I. STRATEGIC PLANNING PROCESS BACKGROUND INFORMATION

A. A DEFINITION OF STRATEGIC PLANNING

Strategic planning is a tool for organizing the present on the basis of the projections of the desired future. That is, a strategic plan is a road map to lead an organization from where it is now to where it would like to be in five or ten years.

It is necessary to have a strategic plan for your organization. In order to develop a comprehensive plan for your organization which would include both long-range and strategic elements, we suggest the methods and mechanisms outlined in this manual.

The plan must be: simple, written, clear, based on the real current situation, and have enough time allowed to give it a time to settle. It should not be rushed. Rushing the plan will cause problems.

B. PURPOSE OF STRATEGIC PLANNING

The purpose of strategic or long-range planning is to assist an organization in establishing priorities and to better serve the needs of its constituency. A strategic plan must be flexible and practical and yet serve as a guide to implementing programs, evaluating how these programs are doing, and making adjustments when necessary.

A strategic plan must reflect the thoughts, feelings, ideas, and wants of the developers and mold them along with the organization's purpose, mission, and regulations into an integrated document. The development of a plan requires much probing, discussion, and examination of the views of the leaders who are responsible for the plan's preparation. However, more often than not, the development of the plan is less complicated than is the implementation.

Implementation, in essence, pulls a plan apart and diffuses it throughout an organization. Every unit within the organization which is involved must then accept the plan, agree to its direction, and implement specific actions. In order to effectively and efficiently implement a plan, all individuals involved in its implementation must function as a whole or the plan is destined for failure.

C. STEPS IN A STRATEGIC PLANNING PROCESS (Example I)

Although every strategic planning process is uniquely designed to fit the specific needs of a particular university, every successful "model" includes most of these steps.

The university begins by identifying its vision and mission. Once these are clearly defined, it moves on to a series of analyses, including external, internal,
gap, and benchmarking, which provide a context for developing organization's strategic issues. Strategic programming follows and the organization develops specific strategies including strategic goals, action plans, and tactics. Emergent strategies evolve, challenging the intended tactics, and altering the realized strategy. Periodically, the organization evaluates its strategies and reviews its strategic plan, considering emergent strategies and evolving changes. It usually takes several years before strategic planning becomes institutionalized and organizations learn to think strategically.

Note: Here we briefly review steps essential to success of any strategic planning process.

1. Vision And Mission

Identification of the organization's vision and mission is the first step of any strategic planning process. The university's vision sets out the reasons for organization's existence and the "ideal" state that the organization aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the university's philosophy, and are used as a context for development and evaluation of intended and emergent strategies. One can not overemphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the organization is not certain where it is headed.

2. Environmental Scan

Once the vision and mission are clearly identified, the university must analyze its external and internal environment. The environmental scan, performed within the frameworks of the Five Forces Model and SWOT, analyzes information about organization's external environment (economic, social, demographic, political, legal, technological, and international factors), the industry, and internal organizational factors. The labor market projections provided on this site are most valuable for the environmental scan. Please refer to the brief description of the Basic Models.

3. Gap Analysis

Organizations evaluate the difference between their current position and desired future through gap analysis. As a result, a university can develop specific strategies and allocate resources to close the gap (CSUN strategic planning leadership retreat, April 1997), and achieve its desired state.
4. **Benchmarking**

Measuring and comparing the university's operations, practices, and performance against others is useful for identifying "best" practices. Through an ongoing systematic benchmarking process campuses find a reference point for setting their own goals and targets.

5. **Strategic Issues**

University determines its strategic issues based on (and consistent with) its vision and mission within the framework of environmental and other analyses. Strategic issues are the fundamental issues the organization has to address to achieve its mission and move towards its desired future.

6. **Strategic Programming**

To address strategic issues and develop deliberate strategies for achieving their mission, universities set strategic goals, action plans, and tactics during the strategic programming stage.

