**CHAPTER ONE**

**The concept of planning and macro planning**

**What is planning**?

* Planning is the process of deciding in advance what is to be done; how it is to be done and when it is to be done. It makes possible for things to which would not otherwise happen. It bridges from where we are to where we want to go.
* Planning is the process of preparing a set of decisions for action in the future directed at achieving goals by optimal means.
* It is a process of thinking before closing or involving in the anticipation of future course of events with decision on the best course of action to man to produce a scheme for future action, to bring about specified cost in a specified period of time.
* Educational planning is the application of rational/ systematic/ analysis to the process of educational development with the aim of making education more effective and efficient in responding to the needs of the students and society.

**Reason for planning**

There are important reasons why organizations need to plan their future activities.

1. To prevent unnecessary repetition
2. To use resources wisely ( minimize cost )
3. To focus on objectives
4. To reduce uncertainty
5. To facilitate control, un planned action cannot be controlled
6. To encourage innovation and creativity
7. To improve motivation ( participate )
8. To improve competitive strength by entwining value for money ( effectiveness) efficiency
9. To achieve better coordination

**The concept of macro planning**

Although the term macro planning is now rarely used in the literature, it is vague. Macro planning is often used to refer to decision at the very aggregate level. Example: It could refer to the way the state budget is allocated b/n different levels of schooling (primary secondary and higher education). Macro planning of education refers to overall (strategic) allocation decisions. It is also equated with a long term plan.

* One way of looking at a macro plan is to consider the classification of plans based on type of beneficiary or client. Based on this basis, plans are classified as mega, macro and micro – level plans. In this connection, there are three possible client groups that educational planners might select.
1. The community and society the organization serves
2. The organization it self
3. Individuals or small groups

Mega, macro and micro plans differ in terms of who is the primary client and beneficiary of what is planned for served.

**Mega level planning**

When the primary client or beneficiary of planning is the community, the planning is identified as mega planning. This planning emphasis society goods. It operates on the basis of which is good for society is also good for the organization for its people.

**Macro level planning**

It is of social concern to education officials where the primary client and beneficiary is the educational organization itself.

**Micro –level planning**

When the primary beneficiary of an educational organization is internal clients (teachers, learners, etc) the micro- level planning is used.

**The new educational environment/ Changes in the Planning Context/**

The followings are some of the major changes in the planning context pertinent to education.

1. **Increasing uncertainty of the environment**: Instability due to poor political leadership, drought, war etc.
2. Situations, economic recession or inflation adversely affects the planning of education.
3. **Modern technology developments and globalization**: Some of the developments in modern technology (radio, television, computer electronics, and internet) have tremendous-impact on information, values, knowledge, skills, and geographical distance. Such developments have led to what is known as “Knowledge explosions.”
4. **The growing complexities of educational organizations**: Unlike most other forms of organizations, the school has a human product that gives rise to unique problems of organization and management. Because virtually every one (student, taxpayers, politicians, teachers etc) is a stakeholder in the school.
5. **The rising cost of education**: The demand for education is increasing. But the capacity of the economy to expand educational facilities and widen employment opportunities is limited.
6. **Claim for more participation:** Democracy calls for greater participation of all concerned stakeholders.
7. **Concern for implementation:** Unsuccessful plans are drafted by planners who so not consult: need to involve social actors (committees); need to involve educational actors, from top down to bottom up approaches; need to involve educational actors,from top down to bottom up approaches; important of feasibility studies, monitoring and evaluation.
8. **Educational plan should be part of an overall plan to succeed (health, agriculture, industry, construction**)
9. Poverty reduction, etc
10. **International agenda**
* Millennium Development Goals, education for all- enroll all children in primary school by the year 2015.
* Quality and equity: finding the proper mix. Those who view the role of education in equalizing opportunity assume that by gearing the education system to full participation, society can mobilize resources that will reduce costs of schooling. On the other hand, those who consider education as input in to economic growth, require improving the quality of education by decreasing the educational expansion.
* Poverty reeducation- reduces the proportion of people living in extreme poverty by half between 1990 and 2015.
* Reduce mortality rates.

**Basic Issues /Questions/of Educational Planning**

The questions that need serious attention in educational planning are essentially the following:

1. **What should be the priority objectives and functions of the educational system** and of each sub-system (including each level, institution, each grade, each course, each class)?
2. **What are the best alternative ways of pursing these objectives and functions**? This involves the various modes of delivery such as formal, non-formal, distance, etc. It also considers alternative cost, time requirements, practical feasibility, educational effectiveness, etc.
3. **How much of the nations (or community) resources should be devoted to education at the expense of other things**? That is, the maximum resource that education can effectively absorb from the total national resources of country.
4. **Who should pay for educational and how should the available resources allocated** **among different level**? The government alone should not be responsible for education Educational costs should be distributed between the first recipients of education and society at large, and among different groups in the society. There should be well-organized public fiscal structure and sources of educational revenue to attain a socially desirable distribution of the burden and at the same time a sufficient income to education.

According to Fearrel (1994), the above basic questions of educational planning could be summarized as “**what will be taught to whom, how, where, when, by whom, to what purpose, at whose cost?”** Educators and economist as well as sociologists and politicians are likely to approach and answer these questions in quite different ways, reflecting differences in their background, outlook and style of thinking.

Hence, it is important to you to note that the good educational planner is a hybrid of pragmatist and politician. He appreciates other important social needs, but to him education is clearly **number one**, it commands his prime attention and loyalty. He believes that every young person should get all the education he can use, but he knows this is not feasible immediately.

**Principles of Educational planning**

Discussions among educational leaders and economists in the years produced easy agreement of five principles and components, which formed a general framework for later consumption in educational planning.

***First, educational planning should take a longer- range view***. It should in fact have a short-range, a middle-range and a long-range perspective. Obviously its vision will grow less precise. But considering the long “Lead time” required to increase educational capacity and to alter educational output to enlarge, for example, the production for doctors or engineers, or even of elementary school teachers ,it is necessary to plan years ahead.

**Second*, educational planning should be comprehensive***. It should embrace the whole educational system in a single vision to ensure harmonious evaluation of its various parts. Moreover, it should try to extend its vision to important types of non-formal education and training to endure their effective integration with formal education and with the priority needs and goals of society.

**Third, *educational planning should be integrated with the plans of broader economic and social developmen*t**. If education is to contribute most effectively to individual and national development, and to make the best use of scare resources, it cannot go its own way, ignoring the realities of the world around it.

**Forth, *educational planning should be an integral part of educational management***. To be effective, the planning process must be closely tied to the process of decision-making and academic exercise.

Fifth, (and this proposition was slower to become evidence) educational) educational planning must be concerned with the **qualitative aspects** of educational development, **not merely** with **quantitative expansion**. Only thus can it help to make education more relevant, efficient and effective.

**Models in Educational Planning**

In the broad spectrum of planning literature, several relatively distinct definitions of planning compete for attention. Planning may be viewed as:

1. a process of making rational/technical choice;
2. a process of making incremental changes;
3. a matrix of interdependent and sequential series of systematically related decisions;
4. the construction of maps of time, space, and causality in new settings;
5. a strategy of decision-making controlled by politics and the exercise of power;
6. interaction and transaction with decisions reached as the result of dialogue;
7. a process of education or social learning

Even such a partial list illustrates the variety of disciplinary perspectives and the wide range of assumptions held about planning. The difficulties in grouping such a variety of definitions into a typology of descriptive models of the educational planning process become readily apparent. Clearly, different purposes, actors, and techniques are implied suggesting that the definitions are embedded in contrasting theories. The cited definitions and the general planning literature, however, roughly fall into two broad conceptualizations of planning which may be labeled ‘‘interactive’’ and ‘‘rational.’’ Figure 1depicts an axis whose ends are labeled ‘‘objective’’ and ‘‘subjective’’ in order to illustrate the two basic social paradigms of planning (Burrell and Morgan 1979). The paradigms are distinguished by their contrasting views of knowledge and science. The objective paradigm incorporates the positivistic assumptions of a value-free social and physical science, in which the scientist is outside the orderly world being examined. In contrast, the subjective paradigm has, at its core, the notion that individuals create the world in which they live, and that any understanding of society, its institutions, and its emergent social processes, depends on the vantage point of the participant. The distinctions implied by location along an objective-subjective dimension.

