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FEATURE

Strategic Planning – The Basic Steps

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ABSTRACT — Strategic planning is an effective management tool that enables an organization to match its abilities with environmental opportunities at a point of optimal equilibrium. The analytic approach to planning must blend with the synthetic task of management. Strategy is a dynamic, continuous, and cyclical process. Feedback from implementation, evaluation or control necessitates plan revisions or renewal.

What is Strategy?

Strategy addresses the questions: Where are we now? Where do we want to be? How can we get there? It involves identifying and describing the present, evaluating past performance, planning the future, and implementing the new strategy. "Strategy" is a military term. The parallel between the conducting of a war and managing a business is evident because of the competitive element as well as the planning and mobilizing of resources. However, as Harrison and St. John (1994) pointed out "…a more recent trend in strategic management is toward cooperation through mutually beneficial alliances among the very organizations that used to be adversaries, such as competitors, regulators, and special interest groups" (p. 8).

What is Strategic Planning?

Strategic Planning is a management tool used by an organization to do a more efficient and effective job as it focuses its energies on choosing a desired future, is clear regarding its goals, objectives, available resources and is responsive to the dynamic and turbulent environment. "Strategic planning is the analysis of environmental conditions and organizational capabilities, and the formulation of plans to match the firm's capabilities with those conditions" (Montanari, Morgan & Bracker,1990 p. 4). Strategic planning can be a very formal decomposing and segmented procedure. (Mintzberg, Quinn & Voyer, 1995) pointed out four fallacies of strategic planning. "The first is the fallacy of predetermination, the idea that planners can formally predict the future…. The second fallacy is that of detachment — separating strategic management from operating management. . . . Third is the fallacy of formalization. There is no evidence that breaking a process

down into formal steps, each bolstered by 'hard' information and rigorous procedures, will result in the formulation of a fresh strategy. . . . These add up to the 'grand fallacy': that analysis can provide synthesis. Analysis means breaking things down; synthesis means putting things together. Management is a synthetic activity, but planning is an analytic activity" (p. 54). This paper will emphasize the distinction between strategic planning and strategic management but also sees the need for the close integration of the two, i.e., the plan is as good as the management of the plan. "Knowing about how organizations actually form strategies helps managers do a better job of managing strategy" (Mintzberg et. al., 1995, p. 103).

What Strategic Planning is Not

Although many equate strategic planning with long-range planning, there is a major difference in that long-range planning assumes stable conditions and uses current knowledge and trends as a good predictor of the future. Long-range planning was popular and useful during the relatively stable economy of the late fifties and early sixties.

Strategic thinking asks, "are we doing the right thing?" It requires having a definite purpose in mind, knowledge of the environmental forces that relate to that purpose, and being creative in responding to those forces. Strategic planning is the application of strategic thinking. Strategic planning anticipates the future even though decisions are made in the present. It is a creative, dynamic, and a continuous process.

Phases in the Planning Process

In general, a firm's response to environmental complexities passes through four phases in the evolution of planning (Harrison & St. John, 1994, p. 10).

> Phase 1. Basic Financial Planning: Firms are internally oriented and focus on meeting budgets and developing financial plans.
>
> Phase 2. Forecast-Based Planning: Firms look outward to the external environment seeking trends that may impact the future.
>
> Phase 3. Externally Oriented Planning: Firms begin to think strategically and to devise strategies in response to the market and to the competition.
>
> Phase 4: Strategic Management: Firms manage all of their resources in an attempt to develop a distinctive competence and sustainable advantages in creating a future.

Organizations therefore, move from an internal to an external focus in their planning. At first there is a drive to respond to the environment and then eventually to control it or even create it (see Figure 1). Responding to the

environment is often referred to as adaptation whereas controlling the environment is called enactment. Those firms that have reached phase four are engaged in both adaptation and enactment in contrast to those in the earlier phases who are focused on adaptation. The thing to do with the future is not merely to forecast it, the objective of strategic planning should be to design a desirable future and to invent ways to make it happen.

