Hybrid Teams.co
Exclusive Membership Portal

Does Your Client's Strategic Plan Give Them the Competitive Edge?

Overview

Strategic planning has undergone significant changes in recent years. These changes are a response to the challenging business environment, which includes global markets, new competitors, and rapid technological advancements. This makes it difficult to create long-term plans that remain relevant. Even companies that forecast four years ahead often encounter unexpected surprises.

The Strategic Plan Assessment Tool is a self-administered questionnaire that can provide insights into the effectiveness of an organization's strategic plan in today's business environment. These assessment criteria have been used in various industries, including electronics assembly manufacturing, healthcare, pharmaceuticals, paper products, telecommunications, and software development. They have also been utilized by government agencies.

The assessment tool has multiple applications:

- Checklist for preplanning.
- Assessing the current strategic plan.
- Reviews of business direction during the interim period.
- The company is involved in mergers, acquisitions, and partnership arrangements.
- Assessing the alignment of the department with the organization's broader strategic goals.
- Implementation of existing strategy across the entire organization.

Strategic Plan Assessment Tool

The Strategic Plan Assessment Tool is comprised of ten categories that encompass key aspects for optimizing the effectiveness of a strategic plan. These categories include:

- Strategic Focus
- Organizational Identity
- Environmental Scans and Plans
- Internal Scans and Plans
- Products and Services
- Reinvention and Renewal
- Performance Measurement
- Leadership
- Strategy Process Effectiveness

The strategic plan is assessed by considering subcategories that are categorized under each main category.

Hybrid Teams.co
Exclusive Membership Portal

To use this tool, follow the included criteria and rate each one from 1 to 7. Write down your rating in the space provided. It's a good idea to add comments if you rate something low. These comments will help support the ratings and give ideas for improvement. Examples are available for clarification if needed.

Strategic Focus

The following categories help evaluate the organization's prioritization of specific areas, allocation of resources, and differentiation from competitors.

Criteria	Rating	Comments
Value Proposition The organization has a well-defined strategy for adding unique value in its selected markets.		
Trade-Off Articulation The organization recognizes its limitations and understands the need to focus on specific areas of excellence, such as innovation, customer intimacy, or operational excellence. (Treacy and Wiersewa, 1995).		
Key Goals for the Year The organization has set between 2 and 5 goals for the year, as it is unlikely that the general workforce will comprehend, support, and act upon more than 5 goals within a one-year period.		
Key Strategic Initiatives The organization has identified and assigned resources to 2 to 3 key initiatives to advance its strategic direction.		
Alignment Mechanism To ensure alignment with the organization's overall focus and goals for the year, there are standardized tools and methods in place for consistent communication and coordination across all departments.		
“Nonfocus” Articulation The organization has identified the businesses that fall outside its strategic boundaries to discourage employees from		

investing time and resources in those areas.		
Value Chain Emphasis Within the organization's value chain, the organization has identified its key leverage points, which are areas where a small number of resources can yield a disproportionate return. (*Term explanation: A value chain is the sequence of activities that add value to a product or service as they move through the chain.*) *(Value chains vary across industries and individual companies, but typically follow a similar sequence of events: product ideation, product development, production, and distribution.)*		

Organizational Identity

The following categories assist in evaluating the organization's clarity regarding its mission and goals.

Criteria	Rating	Comments
Vision The organization has a clear vision for the business and its impact on the external environment, including the world, niche markets, and industry, over the next 3 to 20 years.		
Mission The organization has defined its mission as meeting customer needs through the provision of affordable and high-quality food. *(Example: McDonald's mission is "To satisfy the world's appetite for good food, well-served, at a price people can afford.")*		
Values The organization has established a set of operating rules or guidelines for the behaviors and actions of its members. These values serve as guiding principles for individuals to assist them in making decisions among different behavioral		

options, such as "Collaboration is key" and "Customer satisfaction is our top priority."		
Culture The organization has identified key factors that impact the connection between organizational culture and business strategy. These factors are utilized to initiate and reinforce established conditions. *(Examples of these conditions include encouraging risk taking for innovative breakthroughs, utilizing teams to decrease cycle times and reduce costs, and employing direct and honest communication for quick decision-making.)*		
Broadcast of the Identity The organization has conveyed its identity to external parties through various means such as marketing, advertising, or other methods.		

Environmental Scans and Plans

The following categories assist in assessing the organization's effectiveness in obtaining pertinent external information and creating strategies to address and potentially impact the external environment.

