

A Strategic Plan
For
[Insert your organization name here]

Prepared by: [Insert name here]
Email Address: [Insert email address here]
Date: [Insert date here]

[Strategic planning is the set of decisions and actions that result in the design and activation of strategies to achieve the objectives of an organization.]

Why plan? Effective planning leads to:

- Improved decision-making
- Higher profitability
- Lower risk

Strategic planning begins by addressing the following three questions.

- Where are we? (External analysis, internal analysis, and competitive analysis – what business and market are we in?)
- Where are we going or want to go or be? (Mission statement, long-term objectives, business, market)
- How do we get there? (Strategy formulation – corporate level, business unit level, and functional level)

These are the same questions that make up a technology roadmap (TRM). A TRM considers the resources available to the organization; the R&D program and the ideas in the pipeline; the technology it currently has or could develop to produce needed products, services, and processes; and the products and services it has to meet current and future business and market needs.]

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1 Executive Summary

[Summarize the strategic plan, including a brief one paragraph description of the organization; its mission statement; key strengths, weaknesses, threats, and opportunities; long-term objectives; selected strategic choice, and actions in one to two pages.]

2 Organization Name / Description

[Provide the name of the organization along with a brief description and relevant background.]

3 Organizational Statements

[Provide a short introduction to this section here.]

3.1 Vision Statement

[Describe the organization’s vision (what it wants to look like) in a paragraph or two.]

3.2 Mission Statement

[Three primary components of a mission statement are as follows:

- Specifications of the basic product or service
- Specification of the primary market
- Specification for the principal technology for production or delivery

Other possible descriptive components that may be included in a mission statement are social or environmental issues, customer considerations, and product or service quality.

Keep it simple. If no one can remember the organization’s mission statement, then the organization doesn’t have one that means anything to anyone.]

3.3 Milestones

[List and describe key milestones along the journey to the organization’s vision. That is, what are some key indicators that provide some assurance that the organization is on track. One approach is to list these milestones in chronological order.]

3.4 Shared Vision

[A key problem in organizations is to create a shared vision of the organization and the organization’s strategic plan, including its mission statement is part of it. Senge (1994) described shared vision as the “building a sense of commitment in a group, by developing shared images of the future we seek to create, and the principles and guiding practices by which we hope to get there.” Discuss how the organization

approaches creating and maintaining a shared vision. Hint: a key element in strategic planning is the conversation required to create it.]

3.5 Managerial Preferences

[List and describe the preferences of management regarding the direction they wish to take the organization and the strategies to get there (if known).]

3.6 Organizational Values

[Organizational values are essential to the success of an organization. Briefly list and describe the values of the organization and why they are important to it. Some examples of values include honesty, knowledge, truth, collaboration, loyalty, success, productivity, workmanship, integrity, excellence, and profit. Use and expand the outline below as needed. Use one heading for each value and description.]

3.6.1 Value 1

[Name and describe the first value here.]

3.6.2 Value 2

[Name and describe the second value here.]

3.6.3 Value 3

[Name and describe the third value here and so on.]

3.7 Organizational Culture

[Describe the culture of the organization. Note: there are a number of books, articles, and websites that are useful in understanding the notion of culture enabling a brief description. See the Reference List in this paper for some documents.]

4 Environmental Analysis (External to the Organization)

[Provide a short introduction to this section here.]

One way to think about beginning an external analysis is to limit it to the geographic area of interest. For example, if you are working with a client to develop a strategic plan for an organization located in Seattle, with most of the customer base in Seattle, it would be a good idea to limit the environmental analysis to this geographic region, for reasons of time, cost, and relevance. On the other hand, if the organization is worldwide, then consider the world as the geographic area of interest.]

4.1 Remote Environment

[These are the six basic factors, which affect all organizations and frequently, neither the organization nor the industry has any control over them. Not all of these factors are of interest to all organizations, and only a few may be of real importance.

Also listed are some of the key variables for each factor. There is insufficient time to consider all variables and all factors. Focus on those critical few that are important. The list of variables is representative. There are many more than could be considered and used in this paper.

Each variable has attributes or properties and each attribute or property has a value or values over time. Graphing the behavior over time values of variables provides a visual representation of the trend and if a mathematical curve could be found to fit this curve, even more information will be available. Identifying this data assists in the analysis of the external component and in the analysis of the interrelationships among external components.

For example, processor speed is an information technology variable that may be of interest. Moore's law states that processor speed doubles about every 18 months thus processor speeds may be projected for the next few years using this law, and of course, historical data exists for the previous 30 years. Storage capacity follows a similar trend. Given these trends, what are some threats or opportunities for your organization?

Consider geography in this section as well – that is – consider the geography in which your organization conducts business. For example, if your organization is within a specific region of a country, just focus on external environmental issues for this region to the extent possible.

The key outcomes in the external analysis of an organization are a set of opportunities and threats.

The following example as an approach to documenting identified trends, forces, or events and subsequent opportunities, threats, strengths, and weaknesses is highly recommended.

There are x key trends in this section of interest to our organization.

The first trend is

The source of this trend is

This trend is important because

The cause of this trend is ...

Some consequences / implications of this trend are ...

Each trend should be listed along with the assessed affect on the organization (high, medium, or low), its timeframe (less than one year, one to two years, more than two

years), the type of change (increasing, decreasing, no change, or unknown), and its importance to the organization (critical, important, not important, or unknown).

Finally, describe the overall remote environment as one of abundance / scarce resources, simple / complex, and stable / volatile.]

4.1.1 Social / Cultural

[This section is about trends in the beliefs, values, opinions, and culture of people in the community (country or countries, state(s), cities(s)) the organization operates in. Some questions to ask are:

- What are the current or emerging trends in lifestyles, fashions, and other components of culture? Why? What are their implications?
- What do you want to do when you grow up? What choices do you have? Why?
- What changes in social values and attitudes regarding childbearing, marriage, lifestyle, work, ethics, sex roles, racial equality, education, retirement, pollution, and energy have on the organization's development?
- What pressure groups or special interests will increase in power?
- What changes could we expect as society adopts ever increasingly powerful technologies such as AI, AR, or 6G cell phones?

Key Social and Cultural Variables to Consider (Examples)

Some key social and cultural variables are listed below. The variables here are ideas for analysis, which should be provided in section 3.1.1 above. Consider how selected variables change over time – this change describes the trend.

- Activism in politics, environmental, women's issues, and so on?
- Attitudes towards business
- Attitudes towards careers
- Attitudes towards education (e.g., are people content with a high-school diploma or are they attending college?)
- Attitudes towards globalization
- Attitudes towards leisure time
- Attitudes towards investing
- Attitudes towards retirement (e.g., do people want to retire early or later in life? Can they?)
- Attitudes towards saving
- Attitudes towards security
- Attitudes towards travel
- Attitudes towards using technology
- Attitudes toward adopting new technology / products / services
- Average level of education

- Conservative / progressive preferences
- Life-styles
- Religious practice
- Trust in government
- Tolerance of others
- Use of birth control]

4.1.1.1 Social / Cultural Trend 1

[Trend sections should briefly describe the trend, the source of the information, the importance of the trend to the organization, the cause of the trend, and some consequences or implications of the trend.]

4.1.1.2 Social / Cultural Trend 2

[And so on as needed.]

