

8. STRATEGIC PLANNING FOR INSTITUTIONAL DEVELOPMENT

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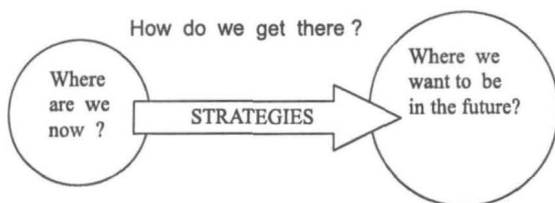
Abstract

Present paper deals with the development of institutions with the help of strategic plan. Institution's are responsibilities to the students, parents, industries and business houses who use the product and services of institutions. In meeting their needs, all that institutions must be of high quality and constantly strive to deliver knowledge and skills timely, promptly, accurately and efficiently.

Strategic planning is continuous, participatory and systematic process of clarifying the organization's direction, that is its mandate and mission, assessing its internal resources in terms of its strengths and weaknesses and its external environment in term of its opportunities and threats, setting its goals and identifying viable strategies and developing its vision.

1. INTRODUCTION

Strategic planning is a future oriented process wherein an organization specifies what it aspires to become and how it proposes to get there.



Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide :

- ❖ What an organization is
- ❖ What it does and
- ❖ Why it does

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2. STRATEGIC PLANNING VS LONG RANGE PLANNING

Strategic planning (S. P.) and Long Range Planning (L. R. P.) for organizations are often used synonymously. While there may be little difference in outcome, in practice they differ in the following four fundamental aspects.

1. While both focus on what organization would

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do to improve its performance. Strategic planning relies more on identifying and resolving issues, while L.R.P. focuses more on specifying goals and objectives and translating them into Budgets and Work plans.

2. Strategic planning emphasizes assessment of the environment outside and inside the organization, far more than long-range planning does. Long range planning was the predecessor of Strategic Planning. Strategic Planning advances, planning process across another threshold. Planning becomes more externally oriented than previously with environment scanning including increased focus on markets and competitions. Resource audits or assessments were present and future opportunities to succeed were found rather than by traditional approaches based on past practice.
3. Strategic Planners project an idealized version of the organization "vision of Success" and design ways of achieving it. While long range plans typically are linear extrapolations of the present. Strategic Plans often represent Qualitative shifts in direction.
4. Unlike L. P. R. in Strategic Planning there are more rigorous evaluations of Strategic alternatives. Strategic Planners usually consider a range of possible futures and as a result consider a variety of possible actions and try to keep the Organization's options open as much as possible so that it can respond promptly and effectively to unforeseen contingencies. Long range planners, tend to assume a most likely future, and then work backward to map out the sequence of decisions and actions necessary to reach the assumed future.

3. NEED FOR STRATEGIC PLANNING

In the past thirty years, Strategic Planning has become a standard part of managerial thinking and practice in the business world. However, only recently, the public and non-profit

organizations have become aware of the benefits of Strategic Planning.

The following are the benefits of Strategic Planning.

1. It enriches an organization's capability to proactively anticipate the changes needed, cause the changes and manage them. So Strategic Planning is the most suitable approach to manage an organization which operates in a changing environment.
2. Strategic Planning is not a top down approach. It is a bottom up approach, which requires participation of all the Stakeholders (interested parties) in the planning process. This involvement, in particular, of the employees of the organization makes them Co-owner of the plan and increases their commitment of the implementation of the plan.
3. It enables an organization to optimize its resources to maximize its performance and power.
4. Strategic Planning is not a one-shot affair. It is done continually and hence it adapts to reality.

4. WHEN SHOULD IT BE DONE

Strategic Planning should be done continuously. Documented plans are produced periodically in the duration of one or three or five years for communication purposes. As the plan must adapt to reality, planning has to be continuous. Strategic THINKING and ACTING must be always present.

Strategic Planning should not be done under the following circumstances.

1. when there is no top down support for planning.
2. when facing an immediate crisis where action is the only alternative.

Following three figures explain need of Strategic Planning.