*Strategic goals* are the milestones the campus aims to achieve that evolve from the strategic issues. The SMART goals model is essential to setting meaningful goals. Smart goals are *specific, measurable, agreed upon, realistic*, and *time/cost bound*.

"*Action plans* ... define how we get to where we want to go," the steps required to reach our strategic goals.

*Tactics* are specific actions used to achieve the strategic goals and implement the strategic plans.

7. **Emergent Strategies**

Unpredicted and unintended events frequently occur that differ from the university's intended strategies, and the university must respond. Emergent strategy is "a pattern, a consistency of behavior over time," "a realized pattern [that] was not expressly intended" in the original planning of strategy. It results from a series of actions converging into a consistent pattern (Mintzberg, 1994, p. 23-25).

8. **Evaluation Of Strategy**
Periodic evaluations of strategies, tactics, and action programs are essential to assessing success of the strategic planning process. It is important to measure performance at least annually (but preferably more often), to evaluate the effect of specific actions on long-term results and on the organization's vision and mission (Rowley, Lujan, & Dolence, 1997). The organization should measure current performance against previously set expectations, and consider any changes or events that may have impacted the desired course of actions.

9. Review Of The Strategic Plan

After assessing the progress of the strategic planning process, the university needs to review the strategic plan, make necessary changes, and adjust its course based on these evaluations. The revised plan must take into consideration emergent strategies, and changes affecting the organization's intended course.

10. Strategic Thinking

With time, people in the university routinely make their decisions within the framework of the organization's strategic vision and mission. Strategic planning becomes an organizational norm, deeply embedded within the organization's decision-making process, and participants learn to think strategically as part of their regular daily activities (Lerner, 1999). Strategic thinking involves "arraying options through a process of opening up institutional thinking to a range of alternatives and decisions that identify the best fit between the institution, its resources, and the environment" (Rowley, Lujan, & Dolence, 1997, p. 15).

NOTE: A note regarding factors or drivers that may be important to an organization’s master plan process from Caruthers, J. Kent and Daniel T. Layzell. 1999:

Caruthers et al. describes the development of campus master planning beginning with an overview of what it is, and how it relates to capital budgeting. Emphasizes the importance of integrating the master plan process within the overall planning framework of the institution. Describes nine master plan drivers: 1) projected enrollment and staffing levels; 2) current and future academic programs; 3) support programs and other university activities; 4) current space use and condition; 5) land availability; 6) health, safety, and accessibility issues; 7) local community considerations; 8) architectural and aesthetic considerations, and; 9) financial consideration.
D. ROLE OF MANAGEMENT IN THE STRATEGIC PLANNING PROCESS

The primary tasks of strategic management are to understand the environment, define organizational goals, identify options, make and implement decisions, and evaluate actual performance. Thus, strategic planning aims to exploit the new and different opportunities of tomorrow, in contrast to long-range planning, which tries to optimize for tomorrow the trends of today (Drucker 1980, p. 61).

E. STRATEGIC PLANNING PROCESS SUMMARY (Example II)

1. Strategic Planning

The word "strategy" comes from the Greek *strategos*, referring to a military general and combining *stratos* (the army) and *ago* (to lead). The primary tasks of strategic management are to understand the environment, define organizational goals, identify options, make and implement decisions, and evaluate actual performance. Thus, strategic planning aims to exploit the new and different opportunities of tomorrow, in contrast to long-range planning, which tries to optimize for tomorrow the trends of today (Drucker 1980, p. 61).

Most colleges and universities currently engage in long-range planning, but they can fruitfully augment that work by using the concepts of strategic planning and thereby enhance their ability to steer a course in a changing external environment. This section briefly describes the traditional models for long-range planning and environmental scanning and then shows how these two models can be merged to provide the basis of a strategic planning process.

