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Universidad para la
Cooperación Internacional

Master in Project Management

Planning and Strategic Analysis of the Company

Presentation – Week 1: **Introduction to strategic planning**



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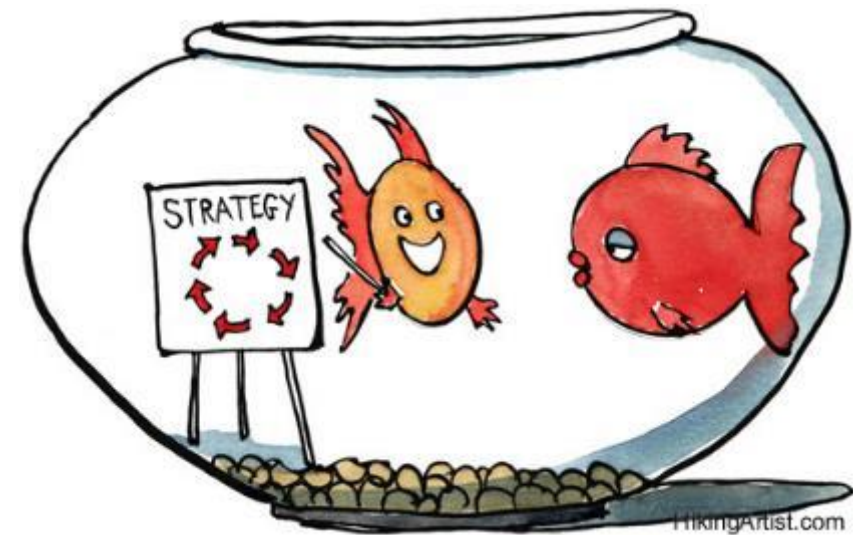
Strategic planning

The art of envisioning the route of
organizational success



What is the strategic problem?

- A strategic issue is an impending change, within or outside the organization, that is likely to have a significant impact on the company's capabilities and abilities to achieve its objectives.



What is the strategic problem?



- We may believe that the problem will be relatively easy to solve or extremely difficult or even impossible to solve.
- What is important is not the level of difficulty, but the degree to which it stands between the organization, the development of the mission and the achievement of the vision.

What is the strategic problem?

- The company can assume the problem as an opportunity to generate innovative and high-impact courses of action.
- Bold, entrepreneurial management can turn threats into opportunities.



Strategic thinking

- Strategic thinking is associated with the fundamental aspects of anticipating and adapting to permanent changes that occur in the context, as well as acting at the right time and being proactive in defining goals and strategies, in accordance with the realities of the organization.



What is a strategy?

- A strategy is a set of actions planned systematically over time, carried out to develop a mission, meet objectives and achieve a vision.
- Strategies are the means through which long-term goals will be achieved.
- It is an action guide for the organization and all its members.



Strategic Planning

It is the formal and systematic process that helps the organization to:



Strategic Planning

- It is the managerial process of developing and maintaining a strategic direction that can align the goals and resources of the organization with its changing market opportunities.



Strategic Planning

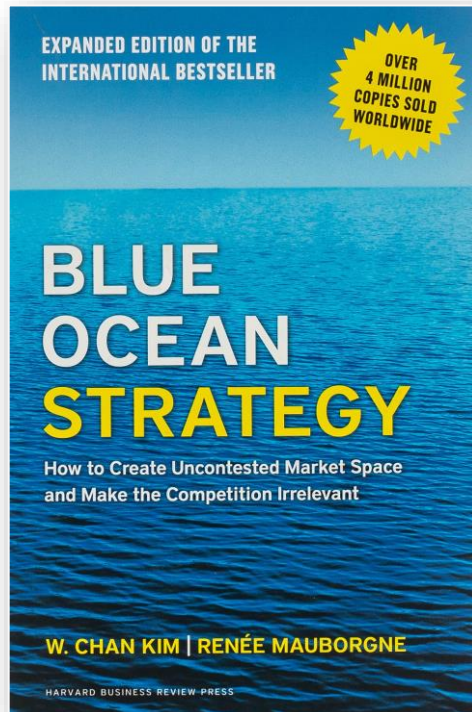
- It is the art and science of formulating, implementing and evaluating multidisciplinary decisions that allow a company to achieve its objectives.

