

Strategic and Business Planning

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Introduction

It's not the strongest of
the species **who survive,**
nor the most intelligent,
but the ones most responsive
to change.

Charles Darwin



Introduction

In this section:

The purpose of this guide

Linkage to other guidelines

What is planning?

An overview of the planning process

Integrating the planning process with other key organisational processes

Tips for writing effective plans

The purpose of this guide

This guide is designed to assist New Zealand sport and recreation organisations with strategic and business planning. A core framework (or approach) is presented with accompanying examples and explanations. It is not intended to be a 'one size fits all' approach. Personal experience and preferences may lead to variation from the framework suggested here.

Before proceeding it is worthwhile recognising that a range of terminology is used in planning literature. This guide uses the terminology introduced in the Governance manual. A glossary of terms is contained in the Appendix.

Linkage to other guidelines

This guide should be used in conjunction with SPARC guidelines on governance (*Nine Steps to Effective Governance*) and risk management (*Guidelines for Risk Management in Sport and Recreation*, SNZ HB 8669:2004).

Nine Steps to Effective Governance provides an outline of the board's role in setting organisational direction, the strategic planning process, managing stakeholder relations and strategic risk management.

Guidelines for Risk Management in Sport and Recreation provides a detailed process for the identification, assessment and management of organisational risk. These components of risk management are closely aligned with key elements of the strategic planning process. An effective risk management process can significantly increase the likelihood of successful implementation of an organisation's vision.

What is planning?

"The strategist's mind is very simply to challenge the prevailing assumptions with a single question: 'Why?' And to put the same question relentlessly to those responsible for the current way of doing things until they are sick of it."

– Kenichi Ohmae, *The Mind of the Strategist:
The Art of Japanese Business*

Sports organisations operate in a dynamic environment and face many pressing challenges. A good planning approach will enable an organisation to better understand those challenges, make strategic choices, establish a clear direction and gain stakeholder support.

Planning is also the mechanism by which an organisation ensures alignment between its desired direction and the resources and activity necessary to achieve the desired strategic outcomes.

Poor planning puts an organisation at risk of making poor decisions and operating in a reactive rather than proactive manner.

Planning is the process of determining what should be achieved and how to achieve it.

Planning is:

- **A continual process.** Planning does not end simply because a formal planning period has finished. For example fresh insights or changes in the external environment mean strategic assumptions, understandings and responses must be constantly revisited. Also, the results of strategic activity must be regularly assessed and lessons incorporated into new activity.
- **A mix of analysis and creative thought.** Robust assessment and discussion of the issues are blended with the uncovering of new ideas, new approaches and new responses.
- **About engaging and aligning stakeholders.** Capturing the hearts and minds of staff, members and key influencers is a key outcome. Through open consultation and subsequent communication, the support and passion of these stakeholders can be fully engaged.

Planning in the sport and recreation sector is often characterised by:

- **Poor preparation.** Limited analysis of the external environment, current capability and stakeholder expectations.
- **Time pressure.** The planning process is often squashed within a busy operational environment. There can be very little time to properly examine strategic possibilities.
- **Focus on 'business as usual'.** Plans often focus on doing what we've always done but perhaps aiming to do them a little better. There can be unwillingness to think 'outside of the square' and respond to the realities of the external environment.
- **No supporting resource plan.** A 'stretch' vision may be set but there is often no resource plan for people, finance and infrastructure to support the vision. Thus the feasibility of the plan is called into question.

Ensuring time for planning

It is often difficult to devote sufficient time to planning amidst the pressing demands of day-to-day activity. This is not unique to sports organisations. However, it is essential that planning is given high priority. Planning should be an inclusive, challenging, collaborative, flexible and continuous process and this requires time.

An overview of the planning process

“Ultimately strategy is about making choices.”

– Constantinos C Markides, *All the Right Moves:
A Guide to Crafting Breakthrough Strategy*

The planning process involves four primary stages:

- **Preparation:** assigning roles, responsibilities and a timeframe for the planning process
- **Development:** identifying the strategic challenges, assessing the options, and determining the overall direction and desired outcomes
- **Implementation:** translating the strategic plan into a detailed annual action plan
- **Monitoring:** measuring performance and capturing the lessons

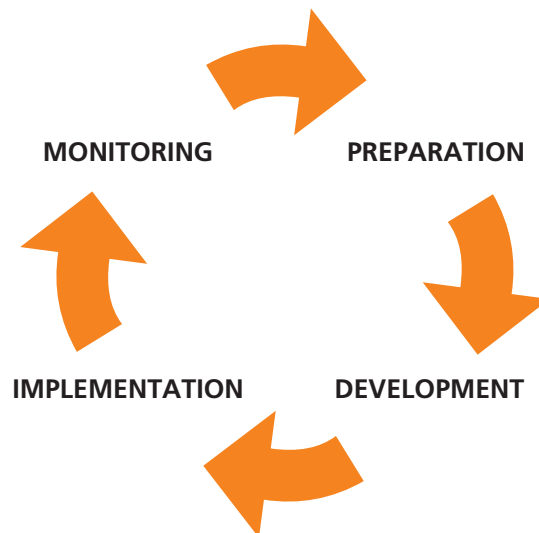


FIGURE 1: THE 4 – STAGE PLANNING PROCESS

Two plans are generated by this process, the strategic and annual business plans. The relationship between the two is fundamental to effective planning, regardless of the size of an organisation.

The **strategic plan** establishes *what* the organisation wants to achieve and the **business plan** establishes *how* this will be achieved. Information from monitoring of the business plan flows back into the planning process.

While the planning process is presented in four distinct stages, in practice these stages often overlap or even occur simultaneously. This should be considered a natural result of planning in a dynamic environment.

Integrating the planning process with other key organisational processes

Planning does not exist in isolation from other important organisational processes such as risk management and people management. The diagram below summarises those linkages.

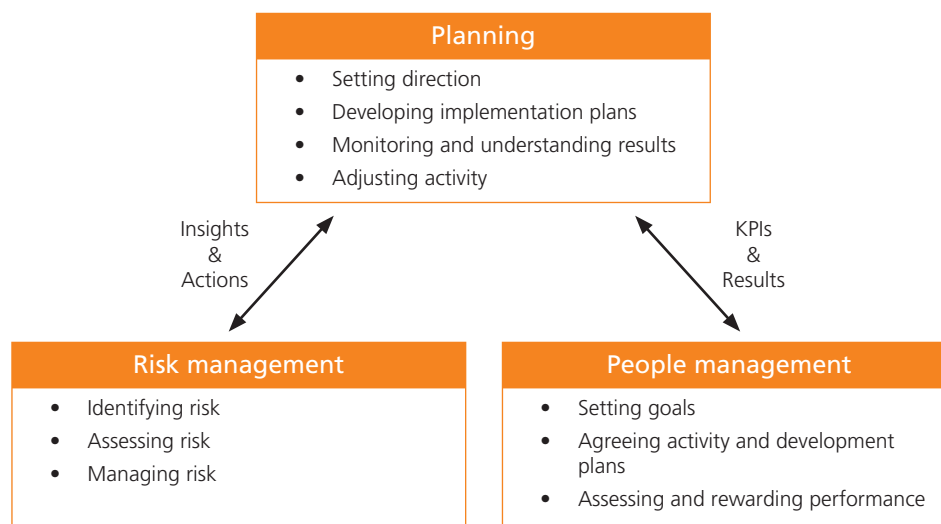


FIGURE 2: INTEGRATING THE PLANNING PROCESS WITH OTHER KEY ORGANISATIONAL PROCESSES

The processes of planning, risk management and people management inform and guide each other. The role of governance is to provide strategic oversight and direction to all three processes.

Tips for writing effective plans

When writing plans, keep in mind these simple tips:

- **Keep it simple** – a variety of staff and stakeholders should be able to easily follow and understand the plan, so ensure you use a clear logical structure and simple language.
- **Keep it concise** – your plan should be developed through a comprehensive process but avoid overly detailed plans that are too long to be practical.
- **Focus on results** – plans are only effective if they result in action towards the desired outcomes. Use the tips provided in this manual for setting performance measures and monitoring and evaluation systems.
- **Be flexible** – planning is a dynamic process, so make sure your plans (and more importantly your people!) are flexible enough to make changes when required. Build some flexibility into your plans by leaving some excess time and resources.



