

Module 3. The process of strategic planning

In the previous modules, we covered several crucial topics, such as the significance of strategic planning, forming a strategic planning team, and key factors to consider while building such teams.

In this module, we will explore the five main steps involved in the strategic planning process. Strategic planning is a crucial process that helps sports organizations define their direction, set objectives, and create a roadmap for success. By following a structured approach to decision-making, organizations can stay focused on their priorities and effectively allocate resources.

By following these five steps, sports organizations can develop an effective strategic plan that provides clarity, direction, and a roadmap for success. This module will delve deeper into each step, providing insights, best practices, and real-life examples to enhance your understanding of strategic planning in the sports industry.

We will explore each step in detail, discuss strategies for optimizing the planning process, determine the ideal planning horizon, differentiate between strategic and operational plans, and utilise the SMART framework to design effective goals and objectives.

Paul Polman and Andrew Winston (2021) state that strategic planning is a collaborative process involving all levels of the organization. The strategic planning process should be ongoing, with regular reviews and adjustments as new information becomes available. The quote emphasizes the collaborative nature of strategic planning and highlights the importance of involving all levels of the organization. This approach recognizes that strategic planning should not be limited to a single event or a top-down decision-making process. Instead, it should be an ongoing and inclusive process that engages individuals throughout the organization.

Strategic planning becomes a collective effort, drawing on the diverse perspectives, insights, and expertise of employees at various levels and departments. By involving stakeholders from different areas of the organization, strategic planning benefits from a broader range of knowledge and experiences, leading to more informed decision-making and a greater sense of ownership and commitment to the plan.

As we will analyse each of these steps, it is appropriate to have a look at the Strategic Planning 5 steps methodology. We will go in-depth through that process in the following modules.



Figure 1: Strategic Planning 5 steps methodology



Source: Own source.

Unit 3.1 The five main steps in a strategic planning process

Now, let us discuss the process of strategic planning. It is a critical process for any organization as it helps to define the direction and objectives of the organization and develop a roadmap to achieve those objectives. It provides a structured approach to decision-making and allows organizations to stay focused on priorities. Here are the five main steps in this process:

1- Conducting a situation analysis: This step involves analysing the internal and external factors that impact the organization's performance. This analysis can include a SWOT analysis (strengths, weaknesses, opportunities, and threats) and a PESTEL analysis (political, economic, social, technological, environmental, and legal).

2- Establishing the mission, vision and values: This step involves defining the organization's purpose (mission) and long-term aspirations (vision). The mission and vision statements set the foundation for the organization's strategic direction.

3- Identifying strategic goals and objectives: This step involves determining the specific goals that the organization needs to achieve to realize its mission and vision. We recommend 4 to 6 strategic goals, depending on the size of the organization.

Goals are broad, high-level statements of what an organization wants to achieve over a more extended period, typically several years. Goals are often qualitative and focused on

outcomes. They provide direction and a sense of purpose for the organization, and they serve as a guide for decision-making and resource allocation. Goals are usually defined in terms of the organization's mission and vision.

The most common strategic goals of sports organizations vary depending on their specific objectives and priorities, but here are some common examples: ensure modern governance, enhance fan & community engagement, win championships, improve player development, and increase revenue. For each goal, identify objectives to reach such goals. These objectives should be SMART (specific, measurable, achievable, relevant, and time-bound).

On the other hand, objectives are specific, measurable, and time-bound statements that define the steps an organization needs to take to achieve its goals. Objectives are often more detailed and quantitative than goals. They specify concrete, achievable targets that can be measured and tracked over a shorter period, typically one year or less. Objectives help to operationalize goals by breaking them down into smaller, actionable steps. Goals are the destination, while objectives are the specific steps needed to get there.