Basic Steps in Strategic Planning

There are many recommended steps by which to approach the challenging task of developing a strategic plan. The steps could be reduced to four basic ones, thus allowing for more flexibility and initiative to add flavor to the recipe, so as to better suit the needs and uniqueness of an organization. In contrast to the scientific management era with the slogan of "the one best way," in strategic planning there is no one best way.

A typical strategic planning process consists of:

1. Identifying and understanding gaps between previously established goals and past performances.
2. Identifying resources needed to close the gap between current performance and future goals.
3. Distributing these resources.
4. Monitoring their use in moving the organization closer to reaching its goals (Dess & Miller, 1993, p. 18).

Summarized in five steps, the strategic planning process involves: Readiness, Articulation, Assessment, Development, and Completion.

Readiness. There needs to be commitment, especially by the leaders to the task ahead, the energy required, allocation of financial resources, and a strong understanding of the need to see the future through the eye of opportunity. A work plan needs to be developed stating the specific issues that should be addressed, formation of a planning committee, identifying the information to be collected, and clarifying individual roles.

Articulation. The organization needs to articulate its vision and mission in order to clearly understand its focus for the future. The vision statement is the

dream that is hoped to become a reality. The mission statement addresses how it will try to meet its reason for being, more specifically what the organization wishes to accomplish, and why it believes in its existence and future.

Assessment. In order to develop a database of current, relevant, and accurate information the organization needs to evaluate its resources. Internal abilities need to be matched with external opportunities. An assessment needs to be made of the past and the present with an eye to the future. Critical issues must be identified and prioritized.

Development. Strategies need to be developed in order to reach desired objectives and goals as the organization pursues its mission. Additional information may be needed and it may be necessary to revisit previous steps. Commitment to a broad strategic approach as well as to specific goals and objectives, is the underlying challenge.

Completion. The final planning document must be drafted and distributed to the key decision makers. The completed plan serves as a guide to action and needs to be translated into a detailed action plan for implementation and control.

Jones and Bearley (2000) proposed a ten-step method in strategic planning:

1. Reaffirm or develop the vision, mission, purpose, and values statements.
2. Communicate these documents downward to at least two levels. Face-to-face communication with senior executives as presenters, listening and clarifying.
3. Produce a document that spells out the vision, mission, purpose, and values of the organization.
4. Develop a communications plan that will saturate the consciousness of everyone with: the business we are in and why, where we are going, and what we stand for as an organization.
5. Conduct a culture survey to establish a base line against which change can be compared.
6. Ensure commitment and creativity through changes in accountability and reward.
7. Improve support systems for changes in behavior by providing training, team building, etc.
8. Organize goal-setting sessions with representation from all organizational units. Criteria for the goals should include: what

we hope to accomplish, how this relates to the vision of the organization, and how we will track progress.

9. Hold strategy sessions in each organizational unit in order to create action plans aimed at accomplishing the agreed-upon goals; who will do what, when, where, how. With what intent and how results will be assessed. How the plan supports realization of the vision. The plan must then be communicated to the senior-executive team as commitment statements.
10. Celebrate achievements and learn from mistakes.

A strategic plan maps out where a business is headed, its goals and objectives, and what actions management needs to take to achieve the desired outcomes. The plan should consist of the strategic vision, the mission of the business, its financial performance objectives, and its comprehensive strategies for achieving the objectives. The role of the strategic planner includes collecting information needed by strategy managers, conducting background analysis, establishing an annual strategic review process, and giving assistance to any manager in focusing on specific strategic issues. However, we are reminded by Hill and Jones (1998, p. 4) that "…while the view of strategy as the product of a rational planning process driven by top management certainly has some basis in reality, it is not the whole story… by no means all of an organization's strategies are the result of formal strategic planning exercises. Strategies often emerge from deep within the organization without prior planning. Nevertheless, a consideration of planning is a useful starting point for our journey into the world of strategy." The authors then suggested that the strategic planning process consists of the following steps and they include implementation.