Stage 1
Preparation for Planning

None of us are as
smart as all of us

Japanese proverb



Stage 1

Preparation for Planning

In this section:

- 1.1 Planning activity schedule
- 1.2 Board and chief executive roles in strategic planning

1.0 Introduction

Preparation for planning essentially involves establishing activities, roles, responsibilities and timeframes. Your organisation needs to commit the necessary time and people resources and give the planning process due priority.

1.1 Planning activity schedule

Strategic plans are typically developed for periods of up to five years. While an organisation should review its strategic plan annually, it may undertake a major review less frequently or if the operating environment has significantly changed.

A typical planning activity schedule for an organisation with a financial year of 1 January–31 December is displayed below.

| Month | Activity |
|-------------|--|
| June | 1. Prepare work schedule for planning process |
| July/August | 2. Review organisational purpose and values 3. Assess stakeholder expectations by consultation 4. Assess organisational capability and performance 5. Scan the environment for issues and opportunities |
| September | 6. Identify the strategic challenges 7. Determine the strategic direction (vision and strategic outcomes) 8. Develop draft strategic plan |
| October | 9. Finalise strategic plan |
| November | 10. Communicate strategic plan to staff and stakeholders 11. Develop draft annual business plan, review |
| December | 12. Communicate and sign off annual business plan |

FIGURE 3: WORK PLAN FOR FULL STRATEGIC PLANNING PROCESS

The overall timeframe required depends on the organisation and the resources at its disposal. A full strategic review may require four to six months, excluding time needed to develop the annual business plan. The timeframe should allow for the appropriate stakeholder consultation and should be aligned with the board schedule.

1.2 Board and chief executive roles in strategic planning

“One of the board’s major roles is strategic governance, setting strategic direction, helping plot the organisation’s path through an uncertain future, and ensuring the organisation achieves what it should.”

– Nine Steps to Effective Governance, SPARC

The planning process should be a partnership between the board and the chief executive. However the board must ultimately accept ownership of the process and resulting plan. The board should also be able to monitor progress against the key performance measures once the strategic plan is implemented.

In practice, the planning process is usually driven by the CE but the involvement of the board is an essential part of their role. As a guide, the board, in addition to overall ownership, should at least be responsible for developing the strategic direction from the key issues.

By working together on the planning process, boards and senior management can ensure that the organisation's strategies and people are closely aligned.

Expert tip: Involve external people

- Effective planning requires organisations to challenge current assumptions, thinking and operations.
- It is a good idea to involve external people to generate and encourage this critical thinking and rigorous discussion.
- External people also add a valuable perspective from outside your organisation.





Stage 2
Development –
The Strategic Plan

It's not really where you
are today that counts.
It's where you are **headed.**

Arthur Lenehan



Stage 2

Development – The Strategic Plan

In this section:

- 2.1 Reviewing organisational purpose and values
- 2.2 Assessing stakeholder expectations
- 2.3 Understanding the environment
- 2.4 Assessing organisational capability and performance
- 2.5 Identifying the strategic challenges
- 2.6 Determining strategic direction and outcomes
- 2.7 Establishing performance measures
- 2.8 Communicating the plan
- 2.9 Organisational alignment

2.0 Introduction

The development of a strategic plan can be a challenging and time-consuming process. The guide outlines seven steps to enable an effective process:

- **Step 1:** Reviewing organisational purpose and values
- **Step 2:** Assessing stakeholder expectations
- **Step 3:** Understanding the environment
- **Step 4:** Assessing organisational capability
- **Step 5:** Identifying the key strategic challenges
- **Step 6:** Determining strategic direction
- **Step 7:** Establishing outcomes and performance measures

A sample template for a strategic plan is provided in Appendix 1.

Following the development of your strategic plan you must:

- communicate the plan to staff and stakeholders.
- check for organisational alignment with the strategy.

These topics are covered at the end of this stage.

2.1 Reviewing organisational purpose and values

...“ the fundamental distinguishing characteristic of the most enduring and successful corporations is that they preserve a cherished core while simultaneously stimulating progress.”

– James C Collins, *Built to Last*

The ‘cherished core’ of a sports organisation is its purpose and values – why the organisation exists and how it wishes to be.

Purpose

The most powerful single statement a board can make describing the organisation’s primary reason for being.

The purpose (or mission) statement refers to the core purpose of the organisation. Examples from sports organisations include:

- “Ensure that (sport) is a successful, viable and growing sport in New Zealand”
- “Lead and grow (sport) within New Zealand”
- “More Northlanders active”
- “...mission is to foster participation and success in sport and active living...”

Although it is not common for the purpose of an organisation to change dramatically over time, it should be reviewed occasionally to ensure it reflects the reality for your organisation today and not a past reality.

A good purpose statement should:

- describe the organisation's reason for being
- capture the culture of the organisation
- be clear, concise and easy to read
- maintain relevance in a changing environment
- be specific enough to provide guidance to the organisation's people.

When writing a purpose statement, consider the following:

- Try adding or deleting a word to assess how concise the wording is.
- Does the statement clearly separate the purpose of the organisation from that of other organisations?

Some good starting questions to ask are:

- What is our current purpose?
- What is our reason for being?
- If this organisation did not already exist why would we create it?
- Who are we doing this for? Who should benefit?
- What's important to us?

STEPS IN DEVELOPING A PURPOSE STATEMENT:

1. Review foundation documents such as the constitution and existing purpose statement
2. Consult a core group of key stakeholders
3. Review existing purpose in light of consultation
4. Confirm purpose statement

Values

Cherished beliefs and principles that are intended to inspire effort and guide behaviour.

Closely associated with organisational purpose is a values statement. It is important to understand that values are not what your organisation does, but how it does it. They should reflect and foster the attitudes and behaviours that you intend employees and volunteers to exhibit.

The Governance manual suggests that some good starting questions to ask are:

- What are the essential values contained in our sport?
- What is the 'essence', ethos or spirit of this organisation?
- What do we stand for?
- How do we want to interact with each other and the outside world?
- What behaviours do we want to encourage?
- What differentiates our organisation from others?
- What truly draws people to participate with us?

There can be a big difference between 'espoused' values (what is said) and 'lived values' (what is actually done in practice). Try to identify those that you really wish to guide how you and your organisation behave. Whatever values you choose, ensure they are monitored and aligned with the other organisational processes such as performance management.

Examples of values from the sector include: teamwork, integrity, passion, innovation, continuous improvement. Those organisations managing a sport should consider whether the values represented by the sport can be reflected in the organisational values. Values are likely to have more meaning and significance if they are embedded in your sport.

Together the values and purpose form the ongoing core of the organisation.

STEPS IN DEVELOPING A SET OF ORGANISATIONAL VALUES

1. Identify core values contained in your sport (the sport itself) or activities (RSTs)
 - These can become your organisation’s values.
2. Consult with staff and key members/ stakeholders
 - Ask them to identify behaviours they see that either enable or hold the organisation back. These behaviours will indicate embedded values e.g. control, status.
 - Questions can include: “What are people rewarded for?”, “What is frowned upon?”, “Who do people look up to and why?”
3. Review existing values in light of consultation
 - Determine the ‘desired’ values that will act as enablers and allow your organisation to progress.
4. Confirm a set of values for your organisation
 - Identify any gaps between ‘desired’ and ‘lived’ values
 - Strategy must address gaps.

2.2 Assessing stakeholder expectations

“Good governance demands that stakeholder interests are identified and appropriate relationships are established.”

– Nine Steps to Effective Governance, SPARC

Stakeholder support is critical to the success of sports organisations. They provide financial, resource, political and moral support, all of which is critical to realising an organisation’s vision.

Therefore organisation’s key stakeholders must be consulted during the planning process. Actual stakeholders will vary depending on the type of organisation and nature of its purpose. The table below lists typical stakeholders for Regional Sports Trusts and National Sports Organisations.

| Organisation | Stakeholder |
|-------------------------------|--|
| National Sports Organisations | <ul style="list-style-type: none"> • Regions • Staff • Elite athletes • Sponsors • Funders • Government (SPARC) • Media • International sport bodies • Clubs • Coaches • Participants • Volunteers |

| | |
|------------------------|---|
| Regional Sports Trusts | <ul style="list-style-type: none"> • Territorial Authorities • DHBs and PHOs • Iwi • Regional sports organisations • Sponsors and funders such as charitable trusts • Media • SPARC • Schools |
|------------------------|---|

Before undertaking stakeholder consultation you need to decide on the:

- **Extent of consultation:** Available resources and time will constrain the amount of consultation you can undertake. Prioritise stakeholders based on their level of influence as not all stakeholders are equal. Some have more influence on the achievement of an organisation’s purpose than others. Ensure those with a high priority are fully consulted.
- **Process of consultation:** A range of mechanisms can be used for consultation, including representative forums, one-to-one interviews, and surveys.

