

Strategic Planning Terms

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By Shannon Sage • Published on 11-04-14

Phase 1 – Determine Position

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Strategy

Definition: Consciously choosing to be clear about your company's direction in relation to what's happening in the dynamic environment.

Definition in Detail:

- Establishes unique value proposition compared to your competitors
- Executed through operations that provide different and tailored value to customers
- Identifies clear trade-offs and clarifies what *not* to do
- Focuses on activities that fit together and reinforce each other
- Drives continual improvement within the organization and moves it towards its vision

Outcome: A guide that matches your organization's strengths with market opportunities to position your organization in the mind of the customer.

Ask: Does your strategy match your strengths with how you will provide value to and be perceived by your customers?

Strategic Planning

Definition: The process of an organization deciding their corporate direction, objectives and priorities, and then aligning their resources to accomplish the actions necessary to meeting them.

For additional information, check out our [Strategic Planning Process Checklist](#) or our Whiteboard video, [Overview of the Strategic Planning Process](#).

Financial Assessment

Definition: A tool used to determine whether your strategic plan makes financial sense. Do the estimated revenue projections exceed your estimated expenses?

For more information on how to perform a financial assessment [click here](#).

Business Plan

Definition: A business plan is a planning tool for new businesses, projects, or entrepreneurs who are serious about starting a business.

Definition in Detail:

- Helps define the purpose of your business
- Helps plan human resources and operational needs



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- Is critical if you're seeking funding
- Assesses business opportunities
- Provides structure to ideas

Benchmark

Definition: Benchmarks are surveys and assessments that help determine how well your company performs compared to other companies in your industry or business size. Benchmarking can also occur between two or more different companies.

One of the most popular benchmarking tools available is the [Business Report Card](#).

Different Types of Benchmarking

- **Internal benchmarking:** change leaders want to see from the previous year to the current year.
- **Industry association benchmarking:** set performance targets based on industry standards.
- **Competitive benchmarking:** select on other company's performance as a target
- **Base lining:** you have no historical information and no reliable industry information; go with your intuition and adjust along the way until you have a reliable base line.

Strategic Issues

Definition: Strategic issues are critical unknowns that are driving you to embark on a strategic planning process now. These issues can be problems, opportunities, market shifts or anything else that is keeping you awake at night and begging for a solution or decision.

Definition in Detail: Strategic issues are developed and identified based on input from your planning team.

- These issues should be a summary of critical topics that need to be addressed during the planning process.
- The idea is to call these issues out during the Determine Position phase so you and your team ensure the important areas are not lost as you dive into a lot of data, detail and ideas.
- Also, a list of these issues will provide boundaries to your research in Building Your Plan.

How do you identify your strategic issues? Watch our Whiteboard video on [How to Identify Strategic Issues](#).

Environmental Scan

Definition: A method of collecting data on elements that are external to the organization, in order to use the data for guiding decisions on the organization's strategic direction.

For more information, check out our article on the [PEST Analysis](#).

Customer Analysis

Definition: Customer segmentation defines the different groups of people or organizations a company aims to reach or serve.

Definition in Detail: Segmenting customers is a process of identifying and sorting them into groups according to their needs, wants and characteristics.

- The purpose for doing this is to identify 2 or 3 key customer groups and create a customer profile so you can visualize your customers with 100% clarity.

- Once you have these articulated, identify specific goals for each segment in your goal development phase.

For more on how to conduct customer analysis, watch our video on [Performing Customer Segmentation](#).

Internal Analysis

Definition: The Internal Analysis of strengths and weaknesses focuses on internal factors that give an organization certain advantages and disadvantages in meeting the needs of its target market.

Strengths refer to what your company does well.

- Core competencies that give the firm an advantage in meeting the needs of its target markets.
- Any analysis of company strengths should be market oriented/customer focused because strengths are only meaningful when they assist the firm in meeting customer needs.
- Strengths give the company enhanced competitiveness

Weaknesses refer to any limitations a company faces in developing or implementing a strategy.

- Weaknesses are something a company lacks or does poorly in comparison to others, or a condition that puts it at a disadvantage
- Weaknesses should also be examined from a customer perspective because customers often perceive weaknesses that a company cannot see.

Check out our [SWOT definition and video](#) and our article on [Internal & External Analysis](#).

External Analysis

Definition: The External Analysis examines opportunities and threats that exist in the environment. Both opportunities and threats exist independently of the firm. The way to differentiate between a strength or weakness from an opportunity or threat is to ask: Would this issue exist if the company did not exist? If the answer is yes, it should be considered external to the firm.

