



Glossary of Strategic Planning Terms

The following list includes many of the most common terms used in strategic planning. Many planners might have a different interpretation of a particular term, especially if they primary use one model of strategic planning. The most important requirement around the use of strategic planning terms and concepts is that the facilitator and planners share common interpretations, at least during the planning process. Therefore, the facilitator and planners should discuss the most often used terms before they use them in planning. A good starting point for this useful discussion is to conduct a brief training about strategic planning before the planning process gets underway. Usually the facilitator can guide this training. Perhaps the most useful role of a definition is to provide the facilitator and planners a common point of reference around which to select their own interpretations.

Action plan

The action plan lists the specific actions that must be taken, by whom and by when in order to achieve an overall goal or implement a strategy. Some people include the costs of each action in the action plans, resulting in budget information being included in the action plans, as well. Action plans together are sometimes referred to as the Implementation Plan.
(See Operational Plan)

Alignment model of strategic planning

Focuses especially on aligning internal operations to most effectively and efficiently work toward the mission of the organization.

Board of Directors

A Board is the group of people who are legally charged to oversee the operations of a corporation, whether for-profit or nonprofit.

Business Plan

Is focused on the development and delivery of a certain product or service and includes, for example, description, groups of customer(s) services, market(s), competitors, collaborators, pricing strategies, and advertising and promotions.

Chief Executive Officer (CEO)

The Chief Executive Officer reports to the Board of Directors, and is the staff position to whom all other staff (non-Board members) report. Some organizations include the CEO as a member of the Board.

Clients

Clients are the people who directly receive the benefits from the services of an organization. Nonprofits often refer to customers as clients. They might include, for example, attendees to an art show, members of an association, citizens attending a civic event, grantees of a foundation, patients in a hospital, members of a congregation, students in a school, participants in social service programs or patrons to a library. Primary clients are the people who directly benefit from the services of the organization. Secondary, or supporting, clients are people who indirectly benefit from the services.

Communications Plan

Specification of which information from the Strategic Plan will be communicated to which stakeholder groups, who will do that communication and by when.

Competitor Analysis

An organization's activities to examine its competitors to understand how their actions might affect the organization, and how the organization should best position itself to compete. For example, identify each competitor's products and their markets and their benefits to each market. Consider their strategies for pricing and promotions. Consider the strengths and weaknesses of each competitor's organization. Then compare those competitors to the organization to decide how best to position the organization against the competitors.

Conventional model strategic planning

This form of strategic planning places heavy emphasis on identifying mission, vision, values, external and internal analysis, specific strategies and/or goals, associated action plans, financial plans, documentation and implementation – usually in that order. Conventional strategic planning is in contrast to issues-based, real-time, alignment and organic models of strategic planning.

Core competence

An organization's unique capability that would be greatly appreciated by customers and would be difficult for competitors to quickly duplicate.

Critical success factor(s)

An activity that is critical to undertake if other activities are to be successful. For example, a new product cannot be made available to a certain market unless the product was already developed. The factors can be scoped to working toward the mission of the organization or accomplishing a major strategy or goal in the Strategic Plan.

Customer Analysis

An organization's activities to assess competitors to understand how their actions might affect the organization, and how the organization should best position itself to compete. For example, it could include identifying each competitor's products and their markets and their benefits to each market. It could include considering their strategies for pricing and promotions. It could include considering the strengths and weaknesses of each competitor's organization. Then the organization decides how best to position the organization against the competitors.

Driving forces

These are various, major influences, usually external to the organization, that should be considered when conducting an external analysis, especially environmental scan activity. There are numerous driving forces, and are usually organized into categories, including political, economic, societal, technological and environmental.

Environmental scan

(See External analysis)

External analysis

This form of analysis includes examining the opportunities and threats that might affect the organization, often by using various assessment tools to assess, for example, various

potential changes to driving forces, stakeholders, competitors and collaborators. External factors are those outside the control of the organization. The external analysis and internal analysis comprise the situational analysis. The external analysis, especially analysis of various driving forces, is sometimes called the environmental scan.

