Strategic Planning



Strategic planning

Planning

= the process of developing an organized method to accomplish something or take a particular course of action

Strategic planning

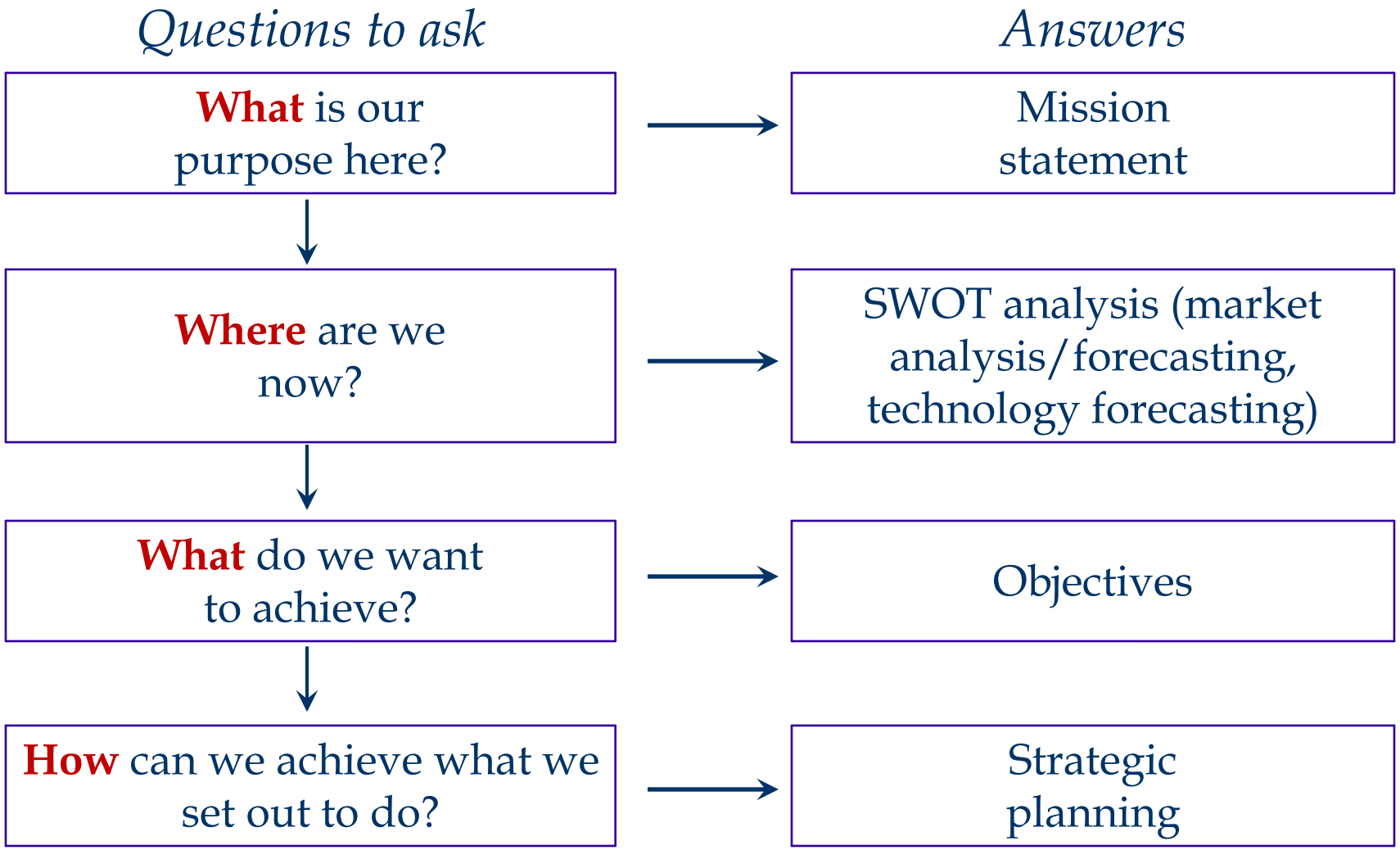
Strategic planning

= sets the overall direction and course for the organization (a board responsibility)

Depends on the environment in which the organization operates:

- the market
- the economy
- technology
- the legal / administrative environment

Strategic planning



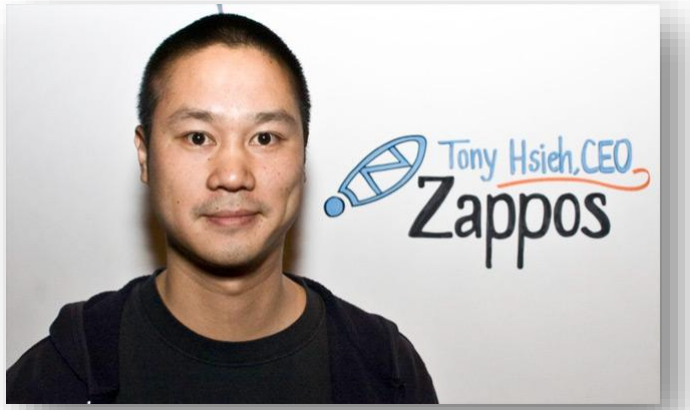
An organization's mission

- a brief statement of a group's views on why the organization was established
- one sentence or paragraph
- ≠ a slogan
- sets the boundaries within which an organization can define its objectives

Mission statements

- **"We create happiness by providing the finest in entertainment for people of all ages, everywhere."** (Disney)
- **"To bring inspiration and innovation to every athlete* in the world**
  *** If you have a body, you are an athlete."** (Nike)
- **"To experience the joy of advancing and applying technology for the benefit of the public."** (Sony)
- **"To build a place where people can come to find and discover anything they might want to buy online"** (Amazon)
- **"To empower every person and every organization on the planet to achieve more."** (Microsoft)

“Provide the best customer service possible. Deliver WOW through service.” (Zappos)