Opportunities are situations that exist but must be acted on if the business is to benefit from them.

Threats refer to external conditions or barriers that may prevent the firms from reaching its objectives.

Check out our [SWOT definition and video](#) and our article on [Internal & External Analysis](#).

SWOT Analysis

Definition: A SWOT analysis is a quick way of examining your organization by looking at the *internal* strengths and weaknesses in relation to the *external* opportunities and threats.

Definition in Detail: By creating a SWOT analysis, you can see all the important factors affecting your organization together in one place.

Strengths refer to what your company does well.

- It gives your business an advantage in meeting the needs of its target markets.

- Strengths are only meaningful when they assist the business in meeting customer needs.
- Strengths give the company enhanced competitiveness.

Weaknesses refer to any limitations a company faces in developing or implementing a strategy.

- Weaknesses are something a company lacks or does poorly in comparison to others, or a condition that puts it at a disadvantage.
- Weaknesses should also be examined from a customer perspective, because customers often perceive weaknesses that a company cannot see.

Opportunities are situations that exist but must be acted on if the business is to benefit from them.

- Opportunities most relevant to a company are those that offer important avenues for profitable growth.
- Those where a company has the most potential for competitive development.
- Those that match up well with the financial and organizational resource capabilities that the company already possesses or can acquire.

Threats refer to external conditions or barriers that may prevent a company from reaching its objectives.

Outcome: Prioritized list of potential areas to focus on.

For more, watch our Whiteboard Video on [How to Perform A SWOT Analysis](#).

Phase 2 – Developing Strategy

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Mission Statements

Definition: The mission statement describes an organization's purpose or reason for existing.

Definition in Detail: This statement is your core purpose, the underlying "why" you are in business.

- It is a declaration of your organization's purpose and spotlights the business you are presently in and the customer/constituent needs you are presently endeavoring to meet.
- To build a solid foundation for a successful organization, it is essential to have a written, clear, concise and consistent mission statement.
- Keep it short – Peter Drucker would say your mission should fit on a t-shirt.

Outcome: A short, concise, concrete statement that clearly defines the scope of the organization.

For more, watch our Whiteboard Video on [How to Write a Mission Statement](#).

Values Statement

Definition: Your values statement clarifies what your organization stands for, believes in and the behaviors you expect to see as a result.

Definition in Detail: Values are enduring, passionate, and distinctive core beliefs.

- They are based on enduring tenets—guiding principles—to adhere to no matter what mountain you climb.
- They are the beliefs that guide the conduct, activities and goals of your organization.
- They establish why you do what you do and what you stand for.
- Values are deeply held convictions, priorities, and underlying assumptions that influence the attitudes and behaviors of your organization.
- Strong values account for why some organizations gain a reputation for such strategic traits as leadership, product innovation, and total customer satisfaction.
- These never change.

Outcome: Short list of 5-7 core values.

For more, watch our Whiteboard Video on [How to Write a Values Statement](#)

What is a Vision Statement?

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What is a Vision Statement?

- A vision is a picture of what your organization's future makeup will be and where you are headed.
- Vision provides a clear mental picture of what your organization will look like in 5 to 10 years from now.
- Forming a strategic vision should provide long-term direction, delineate the organizational activities to be pursued and the capabilities the organization plans to develop, and infuse the organization with a sense of purposeful action.
- It serves as a unifying focal point for everyone in the organization like a North Star. It delineates the future focus and where the organization is going.

Outcome: A picture of the future

For more, watch our Whiteboard video on [How to Write a Vision Statement](#)

Corporate Social Responsibilities

Definition: Social Responsibility, specifically, Corporate Responsibility is the concept that businesses and organizations are obligated to make a positive impact on their stakeholders.

These may include:

- Customers
- Suppliers
- Employees
- Shareholders
- Communities
- Other stakeholders, including the environment

With climate change and other concerns taking a priority in public opinion, CSR has increasingly focused on organizations' treatment of the global environment.

Everyone's talking Corporate Social Responsibility, from [Here Comes The Boss](#)

Competitive Advantage

Definition: A characteristic(s) of an organization that allows it to meet their customer's need(s) better than their competition can.

Definition in Detail: Your competitive advantage is what you, your company, or your department does better than anyone else in your industry.

- Think of your competitive advantage as your organization's DNA — a collection of attributes that makes you unique.

Outcome: A list of 2 or 3 items that honestly express the organization's foundation for winning.

Watch our Whiteboard Video on [How to Develop Your Competitive Advantage](#).

