UNDERSTANDING STRATEGIC PLANNING

**Introduction -- What is Strategic Planning?**

**There Are Various Different Views and Models -- and the Process You Use Depends**

Simply put, strategic planning determines where an organization is going over the next year or more, how it's going to get there and how it'll know if it got there or not. The focus of a strategic plan is usually on the entire organization, while the focus of a business plan is usually on a particular product, service or program.

There are a variety of perspectives, models and approaches used in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture of the organization, complexity of the organization's environment, size of the organization, expertise of planners, etc. For example, there are a variety of strategic planning models, including goals-based, issues-based, organic, scenario (some would assert that scenario planning is more of a technique than model), etc.

1) Goals-based planning is probably the most common and starts with focus on the organization's mission (and vision and/or values), goals to work toward the mission, strategies to achieve the goals, and action planning (who will do what and by when).

2) Issues-based strategic planning often starts by examining issues facing the organization, strategies to address those issues and action plans.

3) Organic strategic planning might start by articulating the organization's vision and values, and then action plans to achieve the vision while adhering to those values. Some planners prefer a particular approach to planning, eg, appreciative inquiry.

Some plans are scoped to one year, many to three years, and some to five to ten years into the future. Some plans include only top-level information and no action plans. Some plans are five to eight pages long, while others can be considerably longer.

Quite often, an organization's strategic planners already know much of what will go into a strategic plan (this is true for business planning, too). However, development of the strategic plan greatly helps to clarify the organization's plans and ensure that key leaders are all "on the same script". Far more important than the strategic plan document, is the strategic planning process itself.

Also, in addition to the size of the organization, differences in how organizations carry out the planning activities are more of a matter of the nature of the participants in the organization -- than its for-profit/nonprofit status. For example, detail-oriented people may prefer a linear, top-down, general-to-specific approach to planning. On the other hand, rather artistic and highly reflective people may favor of a highly divergent and "organic" approach to planning.

**Some Basic Descriptions of Strategic Planning -- and a Comparison to Business Planning**

[What is Strategic Planning?](http://managementhelp.org/blogs/strategic-planning/2010/09/30/what-is-strategic-planning/)  
[Are You Doing Strategic Planning Already? (Probably ...)](http://managementhelp.org/blogs/strategic-planning/2010/06/17/are-you-doing-strategic-planning-probably/)  
[Strategic Planning or Business Planning? (a comparison of the two)](http://managementhelp.org/blogs/strategic-planning/2010/05/10/strategic-planning-or-business-planning/)  
[The Difference Between Strategic Planning & Financial Planning](http://www.performancesolutionstech.com/the-difference-between-strategic-planning-financial-planning/)  
[Metaphors Be With You: The Strategist as Poet](http://managementhelp.org/blogs/strategic-planning/2010/11/19/metaphors-be-with-you-the-strategist-as-poet/)

**Some Different Models of Strategic Planning**

[Basic Overview of Various Strategic Planning Models](http://managementhelp.org/strategicplanning/models.htm)  
[Should I Use Goals-Based or Issues-Based Planning?](http://managementhelp.org/blogs/strategic-planning/2010/05/17/should-i-use-goals-based-or-issues-based-planning/)  
[The Organic Model of Strategic Planning](http://managementhelp.org/blogs/strategic-planning/2010/06/10/the-organic-model-of-strategic-planning/)  
[Scenario Planning: A Prudent Activity for Any Organization](http://whittblog.wordpress.com/2009/12/22/scenario-planning-a-prudent-activity-for-any-organization/)  
[Strategic Intuition](http://managementhelp.org/blogs/strategic-planning/2011/05/20/strategic-intuition/)  
[The Drivers Model: The Secret to Facilitating Strategy](http://managementhelp.org/blogs/strategic-planning/2011/11/02/the-drivers-model-the-secret-to-facilitating-strategy/)  
[Anatomy of the Drivers Model](http://managementhelp.org/blogs/strategic-planning/2012/02/06/anatomy-of-the-drivers-model-2/)

NOTE: Much of the following information is in regard to goals-based strategic planning, probably the most common form of strategic planning. However, issues-based planning is also a very popular approach to strategic planning -- an approach still too-often forgotten.