SWOT analysis

- **S***trengths*
- **W***eaknesses*

internal

- **O***pportunities*
- **T***hreats*

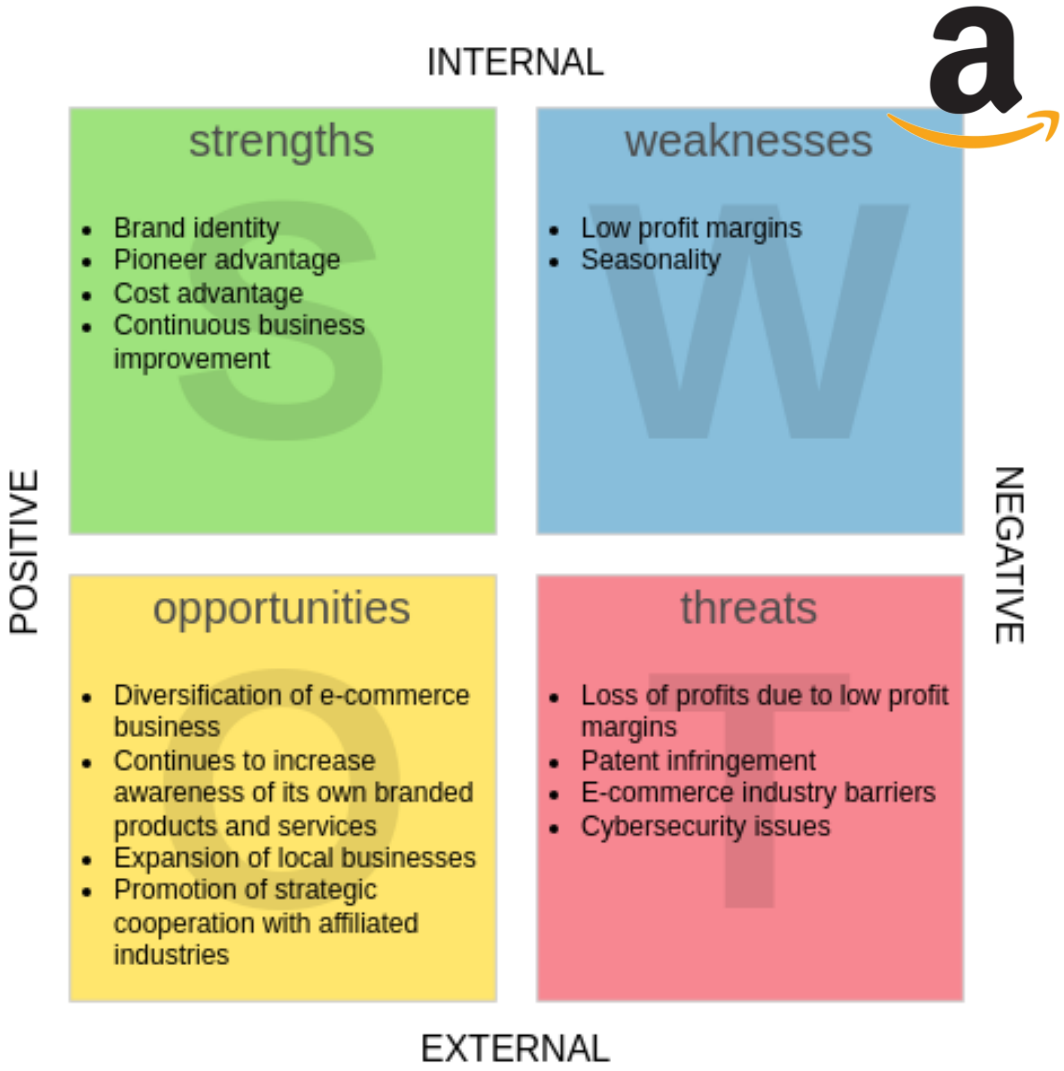
external

SWOT analysis

- **S***trengths* — strengthen
- **W***eaknesses* — address

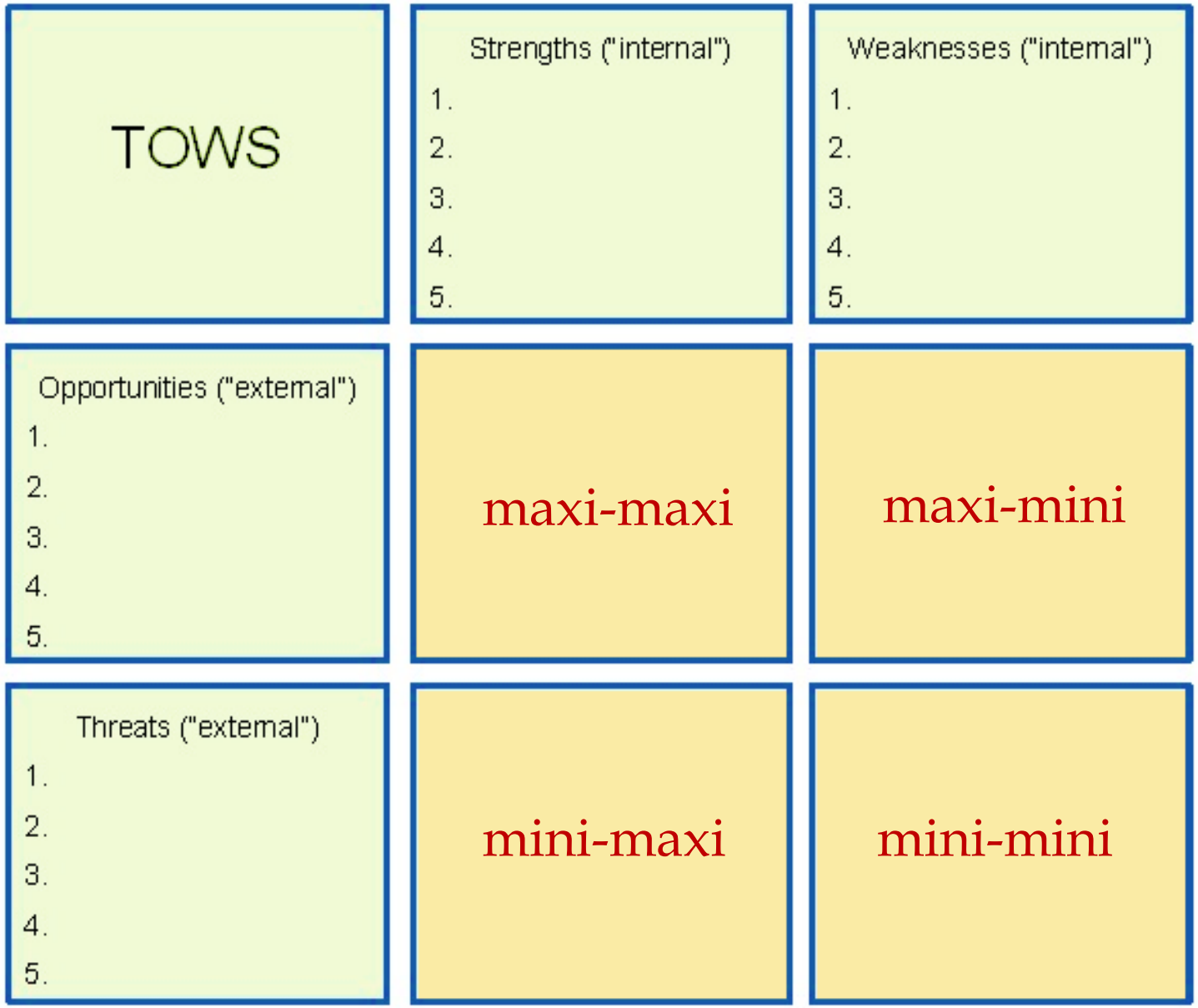
- **O***pportunities* — capitalize on
- **T***hreats* — avoid/reduce