4.1.2 Political / Legal / Government

[This section is concerned with laws and regulations of interest to the organization in the community (country or countries, state(s), cities(s)) the organization operates in. Sample questions to ask:

- What changes in regulation are possible? What will their effect be?
- What tax or other incentives are being developed that might affect strategy?
- What are the political risks of operating in a governmental jurisdiction?
- What changes can be expected regarding industry cooperation, antitrust activities, foreign trade, environmental protection, and defense?
- What changes will a change in administration bring?
- What are the trends in political activism?
- What effects does globalization have on the political / legal environment?

Key Political / Legal Variables to Consider (Examples)

Some key political and legal variables are listed below. The variables here are ideas for analysis, which should be provided in section 3.1.2 above.

- Antitrust legislation
- Changes in tax law
- Environmental protection laws
- Government regulations or deregulations
- Local, state, and national elections
- Military involvement in other countries
- Number of patents
- Political action committees
- Size of government budgets
- Terrorism]

4.1.2.1 Political / Legal / Government Trend 1

4.1.2.2 Political / Legal / Government Trend 2

4.1.3 Technological

[This section is concerned with changes in technology that affects the industry within the community (country or countries, state(s), cities(s)) the organization operates in – look for trends. Note that technology is not just products, but the processes, skills, and ideas needed to develop new products and services. Sample questions to ask.

- What are the significant trends and future events in the technologies of interest?
- Where are current technologies of interest in their life cycle: innovative, growth, maturity, or decline?
- What technological developments could affect the industry?
- How will technology change?
- What new products or services are likely to be brought to market in the near-term future?
- What effects on the organization are possible in the near-term?
- What secondary effects may be expected with new technologies?
- What technologies are in the R&D pipeline?

Key Technology Variables

- Depends on the technology

Information Technology Variables to Consider (Examples)

Some key information technology variables are listed below. The variables here are ideas for analysis, which should be provided in the section above.

- Bandwidth (capacity and delivery)
- Computer memory
- Convergence of computing and communications
- Cost of computing / communications equipment
- Database management systems
- Ease-of-use
- Internet growth
- Middleware
- Multimedia
- Number of patents
- Processor speed
- Product / service costs

- Object technology
- Operating systems
- Size of storage (capacity and size)
- Software, hardware standards
- Software applications (trends and new areas of automation)
- Systems integration (multi-purpose or use devices)

Biotechnology Variables to Consider (Examples)

Some key bio- technology variables are listed below. The variables here are ideas for analysis, which should be provided in the section above.

- Advances in pattern recognition
- Development of new sequencing tools
- Patents
- Speed at which new drugs can be developed and approved
- Sequencing of new genomes

Aerospace Variables to Consider (Examples)

Some aerospace variables are listed below. The variables here are ideas for analysis, which should be provided in the section above.

- Computational fluid dynamics
- Development of new composite materials
- Development costs
- Embedded software
- Miniaturization of electronics
- New aircraft development

Energy Variables to Consider (Examples)

Some energy variables are listed below. The variables here are ideas for analysis, which should be provided in the section above.

- Cost of construction of energy producing plants
- Cost per kilowatt hour
- New energy sources such as renewables
- Time frame in converting to hydrogen, or solar, or wind]

4.1.3.1 Technology Trend 1

4.1.3.2 Technology Trend 2

4.1.4 Ecological / Physical

[This section is concerned with relationships among people and other living things within the community (country or countries, state(s), cities(s)) the organization operates. Sample questions to ask.

- What is the level of air, water, and land pollution? Would this level effect the operation of this organization?
- What is the level of loss of habitation and biodiversity? How does this effect the operation of this organization?
- Does this organization engage in construction that requires ecological permits and or studies? If so, how would this affect the organization?
- How does organizational growth affect traffic congestion? How would this congestion affect other organizations including suppliers and customers?
- How does traffic congestion affect organizational growth?

Key Environmental Variables to Consider (Examples)

Some key environmental variables are listed below. The variables here are ideas for analysis, which should be provided in the section above.

- Air pollution
- Endangered species
- Global warming
- Ozone depletion
- Population growth
- Recycling
- Traffic congestion
- Urban / suburban density
- Waste management
- Water pollution]

4.1.4.1 Ecological / Physical Trend 1

4.1.4.2 Ecological Physical Trend 2

4.1.5 Economic

[This section is concerned with the nature and direction of the economy in which the organization operates. Consider both micro and macro-economic trends. Sample questions to ask.

- What are the economic prospects (e.g., inflation, growth, prime interest rate, etc.) in countries that the organization operates? How will they affect strategy?

- What are probable future directions of the economies in which the organization does business?
- What local economic conditions affect the organization? Local or regional economies may include one or more States, a single State, or even a city or community.
- How does globalization affect the economic system?

Key Economic Variables to Consider (Examples)

Some key economic variables are listed below. Some of these variables may be global, national, regional, or local. The variables here are ideas for analysis, which should be provided in the section above.

- Availability of credit
- Consumption patterns
- Consumer price index
- Disposable income
- Gross domestic product
- Housing starts
- Income gaps between highest and lowest paid in organizations
- Industrial production
- Inflation rates
- Interest rates
- Leading indicators
- Level of disposable income
- Monetary policies
- Money market rates
- Producer prices
- Productivity levels
- Office space vacancy
- Retail sales
- Stock market trends
- Tax rates
- Unemployment / employment trends

S&P 500 Sectors for Reference

- Consumer discretionary
- Consumer staples
- Energy
- Health care
- Industrials
- Information technology
- Materials
- Telecommunication services

- Utilities]

4.1.5.1 Economic Trend 1

4.1.5.2 Economic Trend 2

4.1.6 Demographic

[This section is concerned with population characteristics such as the numbers of births and deaths, income, age, and the trends of each within the community (country or countries, state(s), cities(s)) the organization operates in. Sample questions to ask.

- What demographic trends will affect the market size of the industry or its sub-markets?
- What demographic (global, national, regional, or local) trends represent opportunities or threats?
- How are worldwide population migrations affecting local demographics?
- How are regional population migrations affecting local demographics?

Key Demographic Variables to Consider (Examples)

Some key demographic variables are listed below. The variables here are ideas for analysis, which should be provided in section 3.1.6 above.

- Immigration and emigration rates
- Income by population group
- Number of marriages
- Number of divorces
- Number of births
- Number of deaths
- Population changes by race, age, sex, and level of affluence within the community (global, national, regional, or local)]

4.1.6.1 Demographic Trend 1

4.1.6.2 Demographic Trend 2

4.2 Industry Environment

[These are the factors in a specific industry being studied, which effect the organization. The state of competition in an industry depends on these five competitive forces. The collective strength of these forces determines the ultimate profitability potential in the industry.]

One way to think about the industry or competitive environment is through the lens of business intelligence. Business Intelligence or BI is about collecting information on your key competitors. This would be good information to document in this section.

Another factor to consider **documenting** in this section is the overall monetary size of the industry, its overall **profitability**, and whether or not the industry is growing, shrinking, or staying about the same.

Both opportunities and threats may be found in the industry environment. For example, if an organization has significant weaknesses vis-à-vis a competitor but has useful assets, it may be the target of a takeover.

Finally, describe the overall industry environment as one of abundance / scarce resources, simple / complex, and stable / volatile.]

4.2.1 Entry Barriers

[Concerns the barriers-to-entry in the industry the organization operates and key trends.]

Eight sources of barriers-to-entry are. Address only those sources that are most important to your organization.