Below are a few examples:

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Definition: Your strategies are the general methods you intend to use to reach your vision. No matter what the level, a strategy answers the question "how."

Definition in Detail: An organization-wide strategy establishes a way to match your organization's strengths with opportunities so that your organization comes to mind when people have a need.

- An organization-wide strategy is like an umbrella. It is a general statement(s) that guides and covers a set of activities.
- It explains how strengths usually fall into two broad categories: cost advantage and differentiation.

Outcome: The general, umbrella methods you intend to use to reach your vision established.

To learn more, watch our Whiteboard Video on [Identifying Your Organization-Wide Strategies](#).

Phase 3 – Strategic Plan Development

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Short-Term Goals & Actions

Definition: Functional goals/action items support the accomplishments of the annual objectives and align with individual performance plans.

Outcome: Goals at the manager and individual level that clearly explain who is doing what by when with a clear deliverable.

For additional information, check out our [SMART Goal Setting Examples](#) and [Define Your Goals](#).

Strategic Objectives/Priorities

Definition: Long-term, broad, continuous statements that holistically address all areas of your organization.

Definition in Detail: If you have a five-year vision, these would be three- to four-year intermediate guideposts on the way there.

- In what areas will we continue being actively involved in for the next 5+years?
- What areas do we need to be involved in to reach our vision?
- What areas do we need to be involved in to accomplish our mission?

Outcome: Framework for your plan – no more than 6

What Organizations need to be strategic....



Org Goals/Priorities

Definition: Annual statements that are specific, measurable, attainable, responsible and

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- Effective Goals clearly state what, when, who and are specifically measurable
- They are Specific, Measurable, Attainable, Responsible person, Time bound (SMART).
- What must we do to achieve our long-term Objectives?

Ask: What are the 1 to 3 year goals that you are trying to achieve to get to your strategic objectives?

Outcome: Clear outcomes for the current year.

For more, watch our Whiteboard video on [How to Set SMART Goals](#).

Measures/Targets

Definition: A measure is an end point. It's an explanation (word text) of what you want to achieve. Measures are also the indicators of how a business is performing relative to its goals and whether the overall strategy has been accomplished.

Definition in Detail: Measures are quantifiable performance statements, and they must follow certain guidelines. Measures should be:

- Relevant to the goal and strategy
- Place in context of a target to be reached in an identified time frame
- Capable of being tracked period after period
- Owned by the person who's responsible for the goal

Different Types of Measures:

Project Measure: Progress against a project or initiative that has a terminus (usually % complete). *For example:* % report developed.

Process Measures: Measures activities and processes such as cycle time, frequency, error rate or process-specific metrics. *For example:* # of events, # of trainings.

Outcome Measures (Quantitative): End result of whether initiatives meet proposed targets/standards, and demonstrate impact and benefit to the business. *For example:* % increase email file growth

Key Performance Indicator (KPI): Metric and non-metric measurements essential to the completion of an organization's goal. *For example:* \$ global environmental giving

Check out our article on [Keeping Score of Your Progress](#) or listen to our recorded webinar on [Creating Useful Measures for Execution](#).

Targets

Definition: Targets quantify (numeric) the outcome measures. Target measures are the specific numbers you need to hit in order to achieve your goal and can be expressed in weekly, monthly, or annual goals (by the end of the goal).

Watch our videos on identifying [KPIs](#) and setting [SMART goals](#).

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Definition in Detail.

- To help monitor your strategic plan, one of the best tools around is the Balanced Scorecard, developed by Kaplan and Norton from Harvard.
- The scorecard is to be used as both a measurement and management tool to assist in fulfilling your organization's vision. With it, you can actively track progress toward your goals.
- Begin by asking "What are the key performance measures we need to track in order to monitor if we are achieving our goals?"
- These KPIs include the key goals that you want to measure that will have the most impact in moving your organization forward.

Outcome: 5-7 measures that help you keep the pulse on your performance.

To learn more, watch our Whiteboard Video on [How to Develop Key Performance Indicators](#) or check out this [article](#).

Phase 4 – Managing Performance

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Implementation

Definition: *Implementation* is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals.

Outcome: Synching checking in with your plan into the "rhythm of your business"

Watch our [Secret to Strategic Implementation](#) Whiteboard Video or read our article on [Strategic Implementation](#).

Communication Calendar

Definition: A communications calendar specifies when and what mediums you will be using communicating to your stakeholders with regard to your strategic plan and progress associated with it. (See a great video on that topic: [Effectively Communicate Strategy](#))

Who: This tool should be employed by strategy managers in the organization to ensure the awareness about the intent and progress of the strategic plan is fully understood by key stakeholders.