1. Selection of the corporate mission and major corporate goals.
2. Analysis of the organization's external competitive environment to identify opportunities and threats.
3. Analysis of the organization's internal environment to identify strengths and weaknesses.
4. Selection of strategies that build on the organization's strengths and correct its weaknesses in order to take advantage of external opportunities and counter external threats.
5. Strategy implementation.

Strategic Planning and Strategic Management

Management is the responsible and primary force that coordinates the activities of all subsystems and relates them to the environment.

However, it is important to note that although strategy making is not normally the task of strategic planners, often the strategic plan falls apart at the

implementation stage. This concern has led to the evolution of strategic management.

The study of strategic management began to take shape after the Carnegie Corporation and the Ford Foundation funded research of what was being taught at business schools in the 1950s. The results of the research were summarized in the Gordon-Howell report wherein it was strongly recommended that business schools include business policy in their curriculum as a capstone course. This course was to give students the opportunity to develop skills in identifying, analyzing, recommending solutions, and the implementation of the recommendation in a comprehensive real world setting. The course would require students to use their skills and knowledge acquired from all other business courses. By the early 1970s the curriculum of most business schools included a course in business policy. As business acknowledged the impact of ethics, social responsibility, legal and economic forces as opportunities for respectability and long-term success, and as these macro-environmental factors received more attention in the business studies curriculum, the business policy course changed its content necessitating a change of name to strategic management.

As David (1995) suggested, strategic management allows an organization to exert control over its own destiny by being more proactive than reactive in shaping its future. The effective strategic manager is one who is able to seek opportunities within the dynamic changes of a turbulent environment. The manner in which strategic management is carried out, its aim of achieving commitment and understanding from all within the organization, its systematic, rational, and logical approach to making choices, provide an excellent opportunity for empowering all within the organization. "Managers and employees become surprisingly creative and innovative when they understand and support the firm's mission, objectives and strategies…. Ownership of strategies by the people who have to execute them is a key to success…. Participation is a key to gaining commitment for needed changes" (p. 15). In addition to the obvious financial benefits of strategic management, it offers tangible benefits including an awareness of the external environment's threats and opportunities, reduced resistance to change, increased productivity, and a greater awareness of competitors' strategies. All organizations are headed somewhere; if they plan ahead they are more likely to become what they want to become, as it has been said, "if you do not know where you are going, then any road will lead you there." Strategic management aims to accomplish efficiency and effectiveness through maximizing four components of strategy (see Figure 2).

Strategic management is "…the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives" (David, 1995, p. 4). There is a noticeable confusion as to what strategic management includes, for example, where does planning end and management begin? Does strategic planning mean analysis and formulation? Does strategic management mean implementation and control? Can planning be effective if it does not include a clear understanding of the consequences of the plan, i.e., implementation?

Strategic management is a continuous, cyclical process; the planning part is not a one-time effort. Pearce and Robinson (1991) pointed out that viewing strategic management as a process means that a change in any component has an effect on all or on at least several other components; that planning, formulation, and implementation are sequential; that feedback is the means by which post implementation results can enhance future decision making; that viewing strategic management as a process underlines the need to regard it as a dynamic yet interdependent system (pp. 16, 17). The steps in strategic management usually include: analysis, establishing direction, formulation, implementation, and control with corrective action. "Strategic management is defined as a continuous, iterative process aimed at keeping an organization as a whole appropriately matched to its environment" (Certo & Peter, 1991 p. 5). The continuous process of strategic management then, includes planning, i.e., analysis, as well as strategy formulation, implementation, and control activities (see Figure 3).

