## Strategic Planning A to Z

**Baldrige Performance Excellence Program, Criteria for Performance Excellence**

**Category 2: Strategy**

What is Strategic Planning?

Strategic planning is a process! It is a series of steps designed to create a strategic plan. When executed systematically and effectively, the Strategic Planning process adds tremendous value an organization by providing focus on its vision, goals, and the key requirements of its Stakeholders. The process then guides the creation of a plan that contains the most value-adding change initiatives (action plans) to implement in pursuit of achieving the organization’s goals and meeting the key requirements of its Stakeholders.

Why is Strategic Planning Important?

An effective Strategic Planning process will not only create a strategic plan to support achievement of goals, but it will also manage the execution of the strategic plan and the sustainability of the results anticipated by the implementation of the action plans. Additional benefits of an effective Strategic Planning process include high levels of innovation and Employee engagement.

### How is Strategic Planning Used?

A strategic plan is like a play book for a football team, containing all the plays for the different special teams. Thus, a strategic plan contains the measures and goals (strategic objectives) and the action plans for each department (Approach). Employee engagement is created by deploying the strategic objectives and involving Employees in creating and implementing action plans on the strategic plan. Understanding the plan and how the team will use it to win gets everyone heading in the same direction (Deployment). Based on the results of each game, the team uses its agility to make adjustments to the strategic plan and the Strategic Planning process as they discover new strengths, weaknesses and opportunities (Learning).

Just like a football team has a systematic practice schedule, so too must a company. This is achieved through the creation of a strategic planning calendar. The calendar schedules regular strategic planning meetings (including all departments) and is used to facilitate the Strategic Planning process. The timing of the meetings and the overall Strategic Planning process is coordinated with other processes, such as workforce planning and budgeting, as well as the review of key documents such as the Mission Statement. This coordination ensures integration across the organization (Integration).

### Why not buy a Baldrige Excellence Framework?

In addition to the criteria, the Baldrige Excellence Framework (BPF) also offers a Guide for Improvement and the Process Assessment Guide (PAG). The BPF provides a methodology for implementation. The PAG is a self-assessment guide that is used to assess the organization’s strengths and weaknesses.

### Important Definitions

**Action Plan (AP)** - The individual improvement ideas on the strategic plan that have been extensively analyzed to determine how it will assist in reaching a strategic objective.

**Agility** - The ability to rapidly respond to change by adapting.

**Innovation** - A strategically important idea. A game-changer. Try to direct innovation toward new or existing core competencies.

**Key Requirements** - The most important documented needs that must be met to achieve stakeholder satisfaction.

**Stakeholders** - All groups that are or might be affected by your organization’s actions and success. MidwayUSA’s stakeholders are its Customers, Employees, Suppliers/Partners and Shareholders.

**Strategic Objectives** - The aims or responses that your organization articulates to address major change or improvement, competitive- ness or social issues, and business advantages. Broadly stated, they are what your organization must achieve to remain or become competitive and ensure its long-term sustainability. Strategic objectives set your organization’s longer-term directions and guide resource allocation and redistribution.

**Strategic Plan (SP)** - Contains strategic objectives and action plans and is designed to achieve Operational and Long-Term Goals.

*(Definition from 2019-2020 Baldrige Excellence Framework)*

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### Rolling Strategic Plan (through Q4)*

<table>
<thead>
<tr>
<th>Strategic Objectives</th>
<th>Goal</th>
<th>Actual</th>
<th>Strategic Plan Execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>90-95%</td>
<td>94%</td>
<td>% Complete 20%</td>
</tr>
<tr>
<td>Employee Satisfaction and Engagement</td>
<td>80-85%</td>
<td>84%</td>
<td>% of Goal 100%</td>
</tr>
<tr>
<td>Supplier and Partner Satisfaction</td>
<td>90-95%</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>Shareholder Satisfaction</td>
<td>95-100%</td>
<td>98%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Action Plan</th>
<th>Dept.</th>
<th>Key Stakeholder</th>
<th>Key Requirement</th>
<th>Status</th>
<th>Start Date</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR-Stoner Product Expansion</td>
<td>PD</td>
<td>Shareholders</td>
<td>Grow sales</td>
<td>Not started</td>
<td>8-Jul</td>
<td>15-Dec</td>
</tr>
<tr>
<td>Nitro 3.0 (Jefferson Building Expansion)</td>
<td>LC</td>
<td>Shareholders</td>
<td>Improve productivity</td>
<td>In progress</td>
<td>5-Mar</td>
<td>12-Sep</td>
</tr>
<tr>
<td>Product Promotion System Redesign</td>
<td>MK</td>
<td>Customers</td>
<td>Exciting promotions</td>
<td>In progress</td>
<td>6-Apr</td>
<td>15-Aug</td>
</tr>
<tr>
<td>Shipping Charges and Options (PHI 2.0)</td>
<td>MK</td>
<td>Customers</td>
<td>Low-cost shipping</td>
<td>In progress</td>
<td>2-Mar</td>
<td>25-Sep</td>
</tr>
<tr>
<td>Returns Center on Website</td>
<td>MK</td>
<td>Customers</td>
<td>Easy to do business with</td>
<td>Completed</td>
<td>6-Jan</td>
<td>31-Mar</td>
</tr>
</tbody>
</table>