 Interactive Rational

 Subjective Objective

Figure 1 Models of educational planning.

Table 1 Comparisons of three sets of models of educational planning

|  |  |  |  |
| --- | --- | --- | --- |
|  | Technicist | Political | Consensual |
| Assumption : Decision-making | Algorithm | Bargaining, trade-offs | Transactional |
| Ontology | Objective | Mixed-objective/subjective | Subjective |
| Systems | Hard | Soft | Soft-interpersonal |
| Metaphor | Machine-cybernetic system | Debate | Social learning |
| Organizational concepts | One set of goals Expert driven Research baseddata | Multiple goals Interest group advocacy driven Interest and data based | Emergent, multiple goalsWide participationShared understanding |
| Criterion for choice of policy orplan | Optimal/satisfying | Bargaining resultant | Meaningful dialogue |
| Implementation strategies | Competentenforcement | Bargaining/exercise of power | Individual andorganizational learning |
| Keys to success | Expert knowledge | Willingness to bargain/control ofaction | Inter subjectivecommunication |
| Definition of success | Fidelity withobjectives | Political acceptability | Agreement/consensual action |

**Technicist Models**

The most persistently popular rational planning model in educational planning literature and practice has been labeled the ‘‘technicist’’ model. Technicist planning is expert-driven, assumes a linear process of decision-making, tends to treat the educational system as a ‘‘black box,’’ and severely limits the number of variables examined to quantifiable indicators. Technicist models define ‘‘implementation’’as the execution of a plan as the plan directs. Implementation is thus a stage in a linear process of change, following plan formulation and preceding evaluation. Evaluation results may serve as feedback to modify implementation activities, or as input to future planning, but typically do not serve to alter the plan itself. Success is defined as accomplishment of the plan’s objectives. Concern for unintended effects is limited. Success is assumed to be a function of prior planning and specification, the availability of appropriate information, and administrative competence. Technicist models of planning, which conceive of implementation as the execution of the plan, are most often adopted by centralized educational systems that employ top-down approaches to change. The emphasis on centralized, hierarchical administrative control is seen as a necessary effort to insure local compliance. Space allocation, physical plant construction, cost analyses, transportation assessments, enrollment forecasting, and teacher supply and demand can, with certain assumed simplifications, be addressed by technicist models within the constraints of technical rationality and optimization.

**Political Models**

As shown inFigure 1, political models of planning overlap with both rational and consensual models. The set of political models may thus include elements of the rhetoric and technology of all sets of models. Although attempts have been made to separate politics, policy, and planning, in this conceptualization much of educational planning is influenced by political power and ideology. Even technical tasks may not be insulated from politics, and politics and planning may become, in effect, indistinguishable. Political models describe educational planning as aprocess of bargaining, negotiation, and exercise of power. In their purest form, the political models—which view planning as a dynamic, shifting process of interaction and exchange—reject the main assumptions of rational decision-making. This does not, however, suggest that all rational models ignore politics nor all political models ignore rational techniques. Rational planners often attempt to identify political obstacles and supports, treating them as inputs to a technicist planning process. Moreover, politically oriented planners, in identifying planning choices, may welcome the quantitative rigor and legitimacy of apparently objective interpretations. Implementation approaches associated with the less authoritarian variants of political planning models, while sharing several features of technicist models, are less concerned with control and more responsive to differing social circumstances and educational contexts (McGinn et al. 1979). The centralized, or high-level, determination of broad goals and means of goal attainment is accompanied by recognition and accommodation of varying local conditions, as well as conflicting interests within and among system components and with external groups. Since bargaining among participants may be continual, planning (including implementation) is adaptive in response to diversity, conflict, and change in planning objectives as well as to shifting power relations.

Political models define implementation as movement toward, if not attainment of, evolving objectives. Success is assumed to be a function of ongoing negotiation and trade-offs, not necessarily of prior planning specification. Political dimensions to educational planning have gained increased recognition since the 1960s. In the 1960s and 1970s the social demand or demand-for places approach gave attention to political context.

At minimum this model is expected to include educational planning activities which respond to population changes and offer an interpretation of private educational demand. Although the major objective of social demand planning at national and sub-national levels is merely to provide the number and kind of schools and personnel to satisfy the number of students who wish to attend, in practice, this objective is modified to accommodate academic and possibly other standards for school admission and promotion.

**Consensual Models**

Like political models, consensual models recognize education as an open human system located in a social environment too indefinite and inconstant to allow easy generalizations. Underlying these models, however, are assumptions that meaningful action presupposes understanding and that legitimate action presupposes agreement. Meaning thus evolves from social interaction and is grounded in practice (Friedmann 1984). The choices and decisions which structure significant educational change rest on the accepted relevance of such change by people directly. Involved in, or thinking about, education. Communication, not political power, pluralistic bargaining, or expert knowledge, is the fundamental key to keeping the planning process moving. Initial goals are not permanent benchmarks; rather, goals suggest directions to be discussed, modified, or replaced over time. The consensual model then bears resemblance to the learning-adaptive model, the transactive model, the social learning model, and the situational planning model. The set of consensual models clearly overlaps with political models and shares with these models their emphasis on negotiated agreement. However, the purer consensual models give more recognition to the particular context, actors, and temporal setting of planning actions.

There are perhaps no pure examples of consensual models of educational planning in practice. There are, however, examples of (a) structured attempts to maximize participation, communication, and agreement on particular issues or sets of decisions in the educational planning process, and (b) the breakdown and failure of planning due to miscommunication or inadequate levels of agreement among relevant actors. Such cases may be found throughout the world but are most commonly associated with decentralized patterns of educational control and administration.

**Educational planning approaches**

Various macro- educational planning approaches /methodologies developed in industrialized countries have been appeared in an attempt to make the development of the education system more efficient and effective.

Three of these approaches

1. The social demand approach
2. The man power approach
3. The rate of return/ Cost –benefit approach/
4. **The social demand approach**

By the social demand approach economists usually refer mostly to planning driven by politics, which makes it satisfy the increasing popular demand for education.

The social demand is an ambiguous and mischievous term which can be defined in several quiet different ways. It is most commonly used to mean the aggregate population demand for education that is the sum total of individual demand for education at a given place and time under prevailing, culture political and economic circus for. The social demand approach which emphasize the aggregate expansion of education in line with the increases in the age cohort for education, assumes education is an affordable right.

Do you think it is easy to measure social demand?

Measuring a social demand is always extremely difficult and often impossible with the exception where compulsory education exists together with good demographic data on the relevant age group. To obtain even a good example of approximate measure of voluntary demand would virtually requires a house- to – house senses in most cases.