The key is to get quality input. This means ensuring stakeholders understand the nature of the consultation and have enough time to contribute, and that feedback is provided following the consultation.

A template for stakeholder consultation is contained in Appendix 2.

An inclusive and collaborative approach is essential to help your sport organisation build cooperation and buy-in amongst key stakeholders. This step can be time-consuming but cannot be ignored.

2.3 Understanding the environment

“The essence of formulating competitive strategy is relating an organisation to its environment.”

– Michael Porter, *Competitive Strategy*

Organisations do not exist in isolation but operate in a dynamic and constantly changing environment. For example, changes in social attitudes, family patterns, and ethnic makeup have had a major impact on participation and will continue to do so.

Most environmental factors cannot be controlled by the sports organisation, but can be anticipated, understood and responded to. Ignoring the impact of these factors will over time undermine the future of an organisation.

This phase can be challenging and is often done poorly. Understanding the challenges presented by the environmental change requires a thorough assessment. The assessment should also include competitive activity and the needs of the customers.

The general environment

External factors (excluding competition) influencing the success of the organisation can be grouped into four areas using the PEST analysis:

- **Political environment:** political priorities, proposed legislation

- **Economic environment:** wealth, work type and economic trends
- **Social environment:** lifestyle patterns and attitudes, demographics
- **Technological environment:** communications, information management, transport, entertainment

For each environment category the following questions should be asked:

- What are the major changes currently occurring?
- What impact are these changes having on our organisation?
- What further changes are likely to occur in the future?
- Which of these impacts represent threats to be managed or opportunities to be exploited?

Obtaining such information can be challenging and time consuming. There are many sources including the internet, similar organisations, universities, relevant management magazines, advertising and media organisations.

Understanding customers and competitive activity

DEFINING YOUR MARKET

This requires you to consider what market your organisation is operating in and who your competitors are. There may be different markets depending on the product (or activity) you are considering. For example, the participant market for an activity may be quite different from the viewing (or 'audience') market. This is particularly the case for professional sport.

When considering participation in a sport or activity it must be remembered that people have a choice as to how they spend their time. Understanding how they make those decisions and the options they consider is a good way to understand what benefits your activity must deliver and to identify competitors.

Your target markets can be defined in many ways, such as:

- age
- gender
- income
- behaviour
- geographic location
- attitudes
- type of user
- a mix of these

Typically sports organisations do not define their target markets this way or even think in terms of target markets. However, good market definitions encourage an organisation to be more focused and to think more strategically about how it can grow participation.

CUSTOMER FOCUS

Ultimately the success or failure of any sport organisation depends on their ability to attract and retain participants (customers). Successful organisations offer products and services that add value and meet the needs of their target markets. This requires a close understanding of needs and continual monitoring of how they change.

Some questions to ask that can help your organisation 'think like a customer' are:

- What do your customers want from your organisation?
- How satisfied are your customers with what you are currently providing?
- What are the future requirements of your current and potential customers?

When assessing customers' need there is a risk of acting on what your organisation believes rather than on fact. It can be very beneficial to use a targeted survey and/or regular customer evaluation systems of some kind to collect quality data.

ASSESSING COMPETITIVE ACTIVITY

Having defined the target markets, competitors need to be identified and their activity and impact assessed. Some questions to ask are:

- What other activities compete for your participants?
- What competitors exist in the market?
- What are their main strategies and how successful are they?
- How is their 'product' (sport/activity) different from yours?
- What services do they deliver?
- Could our products and services be easily copied or substituted by a competitor?
- What are the key strengths and weaknesses of our competitors?
- Are there any partnership or joint venture opportunities?

Due to New Zealand's relatively small population base and the limited resources of sport organisations, partnerships or joint venture opportunities to grow participation and revenue should be given serious consideration.

2.4 Assessing organisational capability and performance

This step aims to identify the internal strengths and weaknesses of your organisation. Key questions to answer are:

- What have we done well – what is enabling us to be successful?
- What have we not done well – what is holding us back?

Core competencies

Core competencies are expertise or skills an organisation may possess that result in performance superior to competitors. Examples include event management or member services.

Organisational strengths (i.e. what we do well) can be described as core competencies. These can be built on if valued by members, participants or funders.

Organisational weaknesses (i.e. what we don't do well) either need to be developed (if a required competency) or outsourced if someone else can do it better.

Core competencies can provide the building blocks for a new strategy.

Benchmarking

One way to assess your organisational competencies is benchmarking i.e. comparing yourself against other highly regarded organisations. Benchmarking works well where performance indicators can be relatively easily identified and measured. This process often reveals unexpected opportunities for improvement.

Appendix 3 provides a framework for assessing the strengths and weaknesses of an organisation.

Readiness for change

Is your organisation ready for change? Typical characteristics of a 'change ready' organisation include:

- non-hierarchical organisation structure
- accountability for results
- high use of collaborative teams and projects
- rewarding of performance and innovation.

The embedded culture of established organisations can often be a barrier to change. How change-ready is your organisation?

2.5 Identifying the strategic challenges

Having undertaken a thorough review of organisational purpose, and the external and internal environments, the next step is to determine the key strategic challenges (or issues) facing your organisation.

A good tool for this is the SWOT analysis (Strengths, Weaknesses, Opportunities and Threats).

| | |
|----------------------|---|
| Strengths | When you consider organisational performance and capability in relation to other like organisations and competitors, what do you consider to be the strengths of your organisation? |
| Weaknesses | When you consider organisational performance and capability in relation to like organisations and competitors, what do you consider to be the weaknesses of your organisation? |
| Opportunities | When you consider the trends and competitive activity within the wider environment, what do you see as the possibilities for your organisation? |
| Threats | When you consider the trends and competitive activity within the wider environment, what do you see as the threats to the future of your organisation? |

It is likely that many issues will have been identified and the challenge becomes to identify truly strategic challenges and prioritise these to a manageable number. These top priority issues need to be addressed if your organisation is to be successful in the longer term.

Expert tip:

- Start your SWOT analysis by collating the findings of your external scan and internal assessment.

Key strategic challenges

Factors in the external or internal environment that have the greatest potential to impact on the overall purpose of the organisation.

The exact number of challenges identified will vary depending on the complexity of the issues and the size and resources of the organisation. It is important to balance the number of challenges to be addressed with the organisation's ability to address them. A typical small to medium-size sport organisation may focus on four to six key challenges.

One method of identifying your key strategic challenges is to plot each issue on the *Impact: Urgency matrix* below. Those issues with a high potential impact on your organisation’s purpose and a high level of urgency are likely to be the key strategic challenges to focus on.

| | | | |
|------------------|------|--|--|
| Level of urgency | High | High urgency, low impact = Medium priority issues | High urgency, high impact = High priority issues |
| | Low | Low urgency, low impact = Low priority issues | Low urgency, high impact = Medium priority issues |
| | | Low | High |
| | | Impact on purpose | |

Examples of strategic issues include:

- declining participation
- emergence of new activity directly competing for our target market
- high staff turnover
- over-reliance on gaming trust funding
- inconsistent performance of elite athletes
- general stakeholder dissatisfaction.

2.6 Determining strategic direction and outcomes

“I skate to where the puck is going to be, not where it has been.”

– Ice hockey legend Wayne Gretzky

With the analysis completed and strategic issues identified, it is now time to determine the future direction of your organisation. This future is articulated by its vision statement.

Generating possible future directions

It is likely that there will be more than one pathway your organisation could take for the future. Some may have already emerged and been discussed informally. These pathway options need to be identified and considered. This is a critical step in the development of a sound strategy, but it is often overlooked.

Unfortunately, however, there are not endless options. Most organisations are constrained by their purpose. For example, one sport cannot easily become another sport – the stakeholders would rebel! For both National Sports Organisations and Regional Sports Trusts there appear to some core aspects within which there is strategic flexibility.

| National Sports Organisations | Regional Sports Trusts |
|--|---|
| <ul style="list-style-type: none"> • Membership • Services • Strategic relationships • Regional organisation | <ul style="list-style-type: none"> • Services • Stakeholder relationships • Service delivery |

For each strategy category there is a range of options along a continuum between the two alternatives outlined below.