It focuses on integrating management, marketing, finance and accounting, production and operations, research and development, and information systems, to achieve the success of an organization.



David, F. (2017). *Strategic Management Concepts* (16th ed.). Pearson Education.

Strategic Planning



- An increasingly relevant challenge is to guide organizational efforts towards **blue ocean strategies** in the simultaneous search for differentiation and low costs to open a new market space and create new demand.
- It is about creating and capturing non-colonized market spaces and, in this way, making competition an irrelevant factor.
- Focusing on a vision according to which the borders of the market and the structure of the industry are neither given nor static. To that extent, they can be reconstructed from the actions and beliefs of those who participate in the industry.

Strategic Planning

Red Ocean Strategies

- Compete in the existing market space.
- Challenge the competition.
- Exploit the existing demand in the market.
- Choosing between the choice of value or cost.
- Align all the ideas to the system of the activities of a company with the strategic decision of the differentiation or the low cost.

Blue Ocean Strategies

- Create a space without competition in the market.
- Make the competition irrelevant.
- Create and capture new demand.
- Break the dilemma of value or cost.
- Align all ideas to the system of a company's activities with the purpose of achieving differentiation and low cost.

Strategic Planning

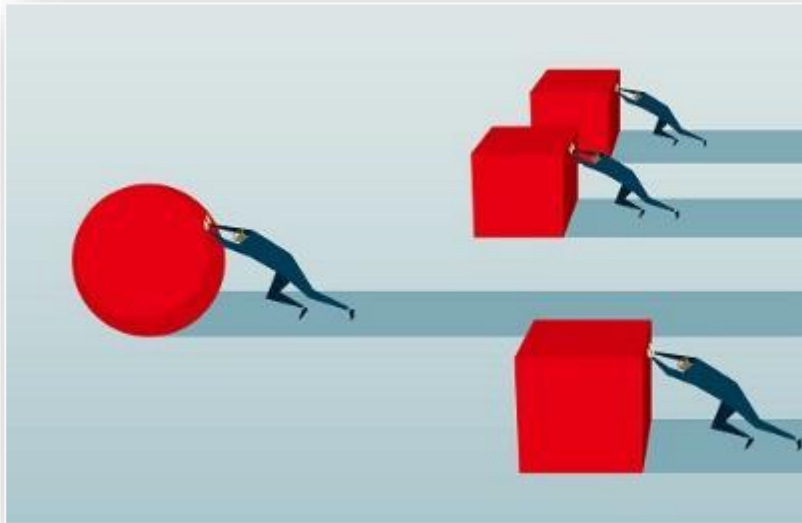
- Instead of starting the strategic planning process from scratch, it might be more efficient to investigate whether someone has already found a solution to our needs in an efficient and sustainable way.
- Biomimicry is **specially** focused on this, trying to design solutions to problems that arise from the imitation of strategies tested and optimized over billions of years by nature.



An example of this is the black and white stripes of zebras, which allow them to better manage body heat.

What is a competitive advantage?

- “It is anything that a company does especially well compared to rival companies.”



“ It is a characteristic that generates added, differentiating and sustainable value that we develop in the organization and that makes customers prefer us over the competition.”

Alberto Redondo Salas

On one occasion, two presidents of competing companies in the same industry decided to go on a field trip to discuss a possible merger. They entered the forest. Suddenly, they came across a snarling grizzly bear standing on its hind legs.



The first thing President A did was take off his backpack, pull out a pair of shoes, and break into a run. President B told him, "You can't outrun that bear." Chairman A replied: "Maybe not, but I sure can do it faster than you!"

Strategic Planning should be...

- Long term.
- creative.
- Inclusive at all levels.
- It influences daily decision making.
- Useful.
- Provides criteria and to evaluate decisions.



