

Strategic Planning Retreat

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Why Strategic Planning?

- Guides entire university.
- Creates a proactive atmosphere
- Unites all strategy-related decisions
- Provides basis for evaluating competing budget requests
- Enhances long-range performance

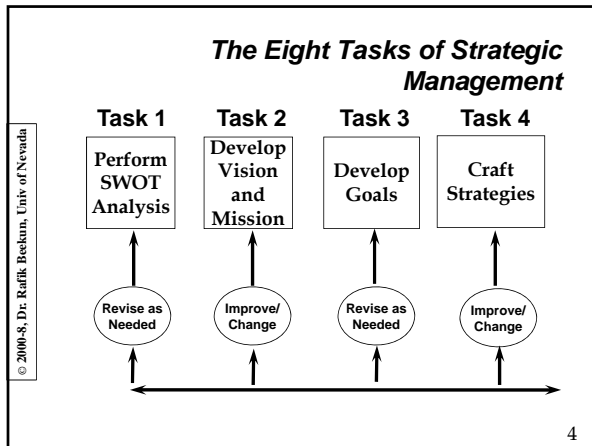
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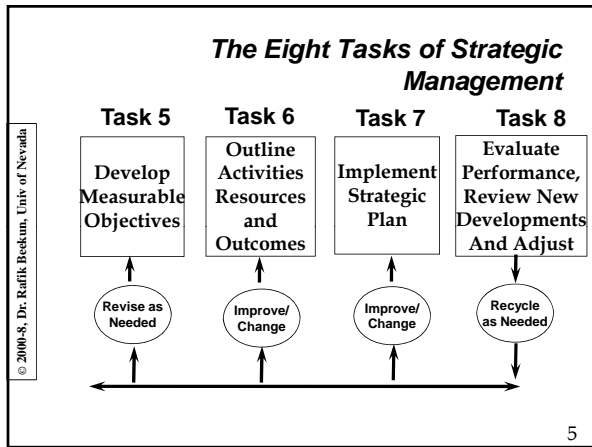
What is strategy?

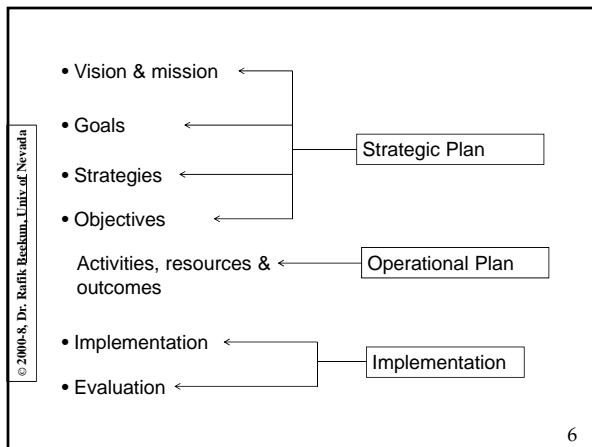
A strategy is the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole.

James Brian Quinn,
Strategies for Change: Logical Incrementalism

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There's no such thing as a perfect plan; implement sooner rather than later

A good plan executed today is better than the perfect plan implemented tomorrow.

General Patton

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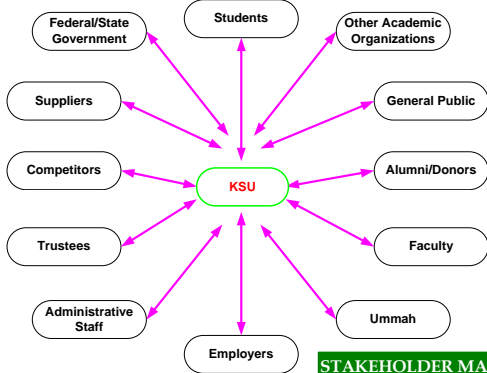
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The Fallacies of Strategic Planning

- **The fallacy of prediction** --the external environment cannot be predicted.
- **The fallacy of detachment**--strategy formulation is more than a strategy document, and cannot be separated from the broader process of managing.
- **The fallacy of formalization**--the systematization arising from formal procedures hamper flexibility and organizational learning.

