

Strategic Planning and Project Development Framework

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Chapter 1: How To Set A Strategy

Vision: A vision statement emphasizes the future aspects of any organization or business. This statement basically answers the question of whether any organization will achieve all of its present goals and where it will stand in the next ten years or so. This statement should challenge its employees and give them direction.

Mission: Mission statement justifies the existence of any organization. This statement gives out the overall purpose and its intentions. Mission directly supports the vision and acts as a bridge to pass out the directions to the employees, customers, and every stakeholder accordingly.

Values: Values simply mean what the organization stands for. It's the basic core culture of an entity which evolves with the passage of time. These are the beliefs that underpin the entity's conduct and activities.

Target goal objectives Long-Term Objectives: Long-term goals and objectives define the entity's outlook after 3-5 years of time span. These help the entity to fulfil its overall objective plus guide the entity towards its final goal.

Gap analysis (external input; internal input): Gap analysis helps to identify the deviation of present circumstances and that of defined goals set by the entity. This helps to steer the company's direction towards minor and major deviations. This is a constant process which never ends until the end of the project. (Bright & Cortes, 2019)

Research: Research forms the very basic backbone of any entity. Falling into the ocean without knowing the depth is nothing less than suicide. Researchers help the entity establish solid grounds upon which the building could be erected. It is a long process which eventually pays off in the end, provided true shots are fired during the testing phase.

Chapter 2: Build The Plan Before You Develop The Project

SWOT Analysis:

The SWOT analysis enables the user to integrate various models such as PESTLE, resources, and results from analysis. It comprises four main factors which help to determine the strategic whereabouts of an entity. The factors are Strengths, weaknesses, opportunities, and threats. The first 2 are internal factors, meaning we have control over them, and the second 2 are external factors, meaning we do not have control over them, but we can always play safe and try to divert them as much as we can. This diversion factor is basically determined through risk analysis, which constitutes an integral part of such analysis. (Porter, M. E., 1985)

The PESTLE analysis, which is part of the SWOT analysis, covers the external evaluation of an entity. The PESTLE stands for political, economic, social, technological, legal and environmental. These are the factors which determine the impact on the organization from outside. These mostly cover socio-economic factors that are volatile for any entity.

Organizational Objectives:

Organizational objectives are of paramount importance. These can be divided into three categories. Short, medium and long-term. Short-term objectives are basically for steering the company in the right direction, and long-term objectives are for a strategic shift. These require massive planning and capitalization to succeed.

Setting KPI's:

Key performing indicators are used to identify the areas of core importance for the entity. Establishing them requires a real understanding of the entity. These help to determine whether we are moving in the right direction or not. These are points that help establish a benchmark for measuring performance.

Budget:

Budgets play a very basic and primary role. They help to establish a basic framework which can be translated into reality. Budgets are made up of various models, such as rolling budget, fixed budget, Zero-based budgeting, variable budgeting, etc. These all have one basic objective: to have a basic framework in place so that the entity does not run out of money and options. Budgets are complex and very difficult to make since they require quite an in-depth analysis of the entity. These are used for real-time analysis by comparing actual results with that of the budget.

Chapter 3: How To Develop A Project

Planning: Developing a project requires planning At all stages. A project may have multiple phases which require in-depth study and coordination within departments. The planning phase brings all the stages on a single platform and then works its way out to achieve final objectives. Planning requires the development of core issues and then making sure these are resolved via brainstorming discussion and evaluation of plans being put in place. There are times when planning does not go according. This may be the case, but such circumstances are always present and can be resolved accordingly.

Risk management plan

No matter how carefully any project is planned, there are always risks involved, and unexpected problems can come. A risk, simply put, is any uncertainty that can affect the business or organization overall. In this part, the management prepares and foresees the risks, how they can overcome them, how they can avoid certain issues beforehand and define responses to certain negative issues and scenarios.

Communication plan

Any business or organization will most likely have a hierarchy of roles and responsibilities defined at one point or another. No matter how much transparency exists, and even in the case of a flat hierarchy system, accountability trickles down from top to bottom, depending on the responsibilities assigned. An established communication plan helps in understanding who is accountable to whom and what communication methods should be adopted.

Human resource plan

HR always plays a crucial role in any business or organization. Proper resource management is the crux of the success of any business. This involves both the people who work for the company and those who are managing it. The main responsibility of HR is to focus on resource management, development, and growth, as well as to induce motivation and help them achieve their goals overall.

Budgeting:

A budget gives a forecast of expenditures and incomes, respectively, based on which any business or company can identify its future financial expenses and plans for profit and loss. Most of the budget plans are divided monthly, quarterly or yearly depending on how the company is executing. It's important to keep in mind next year's goals while defining the budget.

Breaking down budgets:

The budgets can be divided based on:

1. Master Budget: Set of budgets dedicated to a certain period.
2. Static Budget: Expected capacity level.
3. Flexible Budget: Budget at the present capacity level.
4. Operational Budget: The budget required for executing day-to-day operations.

Project schedule:

Schedules are important for any project undertaken. Schedules give a timeline to follow and give a time bucket to the team members on the basis on which they can define their tasks and responsibilities. To ensure the success of the project, realistic time frames should be set, and resources assigned to the project should be based on the skills required. Schedules list down milestones achieved, deliverables, risks, and timeline required to complete tasks assigned. A properly defined project schedule ensures smooth working and makes people accountable, which in turn ensures that things get completed on time.

Chapter 4: Identifying Strategic Risks

Strategic risks are crucial yet often overlooked when it comes to overall management. This risk comes to the surface when any company fails to foresee the requirements of market needs and plan on how to meet them.

Identifying the risks:

There are two metrics which can be used to measure risks. First is economic capital, which is the total amount required to cover up any unexpected loss, and second is a risk-adjustment return on capital, which is a framework used for analyzing financial problems after being risk-adjustment and also giving a cross-profit view across the organization.

Mitigating the risks:

By defining proper objectives and strategies for business, strategic risks can be mitigated. There are a number of frameworks available which can be easily used. Key performance indicators are crucial and how they are defined is even more important. Proper defined KPIs can give a lead on how the business is going and whether it's heading in the right direction or not.

Chapter 5: Managing Performance

Performance management is the driving force for motivating the resources to give at their optimal. Regular reviews of the work, skill, feedback loops, and appraisal meetings can not only reduce any communication gaps but also give a positive vibe to the resources, indicating that management is keen on their development and is striving for personal and professional growth. Employees are more satisfied in places where they get regular performance feedback. A strategic planning guide needs to manage performance. There can be a number of methods for adding the ways through which performance evaluation can be highlighted. The feedback that consists of a number of project-related questions needs to be reviewed daily. In this case, more involvement is needed by the managers of the companies planning on strategic management guidelines. Hence, managing performance is an important part of the process of strategic planning. (Project Management Institute, 2021)

References

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