
STRATEGIC PLAN ASSESSMENT TOOL

Directions: The Strategic Plan Assessment Tool consists of nine categories, each representing an important aspect of maximizing the usefulness of a strategic plan. These categories are:

- ✓ Strategic Focus
- ✓ Organizational Identity
- ✓ Environmental Scans and Plans
- ✓ Internal Scans and Plans
- ✓ Products and Services
- ✓ Reinvention and Renewal
- ✓ Performance Measurement
- ✓ Leadership
- ✓ Strategy Process Effectiveness

Under each of these categories are subcategories that are the criteria by which the strategic plan is assessed.

When using this tool, simply evaluate your strategic plan based on the criteria included in the tool. Rate each criterion using a scale of 1 to 7 (1 = poor example of the criterion, 7 = excellent example of the criterion). Record your rating in the space provided. We strongly recommend that you make comments in addition to the numerical rating, particularly if the rating is low. This qualitative information will help support the quantitative ratings and provide you with ideas on actions to take to improve the current rating. (Examples are provided for clarification where needed.)

STRATEGIC FOCUS

The following categories help assess the organization's articulation of specific areas upon which to focus attention, mobilize resources, and set it apart from competitors.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<i>Value Proposition</i> The organization has a clearly defined strategy for adding unique value in its selected markets.		
<i>Trade-Off Articulation</i> The organization recognizes that a single organization can't do everything well, and that it shouldn't try to be everything to everybody. In keeping with this concept, the organization has selected one, or possibly two of the following as areas for excellence: innovation, customer intimacy, operational excellence (Treacy and Wiersewa, 1995).		
<i>Key Goals for the Year</i> The organization has established 2 to 5 goals for the year. The organization recognizes that it is unlikely that more than 5 goals will be understood, embraced, and acted upon by the general workforce within a one-year time frame.		
<i>Key Strategic Initiatives</i> The organization has identified and staffed 2 to 3 key efforts to move the organization forward in its articulated strategic direction.		
<i>Alignment Mechanism</i> In order to provide organizationwide, consistent focus, communications, standard tools, and methods exist to ensure that local departmental efforts are aligned with the organization's overall focus and goals for the year.		
<i>"Nonfocus" Articulation</i> To discourage activities outside its strategic boundaries, the organization has clearly stated the businesses that it is not in so that employees do not spend time and resources in these areas.		
<i>Value Chain Emphasis</i> Within the organization's value chain the organization has clearly articulated its key leverage points (areas where a small amount of resources yields a disproportionate return). <i>(Term explanation: A value chain is the sequence of activities that add value to a product or service as it moves through the chain. Value chains differ by industry and individual companies, but tend to have a similar high level chain of events: product conception, product development, manufacturing, and distribution.)</i>		

ORGANIZATIONAL IDENTITY

The following categories help assess the organization's articulation of what the organization stands for and what it is trying to accomplish.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<p><i>Vision</i></p> <p>The organization has a clearly articulated view of what the business will be like and its external impact (the world, its niche markets, its industry) in the next 3 to 20 years. <i>(Example: "A personal computer on every desktop. ")</i></p>		
<p><i>Mission</i></p> <p>The organization has documented the central reason why it is in business. <i>(Example: McDonald's mission is "To satisfy the world's appetite for good food, well-served, at a price people can afford.")</i></p>		
<p><i>Values</i></p> <p>The organization has articulated a set of deeply ingrained operating rules or guidelines for behaviors and actions of members of the organization. Once articulated, these values act as a set of choice principles for individuals to help them decide among behavior alternatives. <i>(Examples: "None of us is as smart as all of us"; "Customers are the focus of everything we do.")</i></p>		
<p><i>Culture</i></p> <p>The organization has identified key factors that impact how the organizational culture can be instrumental in achieving the business strategy. Once identified, the organization uses established conditions for those factors to activate, then reinforces them when they appear. <i>(Examples: "We encourage risk taking because it leads to innovation breakthroughs"; "We use teams to reduce cycle times and slash costs"; "We use straight talk and in-your-face communications to get at the truth quickly and make a decision.")</i></p>		
<p><i>Broadcast of the Identity</i></p> <p>Where appropriate, the organization has sent the message of its identity to key outside parties through marketing, advertising, or other mechanisms.</p>		