**Problems of a social demand approach**

* The concept of a social demand for education is not a very objectives one because it can be quite easily manipulated by the public authority itself. The level of demand can control by such factors as:
* the system of financing education
* by variation in the shape of the education structure and
* the situation of the labor market.
* Exclusive reliance and public demand as a guide to education policy can easily result it conservative approach to the process of educational planning itself.
* The social demand approach is basically an approach of satisfying private demand for education, the heavy subsidization of education as the case in most African countries, means the private or individual demand and private benefits will far exceed the social or community benefits of educational expansions.
1. **The manpower approach**

Many economists performed the manpower approach to educational planning the argument in this favor run as follows:

Economic growth is the man spring of nations over – all development and thus should be the prime consideration in allocating its scarce resources. Economic growth however required not only physical resources and facilities but also human resources to organize and use them. Thus the development of human resources though the educational system is an impotence system an important pre-requisite for economic growth and a good investment of scarce recourse, provided the pattern and quality of educational output geared to the economy’s man power needs.

**The role of manpower forecasting**

The rational for according man power forecast a prominent role in assessing educational needs is perfectly strength forward. It runs something like this: a nation which plans or aspiration for economic development cannot afford to slight the proportion of its human agents of production.

The certain of a new steel works, for example, is meaningless unless provision is also made for the scientist, engineers, mangers, technicians, skilled workers, clerical staff, e.tc necessary to operate it . Since one of the functions of the educational systems in a society is to provide its work forces with the abilities required for productive activity, it follows that system must be reasonably well geared to the production requirement of the economy.

Moreover, it is the future pattern of man power requirement that must guide today’s educational decisions. The reasons are that the “lead time’’ in producing qualified man powers is exceptionally long. When one consider the time involved in constructing new school facilities, in training new teachers and in filling up the educational pipeline in order to expand significantly the number of the educational planner university graduates, it becomes clear that must have in mind the prospective patterns of man power requirements at least a decade or two in advance. Thus the need for long-term forecasts of manpower needs.

 The approach comprises

1. It starts from the economic project- ones up to a given future data of the level of national production and break down by sectors or brunches of activity.
2. To estimate the break downs of those numbers by occupations, occupational categories, or socio- occupational categories.
3. To meet this available employment (or man power demand) it is then necessary to estimate the man power resources which will be available at that time.

 **Problems of manpower approach**

1. It gives the educational planner limited guidance
2. The employment classification and man power ratio used in most man power studies in developing countries as well as the assumed educational qualifications corresponding to each category of job were usually borrowed from industrialized economics and did not fit the realities of less developed ones.
3. The impossibility of making reliable forecasts of manpower requirements for enough a head to be of real value educational planning, because of the myriad economic, technological and other uncertainties involved.

1. **The rate – of return (cost- benefit Approach)**

Economists coming out of the neo- classical rational observed that the manpower approach was about as quality as the social demand approach of ignoring the overall allocation problem and the key test of benefits verses cost.

What do you understand by the rate of return approach to educational planning?

What is the underlying argument of the approach? You can write your answer on the space poured below:

The cost –benefit principals is what a national individual roughly applies when deciding how best to spend his money when his desires exceed his means. He examines his alternative, weights the cost of each and the correspond satisfaction or utility he feels it will bring him, and then choose those particular options with his means that promise the highest ratio of benefits to costs.

Whereas the man power approach types a deliberate planning approach cost – benefit analysis is an example of a liberal approach in the context of which education is seen as an investment to which the usual economic principals governing investment are applicable. The method thus consists of clarifying each decision by a previous calculation of the cost and benefits attaching to it. In practice, cost benefit analysis applied to education means determined an economic rate of return the analysis of which serve as guide for the rational allotment of resources. The technique is derived from the classic theory of the firm and is based on micro – economic calculation.

**Education regarded as an investment**

Education is often presented as a productive investment that is to say as a factor that comes contribute to economic growth. This conception rests on theoretical bases which originally consider the productive contribution of education in terms of its positive effects on the quality of the labor factor. Subsequently this was backed up by the empirical demonstration of the relation between education, labor productivity and economic growth. According to G- Beaker one of the economies who developed the concept of human capital, investment in human capital represents all activates which influence future material and intellectual income resource of the population.

Methods of evaluating productive investments where then directly transposed to the education sector. The relevance of a project is usually assed by comparing its costs the benefits. An investment is considered worthwhile from the point of view the individual or of society as a whole, when the excepted benefit exceeds the cost.

 In practice, different techniques are used to evaluate the rate of return of an investment or compares alternative projects. The simplest method is to consider the pay - back period of the initial investment. But this is a very approximate indictor especially as it gives no idea of long – term repercussions of the project. The most commonly employed criteria are those which relate to the profitability of the investment that is to say the capacity of the investment generate with anticipated future income. But the comparison is meaningful only is the total flow of income is accepted in the center namely in time of its present value. What is called the discounting method enables the cost and benefits of an investment to be established in the same basis.

From this point on three methods can be used to assess the rate of return of this project.

1. the cost benefit ratio – expressed in present value (pv)
2. The calculation of the present value on the project that is to say the difference the present value of the benefit and the present value of the cost.
3. The calculation of the internal return of the project that is the rate of interest to be applied to the cost and benefit of the investment to make them equal.

 **The use of rates of return in education**

 **Description of the method**

The analysis of the rate of return is the method most often used to the asses the profitability of an investment in the education sector.

The first step in this approach is

1. The education of the cost and benefit connected with the project.

Calculation of benefits

What are the benefits to the economy of an environment made in the education sector or what is the economic advantage of this approach or that level or type of education?

Differences of the income between people of different level of instruction are usually taken in to consideration to assess the benefits attaching to a higher level of education. This form of education rates on two basic assumptions.

1. An individual income reflects his productivity, that is to say his effective contribution of production.
2. Income difference observed among individuals corresponds to different level of productivity which them sleeves reflects distinct level of instruction.

Benefits are those calculated by totaling the observed income differentials among individual of the same age and different level of instruction for the entire duration of there working life.

1. **The practical Approach**

 None of the above approaches provide adequate basis for education planning, that is, they leave important gaps to be filled. Thus, the practical approach is suggested to incorporate the following five particular needs for improvement in the frame whom of educational planning:

1. The above three commonly used approaches must be synthesized in to more coherent, unified approach.
2. The numerous methodologies required to apply these more unified approaches must be future refined and strengthened.
3. A reasonable effort must be made by all educational system to improve the information flows needed for effective planning.
4. A larger cadre of people with broad technical competence in planning must be trained and general apparition of planning must be installed in many others whose participation in the planning processes essential
5. Organizational and administrative arrangements, attitudes and behavior patterns must be drastically attired to accommodate effective planning.

**CHAPTER 2**

**STEPES IN STRATEGIC PLANNING**

 **STEP ONE: PLANNING TO PLAN**

* The first step in strategic planning is "planning to plan" or get organized.
* This includes:
* Agreement on whether to develop a strategic plan.
* Get the commitment.
* Determine if outside help is needed if:
* Your Organization has not conducted strategic planning before.
* For variety of reasons previous strategic planning was not deemed to be successful.
* There appears to be a wide range of ideas and or/concerns among Organization members about strategic planning and current organization issues to be addressed in the plan.
* No one in the Organization feels committed to facilitating strategic planning for the Organization.
* Organization heads want an objective voice, i.e., someone who is not likely to have strong predisposed positions about the organization strategic issues and ideas.
* Outline a planning process that fits the Organization. This includes:
* Determine how the theoretical frameworks will be applied to the actual planning process.
* Outline the steps you will use to develop the plan.
* Review the outline with relevant bodies.
* Ask for possible improvements.
* Form a steering committee and a planning team.

 **1. Steering Committee**

##### **Membership:**

This committee should consist of:-

* The organization’s top officials
* Donors
* Representatives from finance offices

#  **Committee’s role:**

* Provide leadership in the process
* Review and approve the deliverables developed by the strategic planning te am.
* Final responsibility for the strategic plan rests with them.