Facilitator

The facilitator is the person responsible to guide and support planners through the planning process. The role can include a wide variety of activities and styles of facilitation, depending on the culture of the organization and the preferences of planners.

Financial Plan

Specifies the financial resources needed to operate the organization during one or more years of the span of the Strategic Plan, and should include financial resources necessary to address each of the strategic priorities in the Strategic Plan. Often referred to as the Annual Budget or Operating Budget.

Goals (strategic)

A goal is a specific accomplishment to be achieved at some point in the future. Planners often distinguish between several types of goals in the strategic planning process.

In nonprofits, an outcomes goal is in regard to accomplishments of clients who participate in a particular program. Outcomes are changes in knowledge, skills and/or conditions for the clients.

An activities goal is in contrast to an outcomes goal and is in regard to actions to be accomplished by the organization.

An organization-wide goal is an overall accomplishment in regard to actions across the organization and often involves more than one program.

A product or program goal is an overall accomplishment in regard to actions in a specific product or program. The goal can be an activities goal or outcomes goal.

Governance

This term refers to the nature of the activities conducted by the Board of Directors, including clarifying the overall purpose of the organization; optionally the vision and/or values of the organization; establishing broad policies and plans for how the organization operates to that purpose; and monitoring the implementation of those policies and plans.

Implementation Plan

The set of activities to increase the likelihood that a Strategic Plan will be implemented, and can include all of the action plans (they specify accountabilities for implementation).

Internal analysis

This includes examining the strengths and weaknesses of the organization, often by using various assessment tools to examine the quality of internal aspects of the organization, for example, the Board, strategic planning, product and/or program planning, financial management, fundraising (in nonprofits), human resources management and evaluations. Internal factors are generally those considered to be under the control of the organization. The external analysis and internal analysis comprise the situational analysis.

Issues (strategic)

Strategic issues are very important challenges that the organization must face, often in the

forms of weaknesses of the organization and pending threats to the organization. Identification of strategic issues often results from external and internal analyses, which, together, comprise the situational analysis.

Issues-based model of strategic planning

This form of strategic planning places heavy emphasis on identifying overall issues, or priorities, that the organization must address in its strategic planning. Issues-based strategic planning is in contrast to the conventional, real-time, alignment and organic models of strategic planning.

Mission (statement)

The mission statement describes the overall purpose of the organization. The statement can vary widely in terms of content and scope. For example, some planners refer to the vision and/or values statements as part of the mission statement as well.

Nonprofit

A nonprofit organization exists primarily to meet a community need. There are various types of nonprofits, for example, informal, chartered, tax-exempt and charitable.

Operating plan (annual plan)

(See Operational Plan)

Operational

Operational activities are focused on the day-to-day, or short-term, activities. This is in contrast to strategic matters. In reality, the continuum between strategic and operational can become quite blurred.

(See Strategic)

Operational Plan

The operating plan is usually focused on the action plans over a one-year period.

Organic model of strategic planning

This model of strategic planning is especially useful when working to achieve a very long-term vision and with highly diverse people involved. It can include heavy emphasis on meeting regularly with stakeholders to establish mission, vision and/or values and then identifying short-term actions that can be taken in order over a long period of time to the mission, vision and/or values.

Outcomes (results)

Outcomes are changes in clients that result from participating in a nonprofit program. Outcomes can be short-term (usually changes in knowledge), intermediate (changes in skills) and long-term (changes in conditions). Outcomes are the real results that nonprofits aim to accomplish and that the community expects from their nonprofits.

Planners

These are members of the organization who are directly involved in conducting the strategic planning process. Occasionally, planners include others outside of the organization, such as funders, community leaders and program experts. Facilitators help the planners to develop and follow their own planning process.

Planning Committee (Strategic Planning Committee)

The Committee is a group of people who work together to ensure a high-quality strategic

planning process, for example, to select the best model of planning, select the facilitator and make sure that planners are producing useful results. The Committee is not responsible for producing content to put in the Plan.