National Sports Organisations – Strategic Options

| Strategy categories | | |
|---|--|---|
| Strategic options (continuum) | | |
| Consolidate ←————→ Grow | | |
| Concentrate on retaining existing members and participants | | Actively attempt to increase membership and participation |
| Focus ←————→ Diversify | | |
| Concentrate on core services to members and other participants | | Expand the range of services offered to members and other participants |
| Weak ←————→ Intense | | |
| Go it alone or without significant collaboration with other organisations | | Partnerships central to strategy with a high degree of collaboration with other organisations |
| Centralised ←————→ Decentralised | | |
| No or limited regional infrastructure, services provided by national office | | Comprehensive regional infrastructure and service delivery |

Regional Sports Trusts – Strategic Options

| Strategy categories | | |
|---|--|---|
| Strategic options (continuum) | | |
| Services | | |
| Focus ←————→ Diversify | | |
| Concentrate on core services to participants and regional organisations | | Expand the range of services offered to participants and regional organisations |
| Service Delivery | | |
| In-house ←————→ Outsource | | |
| All programme delivery and services provided by office/ employees | | All programme delivery and services are contracted out to other providers |
| Stakeholder relationships | | |
| Weak ←————→ Intense | | |
| Go it alone or without significant collaboration with other organisations | | Partnerships central to strategy with a high degree of collaboration with other organisations |

Possible strategic directions can be created by bringing together various strategic options. This stage is akin to creating alternative future scenarios for the organisation.

Certain strategic option combinations tend to fit together e.g. growing membership and diversifying services; creating intense stakeholder relationships and out-sourcing service delivery. Other combinations are not a natural fit e.g. diversifying services and consolidating membership.

Ultimately, strategic choice involves trade-offs and decisions – your organisation can't be all things to all people. The strategic choices made at this stage have major ramifications for resource allocation and the operations of your organisation following implementation.

Your organisation should develop at least two alternative future scenarios. This provides an opportunity to evaluate any preferred direction by comparison with another alternative.

For example, a sport may consider the following two scenarios:

Scenario 1 – Grow membership by diversifying services with intense partnerships

Scenario 2 – Grow membership by focusing on core services and decentralised delivery

Possible strategic directions can be evaluated and compared by considering the following questions:

- Would our key stakeholders support this direction?
- Could our organisation effectively deliver this direction?
- Would this direction achieve our purpose?
- Would this direction address the key issues faced?
- Would this direction address any major gaps identified in the organisation?
- Would this direction build on our strengths to take advantage of opportunities?
- Would this direction help overcome weaknesses and minimise threats to the organisation?
- Would this direction provide a competitive advantage for the organisation?

This last question regarding competitive advantage is an important one to ask. A competitive advantage capitalises on core competencies and/or opportunities to create an edge over competitors that leads to a superior position in the market. If your organisation is able to achieve a competitive advantage that is sustainable over time, it can create a strong position for long-term success.

Once you have determined a strategic direction you need to develop a vision statement to express the desired outcome of this direction.

Vision

An inspirational vision of an ideal future

Vision statements are typically short statements that look forward beyond the current timeframe to describe an ideal future state. They may be supplemented with a more detailed description of this future state (sometimes call a 'vivid description').

The Governance manual suggests a good starting question is: "Given where we are now, where do we want to get to?"

A good vision should:

- provide future direction
- express a benefit to key stakeholders
- be achievable
- motivate and inspire people towards a common goal.

Examples include:

- “By 2012 to have 150,000 participants”
- “Everyone inspired to be active and healthy for life”

Having now established a strategic direction and vision, the next stage is to define the strategic outcomes to be achieved and performance measures to be used.

Strategic outcomes

The organisation’s high-level, longer-term deliverables.

This is a key step in translating strategic intent into more tangible results. These outcomes should clearly support the vision and address the key strategic challenges.

The preferred strategic options determined previously can signal desired outcomes.

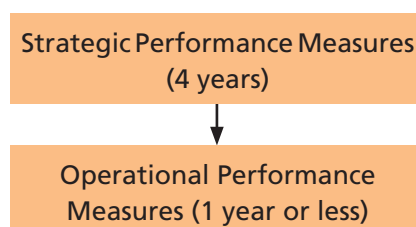
Examples of strategic outcomes include:

- financially sustainable organisation
- world-class high performance programme
- more people participating, more often.

2.7 Establishing performance measures

Performance measures need to be set for each strategic outcome. These indicate the scale of change desired and enable progress to be monitored and success measured.

Performance measures are often referred to as **key performance indicators** (KPIs). KPIs should be used at all levels within the organisation for monitoring short-and long-term performance. All KPIs used should be ultimately linked to the outcomes defined in the strategic plan.



Some examples of strategic performance measures (KPIs) are outlined in the table below:

| Strategic Outcome | Strategic Performance Measure (KPI) |
|--|--|
| Financially sustainable organisation | <ul style="list-style-type: none"> • \$2 million • 25% of revenue from sponsorship |
| World-class high performance programme | <ul style="list-style-type: none"> • Three medals at the 2008 Olympics • 95% compliance with good practice |
| More people playing, more often | <ul style="list-style-type: none"> • 10% increase in membership • 95% compliance with good practice |

Each strategic outcome may require more than one KPI. It is often desirable to include a quantitative KPI, such as membership numbers or medal targets, and a qualitative KPI, such as satisfaction or benchmark score.

In the example above for the strategic outcome 'World class high performance programme' the quantitative KPI is 'Three medals at the 2008 Olympics', being a clear measure of the desired end result. The qualitative KPI is '95% compliance with good practice', being a measure of capability and/or systems. Together the two KPI enable a balanced measurement of performance.

To ensure effective KPIs, consider developing them based on the SMART approach to setting targets. SMART is an acronym for:

| | |
|--------------------|---|
| S pecific | Clear and concise to describe exactly what will be achieved |
| M easurable | Enables realistic monitoring of achievement |
| A chievable | Realistic, the organisation is capable of reaching targets |
| R elevant | Related to the vision, a true indicator of desired change |
| T ime bound | Deadline to achieve by required date |

Strategic initiatives

The actions required to enable each strategic outcome to be achieved.

Having determined the strategic outcomes and performance measures, the next step is to determine the high level strategic initiatives or at least agreeing an approach to determining these initiatives.

Often a strategic outcome will require several initiatives to be undertaken over the period of the plan. It is also possible that at the time of developing the strategic plan, the right initiatives are not known and analysis is required – this can be signalled in the plan.

Examples of the linkage between strategic outcomes and initiatives include:

| Strategic Outcome | Performance Measure (KPI) | Strategic Initiative |
|--|--|---|
| Financially sustainable organisation | <ul style="list-style-type: none"> \$2 million 25% of revenue from sponsorship | <ul style="list-style-type: none"> Identify opportunities for charitable trust funding Enhance and grow sponsorship portfolio Increase revenue from membership |
| World-class high performance programme | <ul style="list-style-type: none"> Three medals at the 2008 Olympics 95% compliance with good practice | <ul style="list-style-type: none"> Identify good practice organisations and benchmark current practice Develop and implement plan to address any gaps |
| More people playing, more often | <ul style="list-style-type: none"> 10% increase in participation amongst youth | <ul style="list-style-type: none"> Develop new promotional programme Introduce new loyalty programme to encourage retention |

Strategic initiatives identified are then developed in more detail within the annual business plan. This is Stage 3 of the planning process.

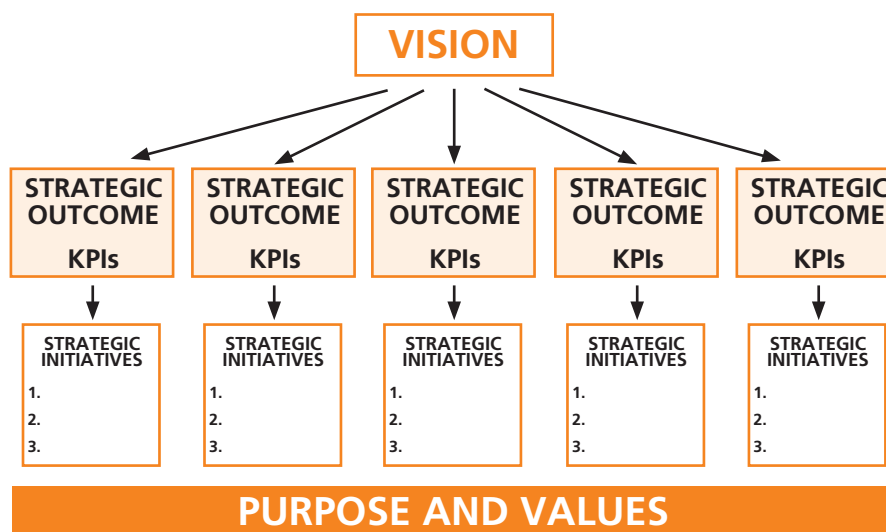


FIGURE 5: FLOW CHART OF A STRATEGIC PLAN

Additional information

Further information that can be included in the strategic plan includes:

- organisation staff structure
- financial plans.

