



Rural and Agricultural Finance Programme (RAFiP)

Money Lenders Association of Ghana (MLAG)

Strategic Thinking and Management Training Programme

Handouts

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Handout 1: Strategic Thinking

Introduction

The terrain is changing rapidly and becoming more and more competitive making it imperative for everyone in an organization to think strategically. Only then can an organization leverage the full range of creativity and knowledge embodied throughout its workforce.

Strategic Thinking

Strategic thinking involves thinking and strategizing for the long term. It involves setting target and goals and real and defined benchmarks by which to measure success and progress. Strategic thinking can be done individually as well as collaboratively. By thinking strategically in groups, you gain other people's perspectives on critical and complex issues - an important benefit in today's challenging business landscape.

Every manager and employee in the organization has a unique view of how the company operates. They also have ideas about the direction in which the company should move. By collaborating with others, you gain greater insight into the complex ramifications of even seemingly minor decisions. This insight, in turn, helps you make more strategic choices.

Managers who think strategically demonstrate specific personal traits, behaviors, attitudes, and thinking skills. These are:

- **Curiosity:** having genuine interest in the happenings in the organization. It could be at the unit, departmental or even the wider business environment. This interest is borne out of desire to see the organization grow and able to respond to changes in the environment.
- **Flexibility:** the strategic thinker is able to respond to changes and even shift positions when new information, processes and technology, etc. suggests the need to do so. He is adaptive and adoptive. He is able to adapt approaches and shift ideas when new information suggests the need to do so.
- **Future focus:** constantly considering the conditions in which the organization operates and the potentials for change in the future. It involves making predictions and forecasts and tracking competition as it emerges. The strategic thinker also has the eye for opportunities that may prove valuable in the future—as well as threats that may be looming.
- **Positive outlook:** viewing challenges as opportunities, and weaknesses as strengths. The person believes in success and continuously works towards attaining results.
- **Openness:** receptive to new ideas from superiors, peers, subordinates, employees, and outside stakeholders such as customers, suppliers, and business partners. Taking criticism as feedback and not reactive.

- **Breadth:** working continually to broaden individual and organization knowledge and experience. Have the ability to see connections and patterns across seemingly unrelated fields of knowledge, and where feasible establish such connections. .

Why Strategic Thinking is Important

Strategic thinking offers organizations with advantages. It positions the organization to respond to competition as well taking advantages of opportunities that changes in the business environment might present. It is futuristic in character and continues to answer the question what next? When you and others in your organization think strategically, you generate important benefits for your organization:

- You chart a course for your group that aligns with the overall corporate strategy. This involves defining goals and setting targets that respond to the vision and corporate strategy of the organization.
- You make smart long-term decisions that complement and align with decisions that others in your organization are making. This leads to the buy in and internalization of the corporate goals and strategies. There is the commitment for all to work towards attaining results and beating the competition as it emerges.
- You gain your employees' commitment to supporting your decisions. Decisions are collectively made leading to enhanced commitment. People are aware of the situation and the basis for decisions and work towards such decisions.
- You boost your group's performance and maximize business results. People work towards attaining goals that they participated in setting. In addition the higher the level of participation the greater the commitment to pursue the outcomes of the process. Performance is highest where people are aware of the goals and targets and have been engaged and / represented in all discourse in arriving at the outcomes.
- You foster a culture that supports fresh thinking and embraces strategic initiative. Strategic planning is a process. Once initiated it becomes institutionalized and continual. Thinking and reflection becomes part of the corporate process leading to organization learning and the development of a learning organization.

Strategic thinking also nets you valuable professional and personal benefits—including the respect and appreciation of your supervisor, peers, and direct reports.

Understanding your Company and Unit's Strategies

Awareness of your company's strategies and plans and that of your unit as well is vital to your ability to think strategically. The more familiar you are with the vision, mission and development goals the better placed you are to do reflection and think strategically. Organizations that have mystified their corporate strategies and do not have their staffs, especially management personnel to engage in strategic processes

are often constrained in developing and meeting competition in their sector. It is important as a manager or business entrepreneur to make to place your corporate strategy in the public domain. Management needs to facilitate the process of letting staff to understand the corporate strategy and how it affects the organization as a whole, and individual units in particular.