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Context of Higher Education for KSU

- University mission and vision
- Departments' previous strategic plan
- University strategic plan for previous years + related documents
- Saudi Arabia Higher Education Master Plan
- Planning documents of related units, interdisciplinary programs, etc.
- KSU data assessment
- Previous dept. accomplishments and challenges

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Context of Scholarly Disciplines

- Disciplinary journals/newsletters
 - Enrollment trends
 - Hiring trends
 - Publication trends
- AAUP and other general sources
- Previous dept accomplishments and challenges

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Context of the Community, State, Region

- Demographic trends in Saudi Arabia
- Documents, conversations, evidence from constituencies
- Previous dept accomplishments and challenges

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S W O T ANALYSIS

First Task of Strategic Management

- S W O T helps us to assess an organization's
 - S trengths
 - W eaknesses
 - O pportunities
 - T hreats
- Strengths & weaknesses are INTERNAL
- Opportunities & threats are EXTERNAL

IDENTIFYING INTERNAL STRENGTHS & WEAKNESSES

- A **STRENGTH** is something the organization is good at or a resource giving it an important capability
 - Useful competence
 - Critical or proprietary know-how
 - Valuable organizational achievement
- A **WEAKNESS** is something the organization lacks, does not perform well, or a condition that hampers it in some way.

MGRS Department Demographics

Characteristic	Organiza- tion Theory	Human Resources	Strategic Management	TOTAL
• Male	4	4	1	9
• Female	1	2	0	3
• Younger than 46	3	2	1	6
• 46-55 yrs. Old	0	1	0	1
• Older than 55	2	3	0	5

Degrees Offered

- 1. B.A. in Business Administration or Management or Finance or Supply Chain Management or Marketing
- 3. M.B.A.
 - Emphasis in practitioner-oriented coverage
- 4. M.A. in Finance
 - Emphasis on financial management in order to also earn a CFA.
- 5. Ph.D. in Management
 - Interdisciplinary program with Managerial Sciences and Social Psychology

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IDENTIFYING EXTERNAL OPPORTUNITIES

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- **OPPORTUNITIES** originate from the **EXTERNAL** environment of the organization:
 - Potential areas for growth
 - Technological changes
 - Demographic trends

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IDENTIFYING EXTERNAL THREATS

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- **EXTERNAL THREATS** pose a danger to the organization
 - Emergence of substitute technologies
 - Introduction of new/better services or products by other organizations
 - New laws
 - Unfavorable demographic trends

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**DEVELOPING A VISION
AND MISSION**

Second Task of Strategic Management

- Begins with thinking strategically about organization's future and long-term direction
- Decide organization's identity
- Clarify strategic intent

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IMPORTANT TERMS

Strategic Vision

A view of an organization's future direction and business course; a guiding concept for what the organization is trying to **become**.

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**SPECIFIC QUESTIONS THAT HELP
FORM A STRATEGIC VISION**

- What domain are we in now?
- What domain do we want to be in ?
- What do our stakeholders want now and in the future?
- Who will be our future competitors? partners?
- What should our scope of operations be?
- How will technology impact what we do?

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IMPORTANT TERMS

Strategic Vision

A view of an organization's future direction and business course; a guiding concept for what the organization is trying to **become**.

Organization Mission

A mission statement broadly outlines the organization's purpose and serves as a guiding concept for what the organization is to **do** now.

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Mission statement work is the single most important work because the decisions made there affect all other decisions

Stephen Covey

The 7 habits of Highly effective people

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SPECIFIC QUESTIONS THAT HELP ARTICULATE A FIRM'S MISSION

- Who are we?
- What are the needs that we exist to meet or what problems do we exist to address?
- What do we do to recognize, anticipate, and respond to these needs or problems?
- How should we respond to our key stakeholders?
- What are our philosophy, values and culture?
- What makes us distinctive or unique?

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DEVELOPING A MISSION

- An organization's MISSION
 - Reflects who its key customers are or what domain it is in.
 - Provides clear view of what organization is trying to accomplish for its customers
 - Indicates its strategic intent or how distinctive its products or services are.

University of Michigan's Mission

- The mission of the University of Michigan is to serve the people of Michigan and the world through preeminence in creating, communicating, preserving and applying knowledge, art, and academic values, and in developing leaders and citizens who will challenge the present and enrich the future.

Texas Tech's Mission Statement

Committed to teaching and the advancement of knowledge, Texas Tech University, a comprehensive public research university, provides the highest standards of excellence in higher education, fosters intellectual and personal development, and stimulates meaningful research and service to humankind.

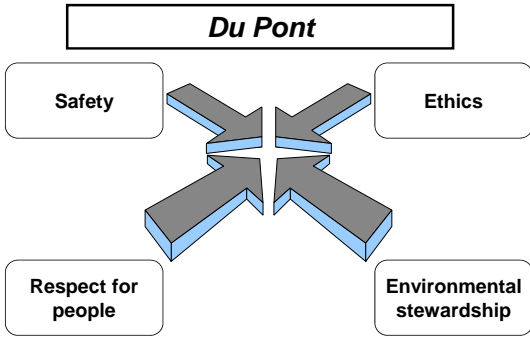
Sample Departmental Mission Statement

In the Department of Systems & Industrial Engineering (SIE) at the University of Utah, it is our mission to prepare students with the knowledge and skills they need to design, model, analyze and manage modern complex systems. Our courses, laboratories, projects and seminars prepare students for rewarding engineering careers and life-long learning.

