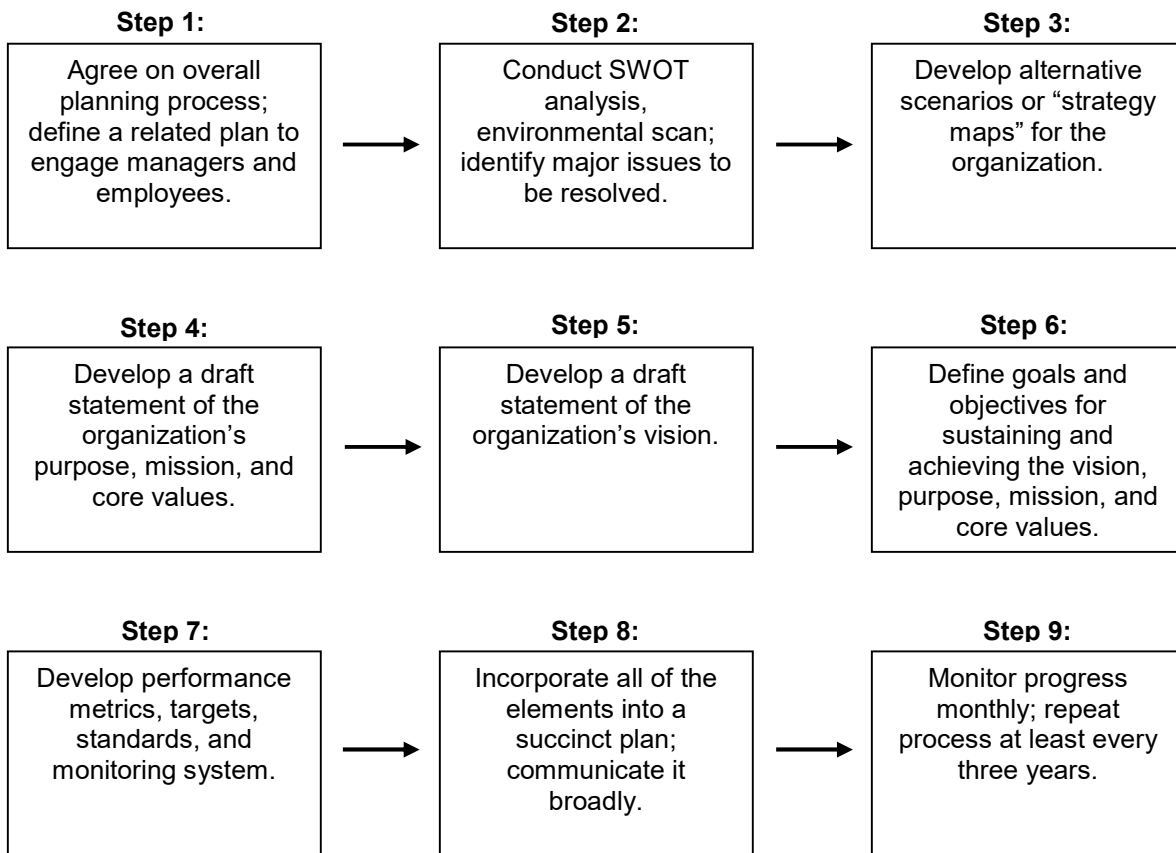


STRATEGIC PLANNING FLOWCHART

This tool is useful for visualizing the steps in a typical strategic planning process, from the initial environmental scan to the narrowing of strategies and developing of related performance targets. Managers and leaders can use this tool to communicate their planning process to other managers, employees, board members and other stakeholders.

This tool is best used in conjunction with our other strategic planning tools, including Integrated Strategic Planning and Glossary of Strategic Planning Terms.

The process should unfold in the following sequence:



Overview of each step:

Step 1: The CEO or board chair should take the lead in working with major stakeholders to hear their perspectives on what's working well, what's not, and identifying priorities for change. A SWOT analysis (strengths, weaknesses, opportunities, threats) is a useful tool for collecting and organizing this data.

Step 2: A planning group composed of the senior management team should define the outcomes they hope to achieve from the process and rationales for change. The planning horizon should be defined: either five or ten years is normal. All of this should be written down and communicated.

Step 3: The planning process should be defined and communicated broadly, using a flow chart. Agreement on the engagement of major stakeholders, such as unions, board of directors, customer groups should occur now, before the process begins in earnest. Use the Six Rings Model to clarify the process.

Step 4: The planning group should focus on the purpose of the organization and its core values. Purpose defines what the organization will and will not do. Core values define the things that are essential the organization's success.

Step 5: Define the vision. Where does the organization want to be in 5 or ten years? Reiterate steps 4 and 5 until the planning group has a strong definition of the organization's purpose, core values and vision (the strategic focus). This may require several meetings.

Step 6: The planning group should focus on the areas where the organization needs to move the farthest in order to sustain and achieve the purpose, core values and vision. Remember that goals are big pushes to advance the organization and should be limited in number (no more than 4-5). Not every value has to have a goal attached to it.

Step 7: Performance objectives should be assigned to each value and each goal. Performance monitoring frequency and system should be defined. Frequency may be monthly, quarterly, semi-annually, or annually. Financial targets (revenues, expenses, profits) should be developed for each year of the plan.

Step 8: The plan should succinctly communicate all the elements described above. Some background history may be appropriate. High level financials should be included. The plan should be broadly communicated in draft form for comment and review prior to being adopted.

Step 9: The senior level management team and board should monitor the performance targets attached to each element of the plan on a frequency defined in the plan.

Each individual organization within a larger organization should have its own business plan to support the strategic plan. The planning thus cascades from the senior-most level outward to the front lines until everyone has been engaged in some aspect of planning. Each unit's plan should have its own performance management system tied to the overall plan.