

Chapter 2: Strategic Planning—Mission and Values

Overview

This chapter discusses planning from many angles. Since planning is such an important part of any business operation, it is important that all administrative assistants understand the process. They will most likely be involved at many levels. Based on their varied experiences, students may be able to provide examples in all areas of planning

Lecture Notes

A. Strategic Planning

This is the core of any effective organizational planning process. It establishes goals that are accepted by the entire organization; these goals direct the organization.

1. **Types of Planning** may vary; however, they all stem from strategic planning.
 - a. Strategic planning is the formal process of planning to fit the mission and values of the organization; it is done by upper-level management.
 - b. Tactical planning is used for intermediate plans to help achieve the broad objectives in a strategic plan; it is the responsibility of middle-level managers.
 - c. Operational planning includes specific plans to conduct day-to-day activities; these plans are implemented by the first-line managers.
 - d. Contingency planning is done to help an organization cope with unforeseen events.
2. **Strategic Planning Process** is structured to involve every level of an organization; it may also include outside consultants to gather information from all stakeholders.
 - a. First step is to clarify or validate a vision and mission of the organization. Next should be the determination of strategies.
 - b. The mission is the broad objective of the organization or the purpose of its existence. The mission is determined by the senior management, but it must be understood by all of management.
 - c. Strategy describes the plan to achieve the specific objective(s). There are three levels of strategy:
 - Corporate-level strategy involves the entire organization; it guides new ventures and distribution of financial resources
 - Business-level strategy involves an independent business unit (division) of a larger company
 - Functional strategy includes goals, objectives, and mission of departments within a business; this is the point where businesses maintain their competitive edge
3. **Data Collection and Analysis** are crucial in the strategic planning process.
 - a. SWOT analysis stands for Strengths, Weaknesses, Opportunities, Threats. The system scans the environment to understand factors that affect the strategy. Every aspect of the business is included.
 - b. Internal and external audits use similar analysis from inside and outside

- Internal audit reviews the mission and success related to it
 - External audit addresses economic, social, political, technological, and competitive forces faced by a business
- c. GAP analysis analyzes the gap between the organization and broader business environment. It might be used to analyze customer service or communication within the organization.
 - d. Other analyses come from collecting information from other sources, including government, business associations, and research.
 - e. Current trends influencing strategic planning are the broadest social, economic, and technological trends; they change and evolve at their own pace. Currently, the strongest factors include
 - Globalization of the marketplace
 - Technology innovation
 - Security
 - Employment

B. Managing the Strategic Plan

Once the mission and objectives are in place, an action plan can be developed.

1. **Objectives** are established for all activities that are necessary to achieve mission. The word “objective” refers to the end results an organization looks for to attain its mission.
 - a. Multiple objectives are set, but they must be compatible with one another.
 - b. Short-term, intermediate, and long-term objectives are established. Usually the long-term plan is broken down into the intermediate and short-term plans.
 - c. Necessary objectives as identified by Peter Drucker include:
 - Market standing
 - Innovation
 - Profitability
 - Productivity
 - Physical and financial resources
 - Managerial performance and development
 - Worker performance and attitude
 - Public responsibility
2. **Action Guidelines** include how the work is to be performed once the objectives are clear; guidelines are developed into policies, procedures, and rules.
 - a. Policies are general statements created by organizational management and communicated to other managers and supervisors so that they make consistent decisions. Procedures specify behaviors for managers to follow in certain situations.
 - b. Policy focuses on a wide range of actions or decisions.

- c. A procedure is a consistent set of steps to be followed in performing a specific action or task.
 - d. A rule states exactly what is to be done; it allows for no deviation. Rules are used most in matters of health and safety.
3. **Duration of Plans** varies depending on the type of plan.
- a. Strategic plans are long range; they include review and adjustment as time passes and changes are made.
 - b. Tactical plans are shorter; they are more specific and objective. The plan lasts only as long as a specific objective requires.
 - c. Operational plans last as long as the activity—maybe a few hours, a few days, or even an annual cycle.
 - d. Contingency plans assist in special situations; evaluation and feedback are used to make any changes.
4. **Types of Plans** are determined on how often they are used.
- a. Standing-use plans guide regular activity; they may be in the form of procedures, calendars, or report cycles.
 - b. Single-use plans cover a specific activity.
5. **Evaluation of Plans** is based on measurable objectives; they determine the level of success.
- a. Determining success comes from the degree to which an objective was reached—quality or percent change.
 - b. Making adjustments should be based on factors of the plan; however, strategic plans should be adjusted when trends are expected to change.

