



اتحاد الاستشاريين من الدول الإسلامية
Federation of Consultants from Islamic Countries

Strategic Planning and Monitoring for Organizational Performance

What is Strategic Planning?

- **A process to help in developing a roadmap to achieve a certain vision/objective/target**
- **A process to establish priorities on what should be accomplished in the future**
- **A process to mobilize the effort of an organization toward a common goal and a single action plan for execution**
- **A process to provide a broad outline on where resources should be allocated**

Vision

Vision Defines the desired or intended future state of an organization or enterprise in terms of its fundamental objective and/or strategic direction.

Values

Values: Beliefs that are shared among the staff / stakeholders of an organization.

Values drive an organization's culture and priorities and provide a framework in which decisions are made.

Example of Values:

"Knowledge and skills are the keys to success"

- "Transparency in Coordination in all the work related activities"



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Tools and Steps for Corporate Strategic Planning

*Strengths, Weaknesses,
Opportunities and
Threats*

SWOT ANALYSIS



SWOT

- ▣ *Indicates the strength and the weak points in the organization*
- ▣ *Clarifies the opportunities and the threats affecting the organization*
- ▣ *Provides the appropriate analytical framework to define strategies to fulfill the vision and goals of the organization.*

SWOT

Should be conducted against a desired situation which is the vision

SWOT

Strength

Weaknesses

Opportunities

Threats

Strengths

- ***Strengths – Those things that you do well, the high value or performance points***
- ***Strengths can be tangible: Loyal customers, efficient distribution channels, very high quality products, excellent financial condition***
- ***Strengths can be intangible: Good leadership, strategic insights, customer intelligence, solid reputation, high skilled workforce***

Weaknesses

- ***Weaknesses – Those things that prevent you from doing what you really need to do since weaknesses are internal, they are within your control***
- ***Weaknesses include: Bad leadership, unskilled workforce, insufficient resources, poor product quality, slow distribution and delivery channels, outdated technologies, lack of planning, . . .***

Opportunities

- ***Opportunities – Potential areas for growth and higher performance***
- ***External in nature – marketplace, unhappy customers with competitor's, better economic conditions, more open trading policies, . .***
- ***Internal opportunities should be classified as Strength's***

Threats

- ***Threats – Challenges confronting the organization, external in nature***
- ***Threats can take a wide range – bad press coverage, shifts in consumer behavior, substitute products, new regulations, . . .***
- ***The more accurate you are in identifying threats, the better position you are for dealing with the “sudden ripples” of change***

Main Questions to Address in a SWOT Analysis

- ▶ *What are the **corporate strengths** that will **support** the vision achievement?*
- ▶ *What are the **weaknesses/defects** that will **hamper** the progress toward the vision achievement*
- ▶ *What are the available **opportunities** that will **support** the vision achievement*
- ▶ *What are the **threats** that will **hamper** the progress toward the vision achievement*

SOR

(Strategic Orientation)

	O1	O2	O3	T1	T2	T3
S1	Which strengths that we can use to grab the opportunities			Which strengths that we can use to avoid the threats		
S2						
S3						
W1	Which weaknesses that reduce the possibilities to grab the opportunities			Which weaknesses that is increasing the effect the threats		
W2						
W3						

Outputs of SOR

- ▶ *The strategic orientations/options are the highest vertical summations of the cells in the matrix*
- ▶ *The horizontal summation of the matrix cells are the actual importance/critical strengths and weaknesses*

Usage of SOR outputs

- ▶ *The vision is the overall objective*
- ▶ *Strategies should be formulated as a specific objectives*
- ▶ *Each of these strategic objectives has its own result(s)*
- ▶ *Each result should be achieved by certain tasks/activities*

The outputs of the SOR are the main elements of a Logical Framework and planning at operational level .

	Intervention Logic	Verifiable Indicators	Means of Verification	Assumptions
Overall Goal				
Specific Objectives				
Expected Results (Outputs)				
Activities		Resources	Cost	Responsibility

Important Measure

Once the strategic plan is formulated , a Monitoring and Evaluation (M&E) Plan is a necessary and critical tool to set in place support the implementation of the strategic process toward the corporate goals and vision achievement

Conceptual framework for an organization M&E system

- ▶ The overall corporate strategic planning falls within the following responsibilities of the CEO and Management staff:
 - Preparation of the corporate strategy
 - Preparation of a 5-year strategic investment plan and annual work plans
 - Monitor, evaluate and report on corporate progress and achievements

Benefit of an M&E system

- ▶ The M&E system support the following key executive function of the CEO and Managers:
 - Achieving the corporate developmental objectives
 - Ensuring a continuous positive cash flow
 - Supporting an efficient operation of the corporate core business units
 - Maximizing the benefits of the corporate services toward the clients
 - Meet financial and non financial reporting obligations toward the company board.

