

UNIT 168 – UPSC - Process of Strategic Planning and Implementation

Strategic Planning is systematic procedure to establish the long term objectives of an organization and the policies and strategies that oversee the achievement, use and disposition of resources to accomplish the vision and mission of firms. It is basically the responsibility of senior management. Strategic planning is the problem-solving process of establishing strategic objectives and devising strategic plans to realize those objectives. The goals of strategic planning including understanding the benefits of strategic planning; understanding the products of strategic planning; and learning the keys to successful planning and implementation.



Many theorists explained that Strategic planning is a well-organized process to make major decisions and agreeing on actions that shapes and guide what an organisation is, what it does, and why it does it.

The Strategic planning mainly assists to organization for:

1. Setting up of goals or objectives;
2. The analysis of the environment and the resources of the organization;
3. The generation of strategic options and their evaluation; and
4. The planning of implementation of the design of control systems or monitoring mechanisms.

different components relate to each other with the strategic plan.



The particular steps for Strategic Planning

This planning comprises of six identifiable stages that fulfil the requirements of the management thinkers:

1. Environmental scanning.
2. Evaluation of issues.
3. Forecasting.
4. Goal setting.
5. Implementation, and
6. Monitoring.

A written strategic plan might include the following headings:

- I. Executive summary
- II. Vision statement
- III. Mandate and scope of work
- IV. Summary analysis of external and internal environment

- V. Main strategic issues
- VI. Four or five aims that accompany strategies
- VII. Assessment of human resource needs
- VIII. Budget protection

Importance of Strategic Planning

The significance of strategic planning in any business organization cannot be exaggerated. Majority of top performing companies have identified the role of strategic planning for long term growth and continued existence of their business organization. Most of the managers have observed that through defining the mission of their organization, they are better able to give it direction and focus its activities. Planning is major process for organization's success because without proper planning, there may be confusion and unethical practices can occur. Currently, researchers are more interested to study strategic management. Adeyemi (1992) stated that there is a positive correlation between strategic management and organizational performance in some Nigeria banks in his study.

It is well established in management studies that the success or failure of strategic planning is determined by a number of components which include the environment, organization structure and strategic decision making. Ansoff (1979) said that when these three components are appropriately matched, the performance of any organization is optimised. Lorange (1979) hypothesized that the significance of strategic planning is to achieve a sufficient process of modernism to support and augment the planning process. He further argues that effective strategic planning does not have to be detailed or complicated but must be rational and focused on strategic decisions to be carry out.

The advantages of Strategic planning

Strategic planning is methodological form of planning and therefore it is simple to grasp the methods, procedures and rituals programmed to implement the strategies.

Strategic planning provides a structured way to analyse and think about complex strategic problems, requiring management to question and challenge what they take for granted.

Strategic planning can be used to involve people in strategy development.

Strategic planning is an effective way to communicate the aim of management to members of the organization.

Strategic planning can be used as a means of control by regularly reviewing performance and progress against agreed objectives.

Drawbacks of Strategic Planning: Besides several advantages, strategic planning has following pitfalls:

Strategic Planning is difficult and time consuming.

In Strategic planning, immediate results are rarely obtained.

Strategic Planning quite often, limits the organization and executives to the more rational and risk free options.

It can be established that Strategic planning is a process that brings life to the mission and vision of the enterprise. A strategic plan, well-crafted of value, is determined from the top down; considers the internal and external environment around the business; is the work of the managers of the business; and is communicated to all the business stakeholders, both inside and outside of the company.

Implementation

Implementation is the process of turning strategies and plans into actions to achieve strategic objectives and goals. Implementation is important part of the strategic planning process, and organizations that develop strategic plans must incorporate a process for applying the plan. The particular implementation process can differ from organization to organization. Strategy will tend to be formulated at high level, mainly if it follows a common strategy of value discipline and it can only be successfully implemented if it can be expressed in more detailed policies and communications that are directed at workforce throughout the organisation. Strategic alteration can only be successful if it has the support of the employees who have to deal with the customers, suppliers and organisational resources that of the strategy is targeted at. Consequently, when representing the strategy at a lower organisational level, it also helps to ensure that the strategy is practicable and addresses any realistic issues which may arise. Particularly, a strategy needs to be implemented in the marketing, research and development, procurement, HR, production and IT departments in order to be triumphant. Implementation must also recognize any resources and capabilities required to support the new strategy, and any organisational change which will have to take place. In implementation process, the strategy also needs to be controlled and revised to make certain that it is being implemented accurately and fruitfully. This needs appraisal and feedback procedures as well as control systems to observe the important characteristics of the strategy.

Senior management commitment is significant factor for the implementation of a strategy. Research has revealed that senior management's commitment is certainly a requirement for strategy implementation. Therefore, they must show their keenness to give energy and faithfulness to the implementation process. Senior executives must discard the notion that lower level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency (Dahlgaard, and Martensen, 1998). Another aspect of implementation of strategic plan is involvement of middle manager's valuable knowledge. The success of any implementation attempt depends on the level of involvement of middle managers. To generate the required acceptance for the implementation as a whole, the affected middle managers' knowledge, which is often underestimated, must already be accounted for in the formulation of the strategy. After that, it is to make sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Rps, 2005).

Effective communication should be emphasized in the implementation process. Many theorists have designated that communication is a major success factor within strategy implementation (Pralhad, and Hamel, 1990). Research has shown that an organization introduce a two-way

communication program that allows and solicits questions from employees about issues regarding the formulated strategy. Additionally, the communications should inform employees about their new requirements, tasks and activities to be performed by the affected employees, and furthermore, cover the reason behind changed circumstances (Alexander, 1995).

There are few basic steps that can assist in the process and guarantee success of implementation:

1. Evaluate the strategic plan: This is the first step in the implementation process. It states that managers must know what the strategic plan is. They must review it carefully, and highlight any elements of the plan that might be especially challenging. It is necessary to identify any part of the plan that might be unrealistic or excessive in cost, either of time or money and emphasize these, and be sure to keep them in mind to begin implementing the strategic plan.
2. Create a vision for implementing the strategic plan: This vision might be a series of goals to be reached, step by step, or an outline of items that need to be completed. It is imperative that everybody must know what the end result should be and why it is important and establish a clear image of what the strategic plan is intended to accomplish.
3. Select team members to help to implement the strategic plan: Management must develop competent team that support management to implement strategies. They must establish a team leader who can encourage the team and field questions or address problems as they arise.
4. Schedule meetings to talk about progress reports: Organize meetings and present the list of goals or objectives, and let the strategic planning team know what has been accomplished. Whether the implementation is on schedule, ahead of schedule, or behind schedule, evaluate the current schedule regularly to discuss any changes that need to be made. Management must establish a rewards system that recognizes success throughout the process of implementation.
5. Involve the upper management where appropriate: It is good to inform all activities to the organization's executives and provide progress reports on the implementation of the plan. Letting an organization's management know about the progress of implementation makes them a part of the process, and, should problems arise, the management will be better able to address concerns or probable changes.