Strategic management (synthesis), which includes strategic planning (analysis), is thus a continuous comprehensive process that has evolved in response to a turbulent business environment; it has the following benefits:

1. A proactive rather than a reactive management approach.
2. Lowers management's resistance to change.
3. Coordinates strategy related management decisions at all levels.
4. Focuses on the future.
5. Reminds the business of what it hopes to accomplish.
6. More effective allocation of resources to productive elements of the business.

Strategic management may thus be defined as the continuous process of managing the pursuit of the organization's mission while managing the relationship of the organization to its dynamic environment. With this understanding of the relationship, the distinction, and the overlap between strategic planning and strategic management we can now turn our attention to the steps or tasks inherent in business strategy as a whole. Shrivastava (1994) listed and described the several tasks that constitute strategic management in organizations. "Together these tasks allow firms to analyze their environment and strategically align their resources for long-term success" (p. 8). The basic steps are as follows:

1. Developing a vision and a mission.
2. Environmental analysis.
3. Goal formulation.
4. Analysis of internal resources.
5. Formulation.
6. Implementation.
7. Evaluation and control.

Developing a Vision and a Mission

An organization needs to decide who they are, what they do, and where they are headed. The foremost direction-setting decision that an organization needs to address is where it needs to be headed over the next five to ten years. As Thompson and Strickland (1998) suggested, this "…begins the process of carving out a meaningful direction for the organization to take and of establishing a strong organizational identity" (p. 4). Some organizations develop both a vision statement and a mission statement. The vision statement answers the question, "What do we want to become?" The mission statement answers the question, "What is the reason for our existence?"

Some specific questions that help in the formation of a vision statement are: What business are we in now? What business do we want to be in? What do our stakeholders expect? What will our customers want in the future? What environmental scenarios are possible? "A vision describes aspirations for the future, without specifying the means necessary to achieve those desired ends" (Tregoe, 1990, p. 40). "A vision statement pushes the association toward some future goal or achievement, while a mission statement guides current, critical, strategic decision making" (Drohan, 1999, p. 117).

Not all organizations choose to have separate vision and mission statements. Some examples of vision statements are given below:

Amoco, "Amoco will be a global business enterprise, recognized throughout the world as preeminent by employees, customers, competitors, investors and the public. We will be the standard by which other businesses measure their performance. Our hallmarks will be the innovation, initiative and teamwork of our people and our ability to anticipate and effectively respond to change and create opportunity."

The Seventh-day Adventist Church, "In harmony with the great prophecies of the Scriptures, we see as the climax of God's plan the restoration of all His creation to full harmony with His perfect will and righteousness."

A vision becomes tangible as a mission statement. By defining a mission an organization is making a statement of purpose. "A good mission statement captures an organization's unique and enduring reason for being, and energizes stakeholders to pursue common goals. It also enables a focused allocation of organizational resources because it compels a firm to address some tough questions: What is our business? Why do we exist? What are we trying to accomplish?" (Bart, 1998, p. 56). "Writing such a statement specifies a leader's beliefs about an organization and the directions in which it should move. It can also identify what is unique about the character of the organization" (Dess & Miller, 1993 p. 25). "Developing a mission statement can be a very difficult process", said Drohan(1999). He suggested that "…when creating a mission

statement it should be done as part of the strategic planning process. This process should be started with an environmental analysis, followed by development and prioritizing goals and objectives. After this process is finished, the mission of the company becomes clearer and an effective mission statement can be created" (p. 117). Mission statements, although personal and thus not subject to any particular rules as to what they should include, usually attempt to answer the following questions (Drucker, 1989, p. 88):

1. What is our reason for being? What is our basic purpose?
2. What is unique or distinctive about our organization?
3. What is likely to be different about our business 3 to 5 years in the future?
4. Who are, or who should be, our principal customers, clients, or key market segments?
5. What are our principal products and services, present and future?
6. What are, or what should be, our principal economic concerns?
7. What are the basic beliefs, values, aspirations, and philosophical priorities?