For instance, sometimes the way in which executives allocate resources in a company can suggest something about the high-level strategy. For example if a microfinance company is expanding its client base and covering a wider geographical area, you could deduce that the strategy involves mobilizing more savings, eradicating rivals and cultivating and increasing profits. In other instances the strategy could be focused on expansion based on establishing new satellites and collection points; even new branches.

Suppose your company has a clearly stated strategy of expansion into new rural markets. This it does through the creation of several branches and agencies in very remote but productive areas. You can use this knowledge and awareness of this high level strategy to define your unit's direction. Such an action for instance will require both the IT and Marketing units to re-strategize and respond to the needs of these emerging markets. If you lead a product development and branding group, you might evaluate the appeal that your existing products have in the markets you control and also the targeted rural market. If you lead the marketing team, you may want to design surveys and other tools for testing potential interest in your company's offerings in the intended new market. If you lead a customer service group, perhaps you'll explore how your group's services can be re-packaged to meet the demand of the rural customer segment you'll be serving.

With every important decision that you intend to take, ask, 'Will what I'm considering doing help my unit and company carry out its strategy? Or will my proposed course of action make it more difficult for us to achieve our strategic goals?'

Understanding your Business Environment

Think about your customers, competitors, and industry

When thinking strategically, you need to assess all your stakeholders and imagine the ways they are also thinking. It is important to consider what is going on outside your company as well as what's going on inside. That means staying current with external customers' needs, competitors' moves, and industry trends.

For example, if you work in marketing or branding, you will need to know your customers, your competition, and the industry intimately. Knowing your customers, your competition and the industry gives you the basis for analyzing the business environment and structuring your strategic thinking to respond to the pressures coming from outside.



Tip: Who are your immediate competitors? Who are your boundary partners and allies? What is the competition doing at the moment? What are the innovations in the market? Are these new packages a threat to your business?

To assess developments outside your company, consider the following:

- **Customers.** Who are your customers, and what do they value? How might their needs evolve in the future? Whom will they turn to in meeting their needs? How many companies have the capacity to meet their needs? Customer preference surveys, focus groups, and other methods can help you gain answers to these questions. The results of a customer survey could inform the development of new products. It could also inform packaging and pricing. Good ideas like these can come from every level in an organization—but especially from managers who deepen their knowledge of customers.
- **Competitors.** Who are your current competitors, and what tactics are they using? How different are you from them? What strengths do they have that might prove a threat to you? What weaknesses might they have that you could exploit? What opportunities do they represent? What threats do they pose to your company? You can gain information about competing companies by becoming their customer yourself, reading analysts' reports (of publicly traded companies), and networking with other professionals who are familiar with these firms. For instance a visit by one of your managers to a major rival company could reveal what customers' preferences are. It could probably be that customers are more interested in customer relations than interest rates.
- **Industry.** What trends in technology, governmental policy, natural resources, and other key forces shaping our industry might have important implications for your business? What are the major issues in the industry that are not being addressed? What are the changes in the fiscal regime and what are the effects on the industry? You can stay on top of this information through reading a wide range of business publications, talking with other informed professionals, and participating in network and association activities. Reading industry related journals and publications could reveal pertinent government policy decisions that might influence the policy directives from the central bank.

Consider your internal stakeholders

The choices you make and the ideas you float affect people in your organization. These include managers, supervisors, other line managers and your direct reports. All of these people are the internal stakeholders in any important decision you make. Some may have an interest in the decision's outcome. Others will be profoundly affected by that outcome. Still others may want to block your plans or even oppose your course of action outright. Whatever the case, you'll need their support to implement your decisions. Resistance to decisions is not necessarily disruptive or negative. Resistance is an expression of uncertainty about the outcomes of decision. Where people are engaged in and are part of the strategic thinking process, they accept the outcomes of the process and have a higher sense of ownership of the results and for that matter the outcomes.