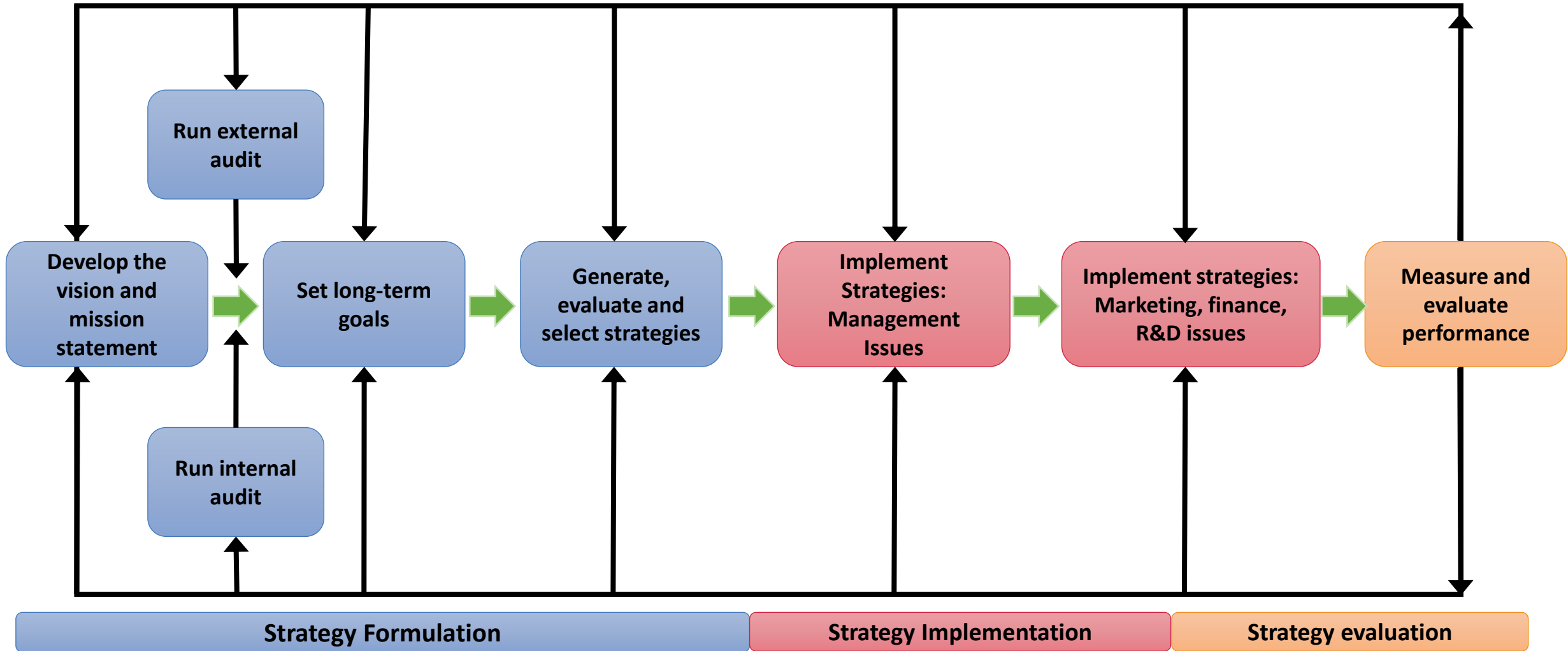
- Consultable.
- suggestive
- Easy to remember.
- Concise.
- Answer the basic questions: What?, For whom?, How?, Why?

Critical Factors of Strategic Planning

- It is a pattern of coherent, unified and integrating decisions.
- It is a means of establishing an organization's purpose: long-term goals, action plans, and resource allocation.
- It is a definition of the competitive domain of the organization, in what type of business it is.
- It is a response to internal strengths and weaknesses as well as external threats and opportunities in order to develop competitive advantages.
- It is a logical system for differentiating executive tasks from functional ones.
- It is the manifestation of the company's reason.



A comprehensive model of Strategic Planning



Importance of Strategic Planning

It gives meaning to the organizational direction

Defines a framework for decision making

Improves effectiveness/efficiency

Eliminate duplication of efforts

Focus resources and improve communication

Set realistic goals

Facilitates control

Reduce uncertainty

Allows you to view the changes



Elements of Strategic Planning





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