The strategic planning process provides an ordered set of steps designed to culminate in the development and execution of a comprehensive strategic business plan. The process is performed as follows:

1. ASSESSMENT

Assessment is the activity of developing a clear and thorough understanding of the business situation from both an internal and external perspective. Assessment culminates in the identification of "conclusions" which pinpoint critical issues requiring strategic attention.

Two major sub-steps: positioning and situational analysis, are used to generate conclusions.

- **Positioning** provides a graphical way to understand the "position" of the business in all relevant strategic areas (i.e., market share, customer satisfaction, core competencies, etc.).

- **Situational Analysis** is the use of various analytical methods to interpret the data about the company and its environment. Assessment is a data intensive and analytical intensive activity.
2. STRATEGY

*Strategy* consists of identifying the desired future state of the business (future position), the specific objectives to be achieved, and the strategic moves needed to realize the future state and objectives.

*Objectives* are descriptive of what we wish to achieve.

*Strategic moves* are prescriptive identifying the actions to be undertaken. To support the realization of the objectives, a commitment plan to focus organizational attention on the objectives and a change management plan to anticipate and reduce resistance to change are also developed. Once a strategy has been defined and communicated, the business can quickly determine which opportunities "fit" and which events pose "threats."

Unfortunately, there is a great deal of ambiguity in terminology used to describe the various objects of strategic planning. The most confusing is the word *strategy*. Sometimes, strategy is used to mean specific actions to be taken. Other times, strategy is used to mean all the objects which compose the strategic plan (i.e., future business scope, future strategic positions, objectives, commitment plan, etc.) Sometimes, in the same sentence or paragraph, the word strategy is used to mean both. To eliminate confusion, we use the word strategy to mean the complete strategic plan and the words *move, initiative, or actions* to denote the specific actions taken to achieve an objective.

3. EXECUTION

*Execution* is the action of putting the plan into motion. It is the translation of intent into reality. Strategies are made operational through implementation programs which are partitioned into multiple projects.

*Projects* achieve objectives and interim objectives called *goals*. A process monitoring and control step is used to:

- adjust and tune the projects,
- provide learning feedback from the project experiences, and
- observe the ever changing environment for additional situations requiring strategic response.

Success of the execution step depends on the commitment and change management plans designed in the strategy step to minimize barriers and obstacles.

Throughout the entire process, quality control actions are interwoven to catch mistakes as close to the point of introduction as possible, and procedural steps are undertaken to maximize organizational input and participation. All steps focus on understanding and achieving the *strategic intent* of the business which represents the long term ambition of the enterprise.