

Strategic Assessment and Plan: Phase 1

A Four-Phased Approach

Every leader of every organization should periodically do a strategic assessment; and every leader of every organization should have a strategic plan which they intend to implement or are implementing. For a new organization these may be a part of the formal business plan. For existing organizations, they form the core of long-range strategic planning and are the blueprint or template for operational planning.

Over the next four articles, I will describe a Strategic Assessment and Plan that may be utilized by any type of organization, be they a for-profit business or a not-for-profit organization. If yours is a new organization, you may find that the assessment phases 1 and 2 are most helpful. If yours is an existing organization, the assessment phases will help you identify your current state while the planning phases (3 and 4) will point you in the direction you want to go.

The Strategic Assessment and Plan has four phases and ten steps. Each of the steps has a set of questions that, taken as a whole, form the plan. The answers to the questions posed in the phases and steps provide the guidance and direction needed for sustained health and future growth. The phases are:

Phase 1: Where are we?

Phase 2: Where do we want to go?

Phase 3: How are we going to get there?

Phase 4: Are we getting there?

Phase 1: Where are we?

In this assessment phase we will determine our mission, the leader's responsibilities, and analyze the environment in which our organization exists or functions. The first step is to determine our mission. What is our purpose, our reason for being? Mission involves what we do now, here in the present. It may change in the future, and probably will, but at least for now, this is what we do.

Next we ask what business are we in? This requires a wide-angle view of our "business." For example, had the railroad companies known that they were in the business of moving people and products/goods over long distances, today they would be vertically integrated with airlines, ships, and trucks. Instead, they saw themselves as providing "rail transportation" for people and things. Others own the airlines, shipping and trucking companies. Recently some friends told my wife and me about their trip to Alaska. The trip was booked through a vacation cruise company but involved airline transportation, rail transportation, accommodation at a luxury hotel, as well as the days spent cruising on the ship. All of these were owned by the cruise line with the exception of the airline transportation. This is an example of a company that understands that they are in the business of providing a memorable vacation through the use of different venues and transportation mediums.

Who are our customers? Our "customers" are those individuals or organizations who receive our "products" whatever they may be, past, present, and future. Who are we serving now? Who would we like to serve in the future? Determining our customer's needs will form the critical component of our future plan, i.e., how can we best meet those needs? Do we know our customer's demographics? What about lost customers? Determining why customers do not return to your organization can be difficult and time-consuming but the answers can save you future defections. And since new customers can cost up to ten times the cost of retaining existing customers, it will be money well spent. Some organizations resist the concept of identifying "customers." This is especially true in education. Who is the customer? Is it the student, the parent, local businesses, the community? By wrestling with that question, you may find that you have several classes of customers. For example, education does have more than one customer. I can argue that students receive the "product" of education from faculty and staff and are therefore the "customers" of a school. At another level, I can argue that the educated student is really the "product" of that institution and the employer of its graduates is the true "customer." We can also argue that parents who fund the school (through taxes or tuition) are the true "customers" and must be satisfied. We can see that some organizations can have multiple "customers" whose needs are important and must be met in order for the organization to be successful.

The second step in Phase 1 is to identify the leader's responsibilities, leadership style and values. Ultimately, the leader is responsible for everything that the organization does or does not do. A couple of years ago a U.S. Navy nuclear submarine ran aground on an uncharted sandbar while running submerged. The captain was not at the helm yet he was held accountable and was relieved of his command when the boat returned to port. The U.S. Navy understands that the captain is ultimately responsible for the safe conduct of his vessel even when he is not physically overseeing its course. Just so every organization. Does that mean that the leader should retain all responsibility unto himself and delegate nothing? Absolutely not, in fact the leader should seek to delegate all responsibilities except those few that he and he alone must do. This frees him up to concentrate on his most important tasks and creates future leaders who learn as they are delegated responsibility. Therefore, in this step we seek to identify those things that only the leader can do. The number of tasks in every organization will be small because most things can be delegated. Examples of leader-only functions might include: evaluating senior staff, administering the Sacraments, or working with community leaders.