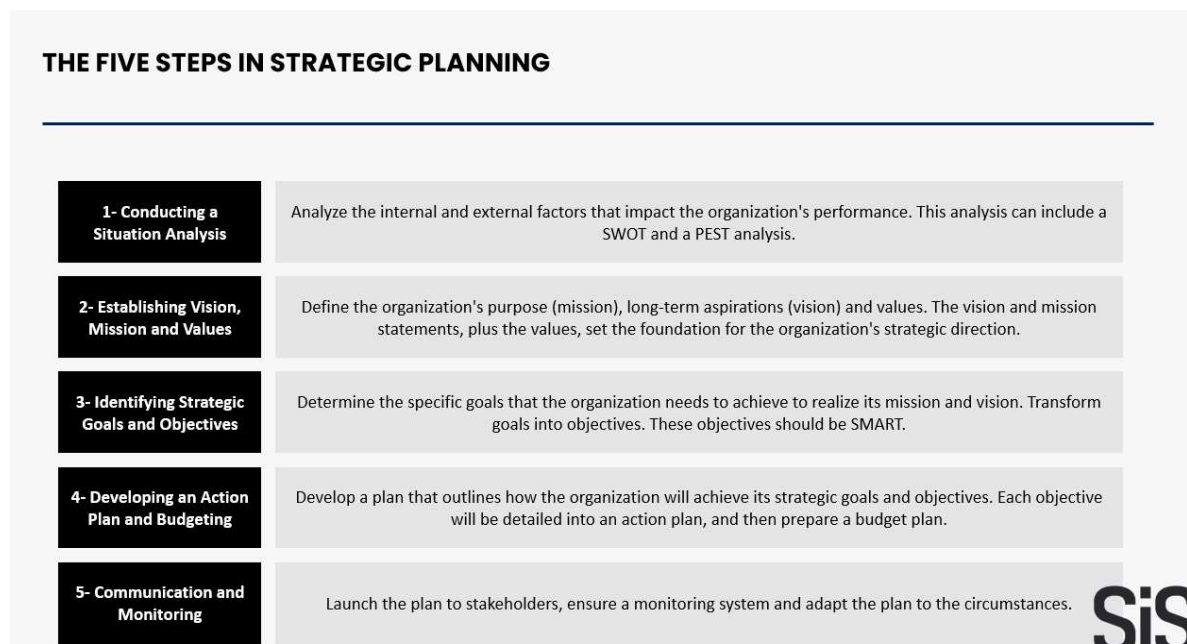
4- Developing an action plan & budgeting: This step involves developing a plan that outlines how the organization will achieve its strategic goals and objectives. Each objective will be detailed into an action plan. The plan can include specific strategies, tactics, timelines, budgets, people in charge, and performance metrics. It is very precise for all involved to know what to stand for.

5- Communication and Monitoring: This step involves communicating to all stakeholders what the plan is about to create trust and bound. It then consists in executing the strategies and action plans developed in the previous step. It includes aligning the organization's resources and capabilities with the strategic plan and ensuring everyone understands their roles and responsibilities.

After that, it is necessary to monitor the organization's progress against the objectives and performance metrics defined in the strategic plan. It includes regular reviews and adjustments to the plan to remain relevant and effective. This step ensures that the organization remains responsive to changing circumstances and continues progressing towards its mission and vision.

These steps and this process are summarized in the following figure, "The five steps in Strategic Planning". In the upcoming modules, we will delve extensively into those steps.

Figure 2: The five steps in Strategic Planning



Source: Own source.

Unit 3.2 Optimizing the Strategic Planning Process: streamlining the time to develop an effective plan

The amount of time it takes to develop a strategic plan can vary depending on several factors, such as the complexity of the organization, the size of the team involved, the scope of the plan, and the availability of resources.

Some organizations can develop a plan quickly. In contrast, others may need more time to ensure the plan is thorough and reflects the organization's unique circumstances and needs. In general, developing a comprehensive strategic plan can take anywhere from two to four months.

Here are some factors that can impact the time it takes to develop a strategic plan:

- **Size and complexity of the organization:** Larger and more complex organizations may require more time to develop a comprehensive strategic plan.
- **Availability of resources:** Organizations with limited resources may need to spend more time developing a strategic plan, as they may need to prioritize and allocate resources more carefully.