C. Communicating Mission and Values

Communicating is the process of sharing ideas in a way that others will understand and be able to use the transmitted information; it has improved with changes in technology. This process links all managerial functions.

1. **The Managerial Role in Communicating Mission and Values** includes creating policy statements to convert mission statements into action. This is crucial for guiding change and maintaining focus on the organization's mission and values.
 - a. Control interaction by specifying how management and employees will work together within the organization's structure in specific situations.
 - b. Clarify policy with associated procedure. The procedures must be carefully developed and articulated.
 - c. Policy coverage cannot be expanded to all situations; it is meant to be guidelines for when intent is to be considered.
2. **Policies and Procedures Guide Communication** by providing clear guidelines to employees. They address relationships with the public as well as the organization's relationship with the employee. As long as they are

properly communicated, they will standardize the practices of the organization.

- a. Formal vs. informal policies and procedures are handled differently. Formal policies should be written, and therefore developed very carefully. Written policy helps new supervisors learn more quickly.
 - b. Standardization of practice is attained by implementing consistent policies and procedures. That makes it easier for employees to take direction from more than one supervisor over time.
 - c. Public and employee relations are also affected by policies. They help the organization be responsive to the needs of customers or clients and increase morale among employees.
 - d. Support of formal authority system is promoted by communicating the expectations of the organization.
3. **Management by Objective** is a popular management approach. It is a systematic approach to planning and controlling activities through superior-subordinate collaboration.
- a. Mutual setting of objectives is done as the employee and supervisor work on them together until both sides understand and agree on them. Objectives must be specific and measurable.
 - b. Measurable objectives are not always easy to create; sometimes indirect activities are measured in more qualitative areas.
 - c. Regular monitoring and performance evaluation is done to determine if the system is working or maybe needs revision.
 - d. Effectiveness of MBO is based on the use of participation in goal-setting and timely feedback on performance. Problems or limitations come from
 - A time-consuming process
 - Top management support and involvement
 - Short-term objectives are the focus
 - Motivation is not there for everyone
 - Manager's reluctance
 - Work team and corporate goals need attention
4. **Ethics** refers to the standards of right and wrong behavior that guide people; common ethical principles refer to honesty, fairness, respect for others, nonviolence, and helpfulness.
- a. Corporate social responsibility is lacking in recent years because of scandals like Enron. Knowing your own personal values agree with those of the organization and coworkers is key for success in this area.
 - b. Stakeholders deserve ethical responsibility. Externally, that includes stockholders, the community, and society as a whole. Internally, it refers to the employees of the organization.

Additional Resources for Students

Recommended readings (no texts should be more than two years old):

- Bateman, Thomas S. and Scott A. Snell. Management: *Building Competitive Advantages*. Irwin/McGraw Hill.
- David, Fred R. *Strategic Management: Concepts & Cases*. Prentice-Hall.
- Dessler, Gary. *Essentials of Management*. Prentice-Hall.
- Griffin, Ricky W. *Management*. Houghton Mifflin.
- Hersey, Paul, Kenneth H. Blanchard, and Dewey E. Johnson. *Management of Organizational Behavior*. Prentice-Hall.
- Robbins, Stephen P. *Organizational Behavior*. Prentice-Hall.
- Robbins, Stephen and Mary Coulter. *Management*. Prentice-Hall.
- Stoner, James, R. Edward Freeman, and Daniel R. Gilbert, Jr. *Management*. Prentice-Hall.

Current issues of periodicals or business publications are also an excellent resource. Some of the following periodicals have an accompanying Web site.

Current Periodical	Web Address
<i>BusinessWeek</i>	http://www.businessweek.com
<i>Fortune</i>	http://www.fortune.com
<i>IAAP Complete Office Handbook</i>	http://www.iaap-hq.org/products/handbook.htm
<i>Modern Office Technology</i>	
<i>OfficePro</i>	http://www.iaap-hq.org/officepro/toc.htm
<i>The Office</i>	