The following approaches can help you systematically consider your internal stakeholders' needs and concerns:

- **Identify potential stakeholders and their interests.** When you're considering a course of action or a decision, brainstorm and make a checklist of all the individuals who may be affected by or have an interest in your choice. Detail out their interests and align them with the corporate goals. Also consider the business process that your decision will affect. Ask: "Who's involved in this business process? What are their roles and responsibilities? What's the nature of the relationships among them? What are their goals?"
- **Gather information from stakeholders.** Present your ideas to the stakeholders you've identified, and invite these individuals to share any concerns and ideas they might have. Go through a process of tabulating their concerns and allay fears when expressed. Ask open-ended questions about your idea, such as "What problems do you foresee? What ideas do you have for improving the plan? What's needed for this idea to work for you? What do you see as the pitfalls?"
- **Listen carefully to underlying issues.** Define problems from the perspective of each stakeholder, listening carefully to their concerns. Look for ways to address concerns that overlap multiple stakeholder groups. Ask such as what is it that you think could be done differently? How should it be done? Will the results be different from what is expected now?

For example, suppose the IT manager is advocating for the adoption of a new database management process to better manage customers. This idea may raise concerns amongst several stakeholders. The marketing team may have a different idea based on marketing principles; the client services team may express a different concern and the credit management team may also express their apprehension. The IT team will have to spend extra time selling the idea to the other teams, whilst at the same time researching and installing the database. Other staffs will have to learn how to use the new system and also adjust their processes to respond to the new things the system has introduced. The finance group may be concerned about its cost. Managers in other units may not want to take the time to input customer data from their records; but they would want to be certain first. If you neglect to understand your internal stakeholders' concerns, you can inadvertently create widespread problems.

The Strategic Thinking Process

The strategic thinking process is in two phases. Phase 1 is the preparatory stage and involves strategizing for the process. Phase 2 is the analytical phase where the team examines and weighs all available options for arriving at results.

Phase 1: Setting the stage

In this phase, you examine the broad implications of issues and clarify goals and objectives for thinking strategically. This is the period to set the stage for thinking to strategize. This phase includes:

- **Seeing the big picture** - understanding the broader business environment in which you operate. It involves examining the legal and regulatory framework and the policy regime and dimensions of the industry generally.
- **Scoping** - narrowing down to issues that relate directly to the operations in your sector and to the more specifics of those that affect your industry and organization directly. It is the stage where priority areas are defined vis-à-vis objectives.
- **Clarifying strategic objectives** - determining what you hope to achieve by thinking strategically. Here goals and objectives are determined and set. Consensus is arrived at on the objectives for the process. Roles and responsibilities are assigned with clear and realistic timelines.

Phase 2: Applying your skills

Once you've set the stage, you put your strategic thinking skills to use in order to generate results. There is a thorough and conscious effort to work towards attaining result. This is also the planning phase and includes:

- **Identifying relationships, patterns, and trends:** spotting patterns across seemingly unrelated events, and categorizing related information to reduce the number of issues to explore at one time. It requires prioritizing issues and aligning them with the objectives of the process. Related patterns could be deceptive hence the need for careful examination of events, occurrences and phenomena.
- **Thinking creatively:** visualizing new possibilities, generating alternatives, challenging your assumptions, and opening yourself to new information. All intervening circumstances must be assessed, with alternatives examined. Assumptions and risks require carefully scrutiny and new information assessed on its own merit.
- **Analyzing information:** sorting out and prioritizing the most important information while making a decision, managing a project, handling a conflict, and so forth. Information processing begins with the sorting and clustering of information by category and effect / impact for the organization. On the other hand no information is irrelevant and as all information must be taken seriously.
- **Prioritizing your actions:** staying focused on objectives while handling multiple demands and competing priorities. These demands and priorities are also to be sorted, clustered and assessed on their merits.
- **Making trade-offs:** recognizing the potential advantages and disadvantages of an idea or course of action, making choices regarding what you will and won't do, and balancing short- and long-term concerns.
- **Key Idea:** Strategic thinkers continually improve their view of the larger "business ecosystem" in which they operate. They understand their

company's and unit's strategies. They stay up to date on the issues and concerns of their customers, competitors, and industry as they relate to their job function. And they consider the potential impact of their decisions and actions on the company overall and on their boss, managers of other units and teams, and employees. They do all of this with a long-term perspective rather than focusing only on the short-term implications of their actions. They then use their awareness of the big picture to inform their on-the-job choices. They start small and move towards the big picture!

Handout 2: Strategic Management

What is Strategic Management?

Every organization and every business changes over time. The changes inside the company are a reflection of what happens in the surroundings of the business and how the business reacts to it. It is also about changes that happen inside the business without outside interference. New opportunities arise, personnel leave, and new jobs are required, new relations are established, new customers acquired, etc. Change within the business is, therefore, as logical as change in life itself.