Traditional long-range planning in its most elementary form is based on the concept that planning consists of at least four key steps--monitoring, forecasting, goal setting, and implementing--which are intended to answer these questions: (1) Where is the organization now? (2) Where is it going? (3) Where does it want to go? and (4) What does it have to do to change where it is going to get to where it wants to go? (Renfro 1980b, 1980c; see figure 1). Performing these activities is a continuing process that, for example, produces a one-year operating plan and a five- or ten-year long-range plan every year. The long-range planning cycle begins by monitoring selected trends of interest to the organization, forecasting the expected future of those trends (usually based upon extrapolation from historical data using regression analysis or a similar technique), defining the desired future by setting organizational goals in the context of the expected future, developing and implementing specific policies and actions designed to reduce the difference
between the expected future and the desired future, and **monitoring** the
effects of these actions and policies on the selected trends.

a. **Long-Range Planning**

The environmental scanning model ([figure 2](#)) begins with **scanning** the
external environment for emerging issues that pose threats or opportunities to
the organization. As part of this step, trends are specified that describe the
issues and can be used to measure changes in their nature or significance.
Each potential issue or trend is then analyzed (**evaluation/ranking**) as to the
likelihood that it will emerge and the nature and degree of its impact on the
organization if it should actually materialize. This stage produces a rank
ordering of the issues and trends according to their importance to current or
planned operations. The next stage, **forecasting**, focuses on developing an
understanding of the expected future for the most important issues and trends.
In this stage, any of the modern forecasting techniques may be used. Once the
forecasts are made, each issue and trend is then monitored to track its
continued relevance and to detect any major departures from the forecasts.
made in the preceding stage. **Monitoring**, in effect, identifies areas for additional and continued **scanning**. For example, subsequent monitoring may begin to suggest that an original forecast of the employee turnover rate is no longer credible, which would imply the need for more focused scanning, forecasting, and analysis to develop a more credible projection (see Renfro and Morrison 1984).

b. **Environmental Scanning**

![Environmental Scanning Diagram](image)

As noted earlier, one of the major limitations of the traditional long-range planning model is that information about the changing external environment is usually not taken into account systematically or comprehensively. When this omission occurs because of an assumption that "we cannot predict external changes," long-range planning destines itself to surprise and failure, if only because it locks itself to the information known from direct experience in the past and immediate present.
Information from the external environment adds important components to long-range planning, however. First, it identifies new and potentially crucial subjects that should be added to those identified and tracked during monitoring. Second, it identifies possible developments that must be used to adjust the forecasts of the internal issues derived from forecasting—specifically, the surprise events that are used in policy impact analysis or techniques like probabilistic systems dynamics and in other rigorous forecasting methods used in traditional long-range planning.

These two models of planning—long-range planning and environmental scanning—may be merged. The interrelated model, *the strategic planning process*, consists of six identifiable stages: environmental scanning, evaluation of issues, forecasting, goal setting, implementation, and monitoring (see figure 3). The merged model, then, allows information from the external environment in the form of emerging developments to enter the traditionally inwardly focused planning system, thereby enhancing the overall effectiveness of an institution's planning. More specifically, it allows the identification of issues and trends that must be used to modify the internal issues derived during monitoring.

c. The Strategic Planning Process

![Figure 3](image)

*Source: Renfro and Morrison 1984.*
The argument for combining these two models becomes apparent when the future that happens to the institution and the future that happens for the institution are contrasted. In the future that happens to the institution (the typical "planned" future), new developments are not anticipated before they force their way to the top of the agenda, demanding crisis management and the latest fire-fighting techniques. In this future, issues are usually defined by others whose interests do not necessarily include those of the institution or its purpose. Not only are threats from the external environment not anticipated as early as possible; key opportunities will be missed or diminished in value.

In the future that happens for the institution, in contrast (the "strategic" future), administrative leadership is focused more on fire prevention and less on fire fighting. Hence, it is able to exercise more careful judgment in the orderly and efficient allocation of resources. Certainly management will still have to deal with unforeseen developments, but they will probably be fewer and less traumatic. Thus, institutions will be able to pursue their mission with greater confidence and consistency because they will be interrupted by fewer and smaller fire-fighting exercises.

