

# **An Introduction to Strategic Planning**

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## **Introduction**

There are many books, documents and articles available on Strategic Planning. This guide is particularly aimed at small Charitable organisations that are needing to get started with Strategic Planning for the first time.

## **Section 1**

### **Strategic Planning – Why Do It?**

As an organisation grows, it becomes more important that all those involved are clear about what that organisation is looking to achieve and how it is planning to do it. Recent UK Charities legislation, also, is focusing much more closely on the impact that a charitable organisation is having. This is where Strategic Planning comes in. At its most simple the Strategic Plan is a document that explains what the organisation is planning to achieve and how it plans to do it. This then sets the direction for the organisation and enables all those involved with the charity – particularly those in leadership and management positions – to review periodically how well the organisation is performing and to take appropriate action. If there is no plan, there is nothing in writing against which a review can be carried out, and performance and impact are left to personal opinion.

It is commonly asked how frequently a Strategic Plan should be created and how far out should the plan look? There is no right answer to these questions – it is a balance between many factors including the degree of uncertainty within the environment in which the organisation is working, the time it takes to develop new ideas and the amount of resource that the organisation is prepared to put into the process. If the process is not carried out frequently enough, the organisation can become slow to react to change. Too frequently, and the planning can take up too much time. Balancing these factors has led many organisations (including Tearfund) to carry out an annual planning process looking forward for 3 years.

## **Section 2**

### **Strategic Planning – The Essential Elements**

There are 3 phases to the Strategic Planning Process

- **Setting Direction**  
Within the context of the overall constitution goal and mission of the organisation, what are the specific challenges and measurable objectives that the organisation wants to achieve?
  
- **Turning Direction into Plans**  
This phase is mainly about 'how?' What, specifically, is the organisation planning to do to achieve its objectives?
  
- **Implementation**  
This is the most difficult phase for many organisations. Yet without it, the Strategic Planning Process is of limited value. Within the implementation phase, the organisation monitors and reviews how well it is doing in comparison with the plan that was agreed.

Within each of the three phases, communication is an important part of the overall process. There are many different stakeholders (people who have an interest in the plan), and they can only contribute to its achievement if they are kept informed about what is going on!

## Section 3

### Setting Direction

Most organisations will have a set of statements that describe the reasons for its existence and the way in which it operates. For example, Tearfund has a Mission Statement, Statement of Belief, Values, Operating Principles and 10 year Strategic Directions. Other charitable organisations have similar statements, sometimes with different names. These documents provide the context for developing a Strategic Plan, but none of them is, in itself, a plan. The concise Oxford dictionary defines a plan as a 'formulated or organized method by which *something* is to be done'. The setting direction phase defines the *something*.

#### Step 1. Define the Strategic Challenges.

This is a list of no more than 10 issues that are vital to the continuing success and development of the organisation. The list is best developed by the organisation's leadership team. The process of agreeing a list of no more than 10 challenges is, in itself, a useful process for the leaders of the organisation. Techniques such as brainstorming can be used the first time that the organisation creates its list of strategic challenges. In subsequent years, it is unlikely that the challenges will change completely, so it may be more helpful to start from last year's challenges.

#### Step 2. Define the Objectives

For each of the challenges, the objective should state how achievement of the challenge will be measured. There can be more than one objective per challenge, but try not to have more than three. Each objective should be SMART – Specific, Measurable, Achievable yet Ambitious, Relevant and Timely. Where objectives stretch over more than one planning cycle, ensure that there is a measurable target at the end of the cycle. It is also important at this stage to decide who (a person or a team) will be responsible for achieving each objective.

## Section 4

### Turning Direction into Plans

The key word here is 'how?' What activities are necessary to enable the organisation to achieve its objectives?

#### Step 3. Formulate the Plans

These are the methods and activities by which the objectives will be achieved, that is, who will do what by when? Much has been written about planning and there are many techniques that can be helpful. (e.g Gantt charts, Planning tables). These will not be duplicated here. However, two points should be borne in mind.

Firstly, ensure that each activity plays an identifiable part in achieving one of the objectives, and also that if all activities are successfully completed, the objectives will be fully met.

Secondly, there are two types of activities – projects and actions. The fundamental difference between the two types is that an action will generally be part of somebody's job, whereas a project is a one-off activity with a beginning and an end. It is, therefore, an additional activity, and will require additional resources, both time and money.

Further information on Project Cycle Management is available in the Tearfund publication 'ROOTS 5'. Contact [Roots@Tearfund.org](mailto:Roots@Tearfund.org) if you would like a copy.

#### Step 4. Set the Budgets

The plans will have financial implications. The budgeting process is simply a way of planning what finances will be needed for the organisation to meet its objectives. Each area/department of the organisation should prepare a budget based on meeting the objectives that have been set. In all but the smallest organisations, this process will happen most effectively if it is co-ordinated centrally such that each department provides information in a similar format. The information can then be consolidated into an overall budget for the whole organisation.

In practice, it may take several attempts before the consolidated budget is affordable to the organisation. It will save time, effort and emotion if departments are told as early on in the process as possible what their base budget is likely to be.

## **Section 5**

### **Implementation**

#### **Step 5. Carry out the Plan**

There isn't a lot to say about this step. Once the plan has been agreed and approved, it's really a case of 'Just Do It!'. A plan that is well thought through with clear objectives, actions, timings and responsibilities will provide the organisation with a sound roadmap for addressing its Strategic Challenges. However, in the real world, the unexpected will always happen. External events may cause priorities to change and internal assumptions may turn out not to be valid. That is why it is essential that Step 6 – Review – is carried out in parallel with implementation

#### **Step 6. Regular review of the Plan.**

Review is a key part of implementation. It should be included as part of the implementation plan. The person responsible for each activity should be carrying out continuous review, and the leadership team should review at appropriate intervals – at least once each quarter if the planning cycle is annual. The purpose of review is initially to establish progress, but it doesn't end there. Action should be taken as a result of review to either get the activity back on plan, or amend the plan to reflect the new circumstances. In deciding which course of action is appropriate, ensure that the impact of the activity on the Strategic Challenges for the organisation is well understood.

#### **Step 7. Review Impact and Lessons Learnt**

The Strategic Planning Process is iterative. At the end of the cycle, the leadership team should review what has been achieved against the plan, and what can be learnt from it. This information is then fed forward into the Direction Setting phase of the next cycle. And so the process begins again.

Mike Wyatt

[Mike.wyatt@bigfoot.com](mailto:Mike.wyatt@bigfoot.com)