**2. The Strategic Planning Team:**

Most organizations use a team to do much of their planning. The team is usually composed of 5-8 people but may be as small as 3 or as large as 12.

The size of the planning team will depend on the size of the staff who can qualify to participate in the process. Generally, the larger the team, the more structure is required in team meetings and may not be manageable and efficient. Make sure that the people to be involved in the planning team are ready to sacrifice their time and are committed.

## Membership:

The following people could be included in the planning team.

* Department Heads
* Key experts
* Planners
* Stakeholders
* Mentor/consultant or other resource people.

 It is useful to have a variety of individuals to get different viewpoints represented on the team.

We need to compose a team of people with good knowledge and experience as well as analytical skills.

##  Roles of the Planning team:

The planning team will be responsible for doing

* data gathering
* analysis
* Write up of the document

##  STEP TWO: ANALYZE COUNTRY OR REGIONAL CONTEXT, ORGANIZATIONAL BACKGROUND AND VISION, MISSION AND MANDATE ANALYSIS

 **1. Analyze Country or Regional Context**

* It highlights the National or Regional profile in which you operate. This may include:
* Political situation
* Social situation
* Economic situation
* Infrastructure, Location and topography etc. of Ethiopia or your Region, and
* The situation of your sector. For example the sector analysis should show the problem you are trying to solve/address and must be supported by statistical figures and facts.

**2. Organizational Background/Profile**

In this part look at:

* The organization back ground and its "roots"
* Why /how the Organization was established?
* What areas of focus has it had?
* What type of services had it provided?
* Is this service still needed by the society?
* At this step, the planning team should analyze the following elements: -
* Why and where the organization was formed?
* Its services and operational areas
* Structure (main departments)
* Human Resources/Staffing
* Organization past achievements
* Its past shortcoming/constraints?

 **3. Vision, Mission and Mandate Analysis**

* If an organization does not have defined Vision, Mission and Objectives to achieve, it is not an organization at all but a mere collection of individuals and resources.
* The Vision and Mission of an Organization needs to be articulated and developed clearly.

 **3.1. Vision**

* Vision is what you want to see in the future. It is a “**vehicle of hope**”.
* Defining the kind of world we want for tomorrow’s child.
* The ideal vision serves as a “guiding star” to which we relate our interim objectives toward the ultimate destination.
* Without an ideal vision we limit thinking and planning to reactive quick-fix tactic.

**Examples**

* Martin Luther king had a dream.
* Walt Disney said that, “if we can dream it, we can achieve it”.
* The Bible advises us that, “without a vision, the people will perish”.
* The Americans has changed their curriculum after the Russians have launched the first rocket.

This is the organization’s hope for the reality to be "i.e., the desired situation, as opposed to "the reality prevailing this time-the existing situation.

Vision is what keeps the Organization moving forward even against discouraging odds.

An organization's leaders need to develop a "vision of excellence" to give direction to the organization.

**Vision must:**

* Be compelling/challenging
* Inspiring
* Make people join the Organization

 **Some examples of vision statements include:**

1. *"To be the most creative organization in the world."* **The BBC**

**Why do you need a vision statement?**

Organizations need to know:

* Where they are heading and
* what they are trying to accomplish

An institution's vision statement is thus an articulation of its major goals and ambitions.

The organization which does not articulate its vision for the future will not necessarily fail, indeed it may continue to 'tick over' quite nicely, but nor is it likely to thrive.

**What makes a good vision statement?**

*"The quality of your vision determines the creativity, quality and originality of your ideas and solutions. A powerful vision statement should stretch expectations and aspirations helping you jump out of your comfort zone."*

1. **Be inspirational**. Use powerful words and vivid phrase.
2. **Be ambitious**. If you set your sights on being 'within the top 10', the chances are that the best you will come is 10th.
3. **Be realistic**. This may sound odd following on immediately from a call to 'Be ambitious', perhaps even contradictory, but it is an important part of the balancing act that is required.
4. **Be creative**. It should embrace new ways of pursuing organizational development
5. **Be descriptive**. Should clearly explain what needs to be reached after the intervention.
6. **Be clear**. Avoid jargon, keep sentences short and to the point and use precise, uncluttered language.
7. **Be consistent**.

 **3.2. MISSION**

A mission statement outlines the fundamental reasons why your organization is doing the work that it does; it is “*the who, what, why and how of your organization’s work*.”37 The mission statement communicates to the outside world the kind of contribution that your organization is seeking to make and what sets you apart from other like-minded or

While it provides clarity to both your external and internal stakeholders, your mission statement is essential in helping you determine what to do as well as what not to do. A mission statement enables your organization to think more strategically, prioritize the work, and engage only in those activities that further your goals.

Ideally, your mission statement should be concise, memorable and easily stated by board, staff and volunteers. It should be visible to all members of organization; having a “*physical presence*” in the organization.42 Your mission statement should be included in your newsletters, website and brochures. By prominently displaying your mission, you will easily be able to communicate to your target population, community partners and other stakeholders the answer to the questions - *“What good?”* and *“For whom?”*4

Mission is a very broad and general statement about the basic purpose of the Organization.

 *It embodies its philosophies, goals, ambitions and mores. Any entity that attempts to operate without a mission statement runs the risk of wandering through the world without having the ability to verify that it is on its intended course."*

**Examples of mission statements include:**

"*To contribute to society through the pursuit of education, learning, and research at the highest international levels of excellence"* - University of Cambridge

Most of the time the organization’s mission is not determined by the organization itself but rather by higher-level authorities and its stakeholders/clients.

Stakeholder satisfaction with the organization’s services also defines its mission.

The mission statement should be proceeded by:

1. Taking into account the interest of stakeholders.
2. Organizational mandate
3. **Take into Account the Interest of Stakeholders**

Before writing the mission statement, the planning team has to answer the following questions:

1. Who is our client or who are our stakeholders?
2. What do our clients or stakeholders want?
3. What do they consider important?
4. Is the Organization doing the right thing or should it change its function/service or strategy?

 NB. No widely accepted standard exists for the contents and formats of a mission statement.

The mission statement should be comprised of the following components.

* The specification of target/clients/stakeholders
* Identification of principal services/functions
* The specification of geographic domain
* The expression of commitment
* Survival and growth and
* Development

⇨ The identification of the organization’s or self-concept

1. The identification of the organization’s desired public image.

 **ii) Organizational Mandate Analysis**

* T he mandate of the organizations is what is formally required to do by government
* This mandate may be codified in laws, regulations, decreases, or charters.
* There may also be informal mandates that the organizations must fulfill, in the form of expectation of high level authorities and other stakeholders.
* These mandates should be compiled and reviewed and their terms should be clarified before stating the mission.
* The mandate will often define the boundaries of the field of action within which the Organization can operate.
* The mission statement should be consistent with organization’s mandate.
* Most of the time the organization’s limit change to what is allowed for in their current mandates or, at least what is not expressly disallowed by their proclamations.
* But mandates need periodic updating and an Organization under change has to know which existing ones they can apply to their advantage or which ones they have to get changed in order to move into the future.
* We have to know which ones are formal and which ones constitute informal mandate “the way it’s always been done".
* Only when there is a clear road map of formal and informal mandates and what to do about them, in line with the strategic change issues, can strategies confidently be developed for change actions.