Delivery: Clear and concise messaging should be delivered by influential leaders and key managers in the organization. While message points will vary depending on status of the plan, these individuals should be skilled and able to connect messaging about strategy to the organization's mission and purpose.

Audience: All identified stakeholders, internal and external, who are intricately tied to the organization's overall success.

Medium: Various mediums, or channels, (i.e. videos, newsletters, memos, webinars, etc) should be reviewed in context of what will deliver the message most effectively to your chosen audience.

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Audience	Mission / Vision	Strategic Objectives	Goals	Individual Actions	KPI
Board	Date / Medium	Date / Medium	Date / Medium	Date / Medium	Date / Medium
Directors	Date / Medium	Date / Medium	Date / Medium	Date / Medium	Date / Medium
Managers	Date / Medium	Date / Medium	Date / Medium	Date / Medium	Date / Medium
Staff	Date / Medium	Date / Medium	Date / Medium	Date / Medium	Date / Medium
Customers	Date / Medium	Date / Medium	Date / Medium	Date / Medium	Date / Medium
Community	Date / Medium	Date / Medium	Date / Medium	Date / Medium	Date / Medium

Planning Calendar

Definition: This tool specifies in the strategic planning process who, when, where, and how strategy is executed and communicated. A planning calendar is sometimes referred to as the implementation process, and is typically created after the strategy has been built. It is vital to ensuring a plan is executed, stays relevant and kept top of mind. Critical components in the planning calendar include defining the following elements:

- **Who:**
 - **Communication:** Who is involved in what parts of the strategy implementation? Who is the strategy communicated to? (See a great video on that topic: [Effectively Communicate Strategy](#))

- **Accountability:** Who is responsible for executing the goal(s) and providing stats on the goals?
- **Define a Strategy Leader/Manager:** Someone who is responsible for managing the strategic plan

- **When (Frequency):** How often is the status on the goals updated? Monthly, quarterly or weekly? When are strategy reviews held? How often is the strategy assessed and updated?
- **Where:** Location meetings will be held.
- **How:** How is the strategic plan being communicated to everyone outside of the management team? Email? All-staff newsletter? Video hosted on your website?

Planning Calendar Example

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Strategy Map

Definition: A visual representation of the overall strategy. Based on the Balanced Scorecard methodology, the map divides a company's objectives into 4 focuses: financial, customer, operations and people.

Below is an example of a strategy map. To learn more about Strategy Maps in detail [click here](#).



Scorecard

Definition: The scorecard is to be used as both a measurement and management tool to assist in fulfilling your organization's vision. It is a representation of how a company is doing in Key Performance Indicators (KPIs), presented graphically so that management and employees can easily ascertain the company's current position month-by-month.

Ask: What are the key performance measures you can track in order to monitor whether you are achieving your goals?

For more information on KPIs, check out our Whiteboard Video on [How to Develop Key Performance Indicators](#).

For additional information on how to use the scorecard to keep track of progress **click here**.

Balanced Scorecard

Definition: Popularized by Robert Kaplan and David Norton from Harvard. The Balanced Scorecard is to be used as both a measurement and management tool to assist in fulfilling your organization’s vision. With it, you can actively track progress toward your goals and monitor whether your company is meeting or will meet its strategic objectives.

- Begin by asking “What are the key performance measure we need to track in order to monitor if we are achieving our goals?”
- Key Performance Indicators (KPIs) include the key goals that you want to measure that will have the most impact on moving your organization forward.
- KPIs (both lagging and leading) are broken into 4 areas of focus: Financial, Customers, Operational and People. These indicators are monitored on a regular basis and organized as a Scorecard for determining current company status.

Need more information? Check out our article [Balanced Scorecard](#) which delves deeper into the 4 areas of focus and Whiteboard video on [Strategic Planning with the Balanced Scorecard](#).

Gantt

Download our Gantt chart template for strategic planning.

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and in what order they're going to do it for the organization to reach its goals. [ARTICLES](#) [VIDEOS](#) [BLOG](#) [TRAINING](#) [ALL TOPICS](#)

Here are some tips on simplifying the process:

- List the concrete steps or to-dos that you need to accomplish in order to achieve your goals.
- Focus on identifying large to-dos that warrant discussion at a team level.
- Identify all the actions that need to occur within the next 90 days.

Below is an example of the beginning of department action plans:



Watch our Whiteboard video on [How to Develop Action Plans](#).

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