These are usually included as appendix items.

The Balanced Scorecard: A method for communicating and monitoring organisational performance

The strategic performance measures can be presented within a so-called ‘Balanced Scorecard’. This has become a popular form of communicating and monitoring performance targets.

It is an approach that ensures an organisation focuses on more than just financial measures. The ‘textbook’ scorecard complements financial measures with three sets of operational measures, or perspectives; customer (member or stakeholder) satisfaction, internal processes, and the organisation’s ability to learn and improve.

Collectively these four perspectives can provide answers to four key questions:

- How do our members and participants see us?
- What do we need to do to excel?
- How strong is our financial position?
- How can we continue to improve and add value?

This balanced set of performance measures can be communicated in a visual ‘scorecard’ format, as in the example below. For each perspective goals and performance measures can be set.

| | |
|--|---|
| <p>Members/Participants</p> <ul style="list-style-type: none"> • Number • Satisfaction • Level of involvement | <p>Financial</p> <ul style="list-style-type: none"> • Total revenue • Diversification • Net result • Retained earnings |
| <p>Internal Capability</p> <ul style="list-style-type: none"> • Staff capability and development • Staff retention and satisfaction • Core processes | <p>Innovation</p> <ul style="list-style-type: none"> • Service quality • New products and services • New developments to enhance organisational performance |

A number of sports organisations have developed their own variations on this theme.

2.8 Communicating the plan

Once signed off, considerable effort needs to be applied to communicating the plan to staff and stakeholders. This is an important part of getting buy-in, energising the organisation and preparing it for change.

Presenting the plan to a range of audiences requires thought as to the content and visual appearance of the plan. While the board and staff will need to have the full version of the plan, a summary presented in a visually appealing way is suitable for many stakeholders. The printed plan should be professionally presented with images and colour. For communicating the plan to groups a professional PowerPoint presentation should be used.

Some organisations summarise the key elements of their plan (purpose, vision, values, strategic outcomes and performance measures) onto a single page (typically an A3 sheet). This captures the essence of the plan visually on a page and can be valuable as a quick reference summary.

2.9 Organisational alignment

An excellent strategy on paper is worthless unless the organisation is ready to effectively support and implement it. The strategy must be supported and reinforced by an organisation's structure, systems and culture.

The importance of alignment cannot be overemphasised. Below is a handy checklist for asking the critical question, "Now that we have developed our strategy, is our organisation capable and ready to support it?"

For each "No" answer you will need to identify the issue(s) and what needs to be done to correct them. (Sometimes this may already be addressed in the strategic plan.)

| Strategy Alignment Checklist | | Yes | No |
|--------------------------------------|---|-----|----|
| Leadership | Is the Board supportive of the strategy? | | |
| | Is Board reporting linked to the strategy? | | |
| | Do we have capable leaders within the organisation? | | |
| Structure | Is our organisation structured into units that effectively support and deliver the strategy? | | |
| People | Do we have the people with the right skills needed to deliver our strategy? | | |
| | Do our people support the strategy? | | |
| Stakeholder management | Do we have effective communications with stakeholders? | | |
| | How are we communicating the new strategy to stakeholders? | | |
| Incentives | Is our remuneration and rewards system aligned with the strategy? | | |
| | Are individual performance goals aligned with the strategy? | | |
| Culture | Does our existing organisational culture (actual not espoused) support our strategy? | | |
| Resources | Are our resources aligned to the strategy? | | |
| | Do we have enough resources (people, financial, time, other resources)? | | |
| Support systems and processes | Are our systems facilitating the effective delivery of the strategy? | | |
| | Do we have adequate systems in place for monitoring the strategy? | | |
| Risk management | Have we identified the major risks associated with the strategy and planned to respond and prepare accordingly? | | |

Stage 3
Implementation –
The Business Plan

You've got to think about
the **big things** while
you're doing the small
things, so that the small things
go in the **right direction.**

Alvin Toffler



Stage 3

Implementation – The Business Plan

In this section:

- 3.1 Business plan structure
- 3.2 Business planning process
- 3.3 Financial planning
- 3.4 Business planning roles

3.0 Introduction

*“The strategy by itself is not often the cause (of failure).
Strategies most often fail because they aren’t executed well.”*

L. Bossidy & R. Charan, *Execution*

Following completion of the strategic plan, the challenge is now to translate strategic direction into actions that produce results. A brilliant strategic plan is worthless without effective implementation. The annual business planning process is a key mechanism for ensuring alignment and focus.

All parts of the organisation will contribute in some way to achieving the desired strategic outcomes. Prioritising activity and allocating resources, such as time and money, can be a challenging task. This is particularly so for organisations with very limited resources.

Critical to the planning process is the ability of the chief executive and senior staff to understand their contribution to those outcomes, to identify where alignment between work units is critical and to manage the inevitable compromises between what ‘we would like to do’ and what resources realistically allow.

It is important that the various business units within an organisation do not develop their individual plans in isolation. They need to understand how they can contribute to achievement of all the desired strategic outcomes and how they need to work with each other to do so.

This section covers business plan structure, process and roles. A business plan template can be found in the Appendix. This can be modified to suit the needs of the organisation.

3.1 Business plan structure

*“The business plan details the ‘means’ to achieve
the ‘ends’ defined by the strategic plan.”*

While the business plan document itself can be structured a number of ways, the plan should contain:

- clear linkages between the desired strategic outcomes and the planned initiatives
- performance measures that enable progress to be monitored
- defined costs, responsibilities and timeframes.

A sample business plan template is provided in Appendix 3. It contains two main components:

1. **A summary page** that includes:
 - a summary of strategic outcomes from the strategic plan
 - organisational KPIs for the year
 - key strategic initiatives for the organisation.
2. **An activity plan for each business unit:**
 - **Strategic initiatives:** KPIs and major initiatives to be undertaken

- **‘Business as usual’ activity:** KPIs for each ‘key results area’ and a summary of activity

Organisational activity

Activity undertaken by the organisation can be separated into two types: that which meets the core purpose of the organisation and that which enables strategic change to be achieved.

1. Strategic initiatives (activity)

Achieving a strategic outcome will often be the cumulative result of a number of key change activities undertaken over a period of time. These can be called strategic initiatives and are the key actions management intends to undertake to achieve the desired change.

It is essential that these activities are well understood and closely managed by the organisation and the Board. Often they can be the initiatives that get forgotten, pushed aside or are completed late or poorly under the pressure of day-to-day activity.

2. ‘Business as usual’ activity

‘Business as usual’ activities are those normally undertaken by a business unit on a year-to-year basis. Examples include competition management, programme delivery, and athlete development. This is important activity which enables the organisation to fulfil its core purpose; however, such activity will not necessarily result in the organisation’s goals being achieved.

Separating ‘strategic initiatives’ and ‘business as usual’ activity can be beneficial in encouraging senior management and the board to focus resources, discussion and monitoring on these activities. The business plan template separates these strategic initiatives from the key results areas (KRAs) of the organisation. For example, KRA may include high performance, sport development, member services, finance and administration. In the planning template, ‘business as usual’ activity is captured under key results areas (KRAs). For each KRA, KPIs should be defined against which performance can be measured.

Expert tip:

- The biggest mistake made when planning is trying to do too much. Often this results in nothing being effectively achieved.
- A key part of effective planning is the ability to know how much can be done with the resources available, and to prioritise by the impact on strategic outcomes.

Business as usual activity should be reviewed to ensure it is adding value and contributing to achievement of the organisation’s purpose and vision.

3.2 Business planning process

The business plan must address the strategic outcomes defined in the strategic plan. There are four steps to ensuring this occurs:

- Step 1: Confirm key performance indicators (KPIs) for the year.
- Step 2: Determine the strategic initiatives for each business unit.
- Step 3: Plan for 'business as usual' activities.
- Step 4: Consolidate, with review by the CEO and approval by the Board.