  **STEP THREE: SET VALUES AND IDENTIFY KEY STAKEHOLDERS**

**Set values/operational principles and identify the key stakeholders and their expectations:**

These values underpin how you function as an organization and inform everything from the mission statement to activities and policies. For social change organizations, values and guiding principles play an especially significant role in the life of the organization. Often, there is a very close correlation between the personal values of individual stakeholders and the values of the organization. This only serves to strengthen stakeholder commitment and motivation.

A values statement explains the principles on which the organization is built. It answers the question, *“What do we believe in?”*48

It is essential to consider the impact of your values and beliefs on your daily work and on how you develop strategy. You will want to reflect upon which aspects of everyday practice at your organization support or do not support your values and beliefs.

This time

* Analyze existing values and set new ones.
* Perform a thorough analysis of stakeholders to know what their needs are.
* Determine ways of how their needs can be met through your organization
* Ensure that all stakeholders participate in the planning process.
* Identify collaborators and strategies as appropriate.
1. Values/Operational Philosophies
* Values define the philosophy of operation and the organizational culture being practiced by the Ministry/Bureau or an Agency.
* There must be congruence between the organizations’ values and the strategic plan.

 Purpose of Value:

* Is a glue which binds together participants
* Move people's heart
* Genuinely knits together individuals and organization

Core values can best be described as:

* Operating philosophies or principles that guide an organization’s internal as well as external world conduct.
* Help to define the type of organization you strive to be.
* Your values should describe something of how your organization currently is, less what it wishes to become.
* Specific and meaningful to the institution.
* Values will inevitably touch on issues of individual ethics, morality and beliefs.
* What is more difficult to achieve is to identify and agree values which are original, inspiring and specific to your institution
* Defining your values should be a creative and collaborative process.
* Values are often described using few words.
* The purpose of stating your core values is to help define the type of organization you strive to be.
* Values should be integrated into all relevant aspects of institutional life.
* As such they describe something of your culture, your ethos and your priorities.
* Higher education institutions do tend to fall in into the 'motherhood and apple pie' camp, full of well-worn phrases such as:
* *'Valuing:*
* *Diversity*
* *Equality*
* *Inclusion, and*
* *opportunity'*
* *'Excellence in service delivery'*
* *'Respect for learners and staff'*.

**An example of institutional value**

*Everything we do is underpinned by our core values of transparency, fairness and security. These are the foundations which enable us to maintain our financial strength and deliver long-term good value ----*Nationwide Building Society

1. Individual values: - examination of personal values of the Organization Head or agency manager and staff. These values often become part of the organizational system. This is important because the organization’s or Agency's values are often reflective of consensual values of individuals.

 Example

* Risk taking
1. Strategic values:- Values related to strategic logic of the organization. They define not what kind of people we are but what we do.

Examples:

* Commitment to excellence
* Empowerment

Example

* "Quality is our work and value for money is our goal"
* "We use resources to the fullest, waste nothing and do only what can do best".

Philosophy of operation:- Includes assumptions how things are done and decisions are made.

 Example:-Attitudes about government officials doing business with private sector

Organizational culture:- it is putting together of individual and organizational values with organizational philosophy evidences in social interactions, structure, rituals etc.

 Example "Service user satisfaction is our organization’s culture

2. Stake holder Analysis (Managing Relationship)

 Stakeholders are individuals, groups and organizations:

* who are in a position to influence your work
* who are affected by your work
* who can affect your work
* who have an interest in your work or

Who can lay claim to your wor

**2.1. Purpose of Stakeholder Analysis:**

* Helps to clarify mandate.
* Enables to identify **who has a say over your work and assess their relative importance.**
* Help clarify the **content and scope of their influence** over your efforts.
* Will enable you to identify tensions and contradictions in the demands being made.
* Helps clarify unclear or changing role-e.g. Shift of major donor.
* Each of these stakeholders need to be identified and determination must be made how they are likely to respond to:-
* The Plan
* The planning process and
* The implementation of the plan
* Take into account:
* The assumed value of the various stake holders and their respective:-
* Resources
* Status
* Freedom of action
* Relationships and
* Activities

 In which caseall are likely to be impacted by shifts or changes in the organization’s direction. Their interest should be assessed and considered in terms of the consequences of either meeting or not meeting them.

**How to do stakeholder analysis**

* List all stakeholders
* Assess their strength
* Select the most important i.e.
* Those who have direct power over resources (donors/government).
* Those who have power of political influence (council of Ministers, Parliament, Regional Council and Cabinet).
* Those who have power over service: people on whom the Ministry/Bureau or Agency depends to provide the service (the community of beneficiaries).
* Those who have power over the environment.

##### **STAKEHOLDER ANALYSIS EXERCISE**

##### Approaches for stakeholder analysis

1. List important stakeholders
2. Identify their expectation
3. Indicate their likely reaction and impact if expectation is not met
4. Indicate degree of importance (1-3)
5. Indicate institutional response
6. Note major opportunities and Threats for inclusion in the SWOT list

Example:-Oromia Regional state Urban Development and Industry Bureau Stakeholder Analysis

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Stakeholder | Expectation | Likely reaction and impact if exception is not met  | Degree of Importance | Institutional Response |
| 1 | Urban dwellers | Basic infrastructuresImproved service  | * Continue the old way of living

Lack of trust, Violence against to the leaders, Criminal acts | 1 | Conduct problem solving, need based practical research to improve urban development technologies |

**3. Collaborators**

The organization should identify collaborators and strategic partners so that it can plan on ways to team up, for strengths and for positive results.

N.B: **organization’s objective cannot be met only by its efforts.** By joining forces, the organization will access more support and resources to ensure effective achievement of objectives.

**STEP FIVE: ENVIRONMENTAL ANALYSIS**

Often the term 'Environment scanning' or analysis is thought **only to apply to external forces:** to the broader political, economic, social, technological, legal and environmental factors which create the backdrop against which our institutions must exist.

However, it is also essential that the institution and its managers have access to the information required to accurately assess the institution's own internal environment, its strengths and weaknesses and its likely ability to be able to meet current and future strategic challenges.

 **The material included within this stage is designed to help your institution to answer two main questions:**

1. Is our organization currently **'fit for purpose'** and in the right condition to undertake the activities planned?
2. What factors may **currently, or in the future**, influence our chances of success?

In essence this creates a four way matrix of views of your institution



**When?**

Environmental scanning is an **ongoing process** which will probably be carried out:

* To Identifying your (mission, vision and values),
* Managing strategic activity and,
* Evaluation and control.

Ultimately, environment scanning is about making sure you have **access to the right information at the right time**.

**Advantages of Environment analysis**

1. Identifies your strengths as an institution.

2. Ensures the realistic and achievable of SP

3. Adds value to the institution

4. Provides an opportunity for managers to see beyond the confines of the Org.

5. Identifies any weaknesses within the institution.

6. Identify and predict forthcoming developments within society, culture, economy and
 technology

Environmental assessment involves the analysis of both SWOT and PEST .SWOT analysis concerns with the examination of the organization in the light of the internal aspect i.e. weakness and strength and the organization’s fit with what is going in outside of the organization i.e. opportunities and threats.

# **Strengths**

Strengths are within the control of the organization and they occur at present (**they are not just potential**).

Examples appropriate technology, dedicated staff, management experience etc.

# **Weaknesses**

Weaknesses are also within the control of the organization; they also occur at present (**they are not just potential**). They are the "lack of" missing...” or weak points.

Examples Shortage of qualified staff, inadequate finance, poor service delivery, poor management skills, etc.

# **Opportunities**

Opportunities are:

* Positive or favorable factors in the external environment which the **organization should take advantage** of or which make the idea potentially viable.
* Are beyond the control of the organization. They are different from strengths in the sense that strengths are positive internal factors.

Examples Existence of willing donors, favorable government policies, availability of training programs etc.

