

5 Models of Strategic Planning

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Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy. Strategic planning became prominent in corporations during the 1960s and remains an important aspect of strategic management. It is executed by strategic planners or strategists, who involve many parties and research sources in their analysis of the organization and its relationship to the environment in which it competes.

Strategy has many definitions, but generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions. A strategy describes how the ends (goals) will be achieved by the means (resources). The senior leadership of an organization is generally tasked with determining strategy. Strategy can be planned (intended) or can be observed as a pattern of activity (emergent) as the organization adapts to its environment or competes.

Strategy includes processes of formulation and implementation; strategic planning helps coordinate both. However, strategic planning is analytical in nature (i.e., it involves "finding the dots"); strategy formation itself involves synthesis (i.e., "connecting the dots") via strategic thinking. As such, strategic planning occurs around the strategy formation activity.

The process that an organization works through to develop a strategic plan is paramount to the actual plan that is developed. The key aspect of strategic planning is the communication involved between key stakeholders within the organization to develop and implement a strategic plan. There are various models of strategic planning and thousands of iterations of these models. The strategic planning process used is contingent on the type and size of the organization and the people involved. Which model or variation on a model is really up to the discretion of the facilitator and the participants of the strategic planning process. Five models of strategic planning will be highlighted in this research.

1-Basic Strategic Planning Model

The first model we will highlight is the "Basic" Strategic Planning model. This model is often effective for new organizations that do not have much prior experience doing strategic planning. These are typically smaller organizations that often don't have too much time to spend on the strategic planning process. As its name states, this is the most basic type of strategic planning that organizations can use to become familiar with the process and then expound on it in the future as they become more comfortable with the process and more established as an organization.

Components of the basic strategic planning model include the following:

1. Identifying the purpose of the organization and developing a mission statement.
2. Creating general goals for the organization to accomplish the mission.
3. Identifying specific action steps to implement each goal.
4. Evaluating and updating the plan over time.

2-Issue-based or Goal-based Planning

Model 2 is Issue-based or Goal-based Planning. This is an enhancement of the basic model and is often used by organizations that are more established and want to go deeper into the strategic planning process.

This model starts off with a SWOT analysis, which is an assessment of the internal and external forces that play on the organization. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. Second, the stakeholders identify the major issues or goals on which the organization will focus and prioritize these issues and goals. Third, the mission, vision, and values of the organization should be reviewed and updated to be in line with the issues and goals of the organization. The second and third steps can be switched if the stakeholders prefer. Fourth, develop action plans for the goals and issues that detail the steps necessary to implement the goal. An effective way of writing action plans is using a process called SMART goals where goals are Specific, Measureable, Attainable, Results-oriented, and Time-bound. For strategic plans that look at more than 1 year in the future, the development of a yearly operating plan is useful to keep the plan manageable and on-track. Often organizations develop strategic plans for 3-5 years and then conduct annual reviews and updates of the larger plan. Regular evaluation, monitoring, and updating of the strategic plan is critical to its effectiveness and it is helpful if these reviews are written into the actual plan to ensure all stakeholders keep on track.

3-Alignment Model

The third model is the Alignment Model. The focus of this model is ensuring alignment between the organization's mission and its resources to be able to effectively implement the mission. This model can be useful to organizations that want to fine tune their goals or find out why their goals are not achieving the impact they desired. This process begins with the stakeholders reviewing the organization's mission, goals, resources, and needed support. There is a discussion of what is working well and what needs adjustment. The bulk of the planning process focuses on the type of adjustments that need to be made and how they should be made and this is detailed in the plan.

4-Scenario Planning

Model 4 is Scenario Planning. Scenario planning is seen by some as more of a technique than a model. It can be used in conjunction with other models to ensure that strategic thinking is incorporated into the process. This model provides a way to prepare for different scenarios that may occur with a change in the environment and other external forces. For this model, stakeholders project different scenarios that could occur and have an influence on the organization. Some examples include changes in policies or regulations, changes in funding, demographic changes, technological changes, etc. The stakeholders discuss these likely scenarios, including the best case, worst case, and a reasonable case for each external force. A review of the worst case is especially useful to highlight the importance of preparing for such a scenario. Brainstorm how the organization could effectively respond to the various scenarios or what the organization could do to strengthen itself so as not to be as influenced by certain external forces. This type of strategic thinking helps all stakeholders consider various scenarios in an environment that is calm and rational, instead of the reactive crisis mode that could occur without pre-planning.

5-Organic Planning or Self-Organizing

The fifth and last model we will highlight is Organic Planning or Self-Organizing. This model is in contrast to the other models that follow a more methodical, linear approach going from broad to specific or having a more of a cause and effect in nature. This organic model uses a process that unfolds naturally through continual focus on common values and consistent communication and dialogue among stakeholders. A technique called story-boarding is often used in the organic model to allow participants to think about their own ideas and then share them with the larger group. It is a more structured way of brainstorming and allows each person time to think about their ideas and then voice them to the larger group. This technique can be especially useful with diverse stakeholders who hold different amounts of power within an organization. The story board technique, as well as a similar technique called the nominal group technique, allows each stakeholder to play an active role in the meeting. It guards against the tendency for a few people to dominate the brainstorm session. Read more about Storyboards and the Nominal Group Technique in the required reading.

Conclusion

The key for each model of strategic planning is effective communication among stakeholders. There are numerous iterations of each model that really depend on the size and type of the organization and the people involved in the planning process.