SWOT analysis - examples





TOWS analysis



Identifying

objectives
and the **strategy** for achieving them

provides the basis for initiating
a project

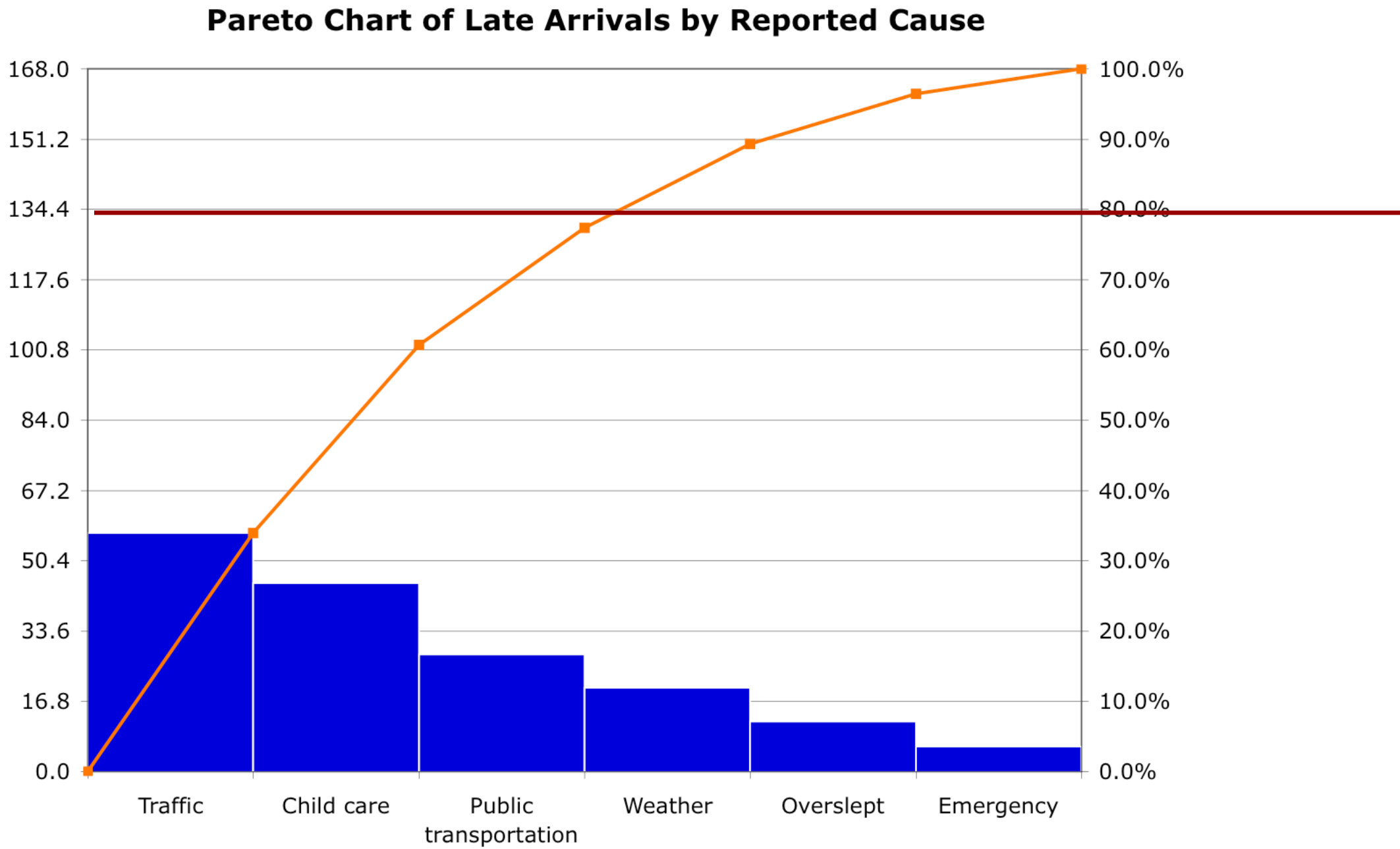
Techniques for addressing weaknesses

- Pareto analysis
- Cause-and-effect diagrams

Pareto analysis

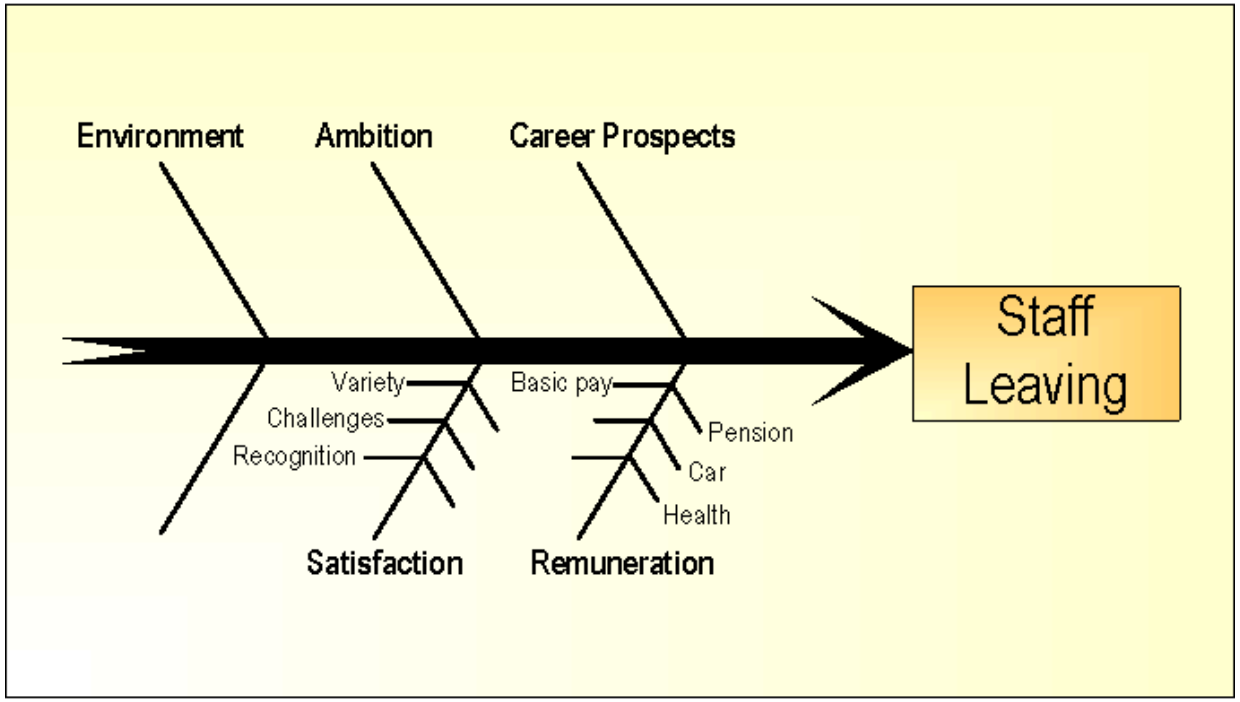
- The 20/80 ratio of value to quantity

- Steps:
  - Create a table of causes and frequencies (in %)
  - Rank causes by importance
  - Add a cumulative percentage column
  - Chart: X-axis: causes, Y-axis: cumulative percentages