# **Threats**

Threats are :

* Negative or unfavorable external factors in the environment and normally beyond the control of the organization.
* They affect adversely the business of the organization if not eliminated or overcome.
* Threats differ from weakness because they are beyond the control of the organization.
* Both have negative impact.

The purpose of analyzing threats is to look for ways heeding against them, i.e., trying to avoid them or lessening their negative impact by making counter balancing actions.

Examples: Worsening economic conditions, fast growing population, natural disaster, shrinking resources, etc.

SWOT analysis **involves a great deal of data gathering and analysis** and most of the work should be done initially by the planning team, with the steering committee being brought in to the process once the initial ground work has been laid.

We can have the following SWOT analysis of a certain organization as an example

|  |  |
| --- | --- |
| Strength -Examples | Weakness-Examples |
| • A distinctive competence• Strong financial resources• Good competitive skills• Good image and reputation• Acknowledged market leader• Proprietary intellectual  property• Cost advantages• Competitive advantages• Product innovation abilities• Proven management  | • Lack of clear strategic direction• Deteriorating competitive position• Inability to reach break‐even because…• Lack of management depth and talent• Missing key skills and competencies• Poor track record on implementingstrategies• Many internal operating problems• Weak innovation capabilities• Over‐dependent on a few products/people• Weak market image and reputation• Competitive disadvantages• Lack of financial resources to carry outstrategy• Other |
| Opportunities | Threats |
| • Availability of new customers• Demand for new products• Demand for variations of existingproducts• Demand for complementary products• Vertical integration• Migration to more attractive industrysegment• Complacent competitors• Faster (than forecast) market growth• Favorable government policies/laws• Other | • Likely entry of new competitors• Rising sales of substitute products• Slower (than forecast) market growth• Loss of key customers (tocompetitors, or no longer available)• Adverse government policies/laws• Growing competitive pressures• Vulnerability to economic problems• Growing bargaining power ofcustomers and/or suppliers• Customer requirements moving awayfrom organization’s competencies• Other |

**ASSESSING THE INTERNAL SITUATION**

 In this task, the planning team takes a close look at the Agency and analyses its strengths and weaknesses. The best way to do this part of the analysis is to organize a structured and facilitated brainstorming sessions at which both the steering committee and the planning team would be present.

These Brainstorming sessions could be organized around the following questions:

What do we do well and what do we do badly?

Where have we succeeded in the past where have we failed?

What aspects of the organization are helping us to accomplish our mission and what aspects are hindering that accomplishment?

**2. SCANNING THE EXTERNAL ENVIRONMENT**

In performing this task, the planning team should look at the forces and trends in the external environment that can be categorized under a number of headings:

* Political
* Economic
* Social and
* Technological
* And these factors are coined as (PEST)

### PEST ANALYSIS

The outcome of the scan is a list of opportunities and threats to the organization that arise from the external environment.

How to Collect Data for External Environmental Analysis

The team will not have the time and resources to do its own studies in these areas, but it should research what studies and reports are available and determine how their findings could affect the organization. Look for the following information sources.

 Political

* Federal constitutions.
* Regional constitutions.
* Various policies (women, education health, land, population, urban, youth, etc). And laws that are relevant to your organization
* EPRDF Journal and publications etc.
* Donor policies and trends.

Economic Consideration

* Economic policy of the Federal Government
* The new rural development strategy document
* EPRDF's five year peace and development plan
* Publications of MOFED/BOFED
* Publication of Investment offices
* Statistical Abstract of Ethiopia
* Publications of Ministry of Trade and Industry
* Publications of Chamber of Commerce
* Publications of Ethiopian Economics professionals
* The Monitor, Capital, Fortune news papers etc.

Social

* C.S.A census reports on population and housing.
* Studies and research report from AAU and other higher learning institutions.
* Report of MOLSA etc.

Exercise on PEST

|  |  |
| --- | --- |
|  | EXTERNAL ENVIRONMENTAL ANALYSIS Identifying opportunities and Threats Instructions:1. List the major opportunities (O) and threats (T) that you believe your Ministry/Bureau or Agency will face in the future and will determine whether it succeeds or fails.  |
| Factors | Opportunities (O) | Threats (T) |
| A. Political 1.2.3.4. | * Focus of the government on urban development
* Application of decentralization
 | -Lack of qualified personnel-Influence of globalization |
| B. Economic1.2.3.4. |  |  |
| C. Social1.2.3. |  |  |
| D. Technological1.2.3.4. |  |  |

Exercise on Strength and Weaknesses

|  |  |
| --- | --- |
|  | INTERNAL ENVIRONMENTAL ANALYSIS Identifying strengths and weaknessesInstructions:1. List the major Strength and weaknesses for your organization or Agency as it face in the future. |
| Factors | Strength (S) | Weaknesses (W) |
| 1. Governancea) Leadership styleb) Stabilityc) Vision |  |  |
| 2. Managementa) Organization Structureb) Existing strategyc) Processes, systemsand procedure* Planning
* M & E
* Reporting
* MIS
 |  |  |
| 3. Human Resourcea) Skill (Sectoral Expertise)b) Availability of qualified manpowerc) Values, attitudes and cultured) Work environmente) Staff developmentf) Personnel managementg) Performance appraisalh) Salary & benefiti) Staff stability |  |  |
| 4. Financial Resourcesa) Financial control & budgetingb) Budget utilizationc) Adequacy of financial resourcesd) Monitoring and evaluation |  |  |
| 5. Physical Facilitya) Officeb) Furniture and equipmentc) Vehicled) Communications |  |  |
| 6. Service Deliverya) Adequacyb) Service user Satisfactionc) Efficiency  d) Complaint handling systeme) Innovation for improvement |  |  |
| 7. Organizational Sustainabilitya) Commitmentb) Strategic thinkinc) External Relation with* Service users
* Federal & Regional governments
* Line ministries & bureaus
* Donors
* Other organizations

d) Income generating * (Cost recovery)

 Schemes |  |  |

NB. It should be very well noted at this juncture that it is most usual and thus proper to come back the objectives after SWOT and critical/strategic issues analysis

**STEP FIVE :SETTING GOALS AND OBJECTIVES**

1. **GOAL**

Many authors and managers use the term goal interchangeably with objective. Others refer narrowly to specific target as goals

* In any case, goals are the **reflection** of the mission to different stakeholders**.**
* They are broader and have longer range than objectives.
* They are **not quantified** and have higher level impact at national or regional level.

 **2. OBJECTIVES**

* Indicate **how the mission can be achieved**.
* It’s desirable outcomes of organization’s activity.
* The first step in managing anything is to **define your objective** before you release any resources or any time trying to achieve it.

