies more successful than others?
- How satisfied are our competitors with their present market positions and profitability?
- How far can our major competitors be pushed before retaliating?
- How could we more effectively cooperate with our competitors?

## Difference Between Monitoring and Evaluation

416

- **Monitoring.**
  - ▣ To track changes from baseline conditions to desired outcomes
  - ▣ Methodology:
    - Tracks and assesses performance and process through analysis and comparison of indicators over time
- **Evaluation.**
  - ▣ To validate the outcomes and objectives that were achieved
  - ▣ To determine how and why outcomes and objectives were or were not achieved
  - ▣ Methodology:
    - Evaluates achievement of outcomes by comparing indicators before and after the intervention
    - Relies on monitoring data on information from external sources
    - Time-bound , periodic, in depth

## Strategic Control, What Is it?

417

- Strategic Control is the critical evaluation of plans, activities, and results, thereby providing information for the future action.
- Strategic control focuses on the dual questions of whether:
  - ▣ The strategy is being implemented as planned; and
  - ▣ The results produced by the strategy are those intended

## Strategic Control, Types of Control

418

### Strategic Control, 4 types

- **Premise Control**
  - ▣ Serves the purpose of continually testing the assumptions to find out whether they are still valid or not.
  - ▣ Enables the strategists to take corrective action at the right time rather than continuing with a strategy which is based on erroneous assumptions
- **Implementation Control**
  - ▣ Evaluates whether the plans, programs and projects are actually guiding the organization towards its predetermined objectives or not.

## Strategic Control, Types of Control

Cont.

419

### Strategic Control, 4 types

- **Strategic Surveillance**
  - ▣ Designed to monitor a broad range of events inside and outside the organization that are likely to threaten the course of an organization's strategy.
- **Special alert control**
  - ▣ Triggers mechanism for rapid response and immediate reassessment of strategy In the light of sudden and unexpected events