"Mission statements should serve to guide and inspire the organization for many years… The mission statement should also remain current. . . . When the competitive environment changes the mission should be revised …it should consist of an element of uniqueness. . . . It should portray the individuality of the company" (Stone, 1996, p. 32). "If you make the language too flowery and cumbersome a great mission statement may not be taken seriously" (Drohan, 1999, p. 117). Some examples of mission statements bear out the fact that conciseness and clarity effectively achieve the purpose intended.

Eastman Kodak, "To be the best in chemicals and electronic imaging."

American Red Cross, "The mission is to improve the quality of human life; to enhance self-reliance and concern for others; and to help people avoid, prepare for, and cope with emergencies".

McDonalds, "To offer fast food customers food prepared in the same high-quality manner world-wide, tasty and reasonably priced, delivered in a consistent, low-key décor and friendly atmosphere."

Amoco, "Amoco is a worldwide integrated petroleum and chemical company. We find and develop petroleum resources and provide quality products and services for our customers. We conduct our business responsibly to achieve a superior financial return balanced with our long-term growth, benefiting shareholders and fulfilling our commitment to the community and the environment."

The Seventh-day Adventist Church, "The mission of the Seventh-day Adventist Church is to proclaim to all peoples the everlasting gospel in the context

of the three angels' messages of Revelation 14:6-12, leading them to accept Jesus as personal Savior and to unite with His church, and nurturing them in preparation for His soon return."

Environmental Analysis

Determination of a suitable strategy for an organization begins in identifying the opportunities and threats in the environment, i.e., all the external conditions and influences that affect the organization's life and future development. The dynamic turbulent and often unpredictable external environment necessitates continuous monitoring and a proactive response to possible scenarios. These environmental influences include: technology, economic, ecology, competition, society, political, legal, and security.

Environmental analysis is the "o.t." of "s.w.o.t." (strengths, weaknesses, threats, and opportunities). It is suggested that an analysis of the external environment should precede an analysis of the internal strengths and weaknesses as this will encourage the organization to have a much more optimistic, less restrictive and a more future-oriented approach to strategy formation. Strategic management aims to put opportunity and capability together in a suitable entrepreneurial combination. Therefore, "Most planning experts agree that it is important to do the external analysis before the internal analysis. This is primarily so that the people doing the planning examine the external environment objectively. Looking at what is outside the firm after looking at what is inside can result in people having blinders or biases. There could be a tendency to interpret events only through the filter of what people believe is true about the firm" (Mintzberg et. al., 1995, p. 58). Furthermore, tentative goals and objectives may even be developed prior to analyzing the internal strengths and weaknesses, in an attempt to arrive at an optimum balance between opportunity and ability (see Figure 4).

Goal Formulation

Before an organization can formulate a comprehensive strategy, it is necessary to first develop goals and objectives as targets and as a basis for evaluating performance. Goals are often broad and long-range attributes that an organization hopes to accomplish. Goals are not usually intended to be specific and may even be described as somewhat abstract. However, goals and objectives are sometimes used synonymously, short-term goals then cover a year or less, long-term goals cover a term of four or more years, and middle-term goals fall in between.

Objectives, when not used synonymously with goals, are specific targets of performance, short-term, and need to be prioritized. Well-written objectives are specific, measurable, challenging, realistic and timely. It is often useful when formulating goals and objectives to include performance measures. The following are examples:

Strategic Goals

Goal 1. Protect Orange County citizens from substance abuse. . .

Objective 1. Support law enforcement with resources, training, and coordination, across jurisdictional boundaries and throughout the criminal justice system, to stop the trafficking of drugs….

Performance Measures. Reduce drug abuse in Orange County by 2005 to 4% or less (Orange County Government Florida, 2001).

Goals and objectives provide a strong measure of accountability for performance and as such they are "ultimately a part of the strategic control process. Managers establish goals, time passes, performance is measured against the goals that were set, and adjustments are made if necessary" (Harrison & St. John, 1994, p. 130).