- Economies of scale
- Product differentiation
- Capital requirements
- Switching costs
- Access to distribution channels
- Cost disadvantages independent of scale
- Government policy
- Expected retaliation

Summarize the overall threat(s) of entry as high, medium, or low.]

4.2.2 Supplier Power

[This section concerns the bargaining power (high, medium, or low) of suppliers to influence the profitability of the organization. Suppliers can exert power over

participants in an industry by threatening to raise prices or reduce the quality of purchased goods and services.

Summarize the overall supplier power as high, medium, or low.]

4.2.3 Buyer Power

[This section concerns the bargaining power (high, medium, or low) of buyers to influence the profitability of the organization. Buyers compete with the industry by forcing down prices, bargaining for higher quality or more services, and playing competitors against each other.

Summarize the overall buyer power as high, medium, or low.]

4.2.4 Competitive Rivalry

[This section concerns the major competitors of the organization and their ability to effect profitability and survivability. The objective of a competitor analysis is to develop a profile of the nature and success of the likely strategy changes each competitor might make, each competitor's probable response to the range of feasible strategic moves other organizations could initiate, and each competitor's probable reaction to the array of industry changes and broader environmental shifts that might occur.

Some questions to consider include:

- Who are your top three to five competitors?
- How are these competitors' business – increasing, decreasing, or steady and how does it compare with yours?
- What do you know or should you know about their operations, sales, advertising, customers, and suppliers?
- What are their strengths and weaknesses?
- How much do they spend on product / process development compared to your organizations expenditures?
- How do their products and services differ from your products and services?
- Are your competitors (or even non-competitors) developing / launching / implementing potential disruptive technologies that could affect your business?
- How innovative are you? How innovative are your competitors?

Turban (2000) wrote about competitive and cooperative strategies. Competitive strategies included a frontal assault or head-to-head competition, flanking maneuvers, raising structural barriers, and lowering the inducement for attack. Cooperative strategies included joint ventures and value-chain partnerships.

Consider “what if” analysis. What if your major competitor lowered prices, bought a key supplier, brought out a significantly new product? What does your organization do in response?

Summarize the competitive rivalry in the industry as high, medium, or low.]

4.2.5 Substitute Availability

[This section concerns the ready availability of substitute or alternative products. Substitutes limit the potential returns of an industry by placing a ceiling on the prices organizations in the industry can profitably charge. The more attractive the price-performance alternative offered by substitutes the firmer the lid on industry profits.

Summarize the strengths of potential (or real) substitute products as high, medium, or low.]

4.3 Operational Environment

[These are factors in the immediate environment in which the organization operates. Both opportunities and threats may be found in the industry environment. For example, if an organization is financially overextended with a high debt load, this may well be considered a threat. Examples and possible questions to consider are the following.]

4.3.1 Competitive Position

[This section analyses an organizations competitive position by developing a profile for each competitor based on some number of criteria. Some additional questions to consider are:

- What strategic moves are expected by existing rivals?
- Is the behavior of our competitors predictable?
- Are our competitors growing?]

4.3.2 Creditors

[Financial resources are critical to the implementation of strategic and tactical plans. Some questions to consider are:

- What lines of credit are available to help finance our growth?
- What changes may occur in our credit-worthiness?
- Are creditors likely to feel comfortable with our strategic plan and performance?
- Are creditors able to extend the necessary lines of credit?
- Do creditors perceive the organization as having an acceptable record of past payment?
- Do creditors value and accept the organization’s stock as collateral?]

4.3.3 Supplier Relationships

[Good working relationships between organizations and their suppliers are necessary for profitability and long-term growth. A few questions to consider are:

- Will supply sources be reliable?
- Are supplier's prices competitive?
- Which suppliers can be expected to respond in emergency situations?
- Are suppliers going to be around for the long term?
- Are suppliers continually upgrading their products and services to the benefit of their customers?
- Are there any forecasts of shortages or cost increases?]

4.3.4 Customer Profiles

[A good understanding of customers is important in forecasting demand, knowing the size of the market, and what they want in products and services? Some questions to consider are:

- What do our customers regard as value?
- What kind of market research is being done?
- Which customer needs are not being met?
- Are there new customers we could reach?
- What changes may occur in our customer base?
- How loyal are our customers?
- What are our customers geographic, demographic, psychographic, and behavioral characteristics?]

4.3.5 Labor Market

[There is currently a “war for talent” as intellectual capital is the primary means organizations can truly distinguish themselves and to stay competitive. Some questions to consider in this area are:

- Are there any skills shortages in our industry?
- Are schools and colleges available to meet new skill demands?
- Are talented people leaving our geographic locations?
- Is the labor pool growing or shrinking?
- **What are the primary trends and their implications?]**

4.4 Opportunities and Threats

[Opportunities and threats are found in the external environment. These terms along with some examples are listed below. Look for organizational opportunities and threats throughout the analytical phase of the external environment.]

4.4.1 Opportunities

[These are the opportunities in the environment where potential markets may exist or are emerging. Opportunities are available to any company in the industry

environment. List and describe the top two opportunities in this section. It may be helpful to use, and refer to the opportunities worksheet in the appendix to select the top two opportunities based on identified business criteria.

Examples where opportunities may be found in the external environment are:

- Changes in government regulations
- Technological breakthroughs
- Specific demands by a narrow group of customers.
- Key trends
- Changes in trade patterns]

4.4.1.1 Opportunity 1

[Describe the first opportunity here].

4.4.1.2 Opportunity 2

[Describe the second opportunity here.]

4.4.2 Threats

[These are adverse changes in the environment, which may represent threats to future business opportunities. List and describe the top two threats in this section. It may be helpful to use, and refer to the threats worksheet in the appendix to select the top two opportunities based on identified business criteria. Threats may affect any company in the environment.

Examples where threats may be found in the external environment are:

- Unexpected competition
- New substitute products
- New or revised regulations
- Market slowdown]

4.4.2.1 Threat 1

[Describe the first threat here.]

4.4.2.2 Threat 2

[Describe the second threat here.]

5 Environmental Analysis (Internal to the Organization)

[The purpose of an internal analysis of an organization is to determine a realistic understanding of the organization's resources, which are required in the execution of the organization's strategy. In simple terms, few resources mean minimal implementation of any strategy – good or bad.

Three approaches to internal analysis are required for this section: (a) financial analysis; (b) Resource Based View (RBV); and (c) Value Chain Analysis. Several internal audit checklists are provided for additional help – these are NOT to be answered in this paper, but are provided as a framework for thinking. Please see the Internal Audit Checklists document for details – a separate document that may be helpful but is not critical to developing this plan.]

5.1 Financial Analysis

[Clearly, an organization's financial strength, or lack of, is a key resource to be considered in internal analysis. In many cases the data is not presented to make an analysis, but where it is presented, all means of analysis available should be used to determine the financial condition. Ratio analysis may be useful along with trend analysis of the most recent earnings. Keep in mind that financial analysis provides historical data – a picture of the past – not the future. However, financial forecasting can be used to explore the future.]

5.2 Resource-Based View of the Organization

[This analysis examines how well the organization makes use of its resources. The three basic resources are (a) tangible assets; (b) intangible assets; and (c) organizational capabilities.

Tangible assets include financial, physical, information, applications, and technology; **intangible assets** include organizational structure, knowledge, skills, culture, morale, and learning capabilities; and **organizational capabilities** include R&D, manufacturing, innovation, marketing, customer service, financial analysis, and planning among others.