ENVIRONMENTAL SCANS AND PLANS

The following categories help assess the organization's effectiveness in gathering relevant information from the outside world and in developing plans to react to and in some cases influence the outside world.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<i>Competitor Assessment</i>		
The organization has examined and evaluated the strengths, weaknesses, opportunities, and threats of known competitors.		
<i>Noncompetitor Assessment</i>		
The organization has examined and evaluated the strengths, weaknesses, opportunities, and threats of unlikely but potential competitors.		
<i>Customer Assessment</i>		
The organization has examined and evaluated the strengths, weaknesses, opportunities, and threats of its primary targeted customers.		
<i>Noncustomer Assessment</i>		
The organization has examined and evaluated the strengths, weaknesses, opportunities, and threats of organizations or individuals that have declined to purchase products or services from the organization. The organization has examined and evaluated the strengths, weaknesses, opportunities, and threats of organizations or individuals that were not previously considered to be potential customers.		
<i>Uncontrollable but Important Forces</i>		
The organization has examined and evaluated key external forces over which the organization has no direct control, but that could impact the viability of the organization. Examples include the economy sociodemographics, international unrest, technology and government regulations.		
<i>Partnership Building and Maintenance</i>		
The organization has identified strategic partnerships with customers and suppliers that result in high-leverage, win-win situations for all parties. After developing these, we take painstaking care in monitoring them and maintaining good relations.		

INTERNAL SCANS AND PLANS

The following categories help assess the organization's effectiveness in gathering relevant information from its internal operations, integrating that information from external scans, and developing plans to shape internal variables and situations as needed.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<i>Core Competencies Identified</i>		
The organization has identified its unique combination of capabilities that provide exceptional customer value, distinguish it from competitors, and provide a platform for building similar capabilities in the future.		
<i>Core Competencies Managed</i>		
With respect to the identified core competencies, the organization:		
<ul style="list-style-type: none"> ✓ actively manages competencies as an asset ✓ provides special rewards for the desired competencies ✓ provides adequate training to ensure the competencies remain current. 		
<i>Leadership</i>		
Regarding leadership, the organization:		
<ul style="list-style-type: none"> ✓ has defined a style of leadership consistent with meeting the company's business strategy; ✓ attempts to develop leaders at all levels of the organization; ✓ removes leaders who do not demonstrate the desired leadership style and behaviors. 		
<i>Organizational Structure</i>		
<ul style="list-style-type: none"> ✓ The organization's structure is designed to carry out the articulated business strategy. ✓ The organization makes use of teams where appropriate to support business strategy ✓ Decisions about work are made by the people doing the work where the work is done. ✓ Information and communication are used where possible to obviate the need for multiple levels in the organization chart ✓ When it supports business needs, workers at any level of the organization may reorganize themselves to address problems and capitalize on opportunities. 		

PRODUCTS AND SERVICES

The following categories help assess the organization's effectiveness in developing products and services that meet the strategic needs of the business.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<i>Product and Service Strategies</i>		
The organization has developed strategies for specific products and services and groups of products and services. In developing these strategies the organization has considered:		
<ul style="list-style-type: none"> ✓ the growth of its selected market; ✓ its share of the selected market; ✓ cyclical trends in this market and related markets that impact the organization's product and service; ✓ competitor strengths, weaknesses, opportunities and threats relative to the organization's. 		
<i>Customer Retention</i>		
There are active plans to retain existing customers and use that group as a base from which to expand.		
<i>Customer Assessment</i>		
Using customer input, the organization conducts systematic reviews of product and service features for existing and new offerings.		
<i>Noncustomer Assessment</i>		
The organization has examined and evaluated the strengths, weaknesses, opportunities, and threats of organizations or individuals that have declined to purchase products or services from the organization. The organization has examined and evaluated the strengths, weaknesses, opportunities, and threats of organizations or individuals that were not previously considered to be potential customers.		
<i>Uncontrollable but Important Forces</i>		
The organization has examined and evaluated key external forces over which the organization has no direct control, but that could impact the viability of the organization. Examples include the economy, sociodemographics, international unrest, technology, and government regulations.		

