

ORGANISATIONAL STRATEGY 2

STAGE THREE: STRATEGY – HOW DO WE GET THERE?

In order to achieve the objectives set at stage two, you need to details the actions to be taken at the corporate level. This stage of the planning process is designed to provide a high level plan that answers the question: **“How do we get there”**? It builds on the information developed in the first two stages of the cycle to provide an overview of:

- How your organisation will **position itself in the market** and compete against the competitors
- The **direction your organisation will go in the future**.
- The **methods it will use to achieve its objectives**.

The answers to the above questions will depend on the conclusions of the first two stages. For example, if stage one highlighted there was an opportunity to increase sales in a new market by adapting an existing product and a stage two objective was to increase turnover, then the most effective strategy would be to differentiate the organisation through product development and grow using existing competencies.

STAGE FOUR: TACTICAL PLANS – WHAT DO WE NEED TO DO TO GET THERE?

Whilst the strategy stage defines high level activity, the tactical plan stage focuses on the actions that need to be taken by each department, or function, within the organisation. Each tactical plan needs to address the question: **“What do we need to do to get there”**. The plans will typically have a shorter timeframe than the organisational strategy and be focused on the objectives that are related to their department rather than all of the objectives. They will include information on:

- The budget that is available to support the required actions
- The departmental objectives that have been created to support the corporate objectives
- The steps that need to be taken to deliver the necessary outputs. For example, a marketing plan would have information on market research, pricing policies and routes to market.

STAGE FIVE: ACTION – WHO IS GOING TO DO THE WORK?

Now that you have determined what you want your organisation to achieve in the future, and the actions that need to be taken to achieve those objectives, you need to decide which resources you will use to complete the work. You are, essentially, asking **“Who will do the work and when”**.

This stage of the planning cycle focuses on resource plans, project timelines and budgets. It will:

- Identify the individuals that will be responsible for delivering the tactical plans and the accountability they have for the results
- Highlight the processes that will be used to support the strategy including managing risk and reporting lines
- Detail the timeline, or sequence, of actions that need to be taken to deliver the strategy and tactical plans
- The budget that is available to procure additional resources

Also included in this stage will be an overview of any external organisations that may be needed to deliver some or all of the actions.

STAGE SIX: CONTROL – HOW WILL WE KNOW WHEN WE HAVE ARRIVED?

To ensure the plan you have developed achieves the objectives that were set in stage two of the planning process, it is vital that you continuously monitor the plan's performance throughout its duration.

The aim of this stage of the planning cycle is to determine whether you have achieved the objectives you set during stage two. It asks the question: **“How will we know that we have arrived”**.

To understand how well the strategy is performing, you need to analyse the results you have achieved, at pre-determined points throughout the plan, by comparing them to the outcomes you expected to achieve.

The control measures you use will depend on the objectives you have set but could include:

- Increases in turnover and profitability over the past quarter
- Return on investment for individual product groups
- Customer acquisition and retention rates by sector.

The results of your analysis should be used to indicate areas of activity that are underperforming and need to improvement, highlight best practices that could be used in other areas of the organisation and to inform future strategies.

THE END RESULT

Once you have completed each of the above stages, you will have a strategy that is suited to the environment you operate in, is accepted by your stakeholders (individuals who have an interested in your organisation, including employees and shareholders) and is capable of being delivered using the available resources.