



# Organizational Strategy & Planning

---

Strategic HR

Hire ❖ Develop ❖ Retain

## Organizational Strategy

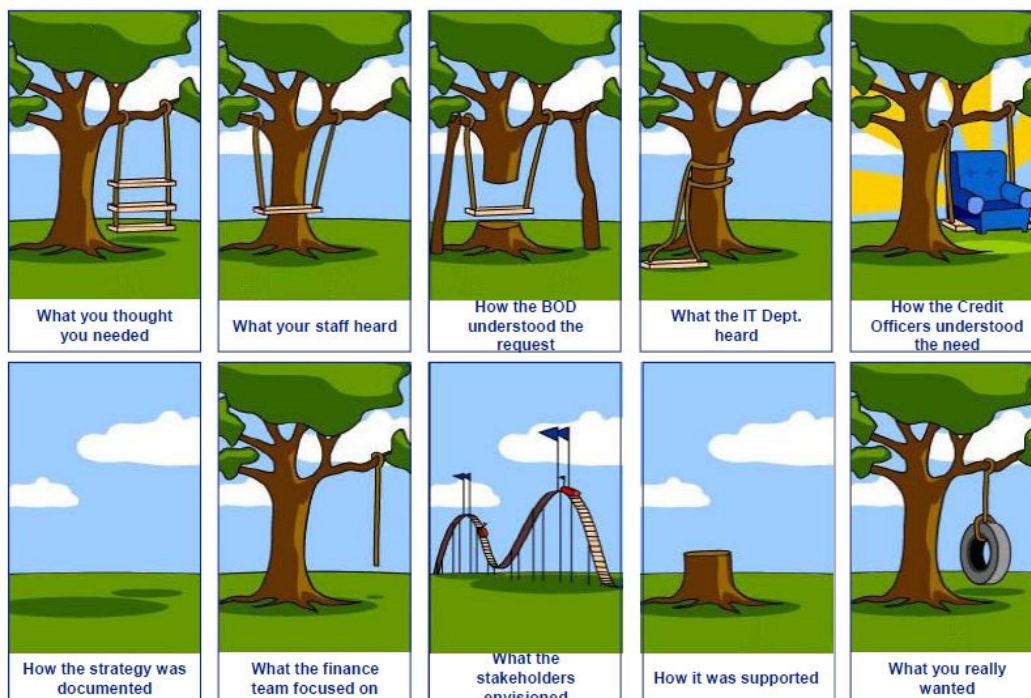
Organizational strategy is the sum of the actions a company intends to achieve over a long period of time. Creating an effective strategy requires involvement at all levels of the organization from the CEO to the staff working on the production floor or call center. The end result of strategy is the Strategic Plan.

## The Strategic Planning Process

A strategic planning process is important for a number of reasons:

- Establishes consensus for organizational vision and values
- Identifies opportunities and challenges
- Serves as the filter for all business decisions
- Develops measurable goals and a framework for midstream adjustments
- Helps companies become more proactive vs reactive
- Promotes ownership and accountability
- Provides context for performance

Organizational strategy provides focus:



How the strategic plan flows through the organization.



# The 5 Elements of Strategic Planning

## Element 1: Benchmarking & SWOT

Assessing historical performance as a baseline for goal-setting

Conducting an environmental scan (SWOT) analysis

## Element 2: Vision, Mission & Values

Understanding why the business exists and what its core principles are

## Element 3: Strategy Development

Developing strategies that tie to the mission, vision, and values

## Element 4: SMART Goals

Establish specific, measurable, and actionable goals that support the strategy

## Element 5: Performance Management

Measure progress and success related to goals

### **Element 1 (Part A): Benchmarking**

Benchmarking sets the standard for the business by comparing the business to prior performance and/or other businesses.

Past financial plans vs actual results

Past revenue vs actual results

Industry average revenue vs company performance

Competitor performance (revenue/financial) vs company performance

### **Element 1 (Part B): SWOT Analysis**

A SWOT Analysis is used to identify internal and external factors affecting the company's strategic direction.

Strengths – Internal

Weaknesses – Internal

Opportunities – External

Threats - External



## SWOT Analysis

Internal

<b>S</b> trengths	<b>W</b> eaknesses
<b>O</b> pportunities	<b>T</b> hreats

External



## Element 2: Mission, Vision & Values

Consensus on the guiding mission, vision, and values of the company is foundation to successful strategic planning.

The Mission Statement...

- Defines the organization's purpose.
- Tells why the organization exists.
- Tells what the organization hopes to achieve in the future.
- Resonates with employees and focuses energy.
- Shapes organizational culture and values.
- Adds focus, direction and a sense of purpose to daily decisions.

Example of a mission statement – Airbnb:

“Airbnb's mission is to help create a world where you can belong anywhere and where people can live in a place, instead of just traveling to it.”

The Vision statement...

- Defines the organization's future
- Is a source of inspiration and motivation
- Describes how the organization hopes to effect change
- Articulates the dreams and hopes of the organization

Example of a vision statement – Airbnb:

“Belong Anywhere”

The Values statement...