**For-Profit Versus Nonprofit Strategic Planning**

Major differences in how organizations carry out the *various steps and associated activities* in the strategic planning process are more of a matter of the size of the organization --*than its for-profit/nonprofit status*. Small nonprofits and small for-profits tend to conduct somewhat similar planning activities that are different from those conducted in large organizations. On the other hand, large nonprofits and large for-profits tend to conduct somewhat similar planning activities that are different from those conducted in small organizations. (The focus of the planning activities is often different between for-profits and nonprofits. Nonprofits tend to focus more on matters of board development, fundraising and volunteer management. For-profits tend to focus more on activities to maximize profit.)

*Therefore, the reader is encouraged to review a variety of the materials linked from this page, whether he or she is from a nonprofit or for-profit organization.* Items below are marked as "nonprofit" in case the reader still prefers to focus on information presented in the context of nonprofit planning.

(An upcoming section includes numerous overviews of the overall strategic planning process [Various Overviews )](http://managementhelp.org/strategicplanning/#anchor320170)

**Benefits of Strategic Planning**

Strategic planning serves a variety of purposes in organizations, including to:  
1. Clearly define the purpose of the organization and to establish realistic goals and objectives consistent with that mission in a defined time frame within the organization’s capacity for implementation.  
2. Communicate those goals and objectives to the organization’s constituents.  
3. Develop a sense of ownership of the plan.  
4. Ensure the most effective use is made of the organization’s resources by focusing the resources on the key priorities.  
5. Provide a base from which progress can be measured and establish a mechanism for informed change when needed.  
6. Listen to everyone’s opinions in order to build consensus about where the organization is going.

Other reasons include that strategic planning:  
7. Provides clearer focus for the organization, thereby producing more efficiency and effectiveness.  
8. Bridges staff/employees and the board of directors (in the case of corporations).  
9. Builds strong teams in the board and in the staff/employees (in the case of corporations).  
10. Provides the glue that keeps the board members together (in the case of corporations).  
11.Produces great satisfaction and meaning among planners, especially around a common vision.  
12. Increases productivity from increased efficiency and effectiveness.  
13. Solves major problems in the organization.

**Also See**

[Strategic Planning in Tough Times -- It's Not Discretionary at All](http://marionconwaynonprofitconsultant.blogspot.com/2009/03/strategic-planning-in-tough-times-its.html)

**When Should Strategic Planning Be Done?**

The scheduling for the strategic planning process depends on the nature and needs of the organization and the its immediate external environment. For example, planning should be carried out frequently in an organization whose products and services are in an industry that is changing rapidly . In this situation, planning might be carried out once or even twice a year and done in a very comprehensive and detailed fashion (that is, with attention to mission, vision, values, environmental scan, issues, goals, strategies, objectives, responsibilities, time lines, budgets, etc). On the other hand, if the organization has been around for many years and is in a fairly stable marketplace, then planning might be carried out once a year and only certain parts of the planning process, for example, action planning (objectives, responsibilities, time lines, budgets, etc) are updated each year. Consider the following guidelines:  
1. Strategic planning should be done when an organization is just getting started. (The strategic plan is usually part of an overall business plan, along with a marketing plan, financial plan and operational/management plan.)   
2. Strategic planning should also be done in preparation for a new major venture, for example, developing a new department, division, major new product or line of products, etc.   
3. Strategic planning should also be conducted at least once a year in order to be ready for the coming fiscal year (the financial management of an organization is usually based on a year-to-year, or fiscal year, basis). In this case, strategic planning should be conducted in time to identify the organizational goals to be achieved at least over the coming fiscal year, resources needed to achieve those goals, and funded needed to obtain the resources. These funds are included in budget planning for the coming fiscal year. However, not all phases of strategic planning need be fully completed each year. The full strategic planning process should be conducted at least once every three years. As noted above, these activities should be conducted every year if the organization is experiencing tremendous change.   
4. Each year, action plans should be updated.  
5. Note that, during implementation of the plan, the progress of the implementation should be reviewed at least on a quarterly basis by the board. Again, the frequency of review depends on the extent of the rate of change in and around the organization.