Next, we examine leadership style. Don't misunderstand me as I am not advocating abandonment of the servant-first approach; by no means. Recent stories in the business press have highlighted companies that are apparently pulling out of a downward spiral after replacing their celebrity CEOs. Under new, low-key, people-focused leaders who seek out the counsel of their subordinates, several major corporations are effecting a turnaround. As [Jim Collins](#) discovered in his research, the eleven "Great" CEOs were *all* self-effacing, quiet and reserved yet driven for *organizational* success. He called them Level 5 leaders; I call them servant-first leaders. I believe this approach to leadership, as exemplified by Jesus of Nazareth, is the best model for leading people. However, people must be led one person at a time.

Discovering the leadership approach required of your subordinates means you must first determine each person's level of competency and commitment. Competency refers to the level of expertise and efficiency for the task assigned. Someone who has multiple tasks may have multiple levels of competency; i.e., they may be very good at one task but less so at another. Evaluation of competency is task-specific. The degree of leader involvement is dependent upon the *task* and not the individual. In other words, you may need to be more

involved in coaching and guiding someone who has low competency with a specific task but have little direct involvement with other tasks where their competency level is high.

Organizational commitment is global in nature. That is, one's level of commitment to the success of the organization is not dependent upon a specific task. The leader's challenge with this type of person is to move them from an "enrolled" status to commitment. A person who is merely enrolled is one who does what is required, nothing more, nothing less. She has no long term interest in the organization and displays little or no loyalty. On the other hand, a person who is truly committed to an organization takes the initiative to do what needs to be done for the organization to be successful. She does not wait to be told her job, she seeks out ways to improve, refine, and build quality and efficiency.

Leaders should examine their staff and seek to discover each person's level of competency and commitment and then decide the level of leader involvement and delegated responsibility appropriate to each. This does not mean foregoing an overall servant-first approach. It does mean that you will be more involved on a daily basis with some employees and less with others.

The final substep involves a comparison of organizational values and the leader's personal values. Are the two in agreement? If not, then the leader must take some action to either change the culture of the organization or his personal values. In an entrepreneurial start-up, organizational values generally reflect the leader's values. In an existing organization, the inherited values of an organization may have changed over its lifespan and are no longer healthy to growth. This can frequently happen as an organization becomes larger and begins to take on the negative qualities of a bureaucracy (not that *all* bureaucratic characteristics are negative). For example, with the introduction of competition in the telecommunication industry, telephone companies who formerly operated a monopoly, are now faced with a new model for customer service. Those companies who will consistently provide superior customer service at a fair price will be successful. Others who do not treat customers as assets will not survive.

The third and final step in Phase 1 is to analyze the environments in which an organization exists, internally and externally. This is often referred to as SWAT analysis: strengths and weaknesses (internally), and opportunities and threats (externally). What are our own organizational strengths? What are our distinctive competencies and our competitive advantage, i.e., what sets us apart from others that have the same or similar mission? For a business, this means asking why should a customer do business with us over one of our competitors? For a non-profit, such as a church, it means asking why should a family attend our church rather than another church closer to home? An organization that cannot identify its competitive advantage is doomed to failure. So if you don't know what your competitive advantage is, you might as well get out of business now and save yourself the headaches of certain failure in the future. But it may also include: location, availability and education of the workforce, cost control, quality level, worker satisfaction, use of technology and the like. What are our weaknesses? These may include many of the same categories listed under strengths. We must be brutally honest here and seek to build on our strengths and mitigate our weaknesses.

As we look to the external environment, we identify our competitors and not only those who offer a similar product but also those who have a product that may be substituted for ours. For example, a company operating a golf driving range and batting cages needs to look beyond other driving ranges/batting cages and consider companies offering recreation services as potential competitors. What are the strengths and weaknesses of our

competitors? Consider factors such as: location, level of technology, prices, reputation, longevity, community involvement, and customer service. What are the barriers to entry to our business/industry? What are the opportunities and threats in the external environment? Is the local government a threat or an opportunity? Companies operating internationally will consider this as one of the major environmental factors. Consider other factors such as: number of competitors, regulations, environmental constraints, natural resources, transportation infrastructure and the state of the economy.

Once we have done a thorough assessment of where we are, we turn to the question of where do we want to go? That will be the subject of the next article in this series. Stay tuned!

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