- **Involvement of stakeholders:** The involvement of stakeholders, such as employees, customers, and partners, can add time to the planning process, as it may take longer to gather input and feedback from multiple parties.

- **Scope of the plan:** The scope of the strategic plan can also impact the time it takes to develop it. A plan with a broader scope, covering multiple functions or business units, may take longer to develop than a plan with a narrower scope.

- **Organizational culture:** The organizational culture can also impact the planning process. Organizations that value collaboration and inclusivity may take more time to involve stakeholders and gather input. In contrast, organizations with a more hierarchical structure may be able to develop a plan more quickly.

In summary, the time it takes to develop a strategic plan can vary depending on several factors, and it is essential to take the necessary time to ensure that the plan is comprehensive, aligned with the organization's goals and objectives, and supported by stakeholders.

Unit 3.3 Strategic Planning Timeframes: determining the ideal planning horizon

Implementing a strategic plan can be challenging in the first year or subsequent years. Implementing a strategic plan over multiple years can be more difficult, as it requires sustained effort and commitment from the organization. Richard Rumelt (2011) says that a good strategy is not static; it must be adapted and refined over time as circumstances change, and new opportunities arise, and this is why the relevance of implementing a strategic plan is vital.

There are several reasons why it may be harder to implement a strategic plan in follow-up years:

- **Changing circumstances:** The business environment can change rapidly, and the assumptions that underpinned the original strategic plan may no longer hold true. This can make it harder to implement the plan effectively in follow-up years.

- **Resource constraints:** Implementing a strategic plan often requires significant resources, including time, money, and people. Over time, these resources may become constrained, which can make it harder to implement the plan.

- **Resistance to change:** Organizations may face resistance to change, particularly if the strategic plan involves significant changes to the organization's structure, culture, or operations. Over time, this resistance may become more entrenched, making it harder to implement the plan.



- **Loss of momentum:** In the first year of implementing a strategic plan, there is often a lot of momentum and enthusiasm for the plan. Over time, this momentum may dissipate, making it harder to sustain the effort required to implement the plan.

- **Evaluation and adaptation:** Effective strategic planning requires ongoing evaluation and adaptation. However, in follow-up years, it can be easy to become complacent and assume that the plan is still effective, without critically evaluating its impact and making necessary adjustments.

Implementing a strategic plan can be challenging in the first year or subsequent years. In follow-up years, organizations may face changing circumstances, resource constraints, resistance to change, loss of momentum, and the need for ongoing evaluation and adaptation. It is essential for organizations to remain committed to the plan and to make necessary adjustments to ensure that it remains effective over time. Running a strategic plan is more a marathon than a sprint.

3.3.1 The time recommended for sports organizations

For a traditional sports organization, I recommend a 2 to 4-month work such as a National Federation or a Professional Football Club. However, some sports organizations have their own time frames that depend most of the time on competitions and administration cycles. For example, a National Olympic Committee has a 4-year window to make a positive change, or a sports government the length of its administration.

Here are a few factors that can impact the development of a strategic plan for a sports organization:

- **Unique objectives:** Sports organizations may have unique objectives that differ from those of other organizations, such as winning championships, increasing fan engagement, or developing talent. These objectives need to be reflected in the strategic plan.

- **Seasonality:** Sports organizations often operate on a seasonal schedule, with specific deadlines for key events such as games, tournaments, or championships. This can impact the planning process's timing and the plan's implementation.

- **External factors:** Sports organizations can be impacted by external factors such as changes in rules and regulations, player injuries, or public opinion. These factors may need to be considered in the strategic planning process.

- **Sponsorship and revenue generation:** Sports organizations often rely on sponsorship and other revenue streams, which can impact the strategic plan. The plan may have to include strategies for increasing revenue or diversifying revenue sources.

- **Fan engagement:** Fan engagement is often a key priority for sports organizations, and the strategic plan may need to include strategies for increasing fan engagement, such as through social media or community outreach programs.



