

Chapter 2

Overview of Strategic Planning

But everything should be done in a fitting and orderly way.

-1 Cor. 14:40

In this chapter we present an overview of the strategic planning process. Each of the areas discussed are examined in more detail in later chapters. Our intention here is to provide an introduction to the major components of the process.

WHAT IS STRATEGIC PLANNING?

The word strategic means "pertaining to strategy." Strategy is derived from the Greek word, *strategia*, which means generalship, art of the general, or, more broadly, leadership. The word strategic, when used in the context of planning, provides a perspective to planning which is long run in nature and deals with achieving specified end results. Just as military strategy has as its objective the winning of the war, so, too, strategic planning has as its objective the achievement of ministry goals—the winning of the lost and the equipping of the saints.

Strategic decisions must be differentiated from tactical decisions. The strategic decisions outline the overall game plan or approach, while the tactical decisions involve implementing various activities which are necessary to carry out a strategy. For example, a church which decides to change locations because of shifting population trends and industrial development around its present location is making strategic decisions. Then many other decisions must be made about the exact location, size of the building, parking facili-

ties, etc. These all have long-term implications and are therefore strategic in nature. Other decisions such as wall colors, decor, and air conditioning must then be made. These are tactical decisions needed to carry out or implement the previous strategic decision. Thus, the strategic decision provides the overall framework within which the tactical decisions are made. It is critically important that pastors are able to differentiate between these types of decisions to identify whether the decision has short- or long-term implications.

THE STRATEGIC PLANNING PROCESS

The strategic planning process is basically a matching process involving ministry resources and opportunities. The objective of this process is to peer through the "strategic window" (an opportunity that will not always be there) and identify opportunities which the individual church or ministry is equipped to take advantage of or respond to. Thus the strategic management process can be defined as a managerial process which involves matching ministry capabilities to ministry opportunities. These opportunities are created over time and decisions revolve around investing or divesting resources to address these opportunities. The context in which these strategic decisions are made is (1) the church or ministry operating environment, (2) ministry purpose or mission, and (3) objectives. This overall process is depicted in Exhibit 2-1. Strategic planning is the process which ties all these elements together to facilitate strategic choices which are consistent with all three areas and then implements and evaluates these choices. Appendix A presents an outline of a strategic plan.

The successful results of planning described earlier can be achieved through implementing an effective strategic planning process. The following breakdown of this process is a complete outline of the system capable of creating true change in ministry attitudes as well as in productivity. Such a philosophy involves

1. defining a ministry purpose and reason for being;
2. analyzing the environment in which it operates, realistically assessing its strengths and weaknesses, and making assumptions about unpredictable future events;

3. prescribing written, specific, and measurable objectives in principal result areas contributing to the church or ministry's purpose;
4. developing strategies on how to use available resources to reach objectives;
5. developing operational plans to meet objectives including establishing individual objectives and strategies;
6. evaluating performance to determine whether it is keeping pace with attainment of objectives and is consistent with defined purpose and changing objectives, strategies, or operational plans in light of the evaluation.

It is important to recognize at this point what we call "the two Ps." The first P means Product: get the plan in writing. The plan must be something you can hold in your hand, a written product of your efforts. If the plan is not in writing, it is called daydreaming. When it is in writing, you are indicating to yourself and others that you are serious about it. The second P represents Process: every plan must have maximum input from everyone. Those who execute the plan must be involved in construction of the plan. The Bible tells us to obtain input. Note the following three Scripture verses:

Without counsel purposes are disappointed: but in the multitude of counsellors they are established (*Proverbs 15:22*).

Hear counsel, and receive instruction, that thou mayest be wise in thy latter end (*Proverbs 19:20*).

Every purpose is established by counsel (*Proverbs 20:18*).

The best way to ensure a plan's failure is to overlook both the product and the process. They are equally important.

While there are many different ways in which a church or ministry could approach the strategic planning process, a systematic approach that carries the organization through a series of integral steps helps to focus attention on a basic set of questions each organization must answer:

1. *What will we do?* This question focuses attention on the specific needs the church or ministry will try to meet.

2. *Who will we do it for?* This question addresses the need for a church or ministry to identify the various groups whose needs will be met.
3. *How will we do what we want to do?* Answering this question forces the organization to think about the many avenues through which ministry may be channeled.

The strategic planning process used by an organization must force church/ministry leadership to deal with these questions on a continuous basis. The organization evolves over time into what God has established it to be, to do the work that only it can do.

