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& The Business Shed

- A Creative Initiative

Strategic Planning - An Overview

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In developing business plans and strategic planning, some basic questions need to be addressed.

These are:

- Why does the organisation exist?
- Where to we want to be?
- What do we believe in – hold dear to ourselves?
- What do we actually do?
- Where are we now?
- How can we get to where we want to be?
- How to we know when we've arrived?

In business / consultant speak, these seven questions translate into:

- [Mission Statement](#)
- [Vision Statement](#)
- [Values](#)
- [Core Processes](#)
- [SWOT Analysis](#)
- [Business Plans](#)
- [Metrics](#)

Let's briefly look at each of these terms.

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Mission & Vision Statements

Get 10 consultants in a room and give them the same business jargon questionnaire and you will bet 10 different answers as to what the difference is between a Mission Statement and a Vision Statement.

The simplest way to differentiate is to use good old English and add "ary" to the end of each word. A Visionary is someone who sees what is possible, who sees the potential, who sees the possibilities. A Missionary goes off and carries out the work.

Mission Statements and Vision Statements do two different jobs within an organisation.

A Mission Statement defines the organisation's purpose and primary objectives.

A Vision Statement states where an organisation wants to be – or includes a vivid description of the organisation as it carries out effectively and with purpose its operations.

A Mission Statement outlines what the organisation will do (is doing).

A Vision Statement is often a guide to the company's top leadership when making strategic decisions.

Please refer to our articles on [Effective Mission](#) and [Effective Vision](#).

Often Mission and Vision interact. Look at NASA's statements, which I found on the Internet: <http://naccenter.arc.nasa.gov/NASAMission.html>. Whilst their Vision Statement is written in the present tense (we boldly expand), there is definitely a futuristic element to the language.

NASA Mission Statement

- To advance and communicate scientific knowledge and understanding of the earth, the solar system and the universe.
- To advance human exploration, use and development of space.
- To research, develop, verify and transfer advanced aeronautics and space technologies.

NASA Vision

- NASA is an investment in America's future. As explorers, pioneers and innovators, we boldly expand frontiers in air and space to inspire and serve America and to benefit the quality of life on Earth.

Another example from a New Zealand not-for-profit:

- Mission : To provide service and real value to our customers
- Vision : Our brands are known and recommended every time

Notice in both instances that Mission comes first, Vision second.

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Values

The values of a business are the basic, often un-stated, beliefs of the people who work in the organisation. These could include:

- Business Principles
- Social Responsibilities
- Commitment to Customers
- Staff Loyalty and Commitment
- Behaviour Policy Guideline

Values represent the core priorities within an organisation's culture.

Here is an example from a computing services company in Maine, USA:

- We are responsible to the communities that we represent. To provide them a service that will enhance their online community with a professional, informative and entertaining website.
- We are responsible to the residents of the communities. To provide them a source of information pertaining to all aspects of their community that are in keeping with the community's values and morals.
- We are responsible to the businesses that advertise on and sponsor our pages. To do our best to ensure the success of their advertising campaign with fair pricing and quality design work.
- We are responsible to the non-profit and community organizations. To provide them a method to market and support their missions via our community websites.
- We are responsible to our employees. To provide them a safe work environment, fair wages, opportunity for advancement, and equal opportunity regardless of sex, race or religion.
- We are responsible to our subcontractors. To provide them agreeable and timely payment for services and adequate information for completion of the work ordered.
- We are responsible to our suppliers. To provide them timely payment for products or services and to demand not the impossible but to request the reasonable.
- We are responsible to the banks and creditors who have loaned us money. To submit payments timely and accurately.
- We are responsible to our investors. To ensure their investment returns a reasonable profit.

Values describe what the management / leadership team really cares about – and if they're doing the jobs right, it will be what the people they've employed also care about.

Both the Mission Statement and the Vision Statement should "reside" within the Values Statement.

To develop any statement which goes against the organisation's values is to guarantee the failure of that statement as a driving force within the organisation.

