

22727C

Strategic Planning

Unit code: H/602/2330

QCF Level 7: BTEC Professional

Credit value: 15

Guided learning hours: 45

Unit aim

This unit provides the learner with an understanding of how to review current organisational management strategies and the skills to develop a strategy plan in an organisational context.

Unit introduction

A Chinese proverb states that if you are planning for one year, grow rice. If you are planning for 20 years, grow trees. If you are planning for centuries, grow men. This unit focuses on how organisations undertake strategic planning and its importance in a fast changing, turbulent marketplace. Learners will understand why it is important to develop a strategic vision and mission, establish objectives and decide on a strategy. Strategy and strategic plans map out where the organisation is headed, its short- and long-range performance targets, and the competitive moves and internal action required to achieve targeted business results. Learners will understand that a well-constructed strategic plan is essential for organisations to cope with industry and competitive conditions.

In this unit, learners will discover how important it is for an organisation to understand what is happening in their external environment and how the environment is changing. This will then enable learners to review an organisation's existing business plans, using appropriate tools and techniques. Having explored the competitive environment, learners will understand how to develop strategic options using modelling tools and then develop a strategic plan, giving due consideration to the core values, vision and mission of the organisation. Learners will then look at planning the implementation of a strategic plan and the creation of monitoring and evaluation systems to measure progress.

Learning outcomes and assessment criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

On completion of this unit a learner should:

Learning outcomes	Assessment criteria
1 Understand the external environment affecting an organisation	1.1 explain the importance of external factors affecting an organisation 1.2 analyse the needs and expectations of stakeholders of an organisation 1.3 analyse the major changes taking place in the external environment that will affect strategy
2 Be able to review existing business plans and strategies of an organisation	2.1 use appropriate tools to analyse the effects of current business plans 2.2 review the position of an organisation in its current market 2.3 evaluate the competitive strengths and weaknesses of an organisation's current business strategies
3 Be able to develop options for strategic planning for an organisation	3.1 use modelling tools to develop strategic options for an organisation 3.2 develop a comparative understanding of activity from organisations in the market 3.3 create options to form the basis of future organisational strategy
4 Be able to construct a strategy plan for an organisation	4.1 propose a suitable structure for a strategy plan that ensures appropriate participation from all stakeholders of an organisation 4.2 develop criteria for reviewing potential options for a strategy plan 4.3 construct an agreed strategy plan that includes resource implications

Learning outcomes	Assessment criteria
<p>5 Be able to examine factors affecting an organisational strategy plan</p>	<p>5.1 compare core organisational values (ethical, cultural, environmental, social and business) with the current business objectives of an organisation</p> <p>5.2 develop appropriate vision and mission statements for an organisation</p> <p>5.3 produce agreed future management objectives for an organisation</p> <p>5.4 develop measures for evaluating a strategy plan</p>
<p>6 Be able to plan for the implementation of a strategy plan</p>	<p>6.1 develop a schedule for implementing a strategy plan in an organisation</p> <p>6.2 create appropriate dissemination processes to gain commitment from stakeholders in an organisation</p> <p>6.3 design monitoring and evaluation systems for the implementation of a strategy plan in an organisation</p>

Unit content

1 **Understand the external environment affecting an organisation**

External environmental factors: needs and expectations of customer groups, shareholders, suppliers and sub-contractors, the workforce and the community as a whole; review the success and direction of competitors and the market sector as a whole; effects of potential longer-term changes – in politics, and legislation, technology, product design, trends and expectations; use of external surveys and statistics; use of appropriate tools; SWOT (strengths, weaknesses, opportunities, threats) analysis, STEEP (social, technological, economic, environmental and political) analysis; market research; primary and secondary information; customer complaints and feedback; feasibility; competitor analysis; customer analysis; market analysis

2 **Be able to review existing business plans and strategies of an organisation**

Business plans and strategies: use of appropriate tools eg value chain analysis, Porter's Five Forces, Boston growth-share (BCG) matrix, SWOT analysis; internal surveys and statistics; product life; strategic drift; market share; measures for monitoring and evaluating; unrealised and emergent strategy; life cycle analysis; effects of globalisation; sustainable competitive advantage; pricing strategies; resources analysis; economies of scale and scope; core skills and competences; organisational culture analysis; market equilibrium; experience curves; comparative analysis

3 **Be able to develop options for strategic planning for an organisation**

Strategic planning: Ansoff matrix strategies; vertical, backwards and forwards integration; horizontal integration; differentiation; cost leadership; Mintzberg's strategies (deliberate, emergent); leadership and differentiation; strategic alliance; merger, acquisition; competitive strategies; value-based strategy; contingency strategy; market niche; market segmentation; adding value; market share; workforce competence development; product portfolio; reconfiguration; gap analysis; profitability; niche markets; present portfolio analysis; benchmarking