*Information presented is not real it is for illustration purposes only.

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For more information: www.midwayusa.com

www.baldrige.org

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Strategic Planning Process A-Z

1 Set the Direction Annually
- To ensure guidance to the organization aligned with current business needs and direction.
- Validate Company Culture Statement
- BOD, CEO and President

2 Deploy Strategic Objectives Quarterly
- To engage all Employees in the Strategic Planning process.
- Employees submit ideas for CAPs for SP.
- Employees help identify blind spots.
- CEO, SLT and DLT

3 Develop Ideas On-going
- To identify areas of strong and below goal performance (Company Scorecard) to consider when selecting CAPs to achieve strategic objectives.
- Monthly review of results against goals and comparative data with President, Vice President and DLT.
- Annually, long-term project and historical result trends are reviewed.
- SLT and DLT

A Validate Mission Statement
- To ensure guidance to the organization aligned with current business needs and direction.
- Validate Company Culture Statement
- BOD, CEO and President

B Validate Key Stakeholders
- To ensure key groups with an interest in the organization’s success are represented.
- BOD, CEO and President

C Results & Key Requirement Review (Company Scorecard)
- To identify opportunities to address in SP, actual and projected performance are reviewed against goals.
- Customer, Employee and Supplier/Partner key requirements determined via surveys.
- Company Scorecard reviewed monthly with the CEO and President.
- BOD, CEO, President, SLT

D Validate Shareholder Key Requirements
- To ensure current understanding of key requirements that must be met to achieve the Shareholder requirement.
- Shareholder key requirements provided by Shareholders.
- Shareholder key requirement performance reviewed quarterly in BOD meeting.
- BOD, CEO and President

E Validate Operational Goals
- To ensure goals align with current business needs and direction.
- Future goal performance levels set by CEO and President after survey and comparative data and past performance.
- Goals are to satisfy key Shareholder requirements.
- Goals owned by BOD.
- BOD, CEO and President

F Validate Company Strategies
- To ensure systems, key processes and strategies align with business needs and direction.
- Future goal performance levels set by CEO and President after survey and comparative data and past performance.
- CEO and President

G Validate Work System
- To ensure goals align with current business needs and direction.
- Future goal performance levels set by CEO and President after survey and comparative data and past performance.
- Goals are to satisfy key Shareholder requirements.
- Goals owned by BOD.
- BOD, CEO and President

H Validate Company SWOT Analysis
- To determine areas to address with strategic objectives, the following are validated:
- Strategic advantages (strengths), weaknesses, strategic opportunities, strategic challenges (thematics), core competencies and competitive environment.
- CEO and President

I Validate Long-Term Goals
- To ensure Strategic Planning process focuses on achieving strategically important changes necessary to meet our Stakeholders’ key requirements.
- Long-term strategic planning time horizon is current year (CY) + 2 years through CY + 10 years.
- BOD, CEO and President

J Create Strategic Objectives (Q4)
- To define the initiatives to undertake to remain competitive and achieve current and future goals.
- Major Company Action Plans (CAPs) may be identified.
- Reviewed with the BOD to identify blind spots.
- Quarterly Focus on the Future meetings
- Strategic Objectives owned by BOD.
- BOD, CEO and President

K Deploy the Strategic Objectives
- To engage all Employees in the Strategic Planning process.
- Employees submit ideas for CAPs for SP.
- Employees help identify blind spots.
- CEO, SLT and DLT

L Review Results
- To identify areas of strong and below goal performance (Company Scorecard) to consider when selecting CAPs to achieve strategic objectives.
- Monthly review of results against goals and comparative data with President, Vice President and DLT.
- Annually, long-term project and historical result trends are reviewed.
- SLT and DLT

M Review Work System
- To identify processes with performance that could impact the ability to achieve strategic objectives.
- Performance Improvement System is reviewed for the processes with high occurrence of GOs and CAPs.
- Annual process reviews, QMS and ISO audits, and Almane Blitz projects.
- BOD, CEO, President, SLT