F. STRATEGIC PLANNING PROCESS SUMMARY (Example III)

1. Strategic Planning Model

The strategic plan needs to include a Mission Statement, Objectives, Goals, and an Action (or Implementation) Plan.

a. Mission Statement

This is the agreed-upon statement by the organization and explains the reason for its existence. It is necessarily broad to encompass the diversity within the organization. The statement is not precise in its measurements nor does it need to be, but it does need to be periodically reviewed by the organization to see whether it still encompasses all of the relevant activities of the organization.

b. Objectives

The objectives are the areas of emphasis within the organization. Rather than specific statements with a specific goal, objectives state that the organization plans to continue to do quality work in the following areas. These objectives or areas of emphasis need to be attained by discussion and review of the organization's current activities as well as activities in which it would like to participate.

c. Goals
These need to be both long-term and short-term goals; six months, one-year, three-years, and ten-year goals need to be set so that the strategy for reaching these goals can be outlined in the plan. Most organizations recommend setting the long-term goals first and then setting short-term goals: those goals which can be reached as steps to attaining the long-term goal.

d. **Action Plan**

The Action Plan should be designed after the main goals and objectives have been set in order to attain the mission in a straightforward and measurable way. With an Action Plan, the goals themselves can be obtained. Without the Action Plan, and the measures it entails, it would be impossible to implement the plan and measure its success.

2. **Strategic Planning Processes And Mechanisms**

   a. **Gathering of Background Information**

   Background information is used by your Strategic Planning Committee for its review. By shifting through that information, the Committee would be able to develop a sound basis to continue their work. After existing information has been gathered, another information gathering activity should take place. Develop a survey questionnaire to poll all members for their viewpoints on the directions your organization should take. After the information has been synthesized from the questionnaires as well as from information already gathered, move to the second step.

   b. **A Planning Workshop**

   Suggestions are recommended as put forth in an article by John N. Bailey in Leadership magazine, Spring 1981, pp. 26-29. The title of the article is "Strategic Planning: Lead Your Association With a Plan for Tomorrow". Based on this article, your organization needs to gather information on five basic questions:

   (1) Where are we now? *(The Situation)*
   (2) How did we get there? *(Our Momentum)*
   (3) Where are we going? *(The Direction)*
   (4) Where should we be going? *(Desired Direction)*
   (5) How will we get there? *(The Strategic Plan)*

   Bailey recommends that after gathering the background information, the planning workshop should take place. The first session would assess the current situation and how you arrived at that present situation. The second activity of this first workshop is to try to figure out where you are going
and where you want to be. This is a very hard-hitting and difficult time for any organization given the economic conditions and the change within higher education.

c. **Designing a Planning Workbook**

The planning Workbook will bring together all of the information gathered during the Planning Workshop, sift through the ideas put forward, and organize them into

a meaningful body for review by the Planning Workshop attendees and other interested parties in the organization.

d. **Second Planning Workshop**

After the Planning Workshop information has been gathered into a workbook, another workshop should be planned. At this workshop (which should not be held too long after the first one), several things need to be accomplished. In the first half-day a Mission Statement should be adopted/reviewed for the organization. The Mission Statement will include what the organization intends to stand for; what it hopes to contribute to the world-at-large. It should set goals for the organization and then, having set the goals, fulfill the Mission Statement by translating each goal into a specific objective. This means that the Mission Statement will be carried forth into a strategic plan.

e. **The Committee Structure**

The Strategic Planning Committee should be composed of people who understand the organization, but also who have a constant feel for the organization and where it is moving. The Strategic Planning Committee should be made a permanent standing committee within the organization with a rotating membership. This will encourage constant review and updating by the organization’s members.