There is an important difference between changes that happen as a result of uncontrollable factors, and changes that are the result of explicit and intended actions of the business entrepreneur and the employees within it. The former are reactive actions while the latter constitute proactive steps influence the future state of the business. These changes require response; responses that are planned, coordinated and managed. The process of planning and responding to these changes is strategic management.

Strategic management is not a step by step activity. Rather it is the process by which the 'guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future'. It is the systems approach to identifying and making the necessary changes and measuring the organization's performance as it moves towards its vision. The main consideration of strategic management is what the entrepreneur must do to make the business proper. He process presupposes that action follows careful thinking, and reflection and mapping out of what must be done before further development takes place.

Strategic management is a continuous, interactive, cross-functional process aimed at keeping an organization as a whole, appropriately matched to its environment. Strategic management is continuous; the entrepreneur never finishes the strategic work. In brief, it is the process of formulating and implementing strategies. In general terms strategic management helps in managing the business's resources to achieve long term objectives. The definition emphasizes the series of steps the manager should take. These steps include:

- Performing environmental analysis,
- Establishing strategic direction,
- Formulating strategy, and implementing the strategy, and
- Exercising strategic control.

Strategic management goes beyond the development of a strategic plan which are part of the pre-planning and planning phases. Strategic management is the deployment and implementation of the strategic plan and tracking and measuring result.

There is a difference between strategic management and strategic planning. Strategic management is about managing the business in a strategically

oriented manner keeping the overview and steering the business in the right direction to achieve goals and objectives. Strategic planning, on the other hand, is about the planning processes of developing strategies and how to implement them. Strategic planning is therefore process oriented. If the planning process is conducted well, it will be much easier for the entrepreneur to maintain the overview, and manage the business well towards set goals and objectives.

Benefits of Strategic Management

An organization that adopts strategic management practices becomes a visionary and learning organization. Processes are structured with greater predictability. There is breakthrough thinking about the future, the organizational boundaries and the space the organization occupies. Such an organization is characterized by:

- Shift in focus from inputs that are used to run the company to outputs and desirable outcomes
- Better guidance to the entire business on the crucial questions, "what is it we are trying to do and to achieve?"
- Focus on optimizing organizational performance and process quality as keys to delivering quality products and services
- Direction to improve on financial and management performance.
- Readiness to face the winds of change, new opportunities and threatening developments.
- Rationalization to evaluate competing budgets for investment and new capital.
- Integration of the numerous strategies-related decisions in the areas of finance, human resources, marketing and production.
- Building a more proactive management posture and adaptive to change.
- Stronger business members' commitment to attaining long-term goals.

Leading the Strategic Management Process

As a continuous rather than a terminal activity, strategic management process requires strong and adaptive leadership. It is the responsibility of senior managers to drive the process. Senior leaders must be developed to become strategic and proactive thinkers and leaders of the organization culture and change. Strategic management is about change management.

Leaders and managers must be skillful in process facilitation, coaching, mentoring, problem solving and consensus building. They should be transformational leaders with superior performance and are able to:

- broaden and elevate the interests of their employees
- generate awareness and acceptance of the purposes and missions of the group
- motivate employees to look beyond their own self interest for that of the group
- use him/herself as an instrument of change
- ready to take risks
- dedicated and committed to work

Deploying the Strategic Plan

The strategic management process involves the implementation of a strategic plan. The plan must be completed and made available to all staffs and other stakeholders. The process of publishing the strategic plan, putting it in the public domain and formally launching it is referred to as the deployment of the strategic. A critical factor in the strategic management process is the acceptance, buy-in and internalization of the strategic plan by all employees and relevant stakeholders.

The plan after adoption becomes the guiding document for the manager and also the direction of the organization. Its general acceptance therefore is key ingredient for success.

Following are actions in the deployment process of the strategic plan:

<u>Success factors</u>	<u>Failure factors</u>
Assignment of roles and responsibilities Establishing priorities	No accountability for deployment Too many goals, strategies and result areas - no apparent priority areas
Involvement of mid-level management as active participants	Planning in vacuum – no functional focus for the plan
Thinking through the process - deciding on how to manage the implementation	No overall implementation strategy - assumption that it will work
Charging mid-level management with aligning with lower level plans	No attempt to link implementation to day to day processes
Making careful choices about the content of the plan and the form it will take	Not be thorough - glossy over details and superfluous
Deciding on the medium of publication	Assumption that employees know of its existence

The table below examines some of the roles and responsibilities of key positions in an organization going through a strategic process.