- **Talent development:** Developing talent, such as coaches, athletes, or support staff, is often a key priority for sports organizations. The strategic plan may need to include strategies for talent development, such as training programs or recruitment strategies.

Unit 3.4 Differences between a strategic plan, an operational plan and an action plan

A strategic plan is a broad roadmap that outlines an organization's long-term goals and overall direction. It focuses on high-level objectives and strategies without getting into specific action steps. An operational plan, on the other hand, translates the strategic plan into actionable steps for different departments or functional areas. It outlines the day-to-day activities and short- to medium-term goals needed to execute the strategic plan effectively. Lastly, an action plan is a detailed plan within the operational plan, focusing on specific projects or tasks. It specifies the specific actions, timelines, responsible individuals, and resources required to achieve a particular objective. Action plans are highly detailed and granular, providing a roadmap for successful implementation.

- **Time frame:** A strategic plan covers a more extended period (typically three to five years), while an operational plan covers a shorter period (typically one year or less). And the action plan has the shortest time frame, usually spanning weeks or months.

- **Scope:** A strategic plan is focused on the big picture, the operational plan is focused on the organization's day-to-day operations, and the action plan targets a specific project, initiative, or task within the operational plan.

- **Level of detail:** A strategic plan provides high-level guidance, an operational plan provides detailed action plans, and these provide a granular level of detail, specifying the specific actions, milestones, deadlines, responsible individuals, and resources required for a particular task or project.

- **Objectives:** A strategic plan outlines long-term goals and objectives, an operational plan outlines short-term goals and objectives, and the action plan aims to achieve specific objectives or complete specific projects within the operational plan.

- **Focus:** A strategic plan focuses on the organization as a whole, while an operational plan focuses on specific departments, teams, or projects within the organization. Lastly, the action plan focuses on specific projects or tasks, outlining the necessary actions and steps required to achieve the desired outcome.

In summary, the strategic plan sets the long-term direction and goals, the operational plan translates those goals into actionable steps for different departments, and the action plan provides a detailed roadmap for achieving specific objectives or completing projects within the operational plan.



Unit 3.5 Using the SMART framework

The SMART framework is a widely used method for designing effective goals and/or objectives. SMART stands for Specific, Measurable, Achievable, Relevant, and Time-bound. The following are the five steps involved in creating SMART goals:

- **Specific:** The first step is to ensure the goal is clearly defined. This involves identifying exactly what the organization wants to achieve, who will be involved, and what resources will be needed. The goal should be specific enough to provide clear direction and focus.
- **Measurable:** The goal should be measurable to track and evaluate progress. This involves defining specific metrics that can be used to assess progress towards the goal, such as revenue growth, customer satisfaction ratings, or employee turnover rates.
- **Achievable:** The goal should be achievable and realistic, given the organization's resources and capabilities. This involves assessing the feasibility of the goal, considering any constraints or challenges, and ensuring that the organization has the necessary resources and support to achieve the goal.
- **Relevant:** The goal should be relevant to the organization's mission and vision and should support its long-term strategic direction. This involves ensuring that the goal is aligned with the organization's priorities and that it will help the organization achieve its broader objectives.
- **Time-bound:** The goal should be time-bound, with a specific deadline or timeline for achievement. This involves setting a realistic timeframe for achieving the goal, breaking down the goal into smaller milestones, and tracking progress towards those milestones.

To design SMART goals and/or objectives, the organization should start by brainstorming potential objectives based on its mission, vision, and strategic pillars. The organization should evaluate each objective to determine whether it meets the SMART criteria. If a goal or objective does not meet the requirements, it should be revised or refined until it does. By following this process, the organization can ensure that its goals are specific, measurable, achievable, relevant, and time-bound, and that they will help the organization achieve its broader objectives. For each of the goals, as well as the objectives. The organization should define who is responsible for making sure that these are fulfilled.