**Objectives:**

* "Stem from Goals, represent specific, planned levels of achievement"
* Points to note:
1. Objectives provide precise points or states to be achieved;
2. They should be quantified allowing review and appraisal of achievement;
3. Specification should cover quality as well as quantity;
4. They can be long or short term and **cover programs or operations**
5. Audit interest

In other words an objective is specific, measurable, achievable (agreed) relevant (to the mission) or realistic and time bound.(SMART)

SMART

|  |  |
| --- | --- |
| S | Specific: What needs to be achieved is unambiguous. Don’t say: “improve efficiency”. Say “Reduce delays” |
| M | Measurable: Is it possible to determine if the desired conditions has been achieved. What is the scope? Say “Reduce delays by 20% by the end of 2004”. |
| A | Agreed: There is a consensus and commitment to the objectives among the major stakeholders |
| R | Realistic/Relevant: Objectives need to be achievable. Is it feasible; have the managers provided the authority and the means for realization? Is it relevant to the mission? |
| T | Time bound: A clear understanding of the time scales associated with each objective is defined. Remember there is no commitment without time frame.It is useful to say “Reduce delays by 10% per year over the next 3 years”. |

|  |
| --- |
| A Variant on SMART adds two additional characteristics to be SMARTER |
| E | Extending: Push the envelope. Stretch the performer's capability |
| R | Rewarding: What is in it for me or for us? People are more inclined to perform when they can identify some kind of reward for doing so. |

**Examples on Goal and Objectives**

1. ETV

Goal: Improve service to clients

Objectives

1. Increase coverage of ETV to 70% by the end of the plan period.
2. Increase TV fee collection from existing 45 million to 60 million by the end of the plan period.
3. Health Sector

Goal: " Improve Public Health"

 Objectives: 1. Reduce infant mortality rate by 10% by 2006

 2. "To immunize 30% of children aged 0-4 years with DPT before end of plan period"

4. Education Sector

**Goal**: “Improve education coverage"

Objectives a. "To increase enrollment in primary education by 10% per annum"

 b.Improve teachers’ number by 10%

**TARGETS**:

Are explicit and objectively verifiable statements of results expected within specified time and space? They are levels of accomplishments at periodical intervals of time.

If the objectives of the organizations are readily quantifiable, targeting is not difficult.

For example, if the objective of Ministry of Agriculture is to increase agricultural production by 20% in 5 years, it is easy to fix targets of outputs for different periods, regions, zones and woredas.

HIERARCHY OF OBJECTIVES:

HIERARCHY OF OBJECTIVES: BY LEVELS

Ministerial Bureau or Agency/level Objectives

↕

Departmental Objectives

↕

Team (work group) Objectives

 ↕

 Individual Objectives

 STEP SIX: IDENTIFYING CRITICAL/STRATEGIC ISSUES

* Critical/strategic issues are fundamental policy questions or critical challenges that affect:
* Mandates
* Mission
* Values
* Level or mix of service
* Clients/users
* Fund providers/or cost
* Financing
* Structure or
* Management
* At this stage of determining critical/strategic issues in the strategic planning process, planning team members must identify key/strategic issues.
* Critical/strategic issues are those, which, if they are not addressed will severely handicap the organization ability to function effectively.
* Organization can identify these issues by reviewing the results of the SWOT analysis and determining which factors that emerged from the analysis are crucial to their success.
* The strategic planning team must be certain not to identify as critical/strategic those issues which the organization cannot impact-e.g. Demographic changes, economic crisis etc.
* Eventually the strategic planning team should agree upon final list of just six to eight critical/strategic issues, rather than a large number which might overwhelm the organization capacity.
* The final list is comprised of the most important issues, and such issues are determined as those:
* Which have the biggest impact
* Which are the most immediate
* Which are closest to the shared values
* Benefits that come from the identification of strategic issues:
* Attention is focused on what is really important to the organization
* Attention is focused on issues, not answers.
* Too often, conflicts arise over proposed solutions without any clarity about what the problems actually are.
* Identifying these issues creates pressure or tension in the organization that is conducive to movement and change.
* Issue identification almost always provides useful clues about how to resolve the issues identified.
* Issue identification enables participant in the SPM process to see that there will be consequences to the organization if the issues are not faced, and this make the process seem more real as opposed to academic.
* An adequate strategic issue description meets such requirement as:
* Phrases the issue as a challenge that the organization can do something about and that has more than one solution
* Discusses the confluence of factors (mandate, mission, strengths, weaknesses opportunities and threats) that make the issue strategic and articulates the consequences of not addressing the issue.
* If the organization can do nothing about the issue, it is probably more of a threat than a strategic issue. SPM must have an action orientation, so some action must be possible on the issue.
* If the issue has only one solution, then it is probably not really an issue, but a choice about whether to pursue a particular solution.
* Also, if team members are forced to frame issues in such a way that there might be more than one answer.
* Strategic issues are less likely to be confused with strategies.
* If there are no positive or negative consequences of failing to address the issue, then the issue is not a strategic issue. It may be of academic interest, but it does not involve a fundamental choice for the organization

How do we arrive at the most important issues?

HINT FOR FRAMING STRATEGIC ISSUES

* Use flip Charts to make a list of several strategic issues.
* Think about the elements of the situation analysis and the various technical, institutional and operational issues.
* Before beginning, ask each planning team member to identify and write down at least five issues.
* Then share those issues with the full planning team members and make one large list.
* Combine the ones, which are similar..
* Then invite the team members to each designate which one they think has the biggest impact; which one is the most central which one is the most immediate; and which one is close to this (her) values.
* Use this process to eliminate issues, which do not meet any of the above criteria; and also use the Rating Format given on the next page to develop a shorter more workable list. This list is shared with the steering committee.

MOST IMPORTANT STRATEGIC ISSUES RATING FORMAT

1. Biggest impact
2. Most central
3. Most immediate
4. Closest to your values

Rating (later Evaluation)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  DEFINITION | 1 | 2 | 3 | 4 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
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**STEP SEVEN: FORMULATING STRATEGIES**

# STEP SEVEN

**Design/analyze /select strategy options to manage the issues identified in step 6!**

* **Identity and list the strategies**
* **Evaluate these strategies against the proven criteria and select the preferred strategies**
* **Develop strategic action plan**
* Strategies are typically developed to deal with the **strategic issues** identified in the previous step.
* It outlines the organization’s response to the **fundamental challenges it faces.**
* Strategies can be formulated at four basic levels:
* Strategies for the organization as a whole.
* Sub-strategies (department, divisions, sections or units).
* Programme, service or business process strategies.
* Functional strategies (financial, human resources, facilities, procurement and information technology strategies).
* A **number of benefits** will come from the successful completion of these steps:
* Help to meet the organization mandates, fulfill its mission and deal effectively with the challenges it faces.
* Good chance that an optimal solution has been identified.
* Able to find out quickly whether its strategies are likely to be effective. Thus, strategies can be revised and corrected before being fully implemented.
* These early success will lead to better morale throughout the organization.
* If key internal and external stakeholder interest have been addressed successfully as part of the strategic planning process, a coalition is likely to emerge that is large enough and strong enough to agree on organizational strategies and pursue their implementation.
* Management at all levels in the organization will have the authorization they need to move ahead with the implementation of strategies.
* An effective approach to strategy formulation begins with the planning team developing **answers to the following five questions for each of the strategic issues** identified in the previous step:
1. What are the **practical options** that might be pursued in order to address this strategic issue?
2. What are the barriers to the implementation of these options?
3. What are the major proposals (programmes, projects) that might be pursued to overcome these barriers and implement
4. What major actions must be taken over the next 3 to 5 years to implement the major proposals
5. What specific steps must be taken over the next 6 months to a year to implement the major proposals and who is responsible.
* Once these answers to these questions have been developed, it is necessary to **select specific strategies from among the options proposed.**
* The following set of **criteria** can be used to evaluate the strategic options.
* Acceptability to key stakeholders
* Impact on service users or clients
* Relevance to the strategic issue
* Coordination or integration with other strategies, programes and projects
* Technical feasibility
* Cost and financing
* Cost effectiveness
* Long-term impact
* Degree of risk
* Timing
* Staff requirements
* Facility requirements
* Training requirements

**How Do You Develop A Strategy?**

* There are **four principal steps** in developing strategy, namely:
1. Creating a shared vision and setting an attainable objective
2. Determining the strategic issues
3. Generating alternative strategies
4. Selecting the preferred strategy

**How do you Evaluate and Choose the Preferred Strategies?**

After generating a list of potential alternative strategies, it is necessary to evaluate them according to criteria that you decide are most important.