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Example: Company Values

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Texas Tech is committed to the values of

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- mutual respect;
- cooperation and communication;
- creativity and innovation;
- community service and leadership;
- academic and intellectual freedom;
- pursuit of excellence;
- public accountability; and
- diversity

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DEVELOPING GOALS

Third Task of Strategic Management

■ **GOALS**

- list priority areas where the organization wishes to focus its attention and resources
- are long-term oriented

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Pareto Rule

20% of the causes is responsible for 80% of the effects associated with any problem

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Sample Texas Tech Goals

1. Access and Diversity: Recruit, retain, and graduate a larger, more academically prepared, and more diverse student body.
2. Academic Excellence: Attain national recognition as a top public educational research university.
3. Engagement: Provide programs and services that disseminate knowledge and skills and that enhance the quality of life.
4. Technology: Benefit from the use of technology in the delivery of services.
5. Partnerships: Build strategic partnerships and alliances with external entities.

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CRAFTING A STRATEGY

Fourth Task of Strategic Management

- Designing strategies involves deciding HOW to
 - Achieve desired goals
 - Develop a sustainable competitive advantage or position
 - Defend against threats to the organization
- There may be several strategies per goal.

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Organization Strategy as a Pattern of Actions



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Always have a backup plan

- University of California: budgetary crisis.
- Duke University: Lacrosse Team scandal

LOOK FOR STRATEGY INFLECTION POINTS.

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WHAT DOES AN ORGANIZATION'S STRATEGY CONSIST OF?

- How to satisfy your stakeholders
- How to grow the organization
- How to anticipate and/or respond to changing environmental conditions
- How to best harness new opportunities
- How to achieve goals
- How to monitor INFLECTION points

Tests of a Winning Strategy

- GOODNESS OF FIT TEST
 - How well is strategy matched to organization's situation?
- COMPETITIVE ADVANTAGE TEST
 - Does strategy lead to sustainable competitive advantage?
- PERFORMANCE TEST
 - Does strategy boost organization performance?



Linking Strategy With Ethics

- An organization's ethics and high moral standards go beyond
 - Merely complying with laws and regulations
- A strategy that exemplifies high ethical and moral standards based on Islam addresses
 - Issues of *duty* and
 - What is morally responsible
 - What it is "right" to do and not do
- A strategy is not ethical unless it can pass moral scrutiny based on Islamic ethics

**Strategies for Goal of Promoting
excellence in undergraduate
education:**

- Develop a student mentor program using the departments graduate students.
- Encourage undergraduate majors to attend departmental seminars.
- Involve undergraduates in research projects.
- Develop an undergraduate club with active involvement from faculty mentors.
- Support travel of undergraduates to annual professional society meetings.
- Link faculty role statements to the development of undergraduate educational excellence.

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Sample Texas Tech Strategies for Goal #1

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- Increase student diversity to more closely reflect the high school graduates in Texas.
- Retain at least 85% for freshmen.
- Graduate 55% undergraduate students.
- Make progress toward a mean SAT score of 1200 for entering freshmen.

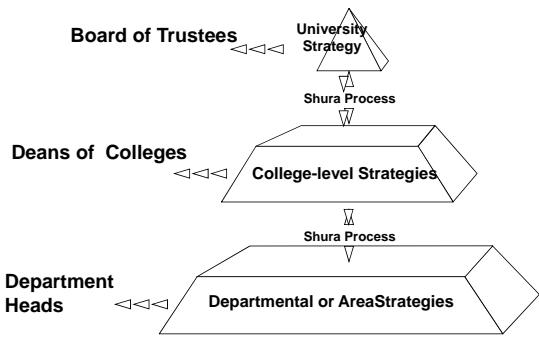
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**Goals for Managerial Sciences
Department**

- Enhance the department's graduate program.
- Promote the external visibility of the department and its programs.
- Strive to become known as a research leader.
- Foster more interdisciplinary program connections
- Strengthen curricula to prepare major students for the workplace.
- Meet rapidly growing enrollment demands creatively without sacrificing quality.