  - Draw a horizontal line at 80% on the Y-axis. It separates the important causes from the trivial ones


Pareto Chart of Late Arrivals by Reported Cause
168.0
151.2
134.4
117.6
100.8
84.0
67.2
50.4
33.6
16.8
0.0
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
Traffic
Child care
Public transportation
Weather
Overslept
Emergency

Cause-and-effect diagrams

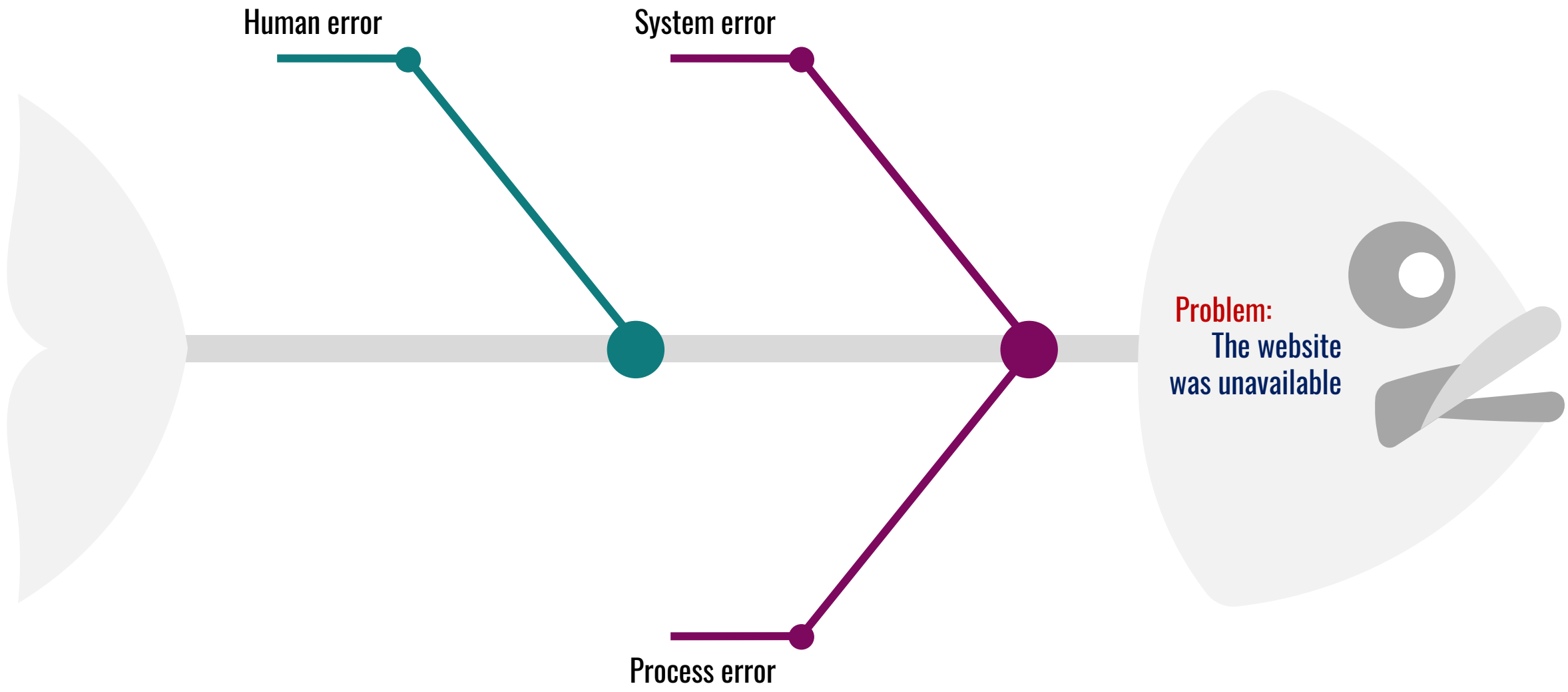
- *Ishikawa* (Kaoru Ishikawa 1960), "*Fishbone*"
- identify effects (outcomes) and trace them to the factors that contributed to them (the causes).
- address the main causes of an effect