Senior Leadership team	<ul style="list-style-type: none"> ➤ Reaches consensus on final stage planning ➤ Strategizes the deployment and implementation methods and procedures ➤ Chooses what gets published
Strategic Planning Team	<ul style="list-style-type: none"> ➤ Completes development of strategies and objectives ➤ Share draft plan with mid - level managers ➤ Accept and incorporate appropriate feedback from mid-level managers ➤ Brief senior leadership team on changes ➤ Manage resistance and uncertainty at level of mid-managers
Mid – Level Managers	<ul style="list-style-type: none"> ➤ Share draft plan with employees ➤ Provide feedback to senior leadership team ➤ Manage resistance and uncertainty amongst employees ➤ Enhance awareness amongst employees on the process
Finance Controller	<ul style="list-style-type: none"> ➤ Plans ways to incorporate strategic plan resource requirements into the budgeting process ➤ Allocating funds for the facilitation of the planning

	process
Strategic Team Leader / Coordinator	<ul style="list-style-type: none"> ➤ Assist the various working groups in their independent work by facilitating their strategic meetings ➤ Assist senior leadership team by being the central point of contact for the strategic planning effort ➤ Manage all strategic processes

Communicating and Marketing the Strategic Plan

For a strategic plan to be effective and managed for the desired result, it should be communicated to all stakeholders. It should also be accepted by all personnel who will be expected to implement, monitor and work towards the attainment of results. A plan that is not known to the people for whom it is intended is bound to fail. It is important to communicate the strategic plan to all employees to ensure their understanding of the organization’s strategic directions so that they can work towards the goals, strategies and objectives.

The method by which the senior leadership chooses to communicate the plan is extremely important. The same applies to the language of the plan. For instance the formal communication of the plan should be handled as a special event, say a staff durbar or at an end of year party. This will bring closure to the previous operational processes and ushers in a new era and focus for the future. It is worthwhile to choose methods that will send signals to employees that the strategic plan is a real and will be implemented. Let them know that the event is a turning point and as such brings in new focus.

For instance if your company had a previous strategy plan that failed to yield results and as such being replaced, they will be cynical with the new one as well as the whole concept of strategic planning. It is therefore important to build support a strong support for the new plan during the implementation phase. This will involve the communication strategy employed and the management structures evolved.

Following are actions that contribute to successful communication of the strategic objectives and those that contribute to failure.

Success factors	Failure factors
Assign roles and responsibilities	No accountability
Communicate the plan constantly	Never talk about the plan – people will get to know about it anyway
Recognize the change process	Ignore emotional impact of change – take or leave it
Help people through the change process	Focus only on task accomplishment – we don’t need the process

The table below examines some of the roles and responsibilities of key positions in an organization going through a strategic process.

Chief Executive / Managing Director	<ul style="list-style-type: none"> ➤ Provides overall leadership and guidance in communication and rolling out the strategy ➤ Formally launches the plan and communicates the
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	<p>published plan to employees, customers and other stakeholders</p> <ul style="list-style-type: none"> ➤ Champions the change process ➤ Works with finance team to plan resource allocation for the implementation of the plan
Senior Leadership Team	<ul style="list-style-type: none"> ➤ Develop best method for formally communicating the plan ➤ Champions the strategic plan within own areas of responsibility ➤ Aligns own department / unit with the strategic plan
Strategic Team Leader / Coordinator	<ul style="list-style-type: none"> ➤ Guides senior leadership in communication strategies ➤ Serves as a sounding board for questions ➤ Works with mid level managers to commitment ➤ Coordinates communication mechanisms
Mid-level Managers	<ul style="list-style-type: none"> ➤ Support the plan ➤ Present employee briefing sessions, durbars, etc ➤ Translate strategies into action implications for employees ➤ Align current work with the strategic plan

Implementing the Strategic Plan

The implementation of the strategic plan begins immediately after it has been communicated. Managers should be prepared to begin to answer questions from that period. They should also be ready to provide solutions, coach and mentor their direct reports especially. Employees will realize that the implementation of the plan means that the real and desired change will take place and the organization will go through a period of transition. There could also be the possibility that some people will take on additional responsibilities and probably some job positions may be made redundant.

