Strategic Planning - Your Roadmap to Success
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As the end of one year approaches and the beginning of another beckons it is essential to assess the past year enabling us to plan successfully for the next. Strategic planning is a critical part of this process and organizations that understand and fully utilize the value of planning ahead are better prepared to take advantage of the changes which take place in today’s global environment.

**Strategic planning is a comprehensive, ongoing and in-depth analysis of your organization’s short and long-term goals and objectives; it is a systematic process used to determine a plan of action based upon the values, culture and mission of your organization.**

The overall goal of strategic planning is to achieve competitive advantage, efficiency and excellence through comprehensive, long-range planning. Any organization that has successfully implemented this process will be capable of reacting faster and more accurately than their competition to changes within their industry or the economic climate.

**Strategic planning has been characterized as a process that:**

- Provides a roadmap for driving continuous change whilst creating an enduring future.
- Determines where an organization is going so that all organizational efforts can be pointed in that direction.
- Involves long-term planning for periods generally ranging from three years up to two decades.
- Involves major decisions, long-term commitments and a large number of resources.
- Is designed to avoid costly and disruptive surprises that prevent goals from being achieved, and deals with issues promptly to avoid crisis.

Strategic planning and tactical planning though developed separately are intertwined and are vital to one another’s success. Tactical planning is distinguished as a process which focuses on achieving short-term goals usually within a year or less.

**Benefits of Strategic Planning**

The long-term benefits of strategic planning are implicit in the definitions stated above. However, strategic planning has also been shown to produce several benefits for the day-to-day productivity of an organization, including:

- Providing a sense of "ownership" at all levels of the organization.
- Providing a sense of direction that positively affects how work gets done.
- Improving communications and relations between labor and management.
• Eliminating disruptions.
• Keeping employees focused on the objectives at hand.
• Providing guidance for future training and development initiatives.
• Helping to establish milestones to meet long-term organizational goals.

The Strategic Planning Process

Before implementing any plan it is advisable for the planning team to ask a number of questions which will enable you to gain greater understanding of your current position and where you would ideally like to be positioned in the future. The answers to these questions will form the basis of the strategic planning process:

1. Where are we now?
   (Assess the current situation)

2. Where do we want to be?
   (Envision and articulate a desired future)

3. How do we get there?
   (Formulate and implement a strategy and strategic objectives)

4. How will we know if we are on track toward our intended destination?
   (Establish a mechanism to evaluate progress)

Implementing strategic objectives and strategy

Comprehensive strategic planning considers every organizational function and is generally viewed as a leadership responsibility in the early stages.

*It is essential that HR is involved in this process and that they command the attention of their senior management peers in order for long term goals and objectives to be successfully implemented. HR’s involvement at this early stage will ensure that the business strategic plan is successful through the optimal utilization of your people.*

Once the strategy and strategic objectives have been established, it is time for the leaders to step back and allow organizational managers to implement the objectives and strategy. The strategic planning team and the organization's leaders should continue in their role of providing high-level guidance, but they should leave it to managers to perform their roles of translating leadership initiatives into day-to-day implementation.

At this step of the strategic planning process, the focus is on specifying short-term answers to the question "how do we get there?" Specific, concrete short-term objectives that can be completed within six months to a year should be established to answer this question.
Establishing a mechanism to evaluate progress

Throughout this process it is essential to keep asking "how will we know if we are on track toward our intended destination? The last step in strategic planning involves establishing a mechanism to monitor and evaluate progress to ensure we remain on track. Most organizations conduct annual or quarterly strategic reviews for this purpose. The reviews should:

1. **Assess if your organization is on track toward achieving key objectives.**
2. **Provide the opportunity to identify and adapt to significant internal or external changes that affect the strategic plan**
3. **Update annual action priorities.**

In addition it's advisable to also use utilize key success indicators such as balanced scorecards, benchmarking and dashboards to stay focused.

**HR's role in strategic planning**

HR professionals can play a pivotal role in strategic planning if they have the capabilities and opportunities to do so. To be a successful strategic business partner HR needs to play a vital role in the achievement of the organizations overall strategic objectives and visible illustrate that they understand and support the direction in which the organization is moving.

**Specifically, HR professionals must:**

- Understand how the various organizational components interact and what the long-term implications of HR decisions are. The impact of HR decisions must be thoroughly researched and analyzed before changes are implemented.
- Understand the five major non-HR components of any business: finance, marketing, sales, operations and accounting. Those on the strategic planning team are first and foremost business people.
- Be able to work with others to implement a strategic planning program and to convince others of their ability to do so. One of the best ways to do this is to have an awareness of the culture of each of the business departments, company "politics" and any internal rivalries.
- Focus on the why instead of the what. True HR strategic partners spend more of their time on translational work (such as coaching business leaders, planning and implementing HR practices that effectively execute strategy, helping teams manage change) than on transactional work (such as recruitment, training, human resource information systems and other traditional HR functions).
Aligning the HR function to the organization's business strategy

It is critical to the success of the organization for HR to fully understand its role in strategic planning and the process of supporting and aligning HR plans with those of the organization.

*The HR strategy aligned with the business strategy should be focused on the growth of the business, increasing performance of employees and managing resources effectively.*

The process of alignment of the HR and business strategy is about going deeper into how HRM can reach the goals of the business. Often HR is focused simply on employee satisfaction and retention and whilst this is important is may not be what the business is asking for in order to reach business goals. It is about how the organization will utilize its human capital to reach these goals and HR must understand and respect that this is what is needed.

*In order for alignment to work effectively HR must begin to look through business eyes and approach the process accordingly. A much bigger picture must be viewed, a global vision of a workforce designed to conquer a global economy. The way in which our organizations are staffed will have a significant impact on the execution of the organization's strategy.*

Accordingly, HR must continuously monitor and manage global workforce movements:

**Age:** The age of the existing employees, of the available workforce and the patterns of retirement of older workers and entry of younger workers can significantly affect workforce availability.

**Current economic conditions:** Unemployment rates, natural disasters and political changes can also greatly affect the availability of workers.

**Globalization:** One aspect of globalization that will affect almost all organizations is the increasing diversity of the workforce. Another aspect of globalization is the economic incentive to outsource labor and production activities to wherever such costs are lower.

Comprehensive strategic planning will enable your organization to stay one step ahead of the competition. Your role as HR professionals is to get on the "strategic planning bus"and help guide your organization to success through effective planning and implementation of its long term goals and objectives.
If HR can be perceived as a strategic business partner who understands the "business of business" you will not only be a vital member of your organizations leadership team but you will have increased credibility when requesting resources whilst strengthening your influence within the organization.

For more ideas on strategic planning contact Emilia Gallo at egallo@excelglobal.com or visit www.excelglobal.com

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