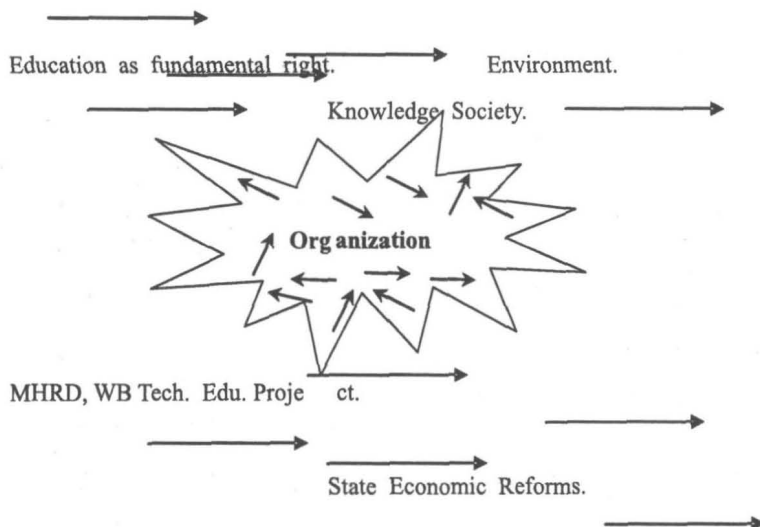


Figure : A : A misaligned organization without a strategic plan.

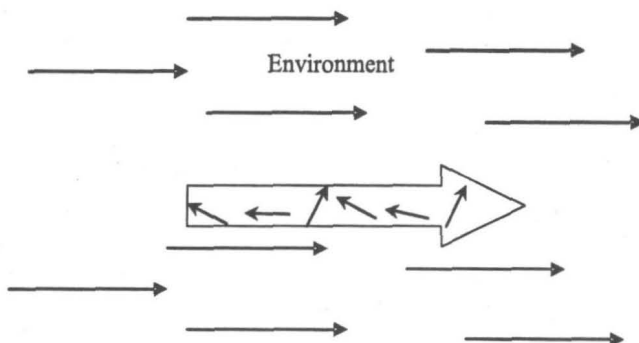


Figure : B : An organization with a Strategic plan but does not have its members align with the plan.

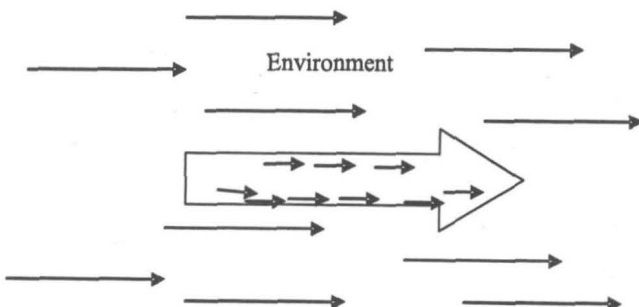


Figure : C : An organization with a Strategic plan and its members align with the plan.

5. WHO SHOULD DO IT ?

Every one in the organization would be involved in the Strategic Planning Process. Since all the operational personnel in an organization contribute to the Strategic Planning process, the process itself is considered to be bottom-up. Strategic Planning Cascades through the entire organization from higher authority to senior managers to all departments and operational personnel.

6. STEPS IN STRATEGIC PLANNING

Bryson developed a model for carrying out Strategic Planning in Public and Non-profit organizations. This model represents Strategic Planning as a cyclic process consisting of eight steps.

Step 1: Initiate A Strategic Planning Process:

The step involves two tasks described below:

a. Agreeing on a Strategic Planning process

Negotiating agreement with key internal (and perhaps external) decision makers or opinion leaders about the overall Strategic Planning effort and the key planning steps. Their supports and commitments are vital if Strategic Planning is to succeed.

b. Constituting a Strategic Planning Group (SPG)

A SPG has to be constituted for carrying out the various tasks involved in formulating this Strategic Plan. The size of the group should not be very large. The Strategic Planning group may consists of the following persons.

1. Principal or his designate.
2. Secretary
3. All or few Heads of departments

4. One person having great writing skill.

5. One person having great facilitation skills.

The role, functions and memberships of the Strategic Planning Group have to be specified. The resources necessary to proceed with the Strategic Planning effort should be provided.

