

What is Strategic Planning?

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Adapted from the Field Guide to Nonprofit Strategic Planning and Facilitation.

Simply put, strategic planning determines where an organization is going over the next year or more and how it's going to get there. Typically, the process is organization-wide, or focused on a major function such as a division, department or other major function.

How to Get a Feel for Strategic Planning -- There's No Perfect Way to Do It

Planning typically includes several major activities or steps in the process. Different people often have different names for these major activities. They might even conduct them in a different order. Strategic planning often includes use of several key terms. Different people might use apply different definitions for these terms, as well. There is no one perfect way to do strategic planning.

One Way to Look at Strategic Planning

One interpretation of the major activities in strategic planning activities is that it includes:

1. Strategic Analysis

This activity can include conducting some sort of scan, or review, of the organization's environment (for example, of the political, social, economic and technical environment). Planners carefully consider various driving forces in the environment, for example, increasing competition, changing demographics, etc. Planners also look at the various strengths, weaknesses, opportunities and threats (an acronym for this activity is **SWOT**) regarding the organization.

Organizations doing strategic planning want to align their plans with their Mission and Vision statements. Sometimes planning will begin with a review or an update of the mission or vision – and other times, an organization will decide to keep those statements and focus on ensuring their work is connected to them.

Mission statements are brief written descriptions of the purpose of the organization.

Vision statements are usually a compelling description of how the organization will or should operate at some point in the future and of how customers or clients are benefiting from the organization's products and services.

2. Setting Strategic Direction

Planners carefully come to conclusions about what the organization must do as a result of the major issues and opportunities facing the organization. These conclusions include what overall accomplishments (or **strategic goals**) the organization should achieve, and the overall methods (or **strategies**) to achieve the accomplishments. Goals should be designed and worded as much as possible to be specific, measurable, acceptable to those working to achieve the goals, realistic, timely, extending the capabilities of those working to achieve the goals, and rewarding to them, as well. (An acronym for these criteria is "SMARTER".)

3. Action Planning

Action planning is carefully laying out how the strategic goals will be accomplished. Action planning often includes specifying **objectives**, or specific results, with each strategic goal.

Often, each objective is associated with a **tactic**, which is one of the methods needed to reach an objective.

Action planning also includes specifying **responsibilities** and **timelines** with each objective, or who needs to do what and by when. It should also include methods to **monitor** and **evaluate** the plan, which includes knowing how the organization will know who has done what and by when.

It's common to develop an **annual plan** (sometimes called the **operational plan** or **management plan**), which includes the strategic goals, strategies, objectives, responsibilities and timelines that should be done in the coming year. Often, organizations will develop plans for each major function, division department, etc., and call these **work plans**.

Usually, **budgets** are included in the strategic and annual plan, and with work plans. Budgets specify the money needed for the resources that are necessary to implement the annual plan. Budgets also depict how the money will be spent, for example, for human resources, equipment, materials, etc.