

Our Approach to Strategic Planning in the Private Sector

Essentially strategic planning is a structured creative thinking process about the way in which an organisation will take advantage of or create current and future market opportunities. The process results in a Strategic Plan. Accountability to ensure that this happens rests with the Board of Directors in most modern organisations.

Strategy is different from operations and is not simply continuous improvement on what we have done before. In its most compelling form strategy is “going boldly where none have gone before”, creating the opportunity for an organisation to think new thoughts, forge new directions and blaze new trails within their industry. In essence this means answering the question “What are we doing that our competitors are not doing and cannot easily replicate?”

However, we can only go boldly where no-one has gone before when we know where everyone has been before and currently is. This requires thorough industry and competitor analysis. Nonetheless, it is vital to appreciate that strategy does not magically appear after industry analysis is completed! Hard creative work is required!

Strategy is the result of intensive creative effort based on a sound knowledge of the current context. It is about making sure that the right people at the appropriate levels in the company apply their minds within a managed process to achieve a creative compelling, market relevant strategic plan.

Finally, a strategic plan is not a static document, it rather a point of reference in a dynamic process and requires ongoing consideration and revision.

The Purpose

The purpose of the facilitation is to enable the Directors of The Organisation to agree to a compelling strategy for the firm that will provide it with a sustainable competitive advantage for the next 3 to 5 years - (time frames may alter after discussions).

The Process

The process we use has four phases:

Phase One: Preparation and Information Gathering Phase

In the preparation phase we propose that the following critical results are achieved:

1. Documentation about the company is provided to the facilitators for background reading and information;
2. Desktop and other research is undertaken by the facilitators to understand the industry, including competitors and the market;
3. Facilitators have a series of short interviews with key people in the company, as well as its key customers and suppliers in order to gain a deeper understanding of the different perspectives and opportunities relating to potential strategic direction.

This phase has two primary purposes:

1. Understanding the business, industry and markets. This embraces the following:
 - a. A reflection on the company itself including and understanding of its core competencies;
 - b. A “state of the industry” analysis
 - c. A clear competitor analysis.
2. Generating ideas through dialogue with key stakeholders in the business. These ideas will be analysed, clarified and presented to the Directors in phase two.

Phase Two: Facilitation Phase

A one day strategic planning meeting for the Directors of The Organisation will then consider the information in a structured way. The structure of the day will be determined after the interviews in phase one.

This day will consist of at least the following:

- Presentation and conversation around the results of phase one above
- The careful analysis of the emerging strategic options for the Organisation

- The addressing of the key strategic questions as outlined below

The structure of the process will seek to answer three simple questions:

Question One: Where are we?

It is in answering this question that the information from phase one will be most useful. Any successful strategic journey begins by clearly defining the starting point. Apart from the general and industry economic information gathered in phase one we will potentially use, amongst other tools, Porter's 5 forces analysis as a means of gaining greater clarity on the specific positioning of The Organisation in the marketplace. This includes forces outlined in the diagram below:



Much of the work relating to this analysis will be completed prior to the workshop and will be presented and thoroughly discussed with participants.

Question Two: Where do we want to be?

This is the creative question and requires the input and ideas of people across the organisation which would have been obtained in phase one.

Once again this creative conversation can take many forms and use a variety of tools. Outlined below is an example of tools we use to stimulate strategic discussion.

- **Strategy as process:** How do we make sure the right people, at the appropriate levels, with adequate mandate and resources are involved in a well thought through process?
- **Strategy as prophecy:** Based on current trends and analyses, what will the future of our market look like?
- **Strategy as positioning:** What are the possibilities of adopting a market position that no-one has occupied before and competitors will find hard to replicate? Who are our customers and in which marketplace do we want to play?
- **Strategy as leverage:** How can we leverage the core competencies of The Organisation as a basis from which to access new opportunities? What are our competitive advantages and how can we focus this advantage in the future? How can we leverage the competence of our people for strategic and competitive advantage?
- **Strategy as stretch:** Are there possibilities of expanding into adjacent market spaces in a way competitors cannot easily copy?
- **Strategy as thinking:** All of this requires the use of creative methodologies beyond inductive and deductive thinking
- **Strategy as goal setting:** What financial, customer, business process, learning and growth goals do we want to set ourselves
- **Strategy as meeting challenges:** What are the key challenges in the external environment we need to successfully confront to leverage our position in the market and create opportunities for business growth

This workshop will provide a sound basis from which the facilitators can prepare a clear and compelling strategic plan for the company.

Once a clear idea of the destination to be achieved is realised the third question can be addressed:

Question Three: How will we get there?

Here we answer the question: What will be our sequence of moves towards the achievement of our strategic goals.

The challenging questions of the organisational competencies we require, the critical steps needed to achieve the strategy and how these will be undertaken.

It is here that the following questions can be addressed:

- What needs to be done and in what order of priority?
- What are we able to do ourselves and where do we need to find partners?
- How will we achieve the strategic results we desire with our customers?
- What business process do we need in order to deliver on strategic intentions?
- How do we effectively engage with the people inside the Organisation to secure maximum productivity towards strategic goals?

Phase Three: Strategy Formulation

In this phase the facilitators will use the information gathered in phase one and the results of the engagement in phase two to develop a clear proposed strategy for the Organisation for the consideration of the Directors.

Phase Four: Strategy Implementation

In our view Strategy Implementation is the flip side of the strategy formulation coin and all strategy processes should be undertaken with implementation or execution in mind.

The **execution of strategy** is dependent on five key realities:

- The quality of the strategic leadership offered to the organisation from both executive and non executive leadership
- The degree of perceived participation on the part of all stakeholders in the strategy development process – this is determined by the degree to which people in the Organisation claim the strategy as their own – rather than calling it “management’s strategy”.
- The development of a clear organisation business plan to implement the strategy including the clarification of the relationships between role-players. It is here that Strategy Maps and Balanced Scorecards become extremely useful
- The translation of strategy into clear and specific performance plans for all of the people working within the organisation

- A culture within the organisation in which the people involved in the organisation behave in such a way that it maximises the possibility of achieving goals

We are able to offer execution support after the Strategy development process.

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