Step 1: Confirm key performance indicators (KPIs) for the year

The strategic plan describes the strategic outcomes to be achieved over a longer period and the associated performance measures (KPIs). As the timeframe for achieving the performance measures is usually longer than one year, annual KPIs must be established. Below is an example using the strategic outcomes from the Stage 2.

| Strategic Outcome | Strategic PLAN Key Performance Indicator | Annual Business Plan Key Performance Indicator |
|--|--|---|
| 4 Years | 4 Years | Year 1 |
| Financially sustainable organisation | <ul style="list-style-type: none"> • \$2 Million total revenue • 25% of revenue from sponsorship | <ul style="list-style-type: none"> • \$1 Million total revenue • 15% revenue from sponsorship |
| World-class high performance programme | <ul style="list-style-type: none"> • 3 gold medals at the 2008 Olympics • 100% compliance with good practice | <ul style="list-style-type: none"> • Development gaps in programme understood and documented |
| More people playing, more often | <ul style="list-style-type: none"> • 20% increase in baseline membership • 95% compliance with good practice | <ul style="list-style-type: none"> • Benchmark against good practice completed • Membership growth strategy implemented |

Annual KPIs measure progress towards the strategic KPIs. In the example above, the annual KPIs for the strategic outcome 'Financially sustainable organisation' could be as follows:

| Year 1 | Year 2 | Year 3 | Year 4 |
|--------|---------|--------|--------|
| \$1M | \$1.25M | \$1.5M | \$2M |

Step 2: Determine strategic initiatives

Once the annual KPIs have been set, business unit managers can determine the strategic initiatives required to achieve these performance measures. This step should be undertaken in consultation with staff and appropriate advisory groups.

Determining the strategic initiatives can be very challenging. Consulting widely to find advice from other similar organisations and experts will provide some guidance.

Action plans do not need to contain all the detailed activity required to accomplish the initiatives. They should identify just the key tasks or projects to be undertaken.

Continuing the previous example, some possible strategic initiatives for one of the strategic outcomes in the example are identified.

| Strategic Outcome | Annual Business Plan Key Performance Indicator | Strategic Initiatives |
|---------------------------------------|--|--|
| 4 Years | 1 Year | 1 Year |
| Financially sustainable organisation | <ul style="list-style-type: none"> \$1 Million total revenue 15% revenue from sponsorship | <ul style="list-style-type: none"> Revenue from current sponsorship structure and pricing Raise membership fees by 10% Identify and target funders not currently accessed |
| Worldclass high performance programme | <ul style="list-style-type: none"> 3 gold medals at the 2008 Olympics 100% compliance with good practice | <ul style="list-style-type: none"> Determine benchmarking partners Complete full assessment capability against benchmarking partners |

To complete the draft business plan for each strategic initiative the business unit manager must:

- establish budgeted costs
- allocate who is responsible
- set timeframes for the start, finish and any key milestones

Continuing the previous example, the action plan for the strategic outcome 'Financially Sustainable Organisation' is completed below;

| Strategic Outcome | KPI | Strategic Initiatives | Cost | Who | Timeframe |
|--------------------------------------|---|--|-------|-------------------|-----------|
| Financially sustainable organisation | <ul style="list-style-type: none"> \$1 Million total revenue 15% revenue from sponsorship | <ul style="list-style-type: none"> Revenue from current sponsorship structure and pricing | \$10K | Marketing Manager | 1 May |
| | | <ul style="list-style-type: none"> Raise membership fees by 10% | | | 1 June |
| | | <ul style="list-style-type: none"> Identify and target funders not currently accessed | | | 1 April |

Step 3: 'Business as usual' activities

To enable focus on the key strategic initiatives and differentiate 'business as usual' activities, it is useful to separate planning for strategic initiatives and business as usual activities. As discussed, these activities can be captured under 'Key Result Areas' (KRAs). For each key result area, the business unit manager must follow a similar process as above, namely:

- set KPIs for each Key Results Area
- determine key actions required
- establish budgeted costs
- allocate who is responsible
- set timeframes for the start, finish and any key milestones.

A sample 'business as usual' action plan for the key result area of human resource management is completed below:

| Key Results Area | KPI | Actions | Cost | Responsibility | Timeframe |
|------------------|--|---|----------|------------------|------------|
| Human Resources | 95% compliance with good practice | Benchmark HR practices and policies against good practice | \$5,000 | CEO | June 1 |
| | 80% score in staff satisfaction survey | Contract HR expertise to implement good practice | \$10,000 | CEO & Consultant | August 1 |
| | | Conduct annual staff survey | \$2,000 | CEO | December 1 |

Step 4: Review by the CEO and approval by the Board

The draft business unit plans are now consolidated and reviewed by the chief executive. Real value is added by reviewing for quality, feasibility and alignment. In particular, ask the question, "If we complete all this activity will we really get the results we are looking for?"

The consolidated draft plan is presented to the board for review and sign-off. There may be a number of iterations before the plan is finally signed off.

The plan is then communicated widely to staff and stakeholders as appropriate.

3.3 Financial planning

A financial plan, including the budget and cash flow forecast, needs to be developed and included in the business plan.

The annual operating budget forecasts the total income and expenditure for the organisation. Total expenditure should represent the consolidated costs from the unit business plans.

The cash flow forecast includes all incoming and outgoing cash, by month, for the full business plan month period. It should have running accumulated cash position that highlights risk periods for overall cash position.

3.4 Business planning roles

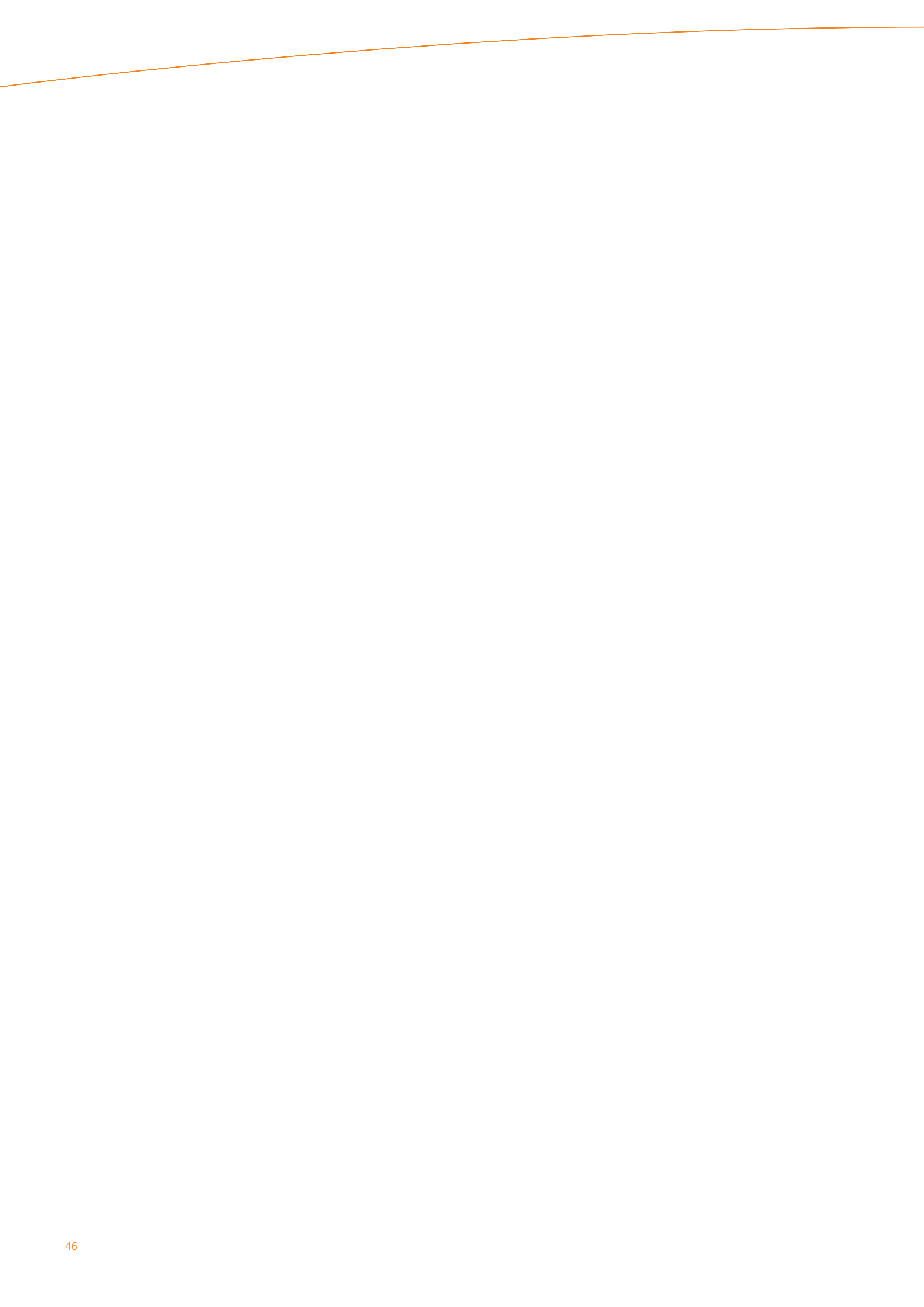
| | |
|-------------------------------|--|
| Board | The main roles of the board in the business planning process are to: <ul style="list-style-type: none"> • Setting strategic priorities and targets within the strategic plan • Review and sign-off of the annual business plan |
| Chief Executive | Chief executive responsibilities normally include: <ul style="list-style-type: none"> • Managing the overall business planning process • Giving guidance to business unit managers • Drafting and reviewing the consolidated plan • Negotiating with managers and board to get sign-off • Ensuring that communication with staff and other stakeholders occurs. |
| Business unit managers | Business unit managers are normally responsible for: <ul style="list-style-type: none"> • Engaging in discussion with other managers, advisory groups and the chief executive to understand the business plan priorities • Developing operational plans for their units that align with strategic outcomes • Delivering their draft plans to the chief executive within planning timeframes • Assisting the chief executive in the review of the draft plan. |
| Finance Manager | The finance manager (or staff member with financial responsibility) is responsible for: <ul style="list-style-type: none"> • Providing financial information and advice to business units and the chief executive • Developing a consolidated draft budget and cash flow for the period of the business plan. |