4 **Be able to construct a strategy plan for an organisation**

Management strategy: reviewing options; attractiveness to stakeholders; stakeholder participation; criteria for judging options; feasibility studies; risk assessment; reviewing additional recent material; cost-benefit analysis; consistency with organisational values; effects on market position and share; costs and investments; opportunity costs; scenario planning; simulation modelling; sensitivity analysis; balanced scorecard approach; potential globalisation and internet advantages; resources issues eg financial, workforce

5 Be able to examine factors affecting an organisational strategy plan

Vision versus mission: core organisational values eg ethical, cultural, environmental, social and business; growth; profit; customer orientation; workforce expectation; management style

Objectives and measures: SMARTER (specific, measurable, achievable, realistic, time-based, evaluate, reevaluate) objectives; business ethics; raising awareness; promoting good practice; role modelling; stakeholder involvement; managing diversity; spiritual and cultural issues; environmental considerations

6 Be able to plan for the implementation of a strategy plan

Planning: gaining general organisational agreement; communication with stakeholders; organisational development; timetable for implementation; Business Process Re-Engineering (BPR); management by objectives; action planning, performance appraisal; structure and strategic fit; developing policy; communication systems; guidelines; focus and realignment; contingency planning; monitoring and evaluation control systems; dissemination and cascading processes

Essential resources

Access to local organisations will be a valuable resource.

Indicative resource materials

Textbooks

Barney J – *Gaining and Sustaining Competitive Advantage, 4th Edition* (Pearson Education, 2010) ISBN 0132479060

Cusumano M A and Markides C – *Strategic Thinking for the Next Economy* (Jossey-Bass, 2001) ISBN 0787957291

De Wit, B and Meyer R – *Strategy: Process, Content, Context, 3rd Edition* (Cengage Learning EMEA, 2004) ISBN 1861529643

Grant R – *Contemporary Strategy Analysis, 7th Edition* (John Wiley and Sons, 2010) ISBN 0470747099

Gratton L – *Living Strategy: Putting People at the Heart of Corporate Purpose* (Financial Times/Prentice Hall, 2000) ISBN 0273650157

Harrison J S – *Strategic Management of Resources and Relationships: Concepts and Cases* (John Wiley and Sons, 2002) ISBN 0471222925

Johnson G, Scholes K and Whittington R – *Exploring Corporate Strategy, 8th Edition* (Financial Times/Prentice Hall, 2008) ISBN 1408206935

Johnson G and Scholes K – *Exploring Public Sector Strategy* (Financial Times/Prentice Hall, 2000) ISBN 0273646877

Kaplan R and Norton D – *The Strategy-focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment* (Harvard Business School Press, 2000) ISBN 1578512506

Lynch R – *Corporate Strategy, 4th Edition* (Financial Times/Prentice Hall, 2005) ISBN 0273701789

McGee J, Thomas H and Wilson D – *Strategy: Analysis and Practice* (McGraw-Hill Higher Education, 2005) ISBN 0077107055

Mintzberg H – *The Rise and Fall of Strategic Planning* (Financial Times/Prentice Hall, 2000) ISBN 0273650378

Mintzberg H, Ahlstrand B and Lampel J – *Strategy Safari: Your Complete Guide Through the Wilds of Strategic Management, 2nd Edition* (Financial Times/Prentice Hall, 2008) ISBN 0273719580

Pettigrew A M, Thomas H and Whittington R (Eds) – *The Handbook of Strategy and Management* (Sage, 2006) ISBN 141292121X

Stacey R D – *Strategic Management and Organisational Dynamics, 6th Edition* (Financial Times/Prentice Hall, 2010) ISBN 0273725599

Journals

Academy of Management Journal (Academy of Management)

British Journal of Management (John Wiley and Sons)

California Management Review (University of California, Berkeley)

European Management Journal (Elsevier)

Harvard Business Review (Harvard Business Publishing)

Journal of Business Strategy (Emerald)

Journal of Management Studies (John Wiley and Sons)

Long Range Planning (Elsevier)

MIT Sloan Management Review (Massachusetts Institute of Technology)

Strategic Change (John Wiley and Sons)

Strategy and Leadership (Emerald)

Websites

www.ft.com

Financial Times

www.managers.org.uk

Chartered Management Institute

www.sps.org.uk

Strategic Planning Society