N Review Core Competencies
- To identify key factors to improve Customer Satisfaction, retention and acquisition.
- Customer trends.
- Customer comments and complaints.
- Voice of the Customer process.
- Satisfaction survey results.
- Social media.
- Sales and Marketing teams.
- SLT and DLT

O Review Customer Analysis
- To identify key factors to determine how we will compete.
- To understand competitive advantages and weaknesses.
- Marketing Category analysis, customer satisfaction surveys, customer feedback.
- SLT and DLT

P Review Market Analysis
- To identify key factors to determine how we will compete.
- To understand competitive advantages and weaknesses.
- Marketing Category analysis, customer satisfaction surveys, customer feedback.
- SLT and DLT

Q Review Company SWOT Analysis
- Using factors from steps L-P, the SWOT analysis is reviewed updated monthly to identify strategic advantages (strengths), strategic challenges (weaknesses / threats), and strategic opportunities.
- The SWOT is used to select CAPs to include on the SP to ensure achievement of strategic objectives.
- SLT and DLT

R Buckets List
- Innovative ideas for CAPs are generated by Employees using information from analysis in boxes L-Q.
- Ideas to help achieve strategic objectives, Operational Goals, and Long-term Goals are captured on the Bucket List (part of Performance Improvement System for completion of CAPs and update).
- SLT and DLT

S Select and Analyze Ideas from Bucket List
- To determine the most important ideas to achieve strategic objectives and Operational Goals.
- Ideas on the Bucket List are selected for analysis.
- Analysis of selected ideas must include a complete SWOT Analysis summary, a vision and quantifiable deliverables.
- SLT

T Review Analysis and Select a CAP for Strategic Plan
- To determine if a Bucket List idea should be added to the SP.
- Completed analysis are reviewed.
- New ideas with cost or significant expense are over $10,000 require a CAP.
- New initiatives with Cap. are added to the rolling SP on a quarterly basis.
- SLT

U Integrate Strategic Plan with Financial Planning
- To ensure the impact of CAPs on Budget is identified and incorporated.
- New initiatives with costs or significant expense are over $10,000 require a CAP.
- Budget is approved by the BOD in Q4.
- SLT

V Integrate Strategic Plan with Workforce Planning
- To ensure the resources needed to execute the SP are available.
- Resources capacity is reviewed.
- Staffing plans and training plans are reviewed.
- SLT

W Finalize and Approve Strategic Plan
- To commit to a rolling 12-month SP for execution.
- The next 3 mos. of CAPs to add to the SP finalized by the President/CEO.
- Quarterly BOD reviews previously approved new mos. of CAPS and CAPS in progress to include.
- BOD meeting.
- BOD, President/CEO

X Deploy Strategic Plan
- To deploy all Employees and Shareholders to facilitate engagement and acceptance of the plan.
- The SP is deployed at State of the Business, Department Knowledge Sharing, Department Strategic Meetings, and BOD meetings.
- The SP is deployed to all employees and validated in relation to current market conditions and adjusted as appropriate. (Item 9.2)
- BOD, CEO, BOD

Y Execute the Strategic Plan
- To implement CAPs on the SP.
- The SP is reviewed and validated in relation to current market conditions and adjusted as appropriate. (Item 9.2)
- SLT and DLT

Z Control the Results of Completed CAPs
- To measure effectiveness of CAPs, the results are reviewed and updated continually until deemed sustainable.
- Results for completed CAPs at the control phase are reviewed in the monthly Company Strategic Planning meeting and Department Baldrige meetings.
- SLT and DLT

* SLT/DLT reviews SAP annually for improvements.
Rolling Strategic Plan

Example

BOD Reviews Oct 2019—Jun 2020
BOD Approves Jul-Sep 2020 CAPs
SLT Selects CAPs for Oct-Dec 2020 (Q4)

Q4 2019

Rolling Strategic Plan

Q1 2019

BOD Reviews Jan 2019-Sep 2019
BOD Approves Oct-Dec 2019 CAPs
SLT Selects CAPs for Jan-Mar 2020 (Q1)

BOD Reviews Jul 2019—Mar 2020
BOD Approves Apr-Jun 2020 CAPs
SLT Selects CAPs for Jul-Sep 2020 (Q3)

Q3 2019

BOD Reviews Apr 2019—Dec 2019
BOD Approves Jan-Mar 2020
SLT Selects CAPs Apr-Jun 2020 (Q2)

Q2 2019