Advanced Strategic Planning Techniques

Mike Hudson
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## Overview of techniques

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PESTEL analysis

Identify key trends in the external environment that will have the greatest impact on the organisation and its strategy:

- Political trends
- Economic trends
- Social trends
- Technological trends
- Environmental trends
- Legal trends
Stakeholder analysis

- Identify key stakeholders - internal and external
- Define information required about each group
- Gather by interview and questionnaire
- Analyse results
- Review their requirements against current objectives and activities
Competitor analysis

Identify competitors

Gather data on their:
- user groups
- services offered
- income and expenditure
- strategic intentions
- strengths and weaknesses

Assess their overall position compared to your own position, the needs of users and funding opportunities
Needs and gap analysis

1. Assess needs of each user group
2. Review current provision
3. Identify critical gaps
4. Review against organisation’s capabilities
5. Select gaps for your organisation to fill

Compass Partnership
Key issue analysis

- Take results of internal and external reviews
- Identify the key issues facing your organisation
- Analyse those issues to determine:
  - which are short / long term
  - which are easy / difficult to resolve
  - which are most important to achievement of mission
- Feed results into strategic choices
Techniques for making choices
## Value for money analysis

### Make judgements about costs and benefits of different activities

<table>
<thead>
<tr>
<th>Service</th>
<th>Income £,000</th>
<th>Expend £,000</th>
<th>Subsidy £,000</th>
<th>Users</th>
<th>Unit subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holiday service</td>
<td>15</td>
<td>55</td>
<td>40</td>
<td>200</td>
<td>£200</td>
</tr>
<tr>
<td>Helpline</td>
<td>-</td>
<td>25</td>
<td>25</td>
<td>2500</td>
<td>£10</td>
</tr>
<tr>
<td>Residential Care</td>
<td>100</td>
<td>120</td>
<td>20</td>
<td>10</td>
<td>£2000</td>
</tr>
<tr>
<td>Employment advice</td>
<td>50</td>
<td>60</td>
<td>10</td>
<td>400</td>
<td>£25</td>
</tr>
<tr>
<td>Equipment Loan</td>
<td>10</td>
<td>25</td>
<td>15</td>
<td>500</td>
<td>£30</td>
</tr>
</tbody>
</table>

In this example the Board agreed to:

- Expand employment advice – excellent value for money
- Reduce the holiday service – similar holidays available at lower cost
- Negotiate increased fees from local authorities to reduce unit subsidy to home
Establish criteria for the development of services

Take costed proposals

Separate into ‘capital’ and ‘revenue’ funding

Ask managers to categorise into:
  - critical strategic importance
  - important but not essential
  - pursue when funds available

Review their assessments and make choices
## Impact analysis

<table>
<thead>
<tr>
<th></th>
<th>Proposal 1</th>
<th>Proposal 2</th>
<th>Proposal 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our potential impact on user</strong>&lt;br&gt;group/campaign</td>
<td>***</td>
<td>**</td>
<td>****</td>
</tr>
<tr>
<td><strong>Our current impact on user</strong>&lt;br&gt;group/campaign</td>
<td>*</td>
<td>*</td>
<td>***</td>
</tr>
<tr>
<td><strong>Extent to which proposal increases impact</strong></td>
<td>*****</td>
<td>**</td>
<td>***</td>
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</table>
Time budgeting

- Translate projects into activity plans
- Prepare a time budget
- Guard against over-ambition!

<table>
<thead>
<tr>
<th>Working days in year</th>
<th>225</th>
</tr>
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<tbody>
<tr>
<td>20% Unaccounted time</td>
<td>45</td>
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</table>

**RECURRENT ACTIVITIES**

- Management meetings | 25 |
- Team meetings        | 20 |
- Regional visits      | 12 |
- Board reports        |  6 |
- Contingency          | 12 |

**ONE-OFF ACTIVITIES**

- Project 1            | 20 |
- Project 2            | 30 |
- Project 3            | 50 |
- Project 4            |  5 |
Compass Partnership books:

*Managing Without Profit*, Mike Hudson, (DSC, 2009) sets out the theory and practice of creating highly successful nonprofit organisations.

*Managing at the Leading Edge*, Mike Hudson, (DSC, 2003) describes what can be learned from the management and governance of nonprofit organisations in the USA.

Both are available from www.dsc.org.uk