Stewart (2001) wrote, “Intellectual capital (IC) is knowledge that transforms raw materials and makes them more valuable.” Raw materials may be either tangible or intangible.

Intellectual capital is made up of human capital, organizational or structural capital, and external relationship capital.

Human capital consists of skills, knowledge, education, and competence.

Structural or organizational capital includes both intellectual property (IP) and internal relationship or infrastructure capital. IP includes patents, copyrights, designs, and trademarks. Internal relationship capital includes corporate culture and values, management processes, information systems, strategies, databases, networks, and software.

External relationship capital includes both customer and supplier relationships, joint ventures, licenses, and franchising arrangements.

From a knowledge management perspective, structural or organizational capital is mostly explicit knowledge while human and customer capital are mostly tacit knowledge.

Intangible assets, in many companies, are worth much more than tangible assets. Stewart (2001) made this reference to IC and Porter, “Intellectual assets have become more important than any other because only by means of knowledge can companies differentiate their work from their competitors’. Consider what is in the organization’s R&D or innovation pipeline and what could be commercialized within the short term.

Think about how intellectual capital can be applied in organizations, as a strategy, and to help build a sustainable competitive advantage. Intellectual capital can be developed or created, stored, updated, transferred, and applied to business processes, products, and services. Frequently the term “knowledge management” is used to mean the explication of intellectual capital using information technology.

An **inventory of IT** products may be helpful to develop before completing the RBV analysis. A table provided in the appendix may be helpful in documenting the IT inventory.

One way to structure a RBV analysis is to use a Word table containing the list of resources, evaluation criteria, and assessment of a strength or weakness. Resource evaluation criteria include competitive superiority, resource scarcity, inimitability, appropriability, durability, and substitutability. Assessments of **strengths** and **weaknesses** are relative to the **competition**. See the Appendix for a sample table that may be used for this analysis.]

5.2.1 Tangible Assets

[Summarize tangible assets here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.2.2 Intangible Assets

[Summarize intangible assets here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.2.3 Organization Capabilities

[Summarize organizational capabilities here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3 Value Chain Analysis

[This section should actually summarize and refer to the value chain model in the Appendix to illustrate a systems view of the organization. The value chain looks at an organization as a set of activities (or tasks, or processes) that transform inputs into outputs (products or services) that people actually purchase (or rent). Look for strengths and weaknesses when analyzing a value chain. Please use the *Word* table model in the Appendix for developing the value chain. Delete the sample ideas and add your own verb-phrased activities. A second value chain may be developed for the organization using organizational technologies in place of activities. This provides a technology view of the organization and may be helpful. For example, the organization may use Web-based technologies to support sales and service, so documenting “Web-based technologies” in the sales and services section of the value chain and so on provides a “technology” value chain and a different perspective. This second value chain should be left in the Appendix and summarized here.]

5.3.1 General Administration

[Summarize general administrative processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.2 Human Resource Management

[Summarize HRM processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.3 Research, Technology, and Systems Development

[Summarize RTS processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.4 Procurement

[Summarize procurement processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.5 Inbound Logistics

[Summarize inbound logistical processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.6 Operations

[Summarize operational processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.7 Outbound Logistics

[Summarize outbound logistical processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.8 Sales and Marketing

[Summarize sales and marketing processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.3.9 Service

[Summarize services processes here and refer to the table, if used, for details. Note: strengths and weaknesses are relative to the competition.]

5.4 Strengths and Weaknesses

[Organizational Strengths and Weaknesses (SW) are internal to the organization while Opportunities and Threats are external to the organization. In simple terms, strengths and weakness are found in the internal analysis of an organization, while opportunities and threats are found in the external analysis of an organization.

A *strength* is a resource advantage relative to competitors and the needs of the markets a firm serves or expects to serve. It is a distinctive competence when it gives the firm a comparative advantage in the marketplace. Strengths arise from the resources and competencies available to the firm.

A *weakness* is a limitation or deficiency in one or more resources or competencies relative to competitors that impedes a firm's effective performance. Weaknesses make the organization vulnerable competitively and may make the pursuit of certain options impossible.

Note: A resource may be considered either a strength or weakness depending on its comparative value.]

5.4.1 Strengths

[List and describe the top two strengths from the internal analysis (financial analysis, resource-based view, and value chain analysis) of the organization. It may be helpful to use and refer to the strengths worksheet in the appendix to select the top two strengths based on identified business criteria.]

5.4.1.1 Strength 1

[Describe the first strength here.]

5.4.1.2 Strength 2

[Describe the second strength here.]

5.4.2 Weaknesses

[List and describe the top two weaknesses from the internal analysis (financial analysis, resource-based view, and value chain analysis) of the organization. It may be helpful to use and refer to the weaknesses worksheet in the appendix to select the top two opportunities based on identified business criteria.]

5.4.2.1 Weakness 1

[Describe the first weakness here.]

5.4.2.2 Weakness 2

[Describe the second weakness here and so on.]

6 SWOT Analysis

[Complete the SWOT analysis using the table provided in the Appendix, the strengths and weaknesses, and the threats and opportunities listed above. The table, provided in the Appendix, should contain the detailed analysis while this section simply summarizes the primary SO and other strategies and refers to the Appendix section for the details.]

6.1 SO Strategies

[List and describe SO strategies here. Refer to the worksheet as necessary.]

6.2 ST Strategies

[List and describe ST strategies here. Refer to the worksheet as necessary.]

6.3 WO Strategies

[List and describe WO strategies here. Refer to the worksheet as necessary.]

6.4 WT Strategies

[List and describe WT strategies here. Refer to the worksheet as necessary.]

7 Organizational Strategies

[This section formulates an organization's long-term objectives, balanced-scorecard, generic strategies, and one or more grand strategies.]

7.1 Long-term Objectives

[These are specific for each organization and represent the results of a match between **strengths** and perceived **opportunities** in the industry. These are usually quantifiable and measurable for the period considered.]

Long-term objectives should be clearly stated. You should **defend** (rationales – the why's or benefits, and implications – what the organization will do as a result of adopting the objective) which options you select. Be sure the objectives selected relate directly to the SWOT analysis.

Long-term objectives are generally established in seven areas:

- **Profitability** (no profits, no long term viability)
- Productivity
- Competitive position
- Employee development
- Employee relations
- Technological leadership
- Public responsibility

These long-term objectives (and short-term objectives which are considered later) should have the following characteristics:

- Acceptable
- Flexible
- Measurable
- Inspiring
- Suitable
- Understandable
- Achievable

Examples of long-term objectives are.

- Increased market share, e.g., X% per year in Y years.
- Below cost leader with highest quality product in the X industry.

- Increase revenues X% in Y years.
- Reduce debt X% per year for the next Y years.
- Realize 10% of revenue via e-business activities each year for the next 5 years.
- To be the only competitor in this industry in 5 years.
- To reduce our full-time staff to 10% of our existing base and to outsource and contract the rest within 5 years.
- To reduce our real estate holdings to 5% of the number we currently over the next 6 years.
- To increase the occupancy rate of our leased buildings to 130% over the next 3 years.

An example of a long-term objective that is rationalized with implications listed.

Long-term Objective

- Increase profits by 1% in each of the next 5 years.

Rationale(s)

- Our industry is expanding rapidly. If we don't increase profits, we will lose our competitive advantage.