Stage 4 Monitoring

Even if you are on the right track,
you'll get **run over**
if you just sit there.

Will Rogers



Stage 4

Monitoring

In this section:

Monitoring progress and performance

Monitoring Progress and Performance

“Close monitoring of progress enables the impact of initiatives to be properly understood, and when necessary the plan to be modified.”

The monitoring stage is an ongoing process and involves continually asking the questions, “Are our initiatives giving us the outcomes we seek?” and “Do we need to make any changes to stay on course?”

At a practical level this stage involves:

1. Reporting progress against strategic KPIs on a regular basis
2. Understanding the reasons for performance achieved
3. Adjusting activity based on the assessment

This stage can be time-consuming and, depending on the ease of data collection, sometimes expensive. There can also be underlying resistance if the work environment does not support open discussion on performance. Monitoring and evaluation are, however, critical to successfully achieving your objectives and incorporating change in a timely manner.

Monitoring requires formal reporting and the systematic collection of data. Ideally it should be linked to board reporting requirements. It is important to collect only relevant information that will enable proper assessment of performance. Information to be collected should be prioritised according to its importance and the resources available to the organisations.

It is important also to ensure clarity about how information is collected and who is responsible for collecting it, and that they understand why the information is being collected. Monitoring should be a normal part of organisation activity and included in job descriptions and budgets.

Some forms of monitoring are:

- observation
- asking questions/ surveys
- using records
- take-up of services
- using profile data on participants
- feedback.

Collecting relevant information is the first step. What really matters is then using this information to make appropriate changes and improvements.

Effective monitoring is essential for the accurate evaluation of strategy that occurs during the next strategic planning process.

Applying learning

In addition to tracking and measuring performance, monitoring enables organisational development and accountability and assists with reporting.

Monitoring enables you to assess how well you are doing by asking questions such as:

- What is working?
- What isn't working?
- What could work better?

Effective monitoring will increase your understanding of your business, members and environment. This provides an opportunity to apply this learning by making adjustments and changes to further improve your organisation’s performance and effectiveness. This learning can be applied at the next planning cycle and also when required, during the existing plan timeframes, to help ensure the desired outcomes are still achievable. When this process highlights major change or issues it may lead to a rethinking of the strategic direction of the organisation. By following this cyclical process your organisation can develop into a learning organisation.

Reporting

The information gathered in the monitoring stage should form the basis for organisation reporting to the board. The reporting format should enable the board to monitor progress against the goals set in the strategic and business plans.

A template for reporting against the strategic plan is provided below. Examples from previous sections are used to provide an example board update for 4th quarter, Year 2 of a four-year strategic plan.

BOARD REPORTING TEMPLATE

Progress against strategic KPIs

Board Update: 4th Quarter (Year end) Year 2

| Strategic Outcome | Key Performance Indicator | Year 1 KPI | Year 2 KPI | Year 3 KPI | Year 4 KPI |
|------------------------------------|------------------------------------|---|---|---------------------|----------------------|
| Financial sustainable organisation | Revenue of \$2 Million by 2008 | \$1M | \$1.25M | \$1.5M | \$2M |
| | Progress vs KPI | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | X | |
| | 25% of revenue from sponsorship | 12.5% | 15% | 20% | 25% |
| | Progress vs KPI | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | X | |
| More people playing more often | 10% increase in membership by 2008 | Baseline established | 2% increase on base | 5% increase on base | 10% increase on base |
| | Progress vs KPI | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | X | |
| | 95% compliance with good practice | Benchmark established | 60% | 80% | 95% |
| | Progress vs KPI | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | <div style="width: 100%; height: 10px; background-color: #f4a460;"></div> | X | |

In the table X indicates expected progress and the coloured bar indicates actual progress towards each KPI. In this example the reporting has indicated a possible issue with progress on the KPI ‘Revenue of \$2M by 2008’ (as indicated by the darker shading).



Appendix

Leaders keep their eyes on the
horizon not just
the bottom line.

Warren Bennis



Appendix

In this section:

Appendix 1: Strategic plan template

Appendix 2: Stakeholder surveys

Appendix 3: Reviewing your internal environment

Appendix 4: Annual business plan template

Glossary

Appendix 1: Strategic plan template

This template is a sample structure for a strategic plan. It can be modified to meet the needs of your organisation.

Strategic plan

- 1.0 Organisational purpose and values
- 2.0 Key strategic challenges
- 3.0 Vision
- 4.0 Strategic outcomes (see table below)
 - 4.1. Key performance indicators
 - 4.2. Key strategic initiatives
- 5.0 Appendix
 - 5.1. Financial planning summary
 - 5.2. Organisation structure

4. STRATEGIC OUTCOMES

Each strategic outcome should have a key performance indicator(s) (KPI) and a number of strategic initiatives required to achieve the outcome.

| Strategic Outcomes (1) | Key Performance Indicators (2) | Key Strategic Initiatives (3) |
|------------------------|--------------------------------|-------------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |

(1) List the Strategic Outcomes

(2) Determine the Key Performance Indicator(s) for this outcome

(3) Determine the Key Strategic Initiatives required to achieve the Strategic Outcome

Appendix 2: Stakeholder surveys

Example 1: RST

| RST stakeholder survey (face to face) | |
|--|----------------|
| 1. What do you know about Sport X? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Nothing | Lots |
| a) Do you know what they do? How they are funded? How do you know? | |
| b) Have you read their annual report? | Yes/No |
| c) Have you visited their website? | Yes/No |
| d) Would you like to know more? | Yes/No |
| 2. Do you think Sport X is doing the right things to promote active, healthy lifestyles? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Never | All the time |
| a) What do you think the roles/responsibilities of Sport X are? | |
| b) Are there gaps between what they are currently doing and should be doing? | |
| 3. Have you worked with Sport X? | |
| | Yes/No |
| a) Are you currently working with Sport X? | Yes/No |
| b) Outline purpose and frequency | |
| c) Have you found Sport Southland effective/useful in that joint project? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Totally ineffective | Very effective |
| d) Why/Why not? Any specific examples? | |
| 4. In general, how effective do you believe Sport X is in promoting active, healthy lifestyles? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Totally ineffective | Very effective |
| Again, in general, how effective do you believe Sport X is in supporting organised sport? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Totally ineffective | Very effective |
| a) What are its strengths? | |
| b) What are its weaknesses? | |
| 5. Looking to the future | |
| a) What support/skills/expertise will you be looking for from Sport X? | |
| b) What overall priorities do you think Sport X should have? | |
| 6. How would you rank your current relationship with Sport X? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Totally dysfunctional | Very close |
| a) What aspects of the relationship do you particularly like? | |
| b) How could that relationship be enhanced? | |
| c) Are there key times when you'd like to be consulted? | |
| d) What information do you want from Sport X? How frequently? In what form? | |

