

Strategic Planning Overview

Why develop a strategic plan?

Every day there seems to be more people in need. There are groups who work to help the poor, the disabled, those who suffer deprivation, the victims of violence or disaster and then are those who work to build and, in some cases, change community.

All appeal to the public for support.

They all seem worthy, "good causes" but with so many choices and limited resources, people are asking probing questions such as, "Is this organisation making a difference, achieving results?" "In this competitive environment, is it worth my taking time out of my increasingly hectic schedule to personally invest in this group? Is there a demonstrated social return?"

Community organisations requesting community support are being increasingly pressured to clearly demonstrate their capacity to use resources responsibly and strategically. Just as importantly, they need to give clear indications of their results and how they have changed the lives of their target group.

Public accountability

The strategic planning process is a way for organisations to ensure they are accountable and that their processes transparent. It enables organisations to think through and document what they are doing, for whom and why they are doing it. In mature organisations, the process encourages examination of established directions and strategies for contemporary relevance and results.

In the past, this used to be called "long-range planning". The term "strategic planning" is now used to express the analytic, comprehensive, thoughtful and tactical elements of this type of planning.

During the process difficult questions are encouraged and discussed:

- Do we need to change our mission?
- Has our target community shifted its focus or needs?
- Should we abandon much loved programs that have outlived their usefulness and concentrate resources elsewhere?
- Is there enough capacity and commitment within our present staff and management team to achieve our goals?

Put simply, a strategic plan is used for one purpose only – **to help an organisation do a better job.**

A successful strategic planning process will be genuinely inclusive, involving not just the board but all of the organisation's stakeholders – paid and volunteer staff, clients, funders, and the community. It aims to focus an organisation's vision and priorities in response to a changing environment and to ensure that members of the organisation are working toward the same goals.

The strategic plan documents for the organisation and its clients and supporters:

- Where they are going;
- What they need to do to get there;
- How they are progressing along the way; and
- That a full account of the results achieved will be delivered at the appropriate time.

The process

There is actually no perfect formula for planning but most organisations typically work through the following common set of activities or steps in the process.

Different organisations have different names for these major activities and might even conduct them in a different order.

1. Environmental scan

This activity reviews the organisation's current relationship to the broader political, social and economic environments. New "hot spots" are identified and analysed. For example, a new competitor, a change of government policy or a shift in demographics may all impact on the organisation.

At its conclusion, planners may then look at the way the organisation is placed to meet the challenges described in the environmental scan.

Commonly this is through a SWOT analysis, an activity that identifies the organisation's current strengths, weaknesses, opportunities and threats.

2. Plotting direction

After carefully investigating the territory in the environmental scan, the organisation must decide what it needs to do to respond to the major issues and opportunities it faces. It needs to make and commit to a set of strategic choices to go forward.

The mission statement

The organisation must identify or review the reasons why it exists. This is documented in the organisation's mission statement, which typically contains the basic, guiding principles that provide guidance and inspiration to the board and staff.

The mission statement is a succinct description of the organisation's basic purpose, along with the **activities** or **business** it undertakes to achieve its **purpose**, and the basic **values** that the organisation holds in common and endeavours to put into practice.

A mission statement for a children's sporting association might be:

The Blue Hill Tennis Camp seeks to enhance the lives of all children in our municipality [purpose] by providing access to free or low cost training and facilities [business] supervised by staff and volunteers who are committed to the pursuit of excellence and equality of opportunity [values].

Undertaking a strategic planning process might also present the opportunity for a long-standing, well-respected organisation to question the rationale for its very purpose. For example an organisation that solely exists to support newly arrived refugees in a particular location might decide to close or significantly review its mission when the community's migrant reception centre moves to another suburb.

Setting the goals (sometimes called "objectives" or "outcome statements")

This is the activity that assists the organisation to choose specific priorities – to be strategic about the **ends** that need to be accomplished for the organisation to achieve its mission.

Goals or objectives should be designed and worded as much as possible to be specific and measurable, acceptable to those working to achieve the goals, realistic, timely, extending the capabilities and rewarding for those working to achieve the goals (an acronym for these criteria is "SMARTER").

They can be seen as **milestones** to achieving the organisation's overall purpose.

3. Action planning

Activities

These are the strategies or activities that have been prioritised and selected to help the organisation achieve its goals. They clearly reflect and respond to the findings of the research documented in the environmental scan, with a number of broad activities matched to each strategic goal.

Action planning also includes specifying *responsibilities* and *timelines* for each objective, or who needs to do what and by when.

It is also common for organisations to develop separate operational plans that include staff work plans for the coming year. Larger organisations will develop plans for each major function, division, department, etc. and call these work plans.

Evaluation

Your planning process should also include methods to honestly monitor and evaluate the plan and its results, including documenting how the organisation will know who has done what, to whom and by when.

Budgets

Usually budgets are included in the strategic and annual plan, and with work plans. Budgets specify the money needed to implement the annual plan. Budgets also describe the main items of expenditure, for example, for human resources, equipment, materials.

Strategic planning – a process not a monument

The important thing to remember is that an organisation's strategic plan is not a monument, or an end in itself, but rather a means of achieving its purpose. Many management experts have emphasised the need for the people implementing a strategic plan to have enough flexibility and authority to be creative and responsive to new developments. In reality this will normally mean changing the activities that have previously been selected to achieve the organisation's mission in the light of new opportunities or challenges.

The process is helpful only if it assists organisations to honestly test old assumptions in the light of new information about the present, and anticipate the environment in which the organisation will be working in the future.

Finally, the process is about building commitment and embracing public accountability through engaging key stakeholders in the regular process of identifying priorities and evaluating strategies in the pursuit of changing people's lives for the better.

from Institute of Community Directors Australia