Cause-and-effect diagrams



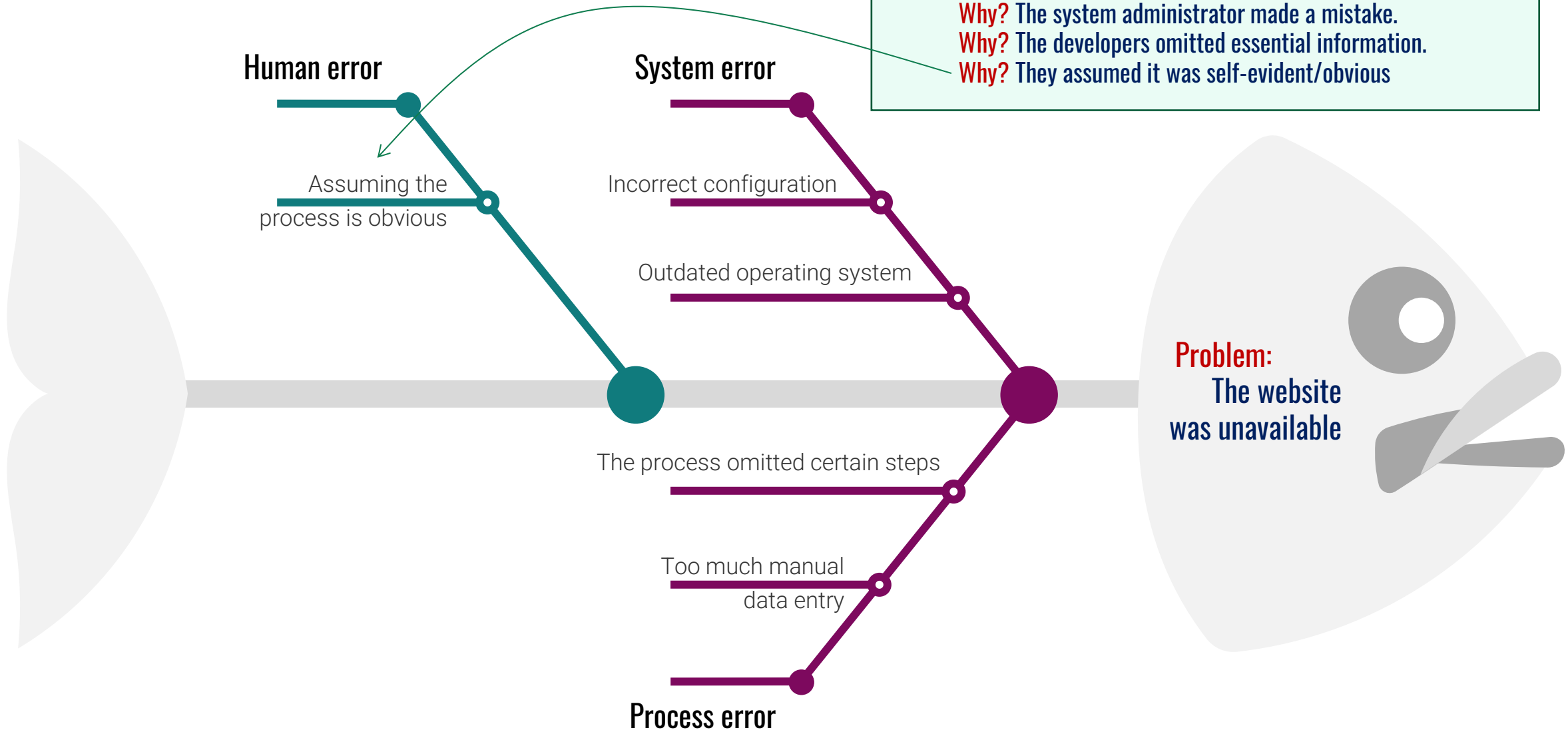
Cause-and-effect diagrams



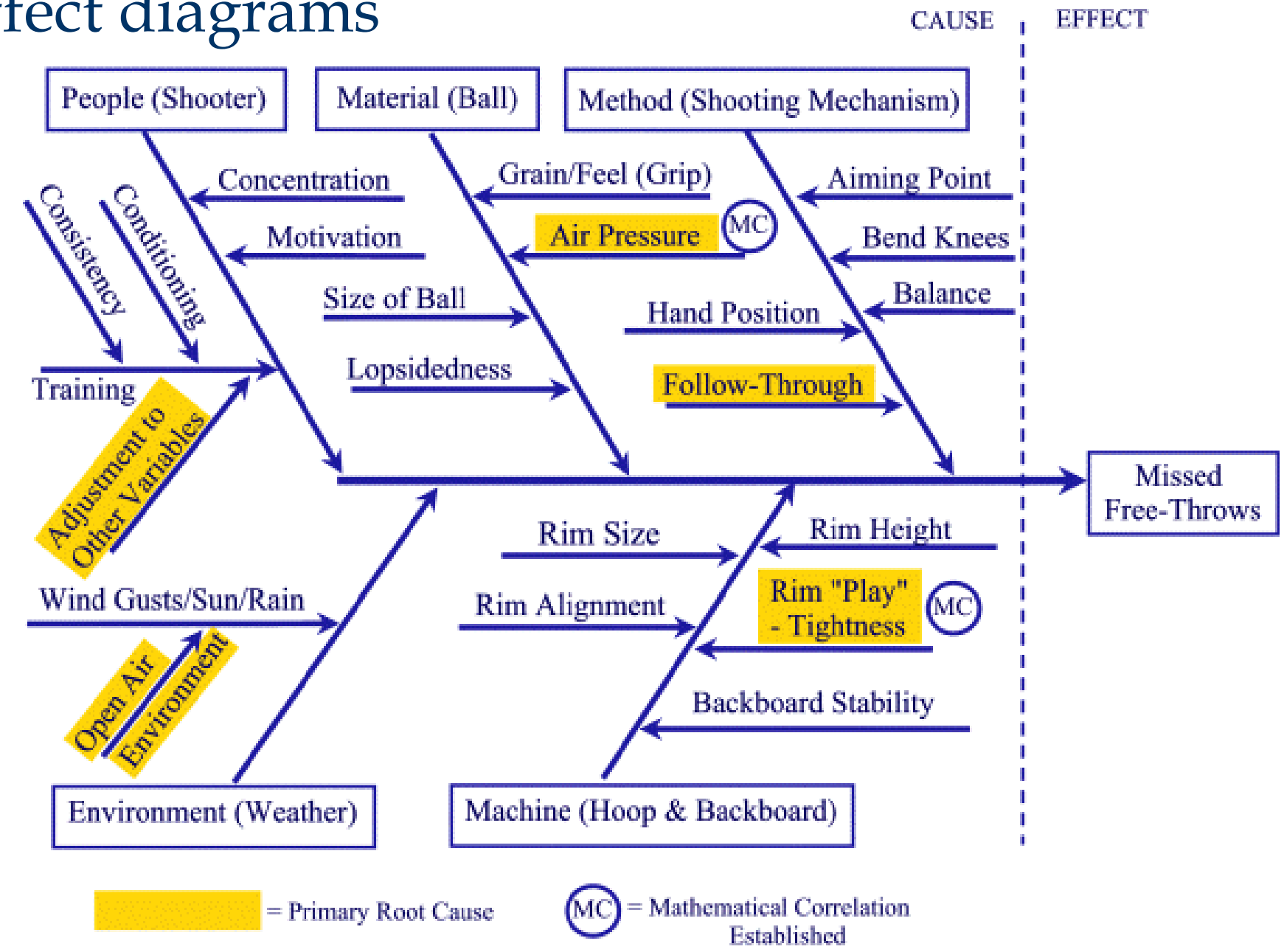
Cause–effect diagrams

The 5 Whys technique:

Cause: The website was unavailable because it ran out of memory
Why? It was configured incorrectly.
Why? The system administrator made a mistake.
Why? The developers omitted essential information.
Why? They assumed it was self-evident/obvious



Cause-and-effect diagrams



Cause-and-effect diagrams

- Advantages
  - Easy to understand
  - Helps identify the most likely cause
  - Applies to a wide range of problems
  - Helps the team understand existing problems

- Disadvantages
  - Does not help prioritize causes
  - Difficult to complete / update
  - The team spends time discussing causes with little impact on the problem

Techniques for identifying objectives

Brainstorming - small groups + *a facilitator*

Stages

- sharing ideas
- discussing the ideas presented (rejecting/accepting)
- ranking ideas

Brainstorming (1930)

- Rules:
  - *there are no bad ideas;*
  - *there are no ridiculous ideas;*
  - *create, do not judge;*
  - write down every idea;
  - *there is no hierarchy;*
  - build on others' ideas;
  - speak freely;



Why does *brainstorming* fail?

1. Production blocking
2. Social loafing (*free riding*)
3. Fear of critical evaluation
4. Matching the group's performance (*peer pressure*)