Example 2: NSO

| NSO stakeholder survey (face to face) | |
|--|-------------------------------|
| 1. How well would you rate your understanding of what SportNZ does? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Have no idea | Very well |
| a) Have you read their annual report? | Yes/No |
| b) Have you visited their website? | Yes/No |
| c) Would you like to know more? | Yes/No |
| 2. Do you think SportNZ is doing the right things to develop the sport? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Not at all | Definitely on the right track |
| a) What do you think the roles/responsibilities of SportNZ are? | |
| b) Are there gaps between what they are currently doing and should be doing? | |
| 3. Looking to the future | |
| a) What support/skills/expertise do you expect from SportNZ? | |
| b) What overall priorities do you think Sport NZ should have? | |
| 4. How would you rank your current relationship with SportNZ? | |
| 1 ... 2 ... 3 ... 4 ... 5 ... 6 ... 7... 8 ...9 | |
| Totally dysfunctional | Very close |
| a) What aspects of the relationship do you particularly like? | |
| b) How could that relationship be enhanced? | |
| c) Are there key times when you'd like to be consulted? | |
| d) What information do you want from SportNZ? How frequently? In what form? | |

Appendix 3: Reviewing your internal environment

Some questions to facilitate this review of your organisation

| | |
|------------------------------------|---|
| Stakeholders | <p>Are stakeholders satisfied with your performance? What areas do they perceive as strengths and weaknesses?</p> <p>What threats and opportunities do they see for us?</p> <p>What are their expectations for us over the next 3-5 years?</p> |
| Leadership & Governance | <p>Do we have a clear understanding of our purpose? Is our current purpose still relevant or does it need to change?</p> <p>Do we have a good understanding of the future?</p> <p>Does the board operate effectively? Do we have capable people on the board? Does our Constitution limit our ability to govern effectively?</p> <p>Are our regions 'on-board' and working in the same direction?</p> <p>Are we a proactive or reactive organisation? Why?</p> |
| Structure & Staff | <p>Do we have the right organisational structure and skill mix to deliver on our purpose and vision?</p> <p>Is our organisation performing? What are the weaknesses?</p> <p>Does the organisational structure hinder or facilitate a free flow of information?</p> <p>How well do different parts of the organisation cooperate and coordinate with each other?</p> <p>Are our staff satisfied? Is turnover high?</p> <p>Do our staff management practices get the best out of our people? Are our performance management and remuneration processes effective and encouraging desired staff behaviour? Do we have good training and development plans for staff?</p> |
| Systems | <p>Do our internal systems meet the needs of the organisation? What are the gaps?</p> <p>Do we have the ability to capture data and provide good management information and reporting?</p> <p>Do we comply with legal requirements – financial, health & safety...</p> |
| Finance/Revenue | <p>Is our revenue sufficient? How much does it need to be?</p> <p>Do we have adequate reserves?</p> <p>Are we too dependent on one or two sources of revenue? What are our revenue risks?</p> <p>What are the revenue growth opportunities? Do we have emerging revenues from new products/services?</p> <p>Are we resourced adequately to take advantage of revenue-generating opportunities?</p> |
| Marketing | <p>Do we have defined, and well-understood, participant and consumer segments (consumer – TV audience, purchasers of merchandise, purchasers of services)?</p> <p>Do we have marketable properties? Are they in decline, development or maintenance modes? What do our target markets want?</p> <p>Are we regularly developing new products and services?</p> <p>Is our promotional activity effective? Are our target markets aware of our sport, its benefits and how to participate?</p> <p>Do we manage our sponsors well? Are they satisfied?</p> |

| | |
|---|---|
| Communications | <p>Do we communicate well with staff, members and stakeholders?</p> <p>Do we know what we want to communicate and have clear strategies for communicating those messages?</p> |
| Participants/ Member services (full members and casual participants) | <p>Do we know who our members and participants (including 'pay for play') are? Do we understand their needs and expectations? Are we monitoring these?</p> <p>Are member/participant numbers static, growing or declining? How does this compare with other sports and activities?</p> <p>Are sub-groups (such as teenage boys) within the overall membership/ participation static, growing or declining?</p> <p>Do we have accurate records of our participants? Do we know who participates in our sport other than our members?</p> <p>Are our members satisfied with the services and benefits they receive?</p> |
| Volunteers (Coaches, officials) | <p>Do we have enough skilled volunteers to administer, coach and referee our sport? Are we attracting sufficient new volunteers?</p> <p>Are our processes for volunteer recruitment and development effective and resourced properly?</p> |
| Regional Development | <p>Are our regional associations supportive of our strategic directions? Are there barriers at region and club level?</p> <p>Are they capable of developing the sport within their regions? Are there obvious weaknesses?</p> <p>If we have regional development officers, are they effective? How do we know?</p> <p>Is the level of service delivery at a regional level of a high standard?</p> |
| Elite Performance | <p>Are we achieving our objectives for our elite members?</p> <p>Are our processes and programmes for talent identification, development and retention effective?</p> <p>Do we understand and monitor the needs of our elite athletes, coaches and officials?</p> |
| Events | <p>Are our events well run? Are participants satisfied?</p> <p>Are levels of attendance static, growing or declining?</p> <p>What opportunities exist to develop new events to tap new markets?</p> |

Appendix 4: Annual business plan template

Business plan

1. PLAN SUMMARY

| Strategic Outcomes (1) | Strategic Key Performance Indicators (KPIs) (2) | Annual Key Performance Indicators (KPIs) (3) | Key Strategic Initiatives for the year (4) |
|------------------------|---|--|--|
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- (1) List the Strategic Outcomes from strategic plan
- (2) For each outcome list the strategic KPIs from the strategic plan
- (3) For each outcome list the KPIs to be achieved in the business plan period
- (4) For each outcome list Key Strategic Initiatives to be undertaken in the business plan period

2. BUSINESS UNIT PLAN

2.1 Strategic actions

This section focuses on major new initiatives critical to enabling the organisation to achieve its objectives for the year.

| Strategic Outcome (1) | KPIs (2) | Strategic Initiatives(3) | Cost (4) | Responsibility (5) | Timeframe (6) |
|-----------------------|----------|--------------------------|----------|--------------------|---------------|
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- (1) List relevant strategic outcome
- (2) Determine relevant KPI for the business plan period
- (3) Determine major initiatives required to achieve KPIs
- (4) Determine the budgeted cost
- (5) Identify who has responsibility
- (6) Identify timelines (start/finish dates) and key milestones

2.2 'Business as usual' activities

This section focuses on business activities that occur on an ongoing basis and do not represent significant new strategic initiatives.

| Key Results Area (1) | KPIs (2) | Major Actions (3) | Cost (4) | Responsibility (5) | Timeframe (6) |
|----------------------|----------|-------------------|----------|--------------------|---------------|
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| | | | | | |

- (1) Identify Key Results Areas for the business unit
- (2) Determine the KPIs for each Key Result Area
- (3) Outline the major actions required to achieve the KPIs
- (4) Determine the budgeted cost
- (5) Identify who has responsibility
- (6) Identify timelines (start/finish dates) and key milestones

Glossary

Balanced scorecard: A broad-based performance measurement tool that complements the scorecard developed by Harvard Business School. The balanced scorecard complements financial measures with other operational measures.

Business as usual: Core operational business tasks of the organisation outside tasks directed at bringing about strategic change.

Business plan: An action plan, typically with an annual timeframe, for managing progress towards the achievement of the strategic plan.

Key performance indicators: Performance measures that, when achieved, signal strategic outcomes have been successfully accomplished.

Key strategic challenges: Factors in the external or internal environment that have the greatest potential to impact on the overall purpose of the organisation.

Monitoring: Collection of information to measure progress and performance against strategic outcomes.

Planning: Process of determining what should be achieved and how to achieve it.

Purpose: The organisation's primary reason for being (sometimes called a mission statement).

Strategic initiatives: The actions required to enable each strategic outcome to be achieved.

Strategic outcomes: The organisation's high-level, longer-term deliverables.

Strategic plan: Communicates what an organisation wants to achieve in the future, also known as its strategic direction.

Values: Cherished beliefs and principles that are intended to inspire effort and guide behaviour.

Vision statement: An inspirational statement that captures the essence of an ideal future.







Level 4, Dominion Building, 78 Victoria Street,
PO Box 2251, Wellington, New Zealand
Phone: +64 4 472 8058 Fax: +64 4 471 0813

www.sparc.org.nz