Criteria	Rating	Comments
Competitor Assessment The organization has assessed and analysed the strengths, weaknesses, opportunities, and threats of known competitors.		
Noncompetitor Assessment The organization has analysed and assessed the strengths, weaknesses, opportunities, and threats of potential competitors, even if they are unlikely.		
Customer Assessment The organization has conducted an analysis of the strengths, weaknesses, opportunities, and threats of its primary target audience.		

Noncustomer Assessment The organization has analysed the strengths, weaknesses, opportunities, and threats of organizations or individuals who have chosen not to purchase products or services from the organization. The organization has also analysed the strengths, weaknesses, opportunities, and threats of organizations or individuals who were not originally considered as potential customers.		
Uncontrollable but Important Forces The organization has analysed and assessed external factors that could potentially affect its viability, such as the economy, sociodemographic, international unrest, technology, and governmental regulations.		
Partnership Building and Maintenance The organization has established strategic partnerships with customers and suppliers that create mutually beneficial situations. We diligently monitor and maintain these relationships.		

Internal Scans and Plans

The following categories assist in evaluating the organization's effectiveness in gathering relevant information from internal operations, integrating that information from external scans, and developing plans to shape internal variables and situations as required.

Criteria	Rating	Comments
Core Competencies Identified The organization has identified its unique combination of capabilities that provide exceptional customer value, differentiate it from competitors, and serve as a foundation for developing similar capabilities in the future.		

Core Competencies Managed Regarding the identified core competencies, the organization: • The organization actively manages competencies as an asset. • The program offers rewards for specific competencies. • The training provided ensures that competencies are kept up to date.		
Leadership Regarding leadership, the organization has certain policies and practices in place. • The leadership style has been defined to align with the company's business strategy. • The organization makes efforts to develop leaders at all levels. • Leaders who do not demonstrate the desired leadership style and behaviours are removed.		
Organizational Structure • The organization's structure is designed to implement the articulated business strategy. • The organization utilizes teams as needed to support the business strategy. • Decisions regarding work are made by the individuals performing the work in the location where the work takes place. • Information and communication are utilized to minimize the necessity of having multiple levels in the organization chart. • Workers at any level of the organization can reorganize themselves to address problems		

and take advantage of opportunities, if it aligns with business needs.		
Strategic Compensation and Rewards The organization currently provide compensation to employees based on the value they contribute to the organization. Employees with identified core competencies are reimbursed appropriately if it aligns with the organization's philosophy. Additionally, team rewards are given when individuals are expected to exhibit team behaviour. The implementation of pay for skills and pay for competencies is based on their contribution to the organization's objectives. When the organization performs well, everyone receives a portion of the proceeds according to corporate philosophy. Nimble reward systems offer one-time bonuses for outstanding performance and unique skills, instead of making salary base increases. Rewards are given based on both outcomes and actions.		
Cost Model The organization understands its costs for dealing with customers and different customer groups. The organization knows its costs for producing products and providing services. The organization has thoughtfully decided what to charge for and what to provide to customers for free. The organization has determined the right combination of fixed and variable costs for its overall cost structure. The organization has outsourced any non-strategic activities that it doesn't perform at the lowest cost compared to other options.		

Information Technology The information technology infrastructure is aligned with the business strategy. The organization has assessed the potential outsourcing of specific information systems activities. If determined as part of the company's strategy, the information technology can offer a competitive advantage.		

Products and Services

The following categories are used to assess the organization's effectiveness in developing products and services that align with the strategic needs of the business.

Criteria	Rating	Comments
Product and Service Strategies The organization has developed strategies for specific products and services, as well as groups of products and services. In the process of developing these strategies, the organization has taken into consideration: • The growth of the selected market is being observed. • It has a portion of the chosen market. • There are cyclical trends in this market and related markets that have an impact on the organization's product and service. • The competitor's strengths, weaknesses, opportunities, and threats are evaluated in relation to the organization.		
Customer Retention There are plans in place to retain current customers and utilize them as a foundation for future expansion.		
Customer Assessment The organization utilizes customer feedback to perform comprehensive		

evaluations of product and service features for both current and future offerings.		
Noncustomer Assessment The organization has conducted an analysis of the strengths, weaknesses, opportunities, and threats of both organizations and individuals who have not purchased the products or services. Additionally, the organization has analyzed the strengths, weaknesses, opportunities, and threats of organizations or individuals who were not initially considered as potential customers.		
Uncontrollable but Important Forces The organization has analysed and assessed external factors that could potentially affect its viability, such as the economy, sociodemographic, international unrest, technology, and governmental regulations.		

Reinvention and Renewal

The following categories help evaluate the organization's ability to adapt to its external environment.

