



Do I Need a Strategic Plan? by Cathleen Hight

Contrary to popular belief, strategic planning isn't just for large and for-profit companies. Small to mid-size companies and non-profit organizations actually have a greater need for strategic planning because most of these entities can't afford the losses that can occur from drastic changes in the economy or threats to the organization. Strategic planning is essential to achieve business goals with limited resources.

What exactly is "strategic planning?"

There is often a misunderstanding and misuse of the terms "strategic" and "strategy." Both terms were popularized by the military. "Strategy" describes the overall direction of efforts to win a war or to create a position on an enemy's terrain. The strategy took into account the military's resources, capabilities and limitations, strengths and weaknesses, as well as similar factors for the enemy. The strategy also considered the terrain and the weather, possible impact of uncertain events and developments that may be uncontrollable (like the economy or terrorist attacks), and other things that could go wrong (including the enemy's counteractions).

Once the strategy was defined, the military detailed specific plans, or tactics, on how to meet offensive and defensive objectives. This "game plan" described how the military could win the war. Most people involved with competitive sports relate to the term, "game plan" which is synonymous with the term, "strategic plan." Of course, the military, and all those who use strategic planning, must have a high tolerance to flexibility because things don't always go as planned.

Modern strategic planning

For organizations today, strategic planning refers to a process for developing a plan that charts its overall course and direction, key objectives to be achieved over time and how limited resources can be used most effectively to support the strategic direction.

What are the steps in a strategic planning process?

The heart of all strategic planning addresses three critical questions:

- What will you offer/sell? (Your products and services)
- To whom will you offer/sell your products and services? (Your target customers or clients, and the markets within the industry)
- How do you overcome or avoid the competition?

These questions provide the basic elements of a strategic plan. The first two questions determine the focus or scope of the organization-what it provides and who to whom. The third question provides the basis for sustainable competitive advantage -the core

competencies of the organization and staff, which demonstrate a strategic advantage over the competition.

How much time does strategic planning take?

Strategic planning can take as long or as little time as an organization wants to invest. Once a reasonable amount of time to this high priority endeavor is allocated, the organization should do the best job possible with the time allotted. Some organizations conduct strategic planning over two or three consecutive days. Many of have found it more effective to stage several meetings over time to allow participants to reflect on discussions, conduct research and gather additional information, and build consensus around the decisions.

Why do some organizations use an external facilitator for strategic planning?

For most large companies, an executive team conducts strategic planning. In smaller companies, the owner(s) or the entire staff often does this. Not-for-profit organizations generally involve their board of directors, which offers different perspectives, experience levels and skills. In either case, using an independent or external facilitator can help manage the process more effectively.

The role of the facilitator is to create and manage the agenda, ensure that procedures are followed and participants can focus on strategies and contents of the plan. Effective facilitators have strong meeting management and communication skills, fit with the organization's culture and are respected by the team members or participants. It's important to acknowledge that the facilitator manages the process and is there only to help the participants make strategic and crucial decisions. No strategic decisions should be delegated to facilitators.

How often should a strategic plan be updated?

The key word is "updated." Even though most organizations create 3-5 year strategic plans, many unforeseen events and factors can occur that can dramatically impact the results. A strategic plan should be viewed as a management tool, very similar to budgets and other financial documents. The implementation of the plan becomes an organization's everyday operations.

Interim reviews should be conducted to check on how well the objectives are being managed, how new changes in the market are impacting the organization's ability to meet its objectives and what other creative applications should be incorporated. Think of a strategic plan as a compass, a navigational tool to keep the organization on track. Periodic monitoring allows for minor course-corrections, which is likely to yield positive and feasible results, rather than subjecting an organization to a Titanic collision.

Some organizations monitor their plan at monthly meetings, while others conduct quarterly, bi-annually or annual reviews. The frequency of updates should be correlated to the rate of changes in an organization's industry. For most organizations, an annual review is appropriate if markets, competitors and product life cycles change slowly. Organizations in healthcare, software and communication industries may need to review and update their strategic plans every six month.

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