- Defines the organization's core beliefs
- Communicates the organization's priorities to staff and customers
- Explains how the organization will behave
- Shapes the organization's culture

Example of values statement – Airbnb:

- Champion the Mission
- Be a Host
- Simplify
- Every Frame Matters
- Be a Cereal Entrepreneur
- Embrace the adventure



Airbnb, Inc. is a privately held global company headquartered in San Francisco that operates an online marketplace and hospitality service which is accessible via its websites and mobile apps. Members can use the service to arrange or offer lodging, primarily homestays, or tourism experiences. The company does not own any of the real estate listings, nor does it host events; as a broker, it receives commissions from every booking.

What is your company's mission?

What is your company's vision?

What are your company's values?



### Element 3: Strategy Development

Strategy development is the linear response to the organization's current position (benchmarking) and foundational principles (mission, vision, and values).

This is where the SWOT analysis is reviewed and company leaders determine

- Identifies what is important

- Sets priorities

- Defines what must be achieved and sets high level objectives

- Determines who is accountable

### Element 4: Establishing SMART Goals

The SMART goal methodology is used to establish reasonable goals with measurable outputs that tie to desired outcomes. SMART goals are:

- Specific:** The goal should be detailed and action-oriented

- Measurable:** Consider how success will be measured in order to determine if the goal was achieved or not.

- Achievable:** Strike a balance between challenging the organization and being realistic.

- Relevant:** Evaluate the relationship between the goal and the “big picture”

- Time-Bound:** Set dates for deliverables, action items, and milestones – both short and long term

Write three SMART goals for yourself (they can be work-related or personal). Make sure your goals meet all of the criteria!

Goal 1:

Goal 2:

Goal 3:





## **Element 5: Performance Management**

Implementing strategic objectives requires communication, accountability and a commitment to consistent performance evaluation.

### 1. Communicate

- The strategic plan should be formally adopted by the board (if applicable)
- The plan should be communicated to senior managers and staff
- Performance-to-plan should be a regular line item on executive meetings

### 2. Accountability

- The plan should include specific:
  - Action items
  - Deliverables
  - Senior management or directors accountable for specific goals

### 3. Performance Evaluation

- Performance-to-plan should be part of every management and board meeting agenda
- Corrective action should be taken where deliverables and/or timelines are not being met



## Case Study – Electronics Inc.

Electronics Inc is a \$30M privately held company started ten years ago by Larry, Joe, and Nancy. The company is in the business of making custom electronic controls and has grown significantly over the years. The management team consists of:

Larry, CEO (responsible for engineering and product development)

Joe, VP of Sales & Marketing

Nancy, VP of Finance

Rachel, VP of Human Resources

Rick, VP of Operations (includes manufacturing and supply chain)

The company's mission is: "To provide affordable custom controls that meet or exceed our customer's expectations."

The company's vision is: "To be the preferred provider to our customers and the best workplace for our employees."

Values: "We live by five core values that apply to everyone we deal with including employees, customers, and vendors:

We trust each other

We respect each other

We help each other

We care for each other

We maintain the highest level of integrity at all times"

Scenario: The executive team recently held their annual Strategic Planning session. After a careful SWOT analysis and review of the business, the team has set the following strategic goals for the upcoming year:

1. Increase sales by 10%
2. Increase profits by 10%
3. Enter the restaurant equipment industry by acquiring one customer



Identify 1 department initiative and set one SMART goal for each leader of the leaders below based on the strategic goals set for the next year.

Larry, CEO:

Joe, VP of Sales & Marketing:

Nancy, VP of Finance:

Rachel, VP of Human Resources

Rick, VP of Operations



## HR's Role in Strategic Planning

HR increases an organization's ability to obtain its strategic goals by aligning HR initiatives with the organization's direction. This can include:

- Acquiring talent with the knowledge, skills, and abilities (KSAs) needed to achieve corporate goals
- Creating training & development programs to address current and future gaps in KSAs
- Ensuring there is an adequate pipeline of talent available when needed
- Developing a compensation strategy that attracts and retains the desired talent
- Developing communication strategies that connect all levels of the organization and provides a forum for efficient communication to take place
- Evaluating ways to control/reduce costs
- Staying on top of technology to ensure HR systems are efficient, user-friendly, and cost effective
- Monitoring people-related metrics/analytics so pro-active steps can be taken to adjust when needed
- Staying on top of staff morale through employee satisfaction surveys and leading initiatives for improvements where needed
- Developing succession plans for key positions to ensure the company is prepared for any unexpected departures
- Working with managers to create effective and meaningful performance management systems



**What are other ways HR can support an organization's strategic goals?**

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.



**Case Study – Electronics Inc**

Going back to our case study – Electronics Inc.....identify 3 additional initiatives HR can undertake to ensure the company meets its newly generated strategic goals.

1.

2.

3.



## Goals for Change:

**List 3 things you learned today that will help you become more effective in your role:**

1.

2.

3.

List 2 things you will do differently back at work:

1.

2.

List one 1 thin you will commit to change in the next month:

1.



**Notes:**





## Notes:



**Corporate Membership**

**Compensation**

**Compliance**

**Background Screening**

**Recruiting & Talent Acquisition**

**HR Consulting**

**Training**

**Leadership Development**



**Missouri**

12851 Manchester Road  
Suite 150  
St. Louis, MO 63131

**Indiana**

450 E. 96th Street  
Suite 500  
Indianapolis, IN 46240

**Florida**

43 Skyline Drive  
Suite 1001  
Lake Mary, FL 32746

**Illinois**

300 Hamilton Blvd  
Suite L110  
Peoria, IL 61602