Analysis of Internal Resources

Strength is an internal capability or resource. If strength is not easily imitated by competition, it can give the organization a long-term competitive advantage; on the other hand, if competitors have developed the same or similar strengths, the result will be competitive parity. In order to capitalize on strengths and to reduce or overcome weaknesses the organization needs to conduct detailed objective and subjective analysis of each and all of its functions. This analysis will then include finances, marketing, production, human resources, research and development, management style, organization culture, and information systems.

Many and varied tools are available for use in determining internal strengths and weaknesses. Financial analysis may include ratios, trends, comparisons made against past performance and also the industry. Marketing analytic tools include, among others, the Boston Consulting Group (B.C.G.) model and percentage of change in market share. Efficiency and effectiveness in the production of goods and/or services can be determined through customer survey reports and calculating the cost per unit of production. Selection, placement, training, morale, motivation, the adequacy of rewards and remuneration can be assessed by regular employee evaluation reports. Research and development is the key to future success. In addition to product, process, and marketing research, innovation often makes the greatest difference to the future success of the organization. Open communication, risk taking, allowance for error, participative work climate along with flexibility

in anticipating the organization's future is the preferred management style and organization culture. Decisions can only be as good as the information on which they are based. An information system that provides relevant, accurate, and timely internal and external information is a valuable resource.

Distinctive Competence

External and internal analysis (see Figure 5) should result in identifying an organizations competitive edge, i.e., the aggregation of factors that set the organization apart from its competitors. This competitive edge or distinctive competence could include product or service features, price, hours of business, quality, speed of delivery, location, personnel, flexibility, etc. An organization's distinctive competence should be sustainable, most likely relative and not absolute, i.e., to be the best but not necessarily the only one. Typically, but not necessarily, distinctive competences are related to low cost and/or differentiation. An organization should aim for multiple types of competitive advantages, remembering that change is the norm and an advantage today may be a disadvantage in the future.

Competences are revealed by analysis of the competitive environment, the organization's internal capacities, and the organization's reaction to its competitive environment. In many instances, competences may have initially arisen out of the organization's mission, its management style, organization culture, or being in the right place at the right time. Whatever the advantage, it is absolutely essential to identify and capitalize on this distinctive competence.

Formulation

Formulating strategies involves the determining of appropriate courses of action so as to achieve the organization's goals and objectives. Strategy formulation, as defined by Harrison and St. John (1994), "is an organizational plan of action to move an organization toward the goals it has established and, ultimately, toward the achievement of its mission" (p. 14). Strategy formulation is the "integrative and unifying pattern of decisions to achieve organizational purposes, resource allocations for achieving these purposes, and … the firm's perception of a sustainable competitive advantage" (Hax, 1990, p. 36). "Strategy formulation is often referred to as strategic planning" (Higgins & Vincze, 1993, p. 7).

At the business unit level, strategy formulation seeks to sustain its competitive advantage, and the strategies commonly pursued include the least-cost strategy, niche strategy, and differentiation strategy. A good strategy targets clear market opportunities and will place the organization in a superior position with respect to competition; it uses the organization's strengths and resources, does its best to overcome any weaknesses in order to create sustained superior performance.

Most often a large part of an organization's strategy consists of what it has been doing before, those practices that have and continue to work well. In fact, if an organization's strategy is mostly going in a new direction, this could very well indicate poor, erratic, and careless strategizing. However, considering strategy changes should not be avoided. As Thompson and Strickland (1992) stated, "often there is more risk in coasting along with the status quo…. When managers become reluctant entrepreneurs, they get complacent about current strategy and become overly analytical or hesitant to make strategic decisions that blaze new trails. Some degree of venturesomeness and risk-taking is inherent in choosing among alternative business directions and devising the next round of moves and approaches" (p. 7).

