

STRATEGIC MANAGEMENT

A ROAD MAP FOR SUCCESS

"Strategic Planning is a process by which we can envision the future and develop the necessary procedures and operations to influence and achieve that future".

Clark Crouch

At its simplest, strategic planning is the process of documenting for your organization (or even department) 3 basic elements:

- Where are you now?
- Where do you want to go?
- How do you go about getting there?

It is perhaps easiest to envisage your strategic plan as a road map ... before you set out on a journey you need to establish first where you are and then where you want to go. After identifying both these points on the map you will be able to trace the various routes that are possible and decide on which best suits your purpose. For most journeys there will be a wide range of options open to you – *mode of travel, who will travel with you, what route you will take, speed, detours, etc.* You must make choices and adjust along the way to accommodate unexpected obstacles. Strategic planning is exactly the same. It is simply the process of planning how you will take your organization from where you are now to where you would like to be in the future. Your strategic plan is your road map for this journey.

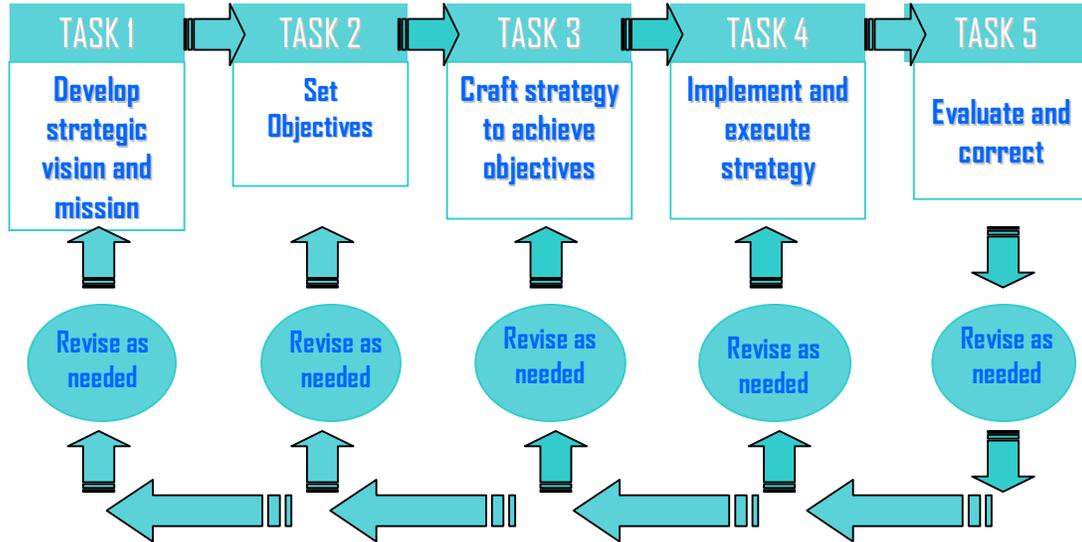
"If you don't know where you are going, you are certain to end up somewhere else."

Yogi Berra

"The result of planning should be effective, efficient, and economical...that is, suitable for the intended purpose, capable of producing the desired results, and involving the least investment of resources".

Clark Crouch

There are many different models for developing strategic plans and managing the implementation process. One of the most comprehensive utilizes a simple 5 step process which is easy to follow and yet covers all the bases:



TASK 1

DEFINING YOUR BUSINESS, ITS VISION AND MISSION

Although it may at first feel like a redundant exercise, it is very important to spend some time reviewing your organization as it currently stands. Take the time to:

- Define...** WHO you are
 WHAT you do
 WHERE you are going
- Develop** (and document) a clear understanding of...
 Where you are now
 Where you should be headed
 How and when you should shift direction

THINK SWOT
 Strengths | Weaknesses | Opportunities | Threats

Once you have clearly defined where you are, you can move on to where you want to be at some time in the future. Strategic planning usually takes a 3 to 5 year view but this is not written in stone. Your vision and mission articulate where you want to get to:

Strategic Vision

- Creates a picture of the organization at a future period in time
- Provides a rallying call that should be inspiring and motivational
- Is brief but comprehensive
- Informs everyone what the organization wishes to achieve
- Is about the future – not the past

Mission Statement

- Defines the organization's purpose and what it is trying to accomplish

- States who the customers are, what services are offered
- Lays out how the service is provided and how it differs from competitors
- Implicit in the mission should be an understanding of what is not offered

"If you are planning for one year, grow rice. If you are planning for 20 years grow trees. If you are planning for centuries, grow men"

Chinese Proverb

TASK 2

SETTING MEASURABLE OBJECTIVES

If we return to our analogy of the journey, this is where you decide the parameters of the trip; *how much time do you want the trip to take, how much money do you want to spend, etc.* The key elements you want to achieve here are to:

- Convert your mission into specific performance targets
- Create yardsticks to track your performance
- Establish performance goals that are not too comfortable and stretch your organization
- Push to be inventive, intentional, focused

In doing this it is important to think strategically and stay focused on your vision and mission. Challenge your organization and do not allow complacency to drift into the process.

TASK 3

CRAFT STRATEGY TO ACHIEVE OBJECTIVES

If we return to our analogy of the journey, this is where you decide the parameters of the trip; *how much time do you want the trip to take, how much money do you want to spend, etc.* The key take-out from this task should be an outline of how to...

- Achieve desired strategic and financial objectives
- Grow the business
- Respond to challenges within industry and from competitors
- Defend against threats
- React rapidly to changes in the marketplace

"If you know the enemy and know yourself, you need not fear the results of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle."

Sun Tsu

TASK 4

IMPLEMENTING AND EXECUTING STRATEGY

It is all very well to plan but it is now time to action those plans. Strategic implementation includes all the managerial activities associated with putting the chosen strategy into place and supervising the actions to ensure targeted results are achieved. In the execution you must insure fit between strategy and ...

- Organizational capabilities
- Reward structures
- Internal support systems
- Organizational culture

It is important that throughout this process management ...

- Provide strategic leadership and enlist buy-in from staff
- Create an environment capable of implementing strategy
- Allocate resources needed for critical activities
- Establish policies and systems that support successful strategy implementation
- Establish best-practice standards and practices
- Introduce reward structure to promote achievement of desired results

TASK 5

EVALUATING PERFORMANCE, REVIEWING NEW DEVELOPMENTS AND INITIATING CORRECTIVE ADJUSTMENTS

None of the tasks of strategic management are one-time only exercises. In the real world, no matter how much we plan, events unfold, conditions change and managers have to adapt and respond. It is therefore crucial that the strategic plan and implementation process is constantly being evaluated. Managers must monitor progress and decide how well things are going and if adjustments are necessary. Things to look out for include:

- Changing market conditions
- Competitor activities
- Technology advances
- Evolving customer needs
- Political and regulatory changes
- Fresh ideas and new opportunities

THINK PEST
Political | Economic | Social | Technical

Remember, your plans are not written in stone and can be reviewed and adjusted as the situation changes.

"The best laid plans of mice and men often go astray"

Robert Burns

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