Techniques for identifying objectives

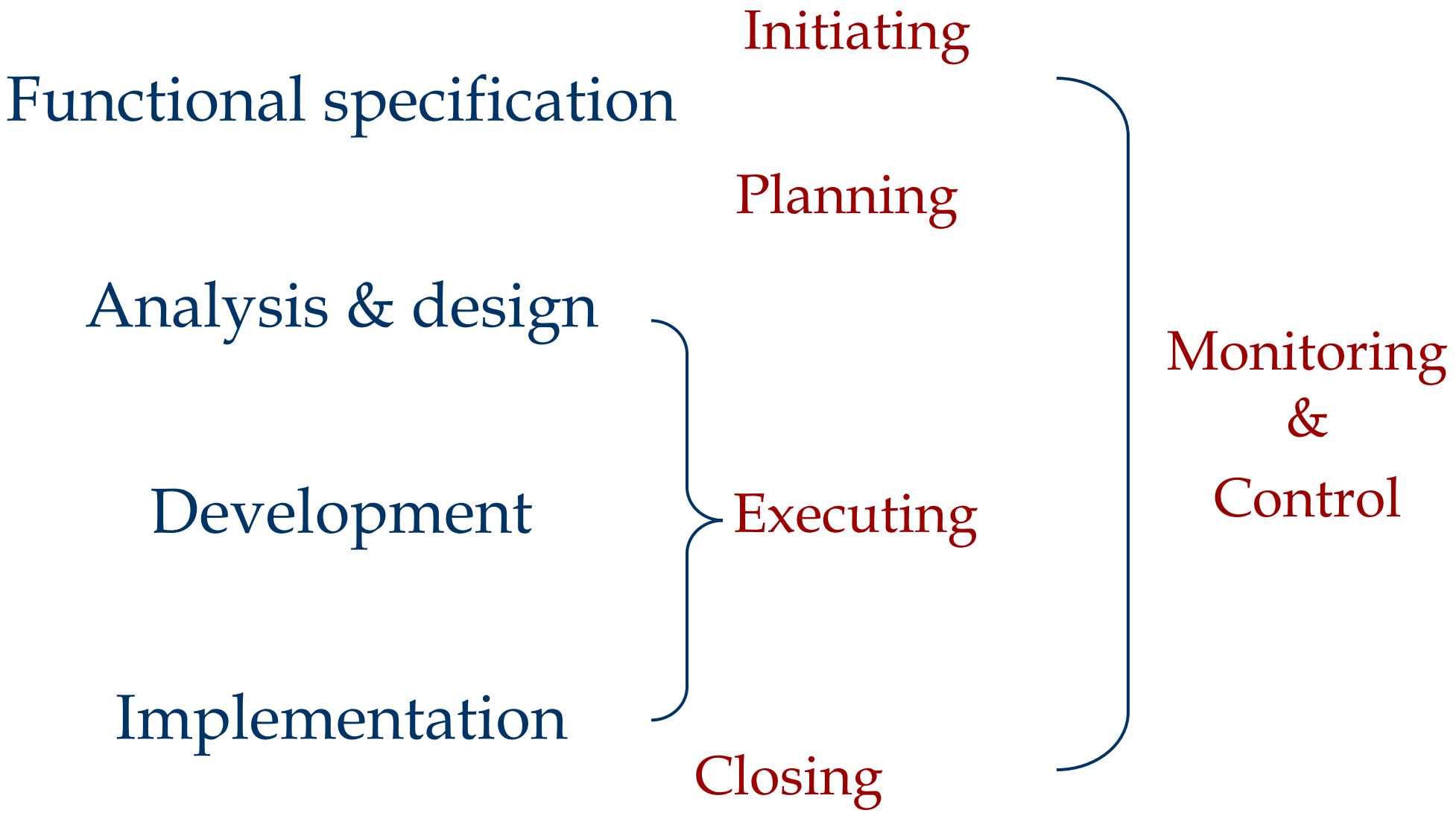
- *nominal group* (*brainstorming* with discipline)
  - identify objectives **individually**,
  - present them to the whole team and clarify them,
  - rank them by importance through a vote;

Techniques for identifying objectives

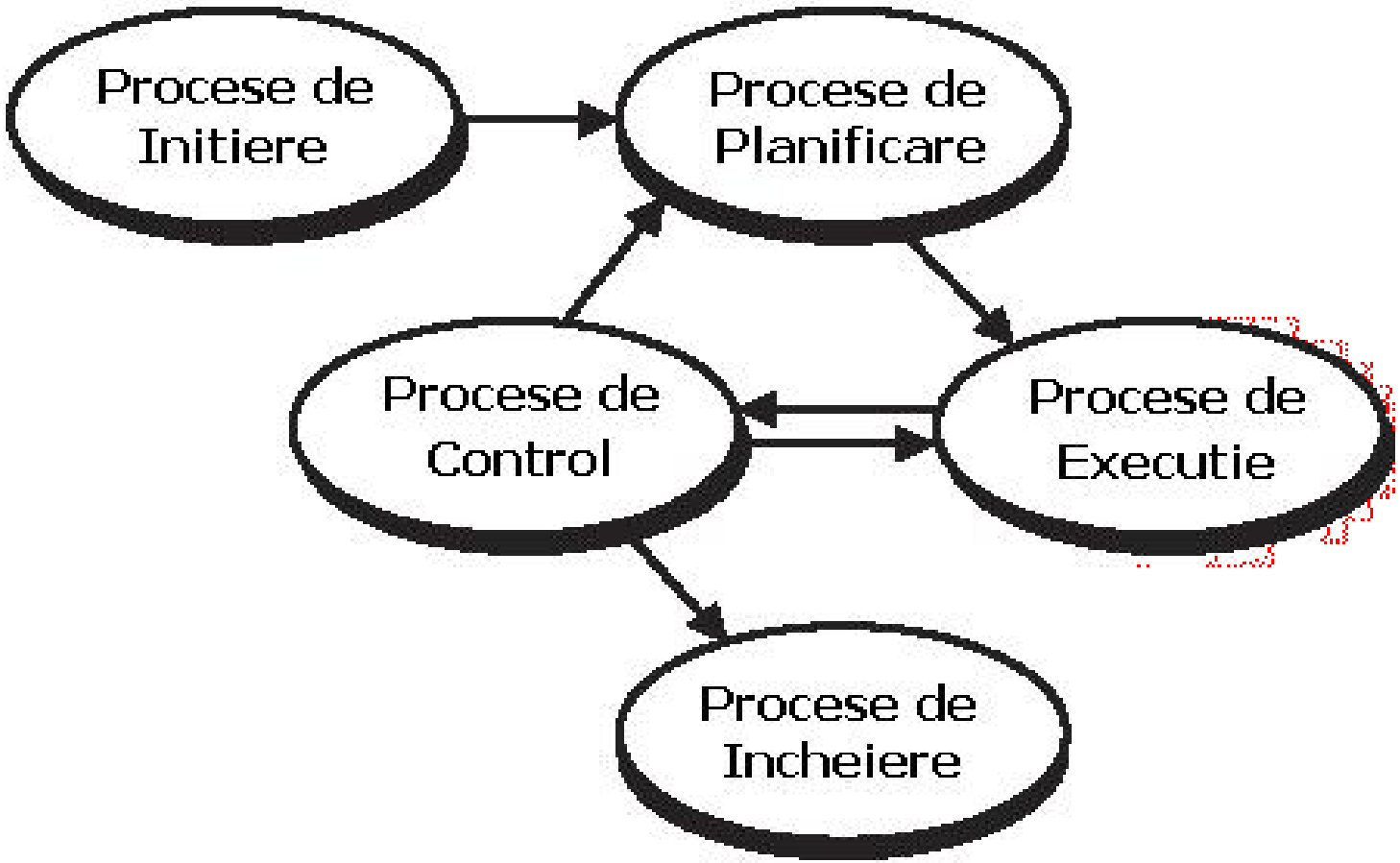
- *affinity diagrams* - group similar objectives by drawing lines of affinity between related objectives → classify objectives.