Example:

Please use the worksheet on next page to evaluate your preferred strategies.

## EVALUATE PREFERRED STRATEGIES

Rating Points

 High 3

 Medium 2

 Low 1

Unacceptable 0

ISSUE: (Suggested)

**3.7.1 STRATEGIC ACTION PLAN**

### Example

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | Who Will be  | Time Table | Resources Required to  |
| No. | Strategic Issue | Proposed Actions | Responsible | 2003 | 2004 | 2005 | complete Action |
| 1 | Lack of training to develop strategic plans for Ethiopian civil service institutions | Develop a manual applicable to the Ethiopian Situation and introduce TOT program for development of strategic plans for civil service institutions | Civil service reform program office (CCRPO), Top Management sub-programme | \_\_ |  |  | 150,000 Birr |

# **STEP EIGHT: DEPARTMENTAL LEVEL STRATEGIC PLANNING**

* ­­To cascade the strategic planning at departmental level, it is required to do the following
* Define departmental Mission, Goals and Objectives
* Conduct brief situation analysis of the department (not more than one page summary)
* Identify crtical/strategic issues facing the department
* Design departmental strategies
* Develop departmental Strategic Action Plans

# **STEP NINE: PREPARING IMPLEMENTATION PLAN**

* This task:
* Involves the preparation of implementation Plan for the whole organization or agency
* Deals with service, programes/projects and major activities to be implemented within 3-5 years
* Has linkage with Goals and core objectives defined in step four
* Provide the means for ongoing monitoring and evaluation of performance.
* Preparing implementation plan:
* Takes a root from organization, departmental or unit level goals, objectives and strategies through identifying the key and subordinate activities that must be undertaken to achieve the strategic direction of the organization.
* Involves several tasks, sequencing, and timing and putting the activities in schedule, the realistic resource should be allocated for accomplishing the activities.

Remember

The goal, objectives, strategies and major activities developed for each functional areas of the organization need to be incorporated in the implementation plan so as to give organization wide plan.

 **Three years implementation (service programes, projects) plan**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|   |  | Measur- |  | Responsible  | Time Table | Resource required to implement action |  |
| No | Major Activities | ement | Amount |  Body | 2003 | 2004 | 2005 | Required | Source | Remarks |
| 1 |  |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |  |  |  |  |
| 5 |  |  |  |  |  |  |  |  |  |  |

# **STEP TEN:RESOURCE PLANNING**

* The requires :
* Developing staffing plan
* Developing Financial plan (budget)
* Resources Required Implementing the Plan
1. **Staffing Plan**
* The strategic plan of the organization is feasible from a **human resource** perspective if:

1) The organization has the talent necessary to carry it out; and

2) The cost of acquiring, retaining, developing, and motivating the needed talents
 are economically feasible.

Therefore, in implementing strategic plan the organization should identify what kinds of human resources are needed and how they should be allocated.

* The following table can be used as a framework to prepare staffing plan for the plan period.

#### Figure 2 Financial Resources Required to Implement the Plan

|  |  |  |
| --- | --- | --- |
| No. | Source of Budget | Annual Budget Requirement |
| 2003 | 2004 | 2005 | Total |
| 1 | Government |  |  |  |  |
|  | 1.1 Salary |  |  |  |  |
|  | 1.2 Perdiem |  |  |  |  |
|  | 1.3 Capital Budget |  |  |  |  |
|  | 1.4 Others |  |  |  |  |
| 2 | Foreign Assistance |  |  |  |  |
| TOTAL |  |  |  |  |

# **STEP ELEVEN: PLANNING FOR MONITORING AND  EVALUATION**

* At this stage of the strategic planning process :
* Indicate how and when to monitor and evaluate the strategic plan
* Indicate assumptions and risks
1. **Planning for Monitoring and Evaluation**
* In this step you should indicate
* **how and when to** monitor and evaluate the implementation of the strategic plan.
* **Positive assumptions** that contribute to the success of the strategic plan; and the risks that may bring failure.

**Rationales for planning monitoring and evaluation**

Members of the organization are all accountable for the:

* Work to be done
* Use of the resources given
* a variety of people
* Those who provide resources.

We need a system that is reflective, analytical, and examining performance both:

* On an on-going day-by-day, month-by-month basis so that we can change direction and improve what we are doing; and
* On an occasional basis, perhaps annually or every three years

We can build lessons from such experience into our future plans.

 Three main questions should be addressed when preparing education development plans:

1. What can enable us to judge and measure whether an expected result is achieved and an activity implemented?
2. How can we assess the achievement of an activity, an output or an objective?
3. What level of result are we going to assess?

 Monitoring and evaluation consists in measuring the **status of an objective against an “expected target”** that allows judgment or comparison.

* A system is needed that will help answer the questions of:
1. **Relevance**: does the organization or project address identified needs?
2. **Efficiency**: are we using the available resources wisely and well?
3. **Effectiveness**: are the desired outputs being achieved? Is the organization or project delivering the results it set out to deliver?
4. **Impact**: have the wider goals been achieved? What changes have occurred that have targeted individuals and/or communities?
5. **Sustainability:** will the impact be sustainable? Will any structures and processes so established be sustained?
* Without the production of reliable statistics, the quality of monitoring and evaluation will be questionable at the stage of the plan implementation.
* In other words, one must start by establishing a reliable information system in order to ensure the quality of the monitoring and evaluation.

**Assumptions & Risks**

* Under assumptions indicate the positive things that will contribute to the success of the strategic plan.

##### Example

* Donors support will continue
* Government approves budget
* Support from collaborators will be gained

Then you should indicate the risks (what might go wrong with your plan) and ways how to overcome these risks. Risk management requires leadership's skill for anticipating and dealing with failure and giving careful attention to the early warning signs of such critically important changes which can alert the organization. Leadership should be alert and monitor the environment and strategy.

###### STEP TWELVE: IMPLEMENT AND MONITOR THE STRATEGIES; AND REVIEW THE PERFORMANCE!

* During this stage of the strategic development process:
* Develop the ability to be flexible and review, and support flexibility as proper
* Apply the basic principles of sound implementation practice

**IMPLEMENTING THE PLAN (STRATEGIC MANAGEMENT)**

* A common misconception is when your strategic plan is adopted, your planning is complete.
* A better view is when your plan is adopted; a new phase of planning has begun.
* Remember that implementing the plan, monitoring progress, making midcourse corrections, (incorporating emergent strategies) and updating your plan are all part of the strategic planning and management process
* Make sure that the directions and strategies in your strategic plan are incorporated into the coming year's objectives and budget.
* A good plan needs good implementation action.
* Review progress at six-month intervals.
* This time ask:
* Are we meeting our objectives? If not why not?
* Are our vision and strategy for the future still sound? If not what changes are needed?



**⮊ Implement the plan**

**⮊ Monitor performance**

**⮊ Take corrective action**

**⮊ Update the plan**

* On the basis of the feedback obtained for the foregoing questions
* Then take corrective action or change the plan, as needed.
* Most organizations update their strategic plans yearly, before they plan and budget for the coming year.
* A common method for yearly updates, of the plan is:-
* Reassess opportunities and threats, strengths weaknesses, and critical/strategic issues. Has anything new emerged?
* Review your strategy for the future. Is it still sound?
* Revise the plan including service, staffing and financial projections and the implementation plan.
* Review the revised plan with the minister, state minister, vice minister, bureau heads, management, staff, and any appropriate others. Get approval of major changes.
* Translate the revised strategic plan into the coming year's service plan, program goals, budgets, etc. (Operational planning).