Step 2: Clarify Organizational Mandate:

Mandate refers to what the organization is required to do by the outside authorizing body. Actually, it is surprising how few organizations know preciously what they are mandated to do and not to do. Many organization makes one or two fundamental mistakes; either they believe that they are more tightly constrained in their actions or they assume that if they are not explicitly told to do something they are not allowed to do it.

Mandate is a brief description of what the organization must do and is permitted to do as directed by the legitimate higher authorities in their formal and informal statements, policies and communications. Mandate is a set of externally sourced, requirements and restrictions.

Hence the mandate of the organization has to be clarified.

Step 3: Clarify Organizational Mission:

Mission refers to what the organization wants to do i.e. organizational purpose and values developed by insiders.

Mission refers to what the organization wishes to do and become, within and beyond its mandate. The mission statement indicates organizational purpose, the general services, it will provide to respond to the needs of its stakeholders and the explicit or implicit declaration of its core values.

An organization's mission, in tandem with its mandate, provide the social

justification for its existence. A mission statement consists of four basic elements listed below.

1. Purpose

Why the organization exists? This is derived from and should summarize the mandate. Every organization exist to serve the needs of some external clients. This external focus should be reflected in the statement of purpose.

2. Stakeholders

A Stakeholder is defined as any person, group or organization that can place a claim on an organization's attentions, resources, or output, or is effected by that output. Before developing a mission statement, SPG should complete a Stakeholder analysis.

A complete stakeholder analysis will require the Strategic Planning team to identify the organization's stakeholders, their criteria for judging the performance of the organization and in general how important the various stakeholders are. The stakeholder analysis will enable the planners to decide how should they respond to their key stakeholders.

3. Goals

What an organization aspires to do or become? Goal should be expressed in terms and context that are relevant to the client and should add qualitatively and quantitatively to the purpose of the organization.

4. Core Values

Values are basic convictions about what is right or wrong, good or bad, desirable or undesirable. What is our philosophy and what are our core values? Clarity about philosophy and core values will help an organization to maintain its integrity. This can also reflect "What makes us distinctive or unique". If there is nothing unique or distinctive about the

organization, perhaps it should not exist.

Step 4: Assess The Internal Environment:

"SWOT" is a simple acronym for Strength, Weakness, Opportunity and Threat. SWOT analysis combines the following two things.

1. An assessment of the organization's internal strength and weakness and
2. An assessment of the opportunities and threats posed by its external environment.

SWOT analysis provides a framework for Strategic Planning by helping the planners to identify and priorities their GOALS based on their MISSION and to further identify the ISSUES involved in achieving those goals as well as providing inputs for determining strategies to resolve issues.

Internal scan or assessment of the internal environment of the organization involves the identification of its strength and weakness (i.e. those aspects that help or hinder accomplishment of the organization's mission and fulfillment of its mandate) with respect to the following :

1. People (human resources)
2. Properties (building, equipments and other facilities)
3. Processes (Such as placement services, MIS etc.)
4. Performance or products.

SWOT enables the planners to identify the following:

1. Strength: Internal things we do or do well.
2. Weaknesses: Internal things we do not or do not do well.
3. Opportunities: External factors that may help in achievement of our mission.

4. Threats: External factors that may be barriers to achievement of our mission.

Tools for SWOT Analysis

- Questionnaires.
- Suitable for conducting confidential written surveys on large numbers such as students.
- Interview schedules.
- Suitable for small number of powerful individuals.

Step 5: Assess The External Environment:

External scan refers to exploring the environment outside the organization in order to identify opportunities and threats it faces. This involves considering the following.

1. Events, trends and forces in the political, economical, social and technological areas.
2. Identifying the shifts in the needs of customers and potential clients and
3. Identification of competitors and collaborators.

Step 6: Formulate Goals And Identify Issues:

Based on the mandate and mission, using the SWOT analysis, the SPG through a participatory process based consensus, has to identify a few strategic directions or thrust areas for the development of the institutions.