Criteria	Rating	Comments
Assumptions and Beliefs The organization has identified and questioned the assumptions that were used in previous years' strategic plans. The organization has been particularly critical of the assumptions and beliefs that have led to their success over the years, such as assuming that the future of computing would always be mainframe-based.		
Observation and Analysis Filters The organization has evaluated if its observations of the external world are influenced by its hopeful thinking and past assumptions and beliefs.		

Porous Organization: Inside Level-to-Level There are mechanisms or processes in place to facilitate the flow of strategic planning information within an organization, regardless of the organizational level. For instance, department store clerks may communicate changes in customer buying patterns to senior management more quickly than the traditional forecasting system.		
Discussions about Ways to Reinvent How the Industry Does Business The organization holds annual discussions about potential changes to the industry's business practices.		

Performance Measurement

The following categories are important for assessing the organization's ability to effectively communicate and measure objectives derived from its strategy.

Criteria	Rating	Comments
Balanced Measurement The organization focuses on maintaining a balance between financial objectives, customer service objectives, process improvement objectives, and learning objectives.		
Process There is a process in which objectives from higher levels of the organization are communicated to lower levels.		
Performance Measurement Is Part of a Management System The organization's emphasis on measurement extends beyond just numbers; it is an integral part of the overall management system.		
Feedback for Adjustments to Behaviours and Assumptions There are mechanisms in place for incorporating new learning that may require		

changing the current measurements within the organization.		
Basis for Communication, Discussion and Negotiation Clearly defined performance objectives are essential for sharing information, facilitating discussion, and conducting negotiations across different levels of an organization.		
Local Goal setting Based on Objectives and Goals at Higher Levels Groups of people establish their own objectives using information provided by higher levels within the organization.		

Leadership

The following categories are used to evaluate the effectiveness of leaders in promoting the organization's success in its environment.

Criteria	Rating	Comments
Ensuring That a Vision Exists Leadership is responsible for establishing a clear vision of the organization's desired impact on the world. It is important to note that in certain situations, the top leader may not personally create the vision, but they are still responsible for ensuring that one is in place.		
Clearly Articulate Reality Leaders provide a clear understanding of the external world and how the organization engages with it. They do not let preconceived notions and beliefs cloud their judgment and assist individuals in the organization to recognize opportunities and challenges realistically.		
Mobilize Resources The leadership recognizes and prioritizes activities that are important for the development of the organization and ensures that resources are allocated to those activities.		

Develop Leaders at All Levels There are plans in place to develop leaders at all levels of the organization, rather than just focusing on the top of the organizational hierarchy.		
Upward and Downward Responsibility Leaders at all levels in the organization understand their responsibilities towards those above and below them.		
Distribution of Power and Responsibility Leaders aim to distribute decision-making capability and authority throughout the organization.		

Strategy Process Effectiveness

The following categories help in assessing the effectiveness and efficiency of the process used by the organization to develop strategic plans.

Criteria	Rating	Comments
Customer and Market Input Considered There is a mechanism in place to consider preferences and trends in the marketplace during the planning process.		
Strategic Planning and Action Planning Are Linked The organization not only develops strategies but also creates action plans to implement them.		
Participative Development The strategic plan and associated action plans are developed collaboratively, with key members present.		
Concentration of Time for the Plan The strategic plan is typically developed over several days, allowing participants to concentrate and dedicate their energies and attention.		
History and Assumption Review Members of the strategic planning group analyse the factors that have influenced the organization's development and		

evaluate the assumptions that have contributed to its success.		
Communication of the Plan The strategic planning group has created a communication process to ensure that everyone in the organization understands how to align their work with the organization's strategy.		
Monitoring of the Action Plans Procedures have been established to prevent daily business pressures from hindering the implementation of necessary action plans for the strategy.		
Continual Environmental Scanning and Replanning The organization recognizes the dynamic nature of the marketplace and acknowledges the need to regularly monitor the environment. Processes have been implemented to quickly identify significant trends and changes in customer preferences and integrate them into the plan.		

Interpreting the Results of the Strategic Plan Assessment Tool

Many organizations use this tool to assess their strategic plans. It is also helpful for strategic planning groups to discuss specific assessment items and their relevance to their business situation. For example, in the Reinvention and Renew section, there is an assessment item about discussing ways to reinvent the industry's business practices. The vice president of engineering for a major electronics assembly firm realized they could change the industry with their internal talent. They formed a special task team with the marketing vice president and, within six months, transformed their product's configuration and pricing, thereby changing the entire industry's business practices in their niche segment.

Research has indicated that conducting this assessment in group settings produces more favourable outcomes due to the positive influence of conversation quality, assumption sharing, and group commitment to action.