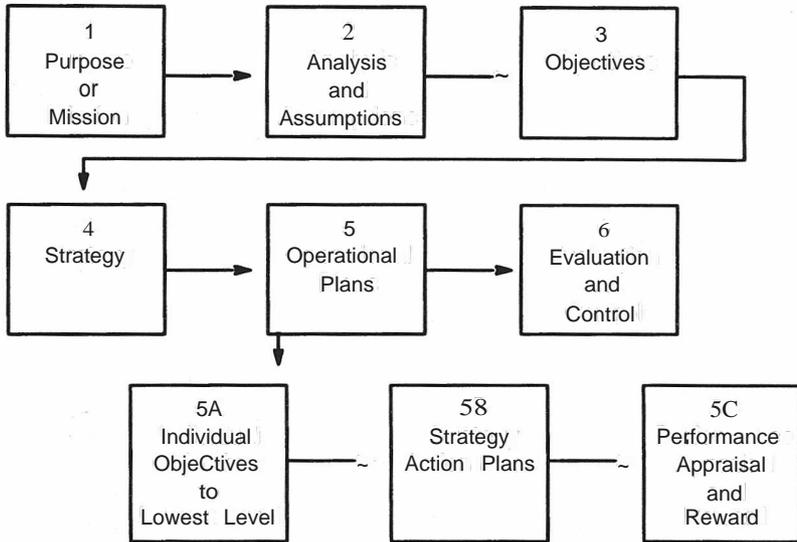
Strategic planning involves the following steps:

1. defining an organization's purpose and reason for being;
2. analyzing the environment, assessing its strengths and weaknesses, and making assumptions;
3. prescribing written, specific, and measurable objectives in the principal result areas that contribute to the organization's purpose;
4. developing strategies on how to use available resources to meet objectives;
5. developing operational plans to meet objectives including plans for all individuals in the organization;
6. setting up control and evaluation procedures to determine if performance is keeping pace with attainment of objectives and if it is consistent with defined purpose.

The six steps of the strategic planning process, as illustrated in Exhibit 2-1, are important because they force the organization to consider certain questions. As each step requires the people at various organizational levels to discuss, study, and negotiate, the process as a whole fosters a planning mentality. When the six steps are complete, the end result is a strategic plan for the organization specifying why the organization exists, what it is trying to accomplish, and how resources will be utilized to accomplish objectives and fulfill its purpose.

EXHIBIT 2-1

Strategic Planning Process



Defining Purpose

The first and probably the most important consideration when developing a strategic plan is to define the purpose, mission, or the "reason for being" of the organization or any specific part of it. This is usually a difficult process even though it may appear simple. For example, a church or ministry which defines itself as a "group of believers who proclaim the Gospel" may be on the right track but will constantly face the need to explain and expand this definition. Does proclaim mean preach and preach only or does it also include teaching? If teaching is added to the definition, will that involve teaching of spiritual concepts only or would other educational needs be addressed such as preschool, church school, even Bible college or an institution of higher learning? Granted, these things may change as the organization evolves and grows; but thinking through these issues provides a sense of vision and also

prevents the church or ministry from engaging in activities which do not fit with what the organization wants to do or be.

Members should try to visualize what they want the organization to become, and should incorporate this dream or vision into their purpose statement. If they can see where they are going and have an image of the real mission of the organization, their plans will fall into place more easily.

The Bible explicitly admonishes us to have a dream and vision. For example, consider the following: Where there is no vision, the people perish (*Proverbs 29:18*). Your old men shall dream dreams, your young men shall see visions (*Joel 2:28*). A vision of what can be accomplished creates the spark and energy for the whole planning and management process. It is important to spend ample time defining this purpose statement. The process should emphasize involving everyone in the dream of how things can be. Without a vision, people just work day-to-day and tend not to be as productive or willing to expend effort.

A good statement of purpose not only clarifies what the church does, it sets boundaries. It defines what the church will not do. It helps limit expectations, and that alone can make it the pastor's best friend (Shelly 1985/86).

Analysis and Assumptions

It is vital for the church to gauge the environment within which it operates. This should be standard practice for all churches. The only way we can manage change is to constantly monitor the environment within which we operate. This analysis stage is where we look at the external environment, internal strengths and weaknesses, and potential threats and opportunities.