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Core Processes

Often organisations fail because they do not know what they actually do, or with whom they actually do business. I know of a company whose single biggest customer was comprised of over 100 different business units – all with different contact and delivery details - and none of that information was captured anywhere within the company's systems. No wonder payment for services took a long time.

Core processes are the basic, fundamental group(s) of activities that are absolutely critical to the organisation's success – so much so that failure to perform them will result in a deterioration of the organisation.

They are typically processes that touch customers and are the major cost drivers within the organisation. They are most often found in what is called the customer "life cycle" – from the first interaction at a marketing level to the actual delivery and support of the completed product or service.

Put really simply, they are the "cash to cash" processes that keep the company going.

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SWOT Analysis

Where are we now? And how are we doing? These two questions need to be answered on a regular basis, so that the organisation can react quickly and easily to changes in its market, or when considering bringing online a new product or service. The more this analysis is done, the easier it becomes, but the organisation needs to make sure that the answers to the criteria are accurate (not just copies from the last analysis).

- S – Strengths
- W – Weaknesses
- O – Opportunities
- T – Threats

These are often shown in a diagram such as this:

Strengths	Weaknesses
Opportunities	Threats

Some questions for each section:

- Strengths
 - What do we do well?
 - What unique resource(s) can we draw on?
 - What do others see as your strengths
 - What advantages do we have?
- Weaknesses
 - What needs to be improved?
 - What should we avoid?
 - What are others likely to see as our weaknesses?
 - What loses us the sale
- Opportunities
 - What trends can we take advantage of?
 - How can we turn our strengths into opportunities?
 - What good opportunities are out there that we know of?
 - Has something changed in the environment in which we operate?
- Threats
 - Do we have cash-flow problems or bad debts?
 - What trends “out there” could harm us?
 - What is our competition doing?
 - What threats come from our weaknesses?
 - What obstacles do we face – employees, marketing etc?

SWOT analysis can be used in both a business context, where it helps carve a sustainable niche in the marketplace; and in a personal context where it can help develop your career that takes advantage of your abilities, talents and opportunities.

Using SWOT in a business context can also help the organisation develop a strategy that helps distinguish itself from the competition. Simply, do a SWOT analysis on your competitors and see where the differences are – and use them to your advantage, provided they fit within the strategic plans and values of the organisation.

Just a few tips:

- Only accept verifiable statements;
- Prune and prioritise long lists;
- Make sure that opportunities generated are carried out;
- Apply SWOT at the right level – product or product line level rather than the vague company level (unless you are starting a new venture);
- Supplement it with other opportunity generation tools – none is completely comprehensive.

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Business Plans

By now the organisation knows what it is, where it wants to be, its values and how it stacks up in the marketplace. Leadership now needs to develop detailed plans (sometimes called budgets) on how to get to the future, what goals can be achieved.

Simply put, the following questions are asked in a positive way:

- How can we get to where we want to be?
- What are the goals relating to this mission?
- How do we achieve those goals?
- What is needed to achieve them?

When setting the goals, these need to be SMART:

- Specific
- Measurable
- Attainable
- Realistic
- Timely

Goals then need to be broken down into action steps – who does what by when.

Surprisingly this will give the organisation the basis on which to prepare budgets and forecasts.

Metrics

Are we there yet? How do we know when we've arrived?

The organisation needs to set up as number of critical measurements that can be easily accessed and are meaningful.

It may be as simple of making budget each month, but it may be even more simple than that, because the goal set (which was SMART) of 1000 sale units meant that budget was achieved.

Time needs to be spent on deciding what metrics are to be used and how easily they can be reviewed.

There is little point one month after the end of the previous month looking at the historical results from that previous month – it is over 4 weeks ago – what use it that NOW?

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A Suggestion

Engaging the Appreciative Inquiry Process across the organisation and within the individual teams will be of immense benefit.

The latent talent of the individuals will come to the fore and new ideas are generated that have impetus and commitment from those individuals.

The AI process can be applied to each of the stages in the strategic planning cycle, with a varying amount of time investment involved. In time, the organisation will be so used to the AI process that it will become second nature to resolving opportunities.

Creating Possibilities and Finding Solutions