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Levels of Strategy at KSUS



SETTING OBJECTIVES

Fifth Task of Strategic Management

- Objectives are the *specific* action steps for achieving goals, and must meet SMART criteria:
 - **Specific:** What (part of the goal) are we focusing on?
 - **Measurable:** How much is to be achieved?
 - **Acceptable:** Is the objective acceptable to those who will implement it?
 - **Realistic:** What is the outcome? Is it challenging, yet achievable?
 - **Time bound:** What is the deadline by which the objective must be accomplished?

STRETCH

Activities, Resources and Outcomes

Sixth Task of Strategic Management

- **Activities**
Specific, shorter-term actions to accomplish longer-term objectives. Must have a time component and be attached to specific units or individuals
- **Resources**
The means required accomplishing predetermined activities including plant, labor, and raw material as well other assets.
- **Outcomes**
The desired future consequence of specific goals, strategies, objectives and activities.

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A strategic plan isn't a strategic plan unless resources are attached to it.

1. Identify the costs associated with implementing your strategic plan
2. Costs must be clearly related to the department's goals and vision set within the context of the overall university strategic plan and the designated planning horizon
3. Be specific as to the use and amount of funds required
4. Prioritize
5. Distinguish between one-time and on-going costs
6. Don't be timid

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IMPLEMENTING STRATEGY

Seventh Task of Strategic Management

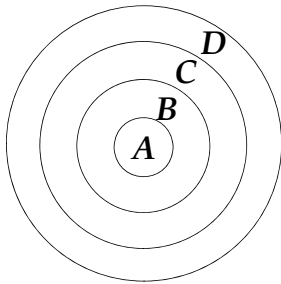
- **Implementing strategy involves**
 - **Creating fits between way things are done and what it takes for effective strategy execution**
- **Most important FITS are between strategy AND**
 - **Organizational capabilities, including leadership**
 - **Structure including internal support systems**
 - **Organizational culture**

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Advice: Tackle Issues within your control

- Be aware of learned helplessness
- Monitor your circles of influence

Monitor Your Circles of Influence



The Concept of Strategic Fit

- Consistency with goals and values
- Consistency with the industry environment
- Consistency with resources and capabilities
- Consistency with organization and systems
- Internal consistency (vs suboptimization)

WHAT IS CULTURE ?

- Culture is the accumulated shared learning of a given group, covering behavioral, emotional, and cognitive elements of the group members' total psychological functioning (Schein, 92:10).
- *Organization* culture is a social force that controls patterns of organizational behavior by shaping members' cognitions and perceptions of meanings and who belongs and who does not.
- Organizational culture can be exhibited by
 - Symbols, language, ideologies, rituals, & myths

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EVALUATING PERFORMANCE

Eight Task of Strategic Management

- Leaders must
 - Continuously assess performance
 - Monitor situation and decide how well things are going
 - Identify performance gaps
 - Make necessary corrective adjustments
 - REVIEW and UPDATE the plan as needed.
 - Reward good performance.

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MEASURING PERFORMANCE

- Based on annual performance plans that include:
 - Objectives and activities as listed in plan and budget.
 - Summary of resources needed to conduct these activities.
 - Performance indicators to be used to measure performance.
 - A discussion of how the performance information will be verified.

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What is a Performance Measure?

- Performance measures *quantitatively* let us know:
 - how well we are doing
 - if we are meeting our objectives
 - if our customers are satisfied
 - if and where improvements are needed.
- A performance measure is composed of:
 - a number (how much)
 - a unit of measure (what)

Types of Performance Measures

- Inputs
- Processes
- Outputs
- Outcomes

Categories of Performance Measures

- Effectiveness
- Efficiency
- Quality
- Timeliness
- Productivity
- Safety

Use of Performance Indicators in Strategic Planning-An Example

- Possible Actions:
 - Redesign lab courses so students get more hands-on experience using cutting-edge analytical tools to examine real world managerial issues
 - Could involve greater use of outside experts to increase realism of experience, thereby increasing student confidence.
 - Review/modify Assessment Plan
 - Given findings, are Learning Outcomes still appropriate?
 - Are Performance Indicators and Assessment Methods appropriate for each of the Learning Outcomes (revise if necessary)?

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Practices of Public US Agencies Successful in Performance Assessment

- First practice:
 - Tied to performance goals and demonstrated the degree to which desired results were achieved.
 - Limited to a VITAL FEW that were considered essential for producing data for decision-making.
 - Responsive to multiple priorities.
 - Responsibility-linked to establish accountability for results.
- Second practice:
 - balance ideal performance measures against real-world considerations, i.e., cost and effort in gathering analyzing data.

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Summary

- Strategic Plans are living documents that evolve over time
- Performance Indicators are essential elements of Plans that help us value our strategies for achieving our goals
- Change is a natural outcome of strategic planning and should be embraced
- With strategic planning, you get what you put into it

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