REINVENTION AND RENEWAL

The following categories help assess the organization's effectiveness in continually adapting to the organization's external environment.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<p><i>Assumptions and Beliefs</i></p> <p>The organization has identified and challenged the assumptions that were used in previous years' strategic plans. The organization has been especially critical of those assumptions and beliefs that have brought them success over the years. (Example: assuming that the future of computing would always be mainframe-based.)</p>		
<p><i>Observation and Analysis Filters</i></p> <p>The organization has considered whether or not its observations of the outside world are colored by its wishful thinking and previous assumptions and beliefs. (Example: Auto companies' assessment that Japanese increase in auto sales 20 years ago was a temporary blip that would never repeat itself.)</p>		
<p><i>Porous Organization: Inside to Outside</i></p> <p>Mechanisms or processes exist to ensure that information flows freely between members inside the organization and the external environment. Important trends are quickly detected and passed on to those who can act upon them.</p>		
<p><i>Porous Organization: Inside Level-to-Level</i></p> <p>Mechanisms or processes exist to ensure strategic planning information flows freely among members of the organization, irrespective of organizational level. (Example: Department store clerks signal changes in customer buying patterns to senior management faster than the traditional forecasting system does.)</p>		
<p><i>Discussions about Ways to Reinvent How the Industry Does Business</i></p> <p>At least once a year the organization conducts discussions about how the organization might change the way that its entire industry does business.</p>		

PERFORMANCE MEASUREMENT

The following categories help assess the organization's ability to translate its strategy to measurable, easily communicated objectives.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<i>Balanced Measurement</i>		
The organization emphasizes the balance of financial objectives, customer service objectives, process improvement objectives, and learning objectives.		
<i>Process</i>		
There is a process by which objectives at a higher level in the organization are disseminated to lower levels of the organization.		
<i>Performance Measurement Is Part of a Management System</i>		
The organization's focus on measurement isn't just a narrow one on "the numbers"; rather measurement is part of the overall management system of how the organization is run.		
<i>Feed back for Adjustments to Behaviors and Assumptions</i>		
Mechanisms exist for incorporating learning that may necessitate changing the existing measurements in the organization.		
<i>Basis for Communication, Discussion and Negotiation</i>		
Clearly articulated performance objectives form the foundation for information dissemination, discussion and negotiation among organizational levels.		
<i>Local Goal-Setting Based on Objectives and Goals at Higher Levels</i>		
Groups of people set their own goals based on information they receive from higher levels in the organization.		

LEADERSHIP

The following categories help assess how well leaders are helping the organization survive and thrive in its environment.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<i>Ensuring That a Vision Exists</i> Leadership ensures that there is a vision of the impact that the organization wishes to have on the world. (Note: In some cases the leader at the top of the organization may not need to personally develop the vision; the leader only need ensure that one exists.)		
<i>Clearly Articulate Reality</i> Leaders paint a clear picture of the world external to the organization, and how the organization interacts with the world. The leader is not blinded by existing assumptions and beliefs, and helps people in the organization see opportunities and threats in a realistic light		
<i>Mobilize Resources</i> The leadership is able to recognize high-priority, high-leverage activities for the development of the organization, and ensures that resources (money, people, time) flow to those activities.		
<i>Develop Leaders at All Levels</i> Plans exist to develop leaders at all levels of the organization, not just at the top of the organizational hierarchy		
<i>Upward and Downward Responsibility</i> Leaders at all levels in the organization recognize that they are responsible to those above them and responsible to those below them.		
<i>Distribution of Power and Responsibility</i> Leaders actively seek out ways in which to distribute decision-making capability and authority throughout the organization.		

STRATEGY PROCESS EFFECTIVENESS

The following categories help assess the effectiveness and efficiency of the process that the organization uses to develop strategic plans.

<i>Criteria</i>	<i>Rating</i>	<i>Comments</i>
<i>Customer and Market Input Considered</i> A mechanism exists to ensure that preferences and trends in the marketplace are considered in the planning process.		
<i>Strategic Planning and Action Planning Are Linked</i> In addition to developing strategies, the organization develops action plans to implement those strategies.		
<i>Participative Development</i> The strategic plan and associated action plans are developed in a group setting with key members in attendance.		
<i>Concentration of Time for the Plan</i> The strategic plan is not developed in 1- or 2-hour sessions over a period of time. Instead, it is often developed in 2- or 3-day blocks of time in which participants can focus their energies and attention.		
<i>History and Assumption Review</i> Members of the strategic planning group take time to understand the factors that have shaped the organization into what it is today, and critically review key assumptions upon which its success has been based.		
<i>Communication of the Plan</i> Members of the strategic planning group have developed a process for communicating essential elements of the plan so that people at all levels of the organization know how best to structure their work to contribute to the organization's strategy		
<i>Monitoring of the Action Plans</i> Mechanisms have been set up to ensure that day-today pressures of the business do not interfere with the action plans necessary to implement the strategy		
<i>Continual Environmental Scanning and Replanning</i> The organization understands that the nature of the marketplace is so dynamic that it needs to scan the environment more than just once a year. Processes have been established to rapidly identify key trend and customer taste preference changes, and incorporate those into the plan.		