Implication(s)

- Change organizational focus from the product to the customer.
- Expand our sales and sales support organizations]

7.1.1 Long-Term Objective 1

7.1.1.1 Rationale(s)

7.1.1.2 Implication(s)

7.1.2 Long-Term Objective 2

7.1.2.1 Rationale(s)

7.1.2.2 Implication(s)

7.2 Balanced Scorecard (Optional)

[A balanced scorecard is a framework to convert strategy into operations. The Balanced Scorecard was developed by Robert Kaplan and David Norton. It links an organization's long-term strategy with tangible goals and actions. It enables an organization to be evaluated from four perspectives – customer, financial, internal business processes, and learning and growth.

The financial perspective asks the question, “To succeed financially, how should we appear to our shareholders?”

The internal business process perspective asks the question, “To satisfy our shareholders and customers, at which business processes must we excel?”

The learning and growth perspective asks the question, “To achieve our vision, how will we sustain our ability to change and improve?”

The customer perspective asks the question, “To achieve our vision, how should we appear to our customers?”

Each perspective requires listing a set of objectives required to answer the question along with the appropriate measures, targets, and initiatives.

All of these perspectives are linked by cause-and-effect relationships that lead to the successful implementation of the strategy.

Please use the tables provided in Appendix 9.7 to list the objectives, measures, targets, and initiatives and explain the interrelationship here that enables the vision and strategy. It is not necessary to copy the tables to this section – just reference them.]

7.3 Technology Road Map (Optional)

[The three key questions for building a technology road map are: (a) where are we; (b) where are we going or want to go; and (c) how are we going to get there. A TRM considers (a) the resources available to the organization; (b) the R&D program and the ideas in the pipeline; (c) the technology it currently has or could develop to produce needed products, services, and processes; and (d) the products and services it has to meet current and future business and market needs.]

7.3.1 Resources Available

[Review the available resources using value chain analysis and the resource based view of the organization. Document these resources here and discuss why these resources will help your organization with its R&D and innovation programs.]

7.3.2 R&D and Innovation Programs

[Review your organizations R&D and innovation program to determine how it will help to develop the technologies needed to compete for the future. Document your review in this section.]

7.3.3 Technology

[Review your organizations technology programs to determine how they will help to develop the new products, services, and processes needed to compete for the future. Document your review in this section.]

7.3.4 Products, Services, and Processes

[Review your organizations products, services, and processes to determine how they will help your organization to meet the business and market needs for the future. Document your review in this section.]

7.4 Generic Strategy (Optional)

[List, describe, and explain the organization's generic strategy.]

The three generic strategies developed by Michael Porter are:

- Striving for overall low-cost leadership in the industry. Note: Low cost means that no other organization sells the product or service at this low price.
- Striving to create and market unique products for varied customer groups through *differentiation*. Note: Differentiation means uniqueness; that is, no other organization makes exactly this product or service.
- Striving to have special appeal to one or more groups of consumer or industrial buyers, *focusing* on their costs or differentiation concerns.

Note: There are three types of strategies developed in the process of strategic planning: strategies from the outcome of a SWOT analysis, generic strategies, and grand strategies in the following section. Review the various strategies for consistency and direction.]

7.5 Corporate Strategy – Grand Strategies

[These represent the “how to” implement the achievement of the organizational goals and usually involve the functional and section-levels of the organization. They represent long-term objectives and the ultimate survival of the organization.]

Examples of grand strategies include:

- Concentrated growth (focus on a specific product and market combination)
- Market development (market present products, often with only cosmetic modifications, to customers in related market areas by adding channels of distribution or by changing the content of advertising or promotion)
- Product development (involves the substantial modification of existing products or the creation of new but related products that can be marketed to current customers through established channels.)
- Innovation – create new product life cycles and make similar existing products obsolete.
- Horizontal integration (growth based on the acquisition of one or more similar firms operating at the same state of the production-marketing chain).
- Divestiture (selling off a major component)
- Liquidation (sell of various parts of the organization)
- Bankruptcy
- Joint ventures (two or more organizations combining resources to achieve a combined objective)]

7.5.1 Grand Strategy 1

[List and describe grand strategy 1 here.]

7.5.2 Grand Strategy 2

[List and describe grand strategy 2 here. Continue as needed.]

8 Strategic Choice and Implementation

[This section covers strategic choices and outlines the implementation issues – short-term objectives and functional tactics.]

8.1 Strategic Choice

[Choose a Grand Strategy or combination of Grand Strategies. Strategic choice is based on the simultaneous consideration of:

- Preferred opportunities
- Long-term objectives

- Grand strategies

It may be helpful to develop a three-column table listing all combinations of preferred opportunities, long-term objectives, and grand strategies. Then choose from among the items on the list. Choice should be made based on business opportunity as well as the organizational strengths that can be used to achieve such opportunities as well as consistency with the organization's mission. An example of such a table is provided in the Appendix.

List and describe the selected strategic choice here and indicate why it was selected.]

8.2 Strategy Comparison

Compare and contrast strategic choices with strategies derived from SWOT analysis. Are they consistent or not? If not, what might this be attributed to? Is there any reason to review the decision analysis leading up to this point?

8.3 Implementation

[Develop implementation guidelines to achieve one of your strategic choices. These guidelines include short-term objectives (1 year), action plans, and functional tactics such as policies and reward systems.

Each long-term objective can be decomposed into one or more short-term (1-year) objectives.

Action plans can be formatted using text, a Gantt chart, or both. Action plans include the following items:

- Action plan owner / project manager
- Rationalization (why should this action plan be considered?)
- Tasks, along with cost estimates and people responsible if known, and expected completion dates
- Performance measures
- Short or long-term goals addressed

A key element here is to link strategies to short term objectives, action plans, and functional tactics.

Microsoft *Project* is a useful tool for documenting action plans. A Word table may be used as well – see the Appendix for an example worksheet.

Examples of implementation activities include applying information technology to develop new internal business systems, to move to electronic commerce, to improve the operational effectiveness of business processes, or to redesign the

technology infrastructure to enable a more agile organization. These are only some possibilities.]

9 Critical Success Factors (optional)

[Critical Success Factors (CSFs) are those things that organizations must “do well” to be successful. Not all of these are important or have the same importance for all organizations. Respond to those CSFs that are important for your organization and delete the others. If you identify additional CSFs, feel free to include them. Some examples include:]

9.1 Location

[The real estate mantra is “location, location, location.” Consider where Starbucks and McDonalds choose storefronts.]

9.2 Hours Open

[Not critical in many manufacturing facilities, but certainly important in retail stores and banking.]

9.3 Inventory Levels

[Cover inventory levels where they are of critical concern.]

9.4 Technology

[Some technologies may be critical for your organization to excel at. List and describe them here along with the rationale.]

9.5 Management Skills

[Some key management or leadership skills may be critical for your organization to excel at. List and describe them here along with the rationale.]

9.6 Product Quality

[This may be critical for many industries such as aerospace, defense work, medical usage, financial services and so on, but less critical for other industries.]

9.7 Customer Service

[In many cases, the product or service is considered a commodity. In these situations, customer service may be a critical factor.]

9.8 Employee Morale

[Some organizations are experiencing a “war for talent.” If recruiting, training, and maintaining top quality people are critical for your organization, this may be a CSF.]

9.9 Cost Control

[Cost control may be critical for organizations using a low-cost strategy or in hypercompetitive industries.]

