MODULE TITLE: <u>Contributing to the Development of Strategy</u>

LO1. <u>Plan for strategy</u>

1.1 <u>Defining Strategic Plan</u>

Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue (continue) this strategy.

In order to determine the future direction of the organization, it is necessary to understand its current position and the possible avenues (path or opportunity) through which it can pursue particular courses of action.

Many organizations view strategic planning as a process for determining where an organization is going over the next year or—more typically—3 to 5 years (long term).

1.2   Prepare planning committee

A **planning committee** is a committee of local authority that sits as the local planning authority to determine planning applications.
The Planning Committee is responsible for overseeing all development and planning within the organizational boundary in accordance with the organization's guidelines.
-   Members of planning committee: chair man, vice chair man, members

1.3 <u>Sourcing, Collecting , Organizing and Interpreting Information</u>
What information needs to be collected?
-   The information that needs to be collected must be set down by the assessment questions.

What are the information sources? (Target audiences)
The information sources include People, Documents, Records, Observations, and so on.
"Interpretation is a communication process, designed to reveal meanings and relationships of our cultural and natural heritage, through involvement with objects, artifacts, landscapes and sites."

1.4   Methods, Procedures and Components of Planning Process
<u>Method is</u> a particular form of procedure for accomplishing or approaching something.
A method is really the same as a *procedure, function*, or *routine* in procedural programming languages. The only difference is that in object-oriented programming, a method is always associated with a *class*.

Procedure is step-by-step sequence of activities or course of action (with definite start and end points) that must be followed in the same order to correctly perform a task.
-   I.e.: it is an ordered set of tasks for performing some action.

Components of a Strategic Plan

Strategic plans can come in many different shapes and sizes, but they all have the following components.

1. **Mission statement**. A Mission Statement defines the organization's purpose and primary objectives.

2 **Vision statement:** A vision statement is a declaration of a company's goals for the mid-term or long-term future.

3 **guiding principles:** Any principles or precepts that guide an organization throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management.

4 **SWOT:** A SWOT is a summarized view of your current position, specifically your strengths, weaknesses, opportunities, and threats.

5 **Competitive advantage:** Competitive advantage includes what you are best at compared to the competition.

6 **Long-term strategic objectives:** These long-term strategic focus areas span a three-year (or more) time horizon.

7 **Strategies:** Strategies are the general, umbrella methods you intend to use to reach your vision.

8 **Short-term goals/priorities/initiatives:** These items convert the strategic objectives into specific performance targets that fall within the one- to two-year time horizon.

9 **Action items/plans:** These specific statements explain *how* a goal will be accomplished.

10 **Financial assessment:** Based on historical record and future projections, this assessment helps plan and predict the future, allowing you to gain much better control over your organization's financial performance.

A planning process may be defined as the development of goals, strategies, task lists and schedules required for achieving the objectives set for the business. The planning process is a fundamental function of management and should result in the best possible degree of need satisfaction given the resources available.

Project Planning involves 4 important phases. They are:
- ✓ Planning the project scope.
- ✓ Planning the project resources
- ✓ Planning the project schedule
- ✓ Planning Quality and Risk Management

LO2: Investigate the current environment

2.1 Identifying and Assessing Current Business Practice of the Organization
A method, procedure, process, or rule employed or followed by a company in the pursuit of its objectives.

2.1.1 Mission and vision statements of the organization

The **mission** statement should guide the actions of the organization, spell out its overall goal, provide a path, and guide decision-making. It provides "the framework or context within which the company's strategies are formulated.

A **vision** statement is a declaration of a company's goals for the mid-term or long-term future.
- The vision statement communicates both the purpose and values of the organization.
- **A mission statement explains the company's core purpose and values.**

2.2 Identifying Problems and Issues of the Organization
Problem is a perceived gap between the existing state and a desired state, or a deviation from a norm, standard, or status quo.

LO3. Participate in feedback session

3.1 Identify the most important issues facing organization using the information gathered

3.1.1 Application of SWOT Analysis

SWOT analysis (alternatively **SWOT Matrix**) is a structured planning method used to evaluate the **Strengths**, **Weaknesses**, **Opportunities**, and **Threats** involved in a project or in a business enterprise.

A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective.

Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization.

- **S**trengths: characteristics of the business or project that give it an advantage over others
- **W**eaknesses: are characteristics that place the team at a disadvantage relative to others
- **O**pportunities: elements that the project could exploit to its advantage
- **T**hreats: elements in the environment that could cause trouble for the business or project

Identification of SWOTs is important because they can inform later steps in planning to achieve the objective.
First, the decision makers should consider whether the objective is attainable, given the SWOTs.
If the objective is *not* attainable, a different objective must be selected and the process repeated.
Users of SWOT analysis need to ask and answer questions that generate meaningful information for each category (strengths, weaknesses, opportunities, and threats) to make the analysis useful and find their competitive advantage.

LO4. **Finalize and validate plan**

1.1 Review and Finalization of the Strategic Plan

The management committee should use reports against its annual operational plans to review progress towards meeting the strategic aims and objectives.

Before completing your plan, you need to agree how and when it will be monitored and reviewed and what information the Management Committee needs to receive in order to review progress.

When reviewing progress towards achieving the strategic aims and objectives, the Management Committee should:

- Ensure that activities are kept within the parameters of the agreed strategic aims and objectives;
- Ensure that activities are consistent with organisation's vision, mission and values; and
- Keep under review internal and external changes which may require changes to the organisation's strategy or affect their ability to achieve their objectives.

Written plan must be created to document the mission, vision, issues, objectives and strategies of the organization. Feedback must be reviewed and alterations are made where appropriate.

1.1 Feedback Mechanism

Feedback is giving specific information about a person's current behavior in order to help him/her either continue the behavior or modify the behavior.

Feedback is a Process in which the effect or output of an action is 'returned' (fed-back) to modify the next action.

A feedback mechanism is the process through which the level of one substance influences the level of another substance

Most feedback mechanisms are "negative feedback.

Negative feedback mechanisms are self-regulating responses to changes experienced by a system or organism, usually due to external influences.