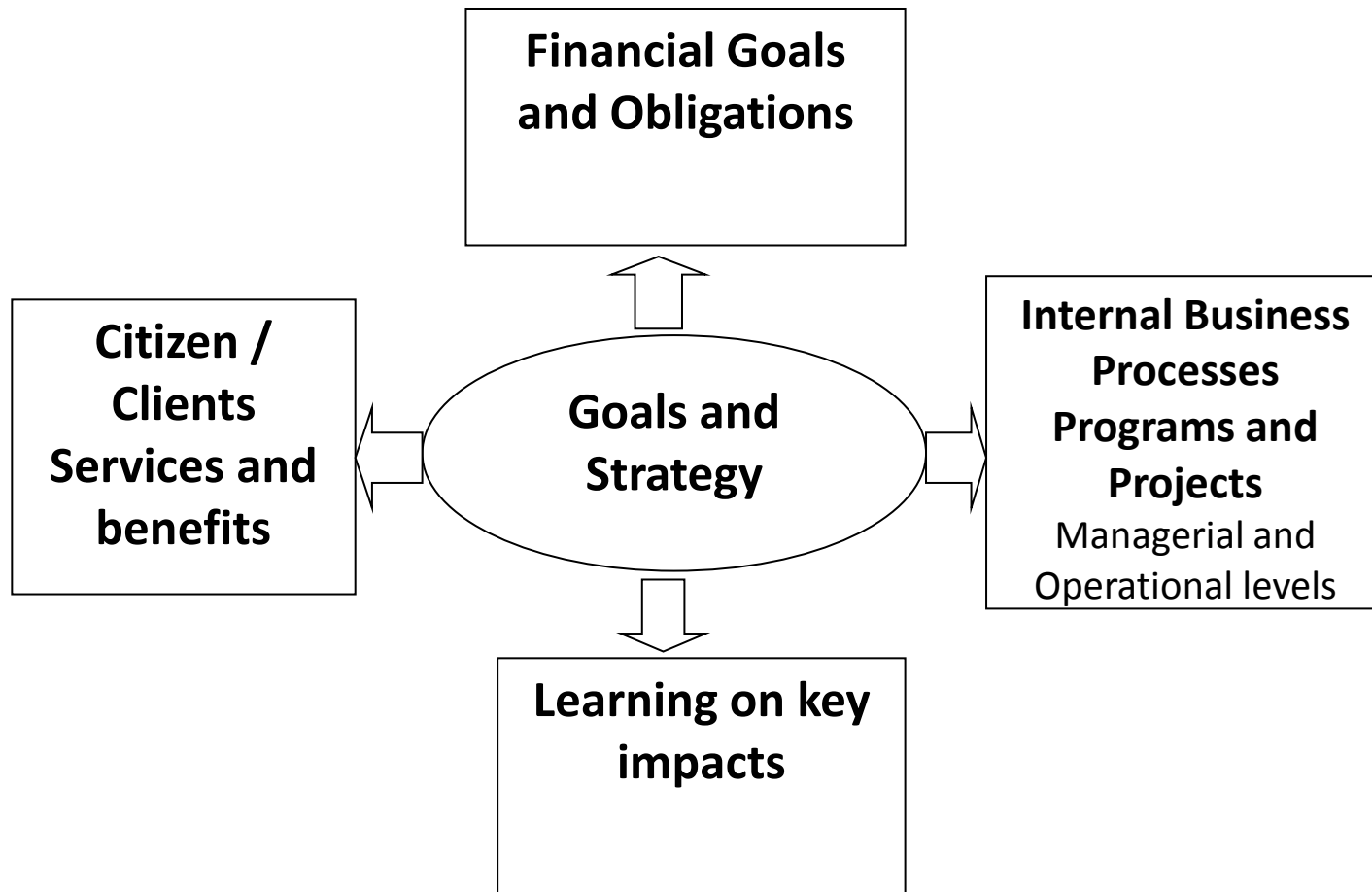
Tools for the M&E of a corporate strategy

- ▶ The “**Balanced Scorecard**” emerged from the need to manage a business organization, it was adapted at a later stage to the strategic planning context of governmental and nongovernmental organizations.
- ▶ The balanced scorecard is a popular tool among profit and non-profit organization to monitor the **implementation** of their **strategy** and ensure **alignment within the organization**.

Tools for the M&E of a corporate strategy

- ▶ The balanced scorecard provides a comprehensive framework that translate the corporate goals and strategy into a **coherent and linked set of performance measures**.
- ▶ The measures of the Balance Scorecard articulate the strategy and help align individual, organizational and cross-departmental activities of a company to achieve a common organizational goal.

Pillars of a Balanced Scorecard Monitoring and Evaluation System



RECOMMENDATIONS

Recommendations

- The development of an M&E System based on the balanced scorecard should take into consideration:
 - Data availability and quality for indicators measurement
 - Data coherence across departments/projects
 - Pertinent reporting at managerial and operational levels
 - Adequate training and awareness of staff to ensure commitment and strategic alignment

Tips for building an information base to support an effective M&E

- ❑ Define the Key information the users need;
- ❑ Key indicators or ratios the users need to monitor the performance of their jobs
- ❑ Include additional information for the users, about organization's performance and achievement of broader goals at different level to maintain a bigger picture;
- ❑ Cluster the information into a minimum number of useful reports to be delivered in relevant timeframe?
- ❑ Ensure flexibility in the definition of indicators to allow critical review and monitor trends in indicators;
- ❑ Determine in a participatory manner the frequency and the depth of the information needed by users/managers

Some good practices for effective Corporate M&E

- ▶ Set time and resources for your annual strategic planning and mid term reviews
- ▶ Show commitment at the highest level for monitoring corporate performance in achieving strategic goals
- ▶ Upgrade IT technology and corporate culture to support effective knowledge management
- ▶ Invest in Human Resources to support and manage the corporate strategic planning and related monitoring processes.