The strategic planning process is a change process and as the implementation process can lead to resistance. When people are confronted with change and / or are going through a change process they act in different ways. Whereas some may be committed to the process, others will in denial, some resisting and others working hard to explore the situation. People may experience these traits differently and manage them their own way. Some might even leave the organization. Some may not accept new roles and new methods of doing things. However management needs to be aware and recognize the existence of these factors in the implementation of a strategic plan and be prepared to manage employees.

Denial: Senior leaders need to constantly explain the need for change to those who are in denial. They should be constantly reminded of the fact that the change is real. On the other they should also give constant assurances that the change is for maximizing results and repositioning the organization to meet the competition on the market. Reasons for survival help focus everyone.

Resistance: Resistance in itself is not necessarily negative. It is just energy channeled in a different direction. Senior leadership needs to be aware of this and should listen, empathize and assist people in refocusing.

Employees in resistance should be supported to set their priorities and channel their energies to the process.

Exploration: People are eager to try out new things as they emerge. The same applies to change brought about by defining a new dimension. Senior leaders need to keep the efforts energized and the energy levels high. They should provide the strategic direction that will keep people focused and encourage them not to leap into action before the ideas have been fully explored. Such people could sometimes mar the process and create fear and panic.

Commitment: Commitment is an important virtue for implementing any process. The higher the level of commitment, the greater the success factors for attaining strategic objectives. Once commitment is obtained from the organization, senior leaders should acknowledge the success and share the success with all employees. The organization should be prepared for the changes that will follow.

Senior management and mid-level managers can support employees, especially those in denial. They have to focus people on what they can control and how they can affect the change. Staff should be made available to staff so as to ease the transition, it is important to recognize the fact that people need stability during and the fear of the unknown becomes more prominent to them. Some of these fears could be allayed by:

- i. Explaining to employees why change is imperative and for that matter is a continuous phenomenon
- ii. Actively engaging them in aspects of the implementation process and also having their representatives support the communication of the plan
- iii. Constantly provide feedback both ways
- iv. Involve employees in the translation of goals and strategies and the determination of results at the departmental and unit levels.
- v. Having employee inputs in the alignment of corporate goals to unit level results determination
- vi. Constantly providing answers to questions asked

Strategic Measurement – Monitoring and Evaluation Systems

What is Strategic Measurement?

It is common belief that you measure what you and do what you measure. And unless you know how you are faring at what you are doing, you will never know when you are done and finished with what you are doing. You may not be able to know if you have succeeded or even failed. To this effect, every strategic process

needs to be measured and assessed, calling for the determination of strategic measurement processes.

Strategic measurement is an integral part of the strategic management. It is the identification, development, communication, collection and assessment of selected outcomes measures that are directly linked to an organization's performance of its strategies. The strategic measurement process begins when the strategic plan is complete. The implementation actions of the plan also do not begin until the data collection plan which feeds into the measurement plan. This plan identifies the data needs and the mode for the collection, collation, storage and analyses.

Strategic measures are based on future goals and as such different from current performance indicators. Current measures are distinct from yet to be developed ones. On the other hand, current measures provide data that can be used for measuring strategic goals.

The success and otherwise of a measurement of the strategic plan can only be effectively done if it has a mechanism for measurement. The process of predetermining results and identifying indicators of success is referred to as Monitoring and Evaluation (M&E). The M&E process involves the development of a system and plan.

Monitoring refers to a continuous and regular measurement and assessment of progress of work. It is a management function and performed at all levels of the organization. Evaluating on the other hand is periodic and uses monitoring reports as part of the data required or basis for measurement. However, both monitoring and evaluation are interdependent and at the same time exclusive.

M&E is often a big challenge for busy management staff that needs to focus on implementing a program rather than just monitoring and evaluating it. However, if the strategic plan is to be effective and efficiently implemented, it needs to have a strong and sound monitoring and evaluation framework so that stakeholders including financiers can be sure that their investment is well protected.