Strategy formulation is more than the objective analysis of external environmental threats and opportunities, internal weaknesses and strengths, and the

matching of opportunity with capability. This exercise helps to determine what the organization might do in terms of opportunities and what it can do in terms of its resources and ability, but as Andrews (1980) reminded us, "personal values, aspirations, and ideals, and in our judgment quite properly should, influence the final choice of purposes. Thus what the executives of a company want to do must be brought into the strategic decision" (p. 67). In addition, strategic formulation has an ethical aspect. "Some alternatives may seem to an executive considering them more attractive than others when the public good or service to society is considered. What a company should do thus appears as a fourth element of the strategic decision" (p. 68).

Implementation

Formulated strategies need to be put into action. The very success of the organization most often depends on the effective implementation of its strategies. The first of eight characteristics of excellent companies listed by Peters and Waterman (1982) is related to the organization's view of the importance of implementation. They suggested that excellent companies have a "bias for action," or as they described this characteristic, "even though these companies may be analytical in their approach to decision making, they are not paralyzed by that fact…. In many of these companies the standard operating procedure is 'do it, fix it, try it'…. They come up with an answer and implement it" (p. 13). Without effective implementation an organization forfeits all the benefits of what has gone before in its efforts to formulate a strategy and give it a strong competitive edge. "In order to implement strategy successfully, managers must have a clear idea of several diverse issues: how much change is necessary … how it is best to deal with organization 'culture'… how strategy implementation and various types of organizational structures are related … what different implementation approaches a manager can follow…and what skills are necessary in managers…." (Certo & Peter 1991, p. 18). Some of the more critical strategy implementation factors are illustrated below, (See Figure 6).

Having chosen a strategy the organization needs to put it into action. This will include designing appropriate organizational structures; setting up control systems that include budgets, time-lines and other effective control measures; managing the strategy, the structure and the controls; taking prompt corrective action as and when needed; managing change; and overcoming resistance to change. An effective plan for strategy implementation demands specifically as to who will do what as well as when and how it is to be done.

Evaluation and Control

A new strategy means a change in direction, and, as such, the implementation of that strategy should be constantly evaluated and controlled to ensure that it stays on track.

Times and conditions change, new events unfold, better ways of doing things become evident, and even new managers with different ideas and priorities may take over command. It is absolutely necessary for managers to constantly evaluate the organization's performance and take corrective action where and when the need arises. Corrective actions may include: modifying the strategy, improving the execution of the strategy, raising or lowering the long-term objectives, and even redefining the organization.

Control is necessary to assess whether the chosen strategy is in fact affecting the organization's performance positively. Even the best strategy can fail because it is not executed correctly, or because of environmental change and/or human considerations. Those sectors of the environment most important to the organization's strategy need to be monitored and, if necessary, the strategy may need to be reevaluated. Human considerations include the need for training, new policies, performance reviews, empowerment, and accountability.

"Conceptually, strategic control is the final part of the strategic management process. The process is cyclical, and strategic control feeds back into strategic planning. Practically, strategic control is therefore the basis for a new cycle of strategic management" (Montanari et. al., 1990 p. 263).

Conclusion

A strategy is a pattern of decisions and actions that managers can take to achieve an organization's goals and mission. It is a management tool that can aid an organization to develop a distinctive competence and thus have a major impact upon its performance relative to that of its competitors. Strategy is the result of a rational planning process and is driven by top management. Although no prescription works for all organizations, the strategic planning process can be broken down into five main steps: (a) selection of the organization's mission and

major goals, (b) analysis of the organization's external environment in order to identify threats and opportunities, (c) analysis of the internal operating environment in order to identify the organization's weaknesses and strengths, (d) choosing a strategy that builds on the organization's strengths and overcomes its weaknesses so as to enable it to take advantage of external opportunities and counter external threats, and (e) strategy implementation that entails designing appropriate organization structures and control systems so as to put the chosen strategy into action. The organization must monitor the internal and external environments, be flexible, adaptable, and responsive to changes. Strategic planning (analysis) and strategic management (synthesis) are both part of the cyclical dynamic process of strategy.

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