Positioning statement

Is a clear and concise description of the market(s) that the organization serves and how it wants the market(s) to perceive the organization. There can be a positioning statement for the entire organization or for each product, program or service.

Priority (strategic)

The generic term sometimes used to refer to a major activity that should be undertaken as a result of the strategic analysis, for example, a strategy, goal or issue.

Program (nonprofit)

A program is a set of highly related products and/or services provided by a nonprofit in order to meet certain common needs among certain groups of clients. Nonprofits usually provide major services in the form of programs.

Program Plan

Focuses on the development and delivery of a certain program, usually in a nonprofit, and includes, for example, description, group(s) of clients served, competitors, collaborators, pricing strategies, and advertising and promotions activities.

Real-time model of strategic planning

Includes frequent analysis of external and internal environments, and subsequent strategic priorities. Is most useful for organizations in which the one or both environments are rapidly changing.

Scenario (planning technique)

A scenario is depiction of an organization, its clients and certain significant conditions in society at some point in the future. Scenario technique can be used to ensure rigorous strategic thinking in any approach to strategic planning. The manner in which the technique is applied depends on the approach to strategic planning that is selected by the planners.

Situational analysis

The situational analysis includes conducting analyses of the environments that are external and internal to the organization, in order to identify strategic issues or goals to be addressed during the strategic planning.

Stakeholders

Stakeholders are those people or groups of people who have a stake, or strong interest, in the operations, or affects of operations, of the organization. Usually the term is in reference to people outside the organization, for example, customers, clients, community members, investors, funders, collaborators and suppliers. However, Board members and employees also are stakeholders.

Strategic

A matter is considered to be strategic if it: involves strong input and support from leaders in the organization; was produced from careful consideration of the effects of potential changes in the external and internal environments of the organization; is based on the future of the organization; will have significant impact on the governance, leadership and

operations of the organization; and will involve extensive use of the organization's resources during implementation of the plan. Strategic matters are in contrast to operational activities.

(See Operational)

Strategic planning

Process undertaken by an organization to clarify its overall organizational purpose, priorities to work toward that purpose and how each priority will be addressed. There are numerous models of strategic planning that can be used, depending on the culture of the organization and purpose of the planning. This is in contrast to a business plan which is focused on a particular product or service, or to a program plan which is focused on a particular program.

Strategic thinking (in strategic planning)

Strategic thinking is considering the external and internal environments of an organization, and how the organization should position itself to thrive well into the future. It considers, for example: What might happen? What might we do in each situation? Which is our best course of action? How might we pursue that course? How will we know if we are being successful?

Strategy

A major approach to achieve strategic goal(s) or address strategic issue(s). For example, a strategy might be a major approach that uses the internal strengths of an organization to take advantage of external opportunities, while shoring up internal weaknesses to ward off external threats. Strategies are usually long-term in nature.

Tactic

A tactic is a series of activities, usually short-term and small in scale, intended to achieve some accomplishment, for example, a goal or objective). This is compared to a strategy, which is a series of activities, usually long-term and large in scale, intended to address a strategic goal or strategic issue.

Unique value proposition

Is what an organization can concisely convey to its customers/clients about how it is fully capable of providing them a unique product, program or service that will indeed benefit them. There might have a proposition for the entire organization and for each of product, program or service.

Values (statement)

The values statement describes the overall, top-level priorities for how an organization chooses to conduct its activities and to be viewed by the public, for example, integrity, efficiency and reliability. Some planners distinguish between preferred values and actual values. Preferred values are those that the organization hopes to adhere to in its activities. Actual values reflect the behaviors that are actually occurring in the workplace. Some planners also refer to guiding principles, which usually are statements of beliefs that can reflect the values in action.

Vision (statement)

The vision is a vivid and compelling description of the organization and its customers/clients at some time in the future. Some planners prefer a grand vision, which

depicts a long-term and very inspirational vision. Some planners also prefer a strategic vision, which depicts the organization and customers/clients shortly after the Strategic Plan has been implemented.

Work Plan

Action plans for Board Committees or top management are sometimes called work plans. (See Action Plan)