For example, many "downtown" churches have faced a dilemma of whether to remain in the downtown area or move to the suburbs. One church found that its historic location resulted in two significant problems: lack of space to grow and a change in the socioeconomic makeup of the neighborhood. The socioeconomic changes made the church ineffective in meeting the needs of those in the neighborhood who were of different ethnic backgrounds and also made it difficult to attract younger couples into the church.

This church's solution was quite interesting. Members raised

funds to buy land and build a new church in a growing part of the community, and the conference put a new minister in the old church of the same ethnic background as those in the neighborhood. Everybody won! The old neighborhood church could serve the needs of those who lived there with a great physical plant that included a gym, while the new church was built in an area where there was no church of that denomination and it too grew and prospered.

Many organizations have found it useful to use an analysis framework referred to earlier as a SWOT analysis. SWOT is an acronym for strengths, weaknesses, opportunities, and threats: strengths and weaknesses refer to elements internal to the organization, while opportunities and threats are external to the organization. A detailed SWOT analysis helps the church/ministry take a good look at the organization's favorable and unfavorable factors with a view toward building on strengths and eliminating or minimizing weaknesses. At the same time, leadership of a church or ministry must also access external opportunities which could be pursued and threats which must be dealt with in order for the church to survive.

The next stage is to state your major assumptions about spheres over which you have little or absolutely no control, such as the external environment. One good place to start is to extend some of the items studied in the external analysis. Should this stage appear relatively unimportant in developing a strategic plan, consider that by not making explicit assumptions you are making one major implicit assumption—things are going to remain the same and nothing that happens is important enough to affect you!

Establishing Objectives

Often the words "key results," "goals," and "targets" are used synonymously with objectives when thinking about long- and short-term objectives. Think of an archer drawing an arrow and aiming directly at a target. The bull's-eye represents exactly where you want to be at a certain point in time. A pastor wants the whole church aimed at the same target just as an archer wants the arrow aimed at the target. At the other extreme, an archer who shoots arrows off in any direction is liable to hit almost anything—including

the wrong target. People get confused and disorganized if they do not know where they are going.

Objectives must be clear, concise, written statements outlining what is to be accomplished in key priority areas, over a certain time period, in measurable terms that are consistent with the overall purpose of the organization. Objectives can be classified as routine, problem-solving, innovative, team, personal, or budget performance. Objectives do not determine the future, but they are the means by which the resources and energies are mobilized for the making of the future.

Objectives are the results desired upon completion of the planning period. In the absence of objectives, no sense of direction can be attained in decision making. In other words, if you don't know where you are going, any road will take you there. In planning, objectives answer one of the basic questions posed in the planning process: Where do we want to go? These objectives become the focal point for strategy decisions.

Another basic purpose served by objectives is in the evaluation of performance. Objectives in the strategic plan become the yardsticks used for this evaluation. It is impossible to evaluate performance without some standard against which results can be compared. The objectives become the standards for evaluation because they are the statement of results desired by the planner.

Strategy Development

After developing a set of objectives for the time period covered by the strategic plan, a strategy to accomplish those objectives must be formulated. An overall strategy must first be designed; then the operational strategies must be developed.

Strategy alternatives are the alternate courses of action evaluated by management before commitment is made to a specific option outlined in the strategic plan. Thus, strategy is the link between objectives and results.

Operational Plans

After all the steps have been taken and a strategy has been developed to meet your objectives and goals, it is time to develop an

operational or action plan. The operational plan stage is the "action" or "doing" stage. Here you hire, fire, build, advertise, and so on. How many times has a group of people planned something, gotten enthusiastic, and then nothing happened? This is usually because they did not complete an operational or action plan to implement their strategy.

Operational plans must be developed for all the areas that are used to support the overall strategy. These include production, communication, finance, and staffing. Each of these more detailed plans is designed to spell out what needs to happen in a given area to implement the strategic plan.

Supporting the operational plans are the individual plans of all members of the organization. These are shown as steps SA, SB, and SC in Exhibit 2-1. When planning is carried from the top to the lowest level in the organization, everyone becomes involved in setting and negotiating personal objectives which support the organization's objectives. Then each person begins to develop an individual action plan which is used to accomplish these personal objectives. Finally, the personal performance appraisal which must be done on an individual basis uses those individual objectives as the basis of appraisal and reward.

Evaluation and Control

Failure to establish procedures to appraise and control the strategic plan can lead to less than optimal performance. A plan is not complete until the controls are identified, and the procedures for recording and transmitting control information to the administrators of the plan are established. Many organizations fail to understand the importance of establishing procedures to appraise and control the planning process. Control should be a natural follow-through in developing a plan.

