

STRATEGIC PLANNING

QUALITY TOOLS

Strategic planning

Description of Strategic planning:

It is a systematic approach to defining long-term business goals and planning the means of achieving them. Strategic planning is a process by which organizations define their long-term goals with respect to quality and customers, and integrate them – on an equal basis – with financial, human resources, marketing, and research and development goals into one cohesive business plan which is then deployed throughout the entire organization. Strategic planning has evolved over the past decade to become an integral part of many organizational change processes, like Six Sigma or Operational Excellence. This tool helps examine how an organization set strategic directions and how it develops key action plans. Strategic development and strategic deployment are two key inputs to strategic planning. Strategic development focuses the organization's resources on the activities that are essential to increasing customer satisfaction, lowering costs and increasing shareholder value. The deployment process includes the day-to-day, month-to-month activities that link quality improvement activities, re-engineering and quality planning teams to the organization's business objectives.

When to use the Strategic planning:

Most organizations have a vision and mission statement. In-order to effectively realize organizational objectives, they must be integrated and aligned with corresponding assignable activity to meet these goals. It facilitates deployment of these goals throughout the organization. It guides organizational leaders to make sound strategic choices and prioritize the organization's focus and other changes activities.

Benefits of Strategic planning:

It provides clarification to goals. The planning process forces transparency and eliminates ambiguity.

It helps make goals achievable.

It creates the framework for organizational breakthrough and competitive advantage.

The monitoring process helps make goals achievable.

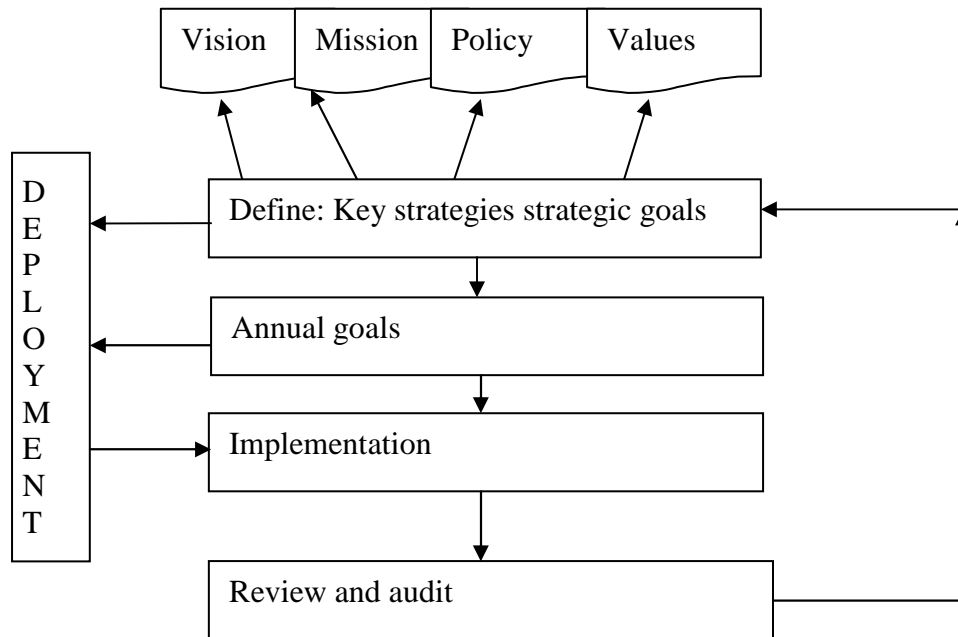
Chronic wastes are identified and removed through the improvement process.

It keeps organizations aligned with its customers, mission and vision.

How to use the Strategic planning:

Once a long term goal has been established, strategic planning enables it year by year to create an annual business plan, which includes the necessary annual goals, resources and actions needed to move towards the goals. The major goals are supported by lower level goals, projects, etc. Start with filling out the hoshin planning template. See example of a completed matrix fig 1 below. It begins at the center with vision and mission statement. Scenario planning tool could be deployed to assist with vision creation. This particular matrix flows from center down and clockwise. Improvement goals are aimed at creating a breakthrough in performance of a product or process by focusing on the shareholder, customer and supplier. The voice of the customer is incorporated and aligned to the plan.

Strategic planning model:



The systematic or structured approach must include the following:

- A provision of rewards: Rewarding the right performances against set goals.
- Universal participation: Involvement of every employee at various levels.
- A common language: Key terms are precisely communicated across the board.
- Training: Company-wide training.

Deployment plan: Turns vision into actions and distributes throughout the organization with assignment of roles, responsibilities and resources. The vision must be broken apart and translated into successively smaller and specific units. Here are typical categories.
 Vision – Key strategies (3-5yrs) – Strategic goals (2yrs) – Annual goals (1yr) - Initiatives/Projects (<1yr) etc.

Tips on use of Strategic planning:

- Vision: A desired future state of the organization or enterprise. The ultimate goal of the organization may take 5-10 years to achieve.
- Mission: The purpose or reason of the organization’s existence. It usually states what they do and who they serve.
- Activities not aligned with the organization’s strategic goals should be changed or eliminated.