10 Restructuring and Business Process Reengineering (optional)

[Restructuring and business process reengineering projects can be multi-year projects, the details of which are beyond the scope of this document. However, the need for such activities to be undertaken could be identified. Therefore, identifying the need for such an activity, along with a brief description of its objectives and scope will be sufficient. Note: This section is not required for startup organizations as new organizations don't restructure or reengineer activities.]

10.1 Restructuring Projects

[List and briefly describe Identified restructuring projects expected to start within the next year or so and provide a rationale for each. Examples of restructuring include outsourcing selected activities or spinning off a department or division.]

10.2 Business Process Reengineering Projects

[List and briefly describe Identified BPR projects expected to start within the next year or so and provide a rationale for each. BPR is undertaken to achieve significant gains in productivity – on the order of 20% or more – not just simply incremental improvements.

Some key questions to think about regarding BPR:

- Why does the organization do the things it does in the way it does them?
- What value is produced for customers and shareholders by performing this activity in this way?
- How could the organization perform this activity in a different way to enhance value?
- What innovative or breakthrough results does the organization want to achieve?
- What talents are required, and who within the organization has them?]

11 Controls

12 Appendix

[NOTE: There are several worksheets provided below to help think about strategic planning. I strongly suggest using these worksheets to capture and document information. Note: Leave the worksheets in the appendix – do not move or copy them to the body of the paper. You may, however, refer to the worksheet as appropriate. Information in tables should be single-spaced.]

12.1 Industry Environment Worksheets

12.1.1 Barriers-to-Entry

[This worksheet may be helpful in identifying barriers-to-entry. Not every criterion may be important or critical. Consider BTE as low, medium, or high and provide a rationale for the rating. Summarize the overall barriers-to-entry as high, medium, or low.]

| Criteria | BTE Rating | Rationale |
|---------------------------------|------------|-----------|
| Economics of scale | | |
| Product differentiation | | |
| Capital requirements | | |
| Switching costs | | |
| Access to distribution channels | | |
| Cost disadvantages | | |
| Government policy | | |
| Expected retaliation | | |

12.1.2 Bargaining Power of Suppliers

[This worksheet may be helpful in the analysis and identification of the bargaining power of your suppliers. First, list major suppliers and then consider what bargaining power (low, medium, or high) they have to be able to influence your profitability. Provide a rationale for each entry.]

| Supplier | Bargaining Power | Rationale | Opportunity / Threat |
|----------|------------------|-----------|----------------------|
| | | | |
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12.1.3 Bargaining Power of Buyers

[This worksheet may be helpful in identifying the bargaining power of your customers. First, list major customers and then consider what bargaining power (low, medium, or high) they have to be able to influence your profitability. Provide a rationale for each entry.]

| Buyer / Customer | Bargaining Power | Rationale | Opportunity / Threat |
|------------------|------------------|-----------|----------------------|
| | | | |
| | | | |
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12.1.4 Competitive Rivalry

[This worksheet may be used to identify and discuss key competitive rivalries. First, list your primary competitors, identify some industry ranking such as market share, profitability, or some other criteria, and then consider how each organization will influence your profitability in the future.]

| Competitor | Industry Ranking | Effect on Future Profitability | Opportunity / Threat |
|------------|------------------|--------------------------------|----------------------|
| | | | |
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[This worksheet may be used to identify and discuss key competitive rivalries. First, list the primary competitors in the industry; identify possible strategic moves they could take, some possible responses from other organizations, and possible outcomes. The idea here is to think through the process of competitive rivalry while looking for threats and opportunities.]

| Organization | Competitive Moves | Possible Responses | Possible Outcomes | Opportunity/ Threat |
|--------------|-------------------|--------------------|-------------------|---------------------|
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|--|--|--|--|--|

[Another worksheet that may be useful is provided here. Consider each major competitor and the business direction (e.g., growth) and assess whether this may be a threat or opportunity to your organization. For example, if a competitor is growing rapidly, this may well be a threat. If a competitor is struggling and they have significant assets, this may present an opportunity to buy or merge with them.]

| Competitor | Business Direction (up, down, steady) | Opportunity / Threat |
|-------------------|--|---------------------------------|
| | | |
| | | |
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12.1.5 Substitute Products

[This worksheet may be helpful in identifying substitute products. First, list your major products and then consider what substitute products, exist or may soon exist, that would influence profitability.]

| Product / Service | Substitute Product / Service | Effect on Future Profitability | Opportunity / Threat |
|--------------------------|-------------------------------------|---------------------------------------|-----------------------------|
| | | | |
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12.2 Threats and Opportunities Worksheet

[This worksheet can be used to summarize identified threats and opportunities in the external environment if desired. Most of this information has been captured before, but if this table summarizes it in a useful manner to identify the top two or three opportunities and threats, go ahead and use it.]

| Environment | Trend / Situation / Criteria / Issue | Opportunity / Threat |
|--------------------------------|--------------------------------------|----------------------|
| Remote Environment | | |
| Social / Cultural | | |
| Political / Legal | | |
| Demographic | | |
| Economic | | |
| Technology | | |
| Physical / Ecological | | |
| Industry Environment | | |
| Competitive Rivalry | | |
| Supplier Power | | |
| Buyer Power | | |
| Barriers-to-entry | | |
| Substitute Products | | |
| Operational Environment | | |
| Competitive Position | | |
| Creditors | | |
| Supplier Relationships | | |
| Customer Profiles | | |
| Labor Market | | |

12.3 Opportunities Worksheet

[This worksheet can be used to select the top two opportunities. First, identify up to three important business criteria and evaluate the possible opportunities against the criteria and then rank the opportunity as high, medium, or low. Then, select the top two opportunities. Examples of criteria are “profitability,” “feasibility,” or “capability” among others.]

| Opportunity | Criterion 1 | Criterion 2 | Criterion 3 | Rank (hi, med, lo) |
|-------------|-------------|-------------|-------------|--------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

12.4 Threats Worksheet

[This worksheet can be used to select the top two threats. First, identify up to three important business criteria and evaluate the possible threats against the criteria and then rank the threat as high, medium, or low. Then, select the top two threats. An example of a criterion is “can our competitors build this product for less?”]

| Threat | Criterion 1 | Criterion 2 | Criterion 3 | Rank (hi, med, lo) |
|--------|-------------|-------------|-------------|--------------------|
| | | | | |
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12.5 Balanced Scorecard Worksheets (optional)

[Four balanced scorecard worksheets are provided below and may be used in developing a balanced scorecard for the organization.]

12.5.1 Financial Perspective

[To succeed financially, how should we appear to our shareholders? Objectives include such things as return on capital invested (ROCE), growth rates, and economic value. Measures include such things as cash or market share. Targets may be based on a percentage increase over last year's actuals. Initiatives are organizational directives such as increase sales staff, develop new products, and expand into new markets as a means of achieving the targets.]

| Objectives | Measures | Targets | Initiatives |
|------------|----------|---------|-------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

12.5.2 Internal Business Process

[To satisfy our shareholders and customers, at which business processes must we excel? Objectives include such things as process improvements, new process development, or outsourcing. Measures may include cost savings, time savings, or a better product or service.]

| Objectives | Measures | Targets | Initiatives |
|------------|----------|---------|-------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

12.5.3 Learning and Growth

[To achieve our vision, how will we sustain our ability to change and improve? Objectives may include things such as employee development or the acquisition of new skills and talents. Employee surveys are one way of measuring improvements.]

| Objectives | Measures | Targets | Initiatives |
|------------|----------|---------|-------------|
| | | | |
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12.5.4 Customer

[To achieve our vision, how should we appear to our customers? Objectives may include more or different customers. Measures may be simple numbers of desired increases.]

| Objectives | Measures | Targets | Initiatives |
|------------|----------|---------|-------------|
| | | | |
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12.6 Current Status Assessment

[This section is **optional unless required** for an information technology plan. The tables below are provided as a means of collecting required information. The IT Inventory information can be used for multiple purposes, including input to an assessment of whether or not this technology represents a strength or weakness compared to the competition; a basis for reviewing upgrades; and so on. For example, the Resource Based View of an organization considers organizational resources and assesses if they are a strength or weakness compared to the competition. Ideally, costs may want to be included; however, for the purposes of this paper, costs are not required.