Project Management Processes

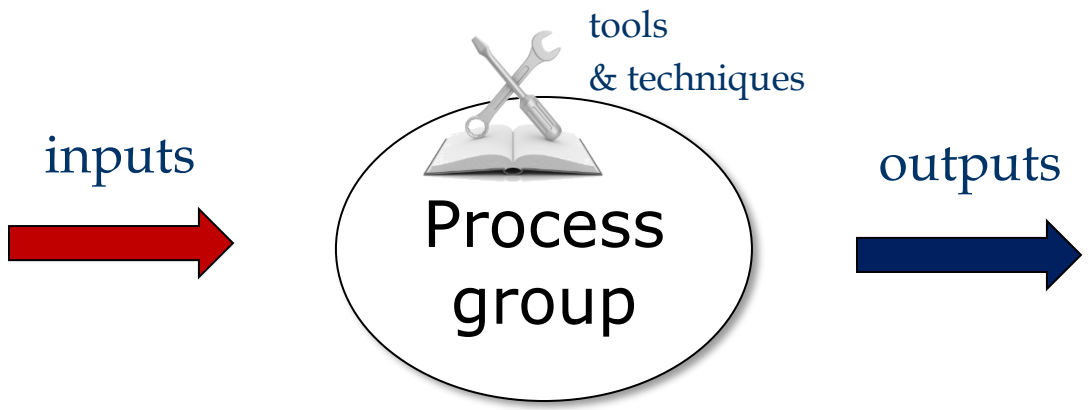
Project management and delivery



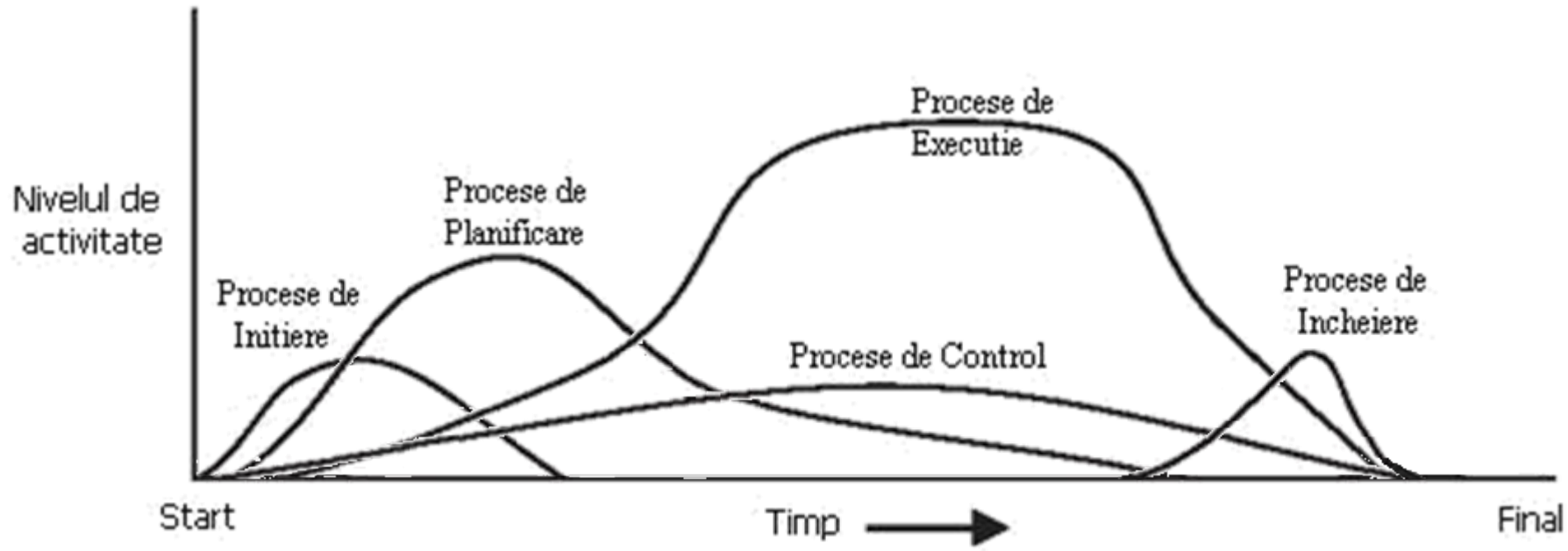
Project management process groups



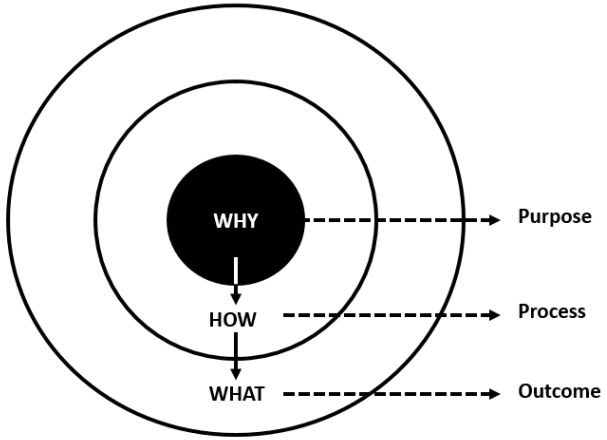
Project management process groups



Project management process groups



Simon Sinek



How great leaders inspire action, 2010