There are various ways of developing a monitoring and evaluation framework. In regard to the monitoring aspect - routine collection of data about the implementation process through the identification of a set of indicators. An idea is to have had a table which shows how the indicators which are being measured relate to the steps to be followed in the strategic plan. An approach which is commonly used is the development of a logic model referred to as the log frame table. Evaluation on the other hand is a series of one-off assessments or measurements. It looks at the plan over a specific time period.

Developing the M& E Plan

The measurement of the strategic plan, like the plan itself needs to be planned and where necessary with budgetary allocation. If for instance your organization already has a unit for programme planning and development or a related function such as quality assurance, etc, then this could part of its functions. Where no such unit or functional roles exist, it is advisable to create a new one.

Step 1: Set up an M&E team

Convene a team with clear role and functions definition and a mandate. Give them timelines and just like the strategic plan communicate the existence of the team to all stakeholders. Ideally the strategic plan should make provisions for measurement and the responsible team.

Step 2: Re-examination of the strategic plan

the team re-examines the strategic plan with focus on the goals and strategic objectives. It also looks at the results areas, budgetary allocations, etc. An important thing is for the team to build a checklist of the expected results. It will be good to put them in a sequence.

Step 3: Build a table of the outcomes and results to be attained from the

Next is to align expected outcomes to the results in Step 2 above. For each objective, identify expected outcomes.

Step 4: Map out the indicators and measures of success

Explore and map out the means by which you would measure the outcomes against the objectives. The focus should be the indicators for success. For each expected outcome, identify a number of indicators.

Step 5: Make a list of possible questions you will ask

The guiding question should be: What do we want to see in place to be certain the expected results are attained? What is it that the strategic plan seeks to achieve? And are these going to be achieved? What behavior changes are we expecting? Are they happening?

Step 6: Develop a work plan for measurement

Every process should be guided by a plan. Develop a plan for measurement as well. Assign roles and if possible allocate resources. The plan should detail out the frequency of events, persons responsible, reporting lines, etc.

Step 7: Use the M&E plan to report track and report on performance to your stakeholders.

The team uses the plan to develop monitoring reports as well as evaluation reports. This is very important because it informs management and stakeholders on the progress of implementation of the strategic plan and also assures investors and shareholders that their resources are prudently utilized.

Key Questions While Monitoring and Evaluating Status of Implementation of the Plan

1. Are goals and objectives being achieved or not? If they are, then acknowledging, reward and communicate the progress. If not, then consider the following questions.
2. Will the goals be achieved according to the timelines specified in the plan? If not, then why?

3. Should the deadlines for completion be changed (be careful about making these changes -- know why efforts are behind schedule before times are changed)?
4. Do personnel have adequate resources (money, equipment, facilities, training, etc.) to achieve the goals?
5. Are the goals and objectives still realistic?
6. Should priorities be changed to put more focus on achieving the goals?
7. Should the goals be changed (be careful about making these changes -- know why efforts are not achieving the goals before changing the goals)?
8. What can be learned from our monitoring and evaluation in order to improve future planning activities and also to improve future monitoring and evaluation efforts?

Keys factors to successful for strategic measurement

There a number of actions that support strategic measurement. There are also others that militate against it. They are captured in the table below:

Success factors	Failure factors
Assignment of roles and responsibilities	No accountability
Use measurement to understand the organization	Over focusing on efficiencies
Use measurement to provide a consistent view point from which to gauge performance	Use measures that provide no real information on performance; using too many indicators
Measuring to provide an integrated and focused view of the future	Measurement to focus only on the bottom line only
Use of measurement to communicate and inform	Use measure for control and fault finding
Updating the measurement system	No review of the system; constantly adding new indicators
Use measurement to provide quality feed back to the strategic management process	Failure to use measurement to make strategic fact based decisions except for control
Use measurement for learning and innovations	Use measurement for fault finding and victimization

Responsibilities for Monitoring and Evaluation

The strategic plan document should specify who is responsible for the overall implementation of the plan, and also who is responsible for achieving each goal and objective. The document should also specify who is responsible to monitor the implementation of the plan and made decisions based on the results. For example, the board might expect the chief executive to regularly report to the full board about

the status of implementation, including progress toward each of the overall strategic goals. In turn, the chief executive might expect regular status reports from middle managers regarding the status toward their achieving the goals and objectives assigned to them. Some of the roles are prescribed below:

Chief Executive	<ul style="list-style-type: none"> ➤ Leads the development of the strategic measurement plan ➤ Incorporates plan into the deployment and implementation of the strategic plan ➤ Monitors and evaluates strategic measures ➤ Communicates measurement results ➤ Adjust measurement plan as necessary ➤ Allocate resources for the implementation of the measurement plan
Senior Leadership Team	<ul style="list-style-type: none"> ➤ Support the strategic measurement planning process ➤ Champion the need for strategic measures ➤ Defines strategic measures and indicators ➤ Helps in identifying measurement team members ➤ Provides guidance to measurement team ➤ Communicate measurement results to employees ➤ Adjust strategic plan as necessary ➤ Individually develop measures within their areas of responsibility ➤ Individually provide data associated with strategic measurement
Measurement Team	<ul style="list-style-type: none"> ➤ Develops baselines, data collection instruments and evaluation and feedback processes ➤ Develops resourcing plan ➤ Develop action plan for measurement and milestones for implementation ➤ Develop deployment strategy ➤ Leads the measurement process

How are we doing Things?

This is one critical question that measurement answers in the strategic management process. An organization goes through different levels of complexities and to meet these complexities, strategic process focuses on the context, assumptions underlying the market, the actions that will position the organization and the results the results. Measurement therefore seeks to ask three broad questions:

Are we doing things right?

This aspect of measurement focuses on parts of the problem in isolation. It relies on what has worked elsewhere and what best practices it could learn from. The measurement process is open to solutions proposed by the leadership and external experts and does not look at the overall picture. Here we are working more on contextual issues!

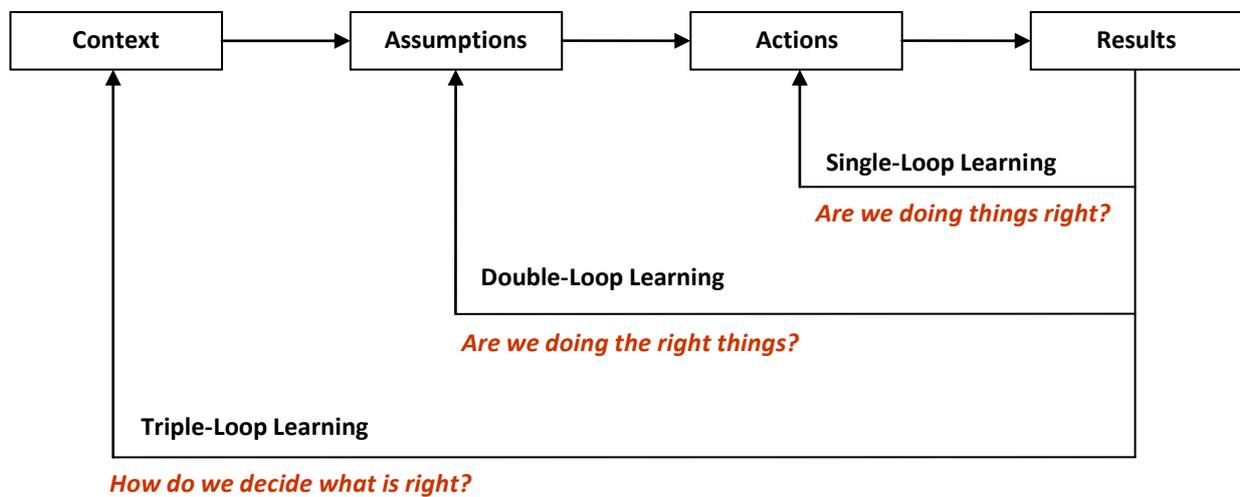
Are we doing the right things?

When complexities are high it is better to begin to work at the higher levels – movement towards actions and results. The focus is to measure the shift towards success in newer contexts, measure for learning and integrating learning into the strategic process with the ultimate aim of achieving results.

How do we do things right?

As the strategic management process focuses on lasting change within the organization, the complexities become higher. Success is achieved using processes such as focusing on working with all the parts of the system and accepting solutions that emerge as the implementation process unfolds. All concerned stakeholders are engaged in the problem solving and solution finding.

The diagram below illustrates the above:



Adapted from: Mason, H. (2005) Triple loop learning. Metro United Way