Note: Some categories are provided in the IT Inventory Worksheet. Expand the table as necessary based on inventory.]

Information Technology Inventory Worksheet

| Asset / Resource | Quantity | Description |
|-------------------------|-----------------|--------------------|
| Hardware | | |
| | | |
| | | |
| Software | | |
| | | |
| | | |
| Applications | | |
| | | |
| | | |
| | | |
| Networking Products | | |
| | | |
| | | |
| | | |
| Databases | | |
| | | |
| | | |

[An IS Organization Inventory Worksheet is provided below. Complete it by listing the primary types of IS staff organizations, skill levels, and responsibilities. A sample list is provided.]

| Staff Type | Skill Level (Hi, med, lo) | Responsibilities |
|------------------------|------------------------------|------------------|
| Technical Support | | |
| Application Developers | | |
| Software Architects | | |
| Systems Integrators | | |
| Security Staff | | |
| | | |
| | | |
| | | |
| | | |
| | | |

12.7 Resource Based View Worksheet

[A resource-based view worksheet is provided below. What makes a resource valuable? The textbook lists some criteria as (a) competitive superiority; (b) resource scarcity; (c) inimitability; (d) appropriability; (e) durability; and (f) substitutability. The process is to identify the key resources of an organization and compare them to the competition using one or more of these criteria and assess as a strength or weakness. Some example resources are listed below. Use only those you need and add those not listed that you need. Delete the rest of the entries. Note SWUN refers to strength, weakness, uncertain, or neutral based on your particular view relative to the competition. Just focus on the top two competitors in the table below. Replace the word “competitor” with the name of your competition in the header. Note: a startup likely has few real strengths.]

| Resource | Criteria | Competitor SWUN | Competitor SWUN |
|--|----------|-----------------|-----------------|
| Tangible Assets | | | |
| Cash | | | |
| Hardware / Equipment | | | |
| Land | | | |
| Buildings | | | |
| Inventory | | | |
| Intangible Assets (Intellectual Capital) | | | |
| <i>Human Capital</i> | | | |
| Technical Skills | | | |
| Business Skills | | | |
| Knowledge | | | |
| Competencies | | | |
| <i>Structural Capital</i> | | | |
| <i>Intellectual Property</i> | | | |
| Patents | | | |
| Copyrights | | | |
| Trademarks | | | |
| <i>Internal Relationship (Infrastructure) Capital</i> | | | |
| Culture / values | | | |
| Business Processes | | | |
| Information systems | | | |
| Networks | | | |
| Databases | | | |
| Reputation | | | |
| <i>External Relationship capital</i> | | | |
| Relationships with customers, suppliers, distributors | | | |
| Licenses | | | |
| Organizational Capability | | | |
| Customer service | | | |
| Financial Analysis | | | |
| Manufacturing capability | | | |
| Marketing | | | |
| Planning | | | |
| R&D / Innovation | | | |

12.8 Value Chain Analysis Worksheet

[A value chain for a generic organization is provided below and is discussed in subsequent paragraphs. List primary and support activities for each component listed below. Provide a narrative description of the value chain and list the key strengths and weaknesses of the organization. Remember, the elements listed in the table below are examples and quite generic. Use your organizations activities and be specific as possible. Optional, the assignment of costs to each activity may help explore strengths and weaknesses.]

| | | | | |
|--|--|--|--|---|
| <u>General administration</u> | | | | |
| Planning, leading, organizing, and controlling. CQI. Finance and accounting. | | | | |
| <u>Human resource management</u> | | | | |
| Recruiting, hiring, training, maintaining, evaluating, and retiring. Security, fire, safety. Package benefits | | | | |
| <u>Research, technology, and systems development</u> | | | | |
| R&D, product research, information systems development and deployment, and technology transfer. Consider product, service, and process innovation. | | | | |
| <u>Procurement</u> | | | | |
| Search, evaluate, select, negotiate prices, contract, procure, surplus, terminate | | | | |
| <u>Inbound Logistics</u> | <u>Operations</u> | <u>Outbound Logistics</u> | <u>Sales and Marketing</u> | <u>Service</u> |
| Collect data Diagnose Inspect Receive Store | Advise Analyze Assemble Bake Build Counsel Consult Coordinate Create Design Develop Educate Integrate Manufacture Package Prescribe | Display Distribute Package Ship | Advertise Collect data Price Place Promote Sell | Assist Install Complaint resolution FAQs Help Maintain Repair Returns Spare parts |

| | | | | |
|--|--------------------------------|--|--|--|
| | Prepare Synthesize Treat | | | |
|--|--------------------------------|--|--|--|

[Additional examples of information technology activities are provided below.]

| | |
|------------------------------------|---|
| IT Support | |
| Purpose | Problem resolution, business continuity |
| Customers | IT user community |
| Sub processes or activities | <ul style="list-style-type: none"> • Technical support (call center) • Field support • Hardware, software, network installation • Data recovery • Training |

| | |
|------------------------------------|---|
| IT Operations | |
| Purpose | Provide access to information and applications |
| Customers | IT user community |
| Sub processes or activities | <ul style="list-style-type: none"> • Operate the data centers • Backup / recovery • Data center / server maintenance • Systems administration • Network administration • Moves and changes • Systems integration • Systems conversion |

| | |
|------------------------------------|--|
| IT Planning | |
| Purpose | Strategic, tactical planning, forecasting |
| Customers | IT user community |
| Sub processes or activities | <ul style="list-style-type: none"> • Strategic planning and formulation • Hardware, software, network planning • Product upgrades |

| | |
|------------------------------------|--|
| IT Development | |
| Purpose | Design, build, and test or procure software |
| Customers | IT user community |
| Sub processes or activities | <ul style="list-style-type: none"> • Systems analysis and design • Determine business requirements • Develop / procure software |

| | |
|--|---|
| | <ul style="list-style-type: none">• Test software |
|--|---|

[Another type of value chain uses technologies instead of activities. This provides another perspective from which to consider strengths and weaknesses. Some examples are provided below.]

| | | | | |
|--|--------------------------|---------------------------|----------------------------|------------------------|
| <u>General administration</u> | | | | |
| <u>Human resource management</u> | | | | |
| <u>Research, technology, and systems development</u> | | | | |
| <u>Procurement</u> | | | | |
| Information technology | | | | |
| <u>Inbound Logistics</u> | <u>Operations</u> | <u>Outbound Logistics</u> | <u>Sales and Marketing</u> | <u>Service</u> |
| Transportation technology | Basic product technology | Transportation technology | Information Technology | Information technology |
| Testing technology | Materials technology | Information Technology | | |
| Storage technology | Packaging technology | | | |
| | Design technology | | | |