Thrust areas refer to broad goals (Strategic directions) which are long term oriented. Under each thrust area, a number of goals or sub-goals can be identified. Goals indicate what the institution seeks to achieve in the short or long term. The planners have to develop goal statements for each goal.

Guidelines for writing goal statements are

1. State the REASON or rationale in one sentence ("WHY ")
2. State concisely WHAT will be done (DO NOT state how will be done)
3. Be brief, deal with macro level aspects only.

Further, for each goal, a number of issues can be identified. Issues are the problems to be solved or overcome in achieving the goals. Issues are usually framed as question starting with "How will (or can) we ..." and can be derived by asking a series of questions such as Why, What, Who, When, Where etc.

The SWOT analysis information should be referred to as the examination of the goal proceeds.

The iterative nature of the Strategic Planning Process often becomes apparent in this step when participant find what information collected or discussed in earlier steps presented itself again has issues.

Step 7: Formulate Strategies:

Strategies a way of using the organization's internal resources to respond to its external circumstances in order to be successful. An effective strategy will build on strength and take advantage of opportunities while it minimize or overcomes weaknesses and threats.

Strategy development begins with identification of practical alternatives for resolving the issues. Next the planning team should enumerate the barriers to achieve those alternatives. A focus on barriers at this point helps to assume that any strategies chosen deal with implementation difficulties directly rather than haphazardly.

After identifying a number of alternatives for resolving each issues, the planner have to choose the most appropriate strategy by

applying well defined criteria an effective strategy will meet several criteria. It must be technically workable, politically acceptable to key stakeholders and must be consistent with the organizations philosophy and core values. It should be ethical, moral and legal.

Strategies lead to Action which deals to Change.

Each strategy chosen may be sub-divided into a number of objectives i.e. A Strategy can be thought of an integrated array of objectives. After that planners have to complete the following tasks :

1. Write objective statements.
2. Develop work plans.
3. Formulate action plans.
4. Write strategic plan by comparing all the outputs all the planning process.
5. Disseminate the Strategic plan to all the stakeholders.
6. Implement the strategic plan.
7. Monitor and evaluate the implementation of the strategic plan.
8. Celebrate successes.
9. Sustain the strategic planning process year after year.

Work Plan

For everyone involved in strategic planning is require to prepare a work plan. The work plan is a macro level plan. It deals with the major objectives to be completed in order to achieve a goal.

It is a chart set out a matrix with the list of objectives down the left side and equal units of time across the top. The time units could be days, weeks or months. Lines representing duration are down horizontally, against each objective cutting across a specific number of time units thus showing when an activity should short and end.

Action Plan:

Work plan is used as a guide to develop more detailed plans called action plans. Action plan deals with the major tasks to be completed in order to achieve an objective. If a particular goal has six objectives then the planners have to prepare six action plans. in the action plan for each task, we have to specify who will do it, how will be done, when it will be done and what major resources are needed to carry out it. One must also specify the indicators of success for each action plan. Indicator of success are criteria like products, services or decision that are observable so, that a objective has been achieved.

Step 8: Establish A Vision For The

Work Plan Format.

Strategic Goals	2 0 0 6												2 0 0 7											
Objectives	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

Action Plan Format

Strategic Goal :

Objective :

Indicators of Success

TASKS	WHO	START	FINISH	RESOURCES

Organization:

A vision statement is future oriented, setting the direction of the organization for some time to come. In the final step in the Strategic Planning process, the organization develops a description of what it should look like and how successfully implement its strategies and achieves its full potential. This description can be called as organization's "VISION OF SUCCESS". Typically includes in such descriptions are the organizations mission, its basic strategies, its performance criteria, some important decision rules and the ethical standards expected of all employees. A vision that motivates people will be challenging enough

to spur action, yet not so impossible to achieve that it de-motivates and de-moralizes people.

However, most organizations will be able to develop a "VISION OF SUCCESS" only after two or more cycles of strategic planning, going through several iterations of strategic planning enable the planner to develop the vision of success.

The inter-relationships between various steps of the strategic planning process are illustrated in following figure.

THE STRATEGIC PLANNING PROCESS

