Assignment: Foundations of Strategic Planning

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**Steps of Strategic Planning Cycle**

Every organization and business needs to be in line with the rules and policies of the game in the process of strategic planning which includes demands, opportunities, and crucial threats. This is taken into action for the purpose to be continued, well organized, well-equipped, and be fully able to carry out with the designed strategic plan (CIO Wiki, 2019). Below, are the steps involved in the strategic planning cycle.

**Direction Setting**

Setting direction is the very first and initial step of the strategic planning process. This step indicates a basic accord on the entire strategic plan. Which is the determination and focus on the critical and crucial str4ategic problems, issues, scenes, actions, actors, and understanding of the situation at hand (current situation). The emphasis has to be on the importance of commitment, support, and cooperation of key decision-makers.

**Directive Identification**

This step of the strategic planning cycle involves the analysis of every personal manual, regulations, and law crucial and important to the firm or business. These terms and conditions need to be understood for the purpose to eliminate and avoid unnecessary and unimportant self-inflicted restrictions and controversies (CIO Wiki, 2019).

**Mission and Values Clarifications**

A mission statement is a statement that provides clear social justification for the operation and existence of the business or organization. In such a case, the economic and political interest and clients’ requirements are recognized and made the basis for the existence and establishment of an organization explained.

**SWOT Analysis (Analysis of Internal and External Environment)**

Analysis of both the external and internal environment of a business or organization identifies the key strengths and critical weaknesses regarding the organization or business. While, potential opportunities and crucial threats indicate the situations faced and will be facing by the organization in the future (CIO Wiki, 2019). This analysis of the external and internal environment is performed with the help of SWOT Analysis where Strengths, Weaknesses, Opportunities, and Threats for the company or organization are identified and analyzed.

**Identification of Strategic Problem or Issues**

Strategic issues are the basic critical and crucial challenges or policy questions that have an impact on the values, mission, vision, client, employees, and finance of the company. These issues may include project goals, means and the ways to conduct and implement it, it's timing, rationale, locations, and people or groups involved/engaged. For the purpose, strategies and plans are formulated to tackle strategic issues, a draft plan is developed by a particular (selected) individuals or group(s) based on the agreed format. The plan is required to have a clear executive summary, process outline, and the final goal and ultimate objective.

Mission and vision of the company should be stated according to the principles and values of the firm or organization.

**Implementation**

The organization must ensure an effective implementation process for every action taken all over time. For instance, in the next two years. Benefits and drawback, as well as past strategies and utilized tactics, need to be considered.

**Evaluation**

Evaluation is conducted when the pan has been finalized and even implemented. This is done through the refining and reviewing. Every consideration should be taken in regard as per the requirements at different phases. Consideration should be taken regarding the plan reaction along with any recognized change.

**Long-term Benefits of Strategic Planning**

Organizations or businesses and get benefited from long term strategic planning. They can be enabled to be highly proactive in terms of growth, rather than taking mere actions and reaction to the market condition or situation. Companies and business can be benefited by the strategic planning in the long term and many ways. Hence, some of the most significant long term benefits of strategic planning are the following.

**Less Involvement of Risk**

The very first long term benefit of strategic planning is less involvement of risk. Development and setting up long term goals and objectives enable organizations to track results as well as to make necessary adjustments. The implementation of a new strategy by an organization or business without having time for tweaking and testing ideas and concepts needs the management to move in the stake on a project. Hence any of the possible and recognized risks can be eliminated or avoided (Greenley, 2016).

**Spread Costs**

Beyond the one discussed above, long term strategic planning helps businesses and organization to spread costs. That is, long term strategic planning allows the organizations to budget over all of the projects for a longer duration so that costs can be spread and that would benefit the organization in many ways (Greenley, 2016).

**Enable Market Testing**

As long term strategic planning is the process of developing long term business strategies (Greenley, 2016), the third benefit is long term strategies enable market testing. It does so because it lets the organization or business to roll out shifts into smaller, shorter stages and more controlled and manageable segments.

Beyond the aforementioned advantages/benefits, other advantages include but not only avoidance of possible distractions and development of potential benefits.

**Unique Barriers to Implementing Foundations of Strategic Planning**

There are so many explanations to the failure of strategic plans, but some most crucial and majorly common are described in this section of the paper. The very first barrier that exists is the lack of strong and effective leadership. Lack of effective leadership increases the possibility of failure of the strategic plan. If the leaders or leadership of a particular program, plan or department is not likely to provide sufficient support and cooperation then the plan is mush likely to be failed. Another barrier is that strategic planning commonly and generally concerns agreement development (Dyer, et.al, 2017). If the process or plan have been conducted wrongly then the entire process would fail to promote and support collaboration, communication, and participation.

Despite the above, the most common barrier is the difficulty of predicting future events. It is not easy to predict possible future events finely and perfectly. At the result, being too much determined does not narrate to the actual tasks and goals needed in the effective and efficient implementation of the project plan. While the absence of momentum in the short run is the last barrier to implementing foundations of strategic planning. It is due to the windows of strategic plans which continuously grow smaller.

**Benefits of not to Utilize Strategic Planning**

Executives of the company understand that strategy is fundamental. However, everyone finds it scary because of the stress and pressure they will be subjected to face a future which they can only guess now.

Further, the real process of choosing a strategy includes making a choice that fully cuts of possibilities and choices. The management might well fear that making such choices and possibilities poorly will crash their fear. One of the major advantages of avoiding strategic planning is it does not let expenses get out of management control (Dyer, et.al, 2017). One of the crucial troubles with strategic planning is every manager prefer to utilize convenient and familiar cost side models to the company’s revenue side. So thereby treating revenue plan as virtually the same to the cost planning as well as an equal part of the complete budget and plan (Bereznoi, 2015). Failure of planned profits and revenues to show up makes the managers and executives consider it like their failure.

**References**

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