12.9 Value Chain Analysis Worksheet

[This worksheet can be used to organize and summarize identified strengths and weaknesses identified within a value chain, compared with primary competitors. Criteria include consistency, reinforcement, synergy, leverage, degree of automation, competitive superiority, cost, cycle time, among others. Activity linkage should include a set of two or more related activities, wherein there is an interface or hand-off from one activity to another. Note: activities are processes. See the Porter article, “What is Strategy?” Limit analysis in this paper to just the top two competitors.]

| | |
|------------------------|--|
| Competitor Name | |
|------------------------|--|

| Activity / Activity Linkage (Fit) | Criteria | Strength / Weakness |
|-----------------------------------|----------|---------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| | |
|------------------------|--|
| Competitor Name | |
|------------------------|--|

| Activity / Activity Linkage (Fit) | Criteria | Strength / Weakness |
|-----------------------------------|----------|---------------------|
| | | |
| | | |
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| | | |

12.10 Strengths Worksheet

[This worksheet can be used to select the top two strengths. First, identify up to three important business criteria and evaluate the possible strengths against the criteria and then rank the strengths as high, medium, or low. Then, select the top two strengths. An example of a criterion is “competitive superiority?”]

| Strengths | Criterion 1 | Criterion 2 | Criterion 3 | Rank (hi, med, lo) |
|-----------|-------------|-------------|-------------|--------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

12.11 Weaknesses Worksheet

[This worksheet can be used to select the top two weaknesses. First, identify up to three important business criteria and evaluate the possible weaknesses against the criteria and then rank the weaknesses as high, medium, or low. Then, select the top two weaknesses. An example of a criterion is “available cash?”]

| Strengths | Criterion 1 | Criterion 2 | Criterion 3 | Rank (hi, med, lo) |
|-----------|-------------|-------------|-------------|--------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

12.12 SWOT Analysis Worksheet

[A SWOT analysis worksheet for the organization is provided below and is discussed in subsequent paragraphs. List the top two items for strengths, weaknesses, opportunities, and threats. Provide a list of strategies in at least one strategy square and discuss details in subsequent paragraphs. Note: Not all squares may be appropriate.]

| | | |
|----------------------------------|--|--|
| | <u>Strengths</u> 1. 2. | <u>Weaknesses</u> 1. 2. |
| <u>Opportunities</u> 1. 2. | <u>SO Strategies *</u> Use strengths to leverage opportunities (This is where you want to be!) | <u>WO Strategies</u> Use opportunities to overcome weaknesses |
| <u>Threats</u> 1. 2. | <u>ST Strategies</u> Use strengths to avoid or overcome threats | <u>WT Strategies</u> Manage weaknesses and avoid threats |

12.13 Technology Road Map (TRM) - Optional

[This worksheet may be useful for those looking to build a technology focus in the strategic plan.]

| | |
|---|---------------------------------------|
| Available Organizational Resources | (key resources in the organization) |
| R&D Programs | (Key ideas in the pipeline) |
| Current and Developable Technologies | (key technologies deployable) |
| Products and Services to Meet Current and Future Business Needs | (what does the market need today) |
| Future Market Requirements | (What will the market need tomorrow?) |

12.14 Strategic Choice Worksheet

[List each combination of opportunities, long-term objectives, and grand strategies. The number of combinations is found by multiplying the number of options in each category. For example, if there are 2 opportunities, 2 long-term objectives, and 3 grand strategies, then there are 12 possible combinations. Review each combination or row for validity, evaluate against the mission statement and resources available to execute it, and keep or discard it. Finally, select or choose the top one for implementation. The **strategic choice** (combination of opportunity, long-term objective, and grand strategy) should be given a name and will be further developed in the project plan worksheet. This is the implementation part of the strategic plan.

Replace “O1” with the name of the first opportunity, “LTO 1” with the name of the first long-term objective, “GS 1” with the name of the first grand strategy and so on.]

| Preferred Opportunity | Long-term Objective | Grand Strategy |
|-----------------------|---------------------|----------------|
| O 1 | LTO 1 | GS 1 |
| O 1 | LTO 1 | GS 2 |
| O 1 | LTO 1 | GS 3 |
| O 1 | LTO 2 | GS 1 |
| O 1 | LTO 2 | GS 2 |
| O 1 | LTO 2 | GS 3 |
| O 2 | LTO 1 | GS 1 |
| O 2 | LTO 1 | GS 2 |
| | | |
| | | |

12.16 Miscellaneous Charts, Graphs, or Illustrations

[Provide additional charts, graphs, or illustrations in this section.]

12.17 References

[Some examples are listed below.]

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12.18 Glossary of Terms

[A glossary of terms referred to in this paper. Format: glossary item, followed by its definition. A Word table is a practical way to structure the glossary.]

| Glossary Item | Definition |
|--------------------------------|---|
| Business Process Reengineering | A method that radically transforms processes through the application of enabling technology to gain dramatic (typically over 50%) improvements in process efficiency, effectiveness, productivity, and quality. |
| Human Capital | HC includes skills, knowledge, education, and competencies within an organization. Source: Stewart. |
| Hypothesis | A tentative statement that proposes a possible explanation to some phenomenon or event. A hypothesis is testable. Source: Cooper & Schindler |
| Intellectual Capital | Knowledge that transforms raw materials and makes them more valuable. Intellectual capital has three basic components: human capital, relationship capital, and structural capital. Source: Stewart. |
| Intellectual Property | IP includes patents, copyrights, designs, and trademarks. Source: Stewart. |
| Opportunity | A favorable change in the environment where potential markets may exist or are emerging. Opportunities are available to any company in the industry. Source: Pearce & Robinson |
| Problem | A performance gap between the actual state and the desired state of a situation. For example, the problem is sales are down 10% over last year and continuing to decline. Problems are generally written as negatives, while issues are stated in positive terms. |
| Process | A set of interrelated activities that transform some inputs to a set of desired outputs. |
| Strategic management | The set of decisions and actions that result in the design and activation of strategies to achieve the objectives of an organization. Source: Pearce & Robinson |
| Strategy | Strategy is creating fit among a company's activities. If there is no fit among activities, there is no distinctive strategy and little sustainability. Source: Michael Porter. |
| Strength | A strength is a resource advantage relative to competitors and the needs of the markets a firm serves or expects to serve. It is a distinctive competence when it gives the firm a comparative advantage in the marketplace. Source: Pearce & Robinson. |

| | |
|----------------------|---|
| Technology | A process, technique, or method – embodied in a product design or in a manufacturing or service process which transforms inputs into outputs of greater value. Source: Clayton Christensen |
| Technological Change | A change in one or more of such inputs or processes that improves the measured levels of performance of a product or process. Source: Clayton Christensen |
| Theory | A set of systematically interrelated concepts, definitions, and propositions that are advanced to explain and predict phenomena or facts. Theories are confirmed over many independent experiments. Source: Cooper & Schindler. |
| Threat | These are adverse changes in the environment, which may represent threats to future business opportunities. Source: Pearce & Robinson. |
| Value proposition | A set of benefits, different from those the competitors offer. Source: Michael Porter |
| Values | Values are the ideals that give significance to our lives that are reflected through the priorities that we choose, and that we act on consistently and repeatedly. Source: Brian Hall. |
| Weakness | A <i>weakness</i> is a limitation or deficiency in one or more resources or competencies relative to competitors that impedes a firm’s effective performance. Source: Pearce & Robinson. |