Planning and control should be integral processes. The strategic planning process results in a strategic plan. This plan is implemented (activities are performed in the manner described in the plan) and results are produced. These results are attendance, baptisms, contributions, and accompanying constituent attitudes, behaviors, etc. Information on these and other key result areas is given to administrators, who compare the results with objectives to evalu-

ate performance. This performance evaluation identifies the areas where decisions must be made to adjust activities, people, or finances. The actual decision making controls the plan by altering it to accomplish stated objectives, and a new cycle begins.

Individual performance appraisal is a vital part of this step. Rewards or reprimands must be related to the personal achievement or lack of achievement of agreed-upon objectives. This creates a work environment where people know what to do and rewards are tied to performance.

STRATEGIC PLANNING AS A PROCESS

The word process refers to a series of actions directed to an end. The actions are the activities in which the church or ministry engages to accomplish objectives and fulfill its mission. There are several important reasons for viewing strategic planning as a process. First, a change in any component of the process will affect most or all of the other components. For example, a change in purpose or objective will lead to new analysis, strategies, and evaluations. Thus, major changes which affect the organization must lead to a reevaluation of all the elements of the plan.

A second reason for viewing strategic planning as a process is that a process can be studied and improved. A church or ministry just getting involved in strategic planning will need to review the whole process on an annual basis not only to account for changing environmental forces but to improve or refine the plan. Purpose statements, objectives, strategies, and appraisal techniques can be fine tuned over time as the planners gain more experience and as new and better information becomes available.

Finally and perhaps most importantly, involvement in the strategic planning process can become the vehicle through which the whole organization mobilizes its energies to accomplish its purpose. If all members of the organization can participate in the process in some way, an atmosphere can be created within the organization that implies that doing the right things and doing things right is everybody's job. Participation instills ownership. It's not "my

plan" or "their plan" but "God's plan" that becomes important; and everyone will *want* to make a contribution to make it happen.

STRATEGY IMPLEMENTATION

The focus of this book is on the strategic planning process which results in the development of a strategic plan. This plan becomes the blueprint for carrying out the many activities in which a church or ministry is involved. There are many other issues that determine the effectiveness of an organization which are beyond the scope of this book. These issues essentially revolve around implementing the strategic plan through (1) staffing and training personnel and volunteers, (2) developing organizational relationships among staff/volunteers, (3) achieving commitment, (4) developing a positive organizational culture, (5) leadership styles, and (6) personnel evaluation and reward systems.

Our lack of discussion of these topics is due to space limitation and a desire to keep the length of the book manageable for readers. While the scriptures state that "where there is no vision, the people perish" (*KJV, Proverbs 29:8*) it is also true that without people, especially the right people, the vision will perish. Both effective planning and implementation are needed to create an effective organization. The strategic plan concentrates on "doing the right things" while implementation concentrates on "doing things right." An example of an entire strategic plan for a ministry is presented in Appendix C.

SUMMARY

In this chapter we have presented an overview of the strategic planning process in which a series of thought-provoking questions must be answered. The process is a set of integral steps which carries the planners through a sequence that involves providing answers to these questions and then continually rethinking and reevaluating these answers as the organization and its environment change.

A helpful tool at this stage is the Planning and Management Systems Audit form provided in Appendix D. This form, when thoughtfully filled out, will provide an assessment of your current position in terms of planning and management of your organization. It will help point out where to direct your efforts to improve the efficiency and effectiveness of the organization God has entrusted to your leadership.

PLANNING PROCESS WORKSHEET

This worksheet is provided to aid your church or ministry in starting the strategic planning process.

1. Who should be involved in the planning process?

2. Where will planning sessions be held?

3. When will planning sessions be held?

4. What types of background material do participants need prior to starting the first session?

5. Who will lead the process? Who will ultimately be responsible for arranging sessions, getting material typed, reproduced, and distributed?)

6. When and how will members of the staff, board, congregation, or others be involved in the process?

7. How will the results be communicated to everyone in the organization?

8. Who will train/supervise staff members in working with their own staff and volunteers in setting objectives, developing action plans, and performance appraisals?

9. How frequently will the process be reviewed and by whom?

10. Who will be responsible for dealing with external groups (Bishops, media people, consultants) in preparing the plan?