Figure 3: SMART framework

SMART FRAMEWORK FIVE STEPS INVOLVED IN CREATING SMART GOALS		
1	Specific	It is essential to ensure that the goal is clearly defined. This involves identifying exactly what the organization wants to achieve, who will be involved, and what resources will be needed. The goal should be specific enough to provide clear direction and focus.
2	Measurable	The goal should be measurable to track and evaluate progress. This involves defining specific metrics that can be used to assess progress towards the goal, such as revenue growth, customer satisfaction ratings, or employee turnover rates.
3	Achievable	The goal should be achievable and realistic, given the organization's resources and capabilities. This involves assessing the feasibility of the goal, considering any constraints or challenges, and ensuring that the organization has the necessary resources and support to achieve the goal.
4	Relevant	The goal should be relevant to the organization's mission and vision and should support its long-term strategic direction. This involves ensuring that the goal is aligned with the organization's priorities and that it will help the organization achieve its broader objectives.
5	Time-bound	The goal should be time-bound, with a specific deadline or timeline for achievement. This involves setting a realistic timeframe for achieving the goal, breaking down the goal into smaller milestones, and tracking progress towards those milestones.



Source: Own source.

Example of the SMART framework in a sports organization

- **Specific:** Increase ticket sales for the next season's games by 10%.
- **Measurable:** The goal's success can be measured by tracking the number of tickets sold for the next season's games and comparing it to the previous season's sales.
- **Achievable:** Based on past sales data and marketing efforts, a 10% increase in ticket sales is a reasonable and achievable goal.
- **Relevant:** Increasing ticket sales is relevant to the sports organization's overall mission of growing its fan base and revenue streams.
- **Time-bound:** The goal is time-bound with a clear deadline of the end of the next season, providing a sense of urgency and accountability.

By using the SMART framework, the sports organization has created a specific, measurable, achievable, relevant, and time-bound goal that can guide its efforts to increase ticket sales for the next season's games.

Mistakes to avoid in the Strategic Planning Process

In the Strategic Planning Process, try avoiding common mistakes that appear in the next table.



Table 1: Mistakes description

MISTAKES DESCRIPTION
1. Some leaders may attempt to expedite the planning process, but strategic planning requires careful attention and thoroughness, rather than just speed.
2. It is crucial to recognize that strategic planning is a deliberate process requiring adequate time and attention to produce optimal results.
3. Neglecting the process of building a strategic plan can result in subpar work quality and inadequate decision-making.

Source: Own source.

Conclusion

The strategic planning process for sports organizations involves five main steps. It begins with conducting a situation analysis to understand internal and external factors affecting performance. Then, the organization establishes its mission, vision, and values, followed by identifying strategic goals and objectives. The next steps involve developing an action and budget plan, implementing the plan through effective communication and execution, and continuously monitoring and evaluating performance. The process provides a structured approach to decision-making, ensures alignment with organizational priorities, and enables progress towards the organization's mission and vision.

Optimizing the strategic planning process requires considering factors such as organizational size and complexity, resource availability, stakeholder involvement, and the scope of the plan. The time required to develop a strategic plan can range from a few months to a year. It is crucial to dedicate sufficient time to ensure the plan is comprehensive, aligned with goals, and supported by stakeholders. Additionally, implementing a strategic plan over multiple years may present challenges due to changing circumstances, resource constraints, resistance to change, loss of momentum, and the need for ongoing evaluation and adaptation.

Sports organizations have unique factors to consider when developing a strategic plan, including their objectives, seasonality, external influences, sponsorship and revenue generation, fan engagement, and talent development. These factors shape the planning process and help define strategies for success. Differentiating strategic plans from operational plans is essential, as they serve distinct purposes and time frames. While strategic plans provide high-level guidance over several years, operational plans focus on short-term actions and specific departments or projects. Utilizing the SMART framework ensures that goals and objectives are Specific, Measurable, Achievable, Relevant, and Time-bound, leading to effective planning and goal attainment in sports organizations.



Now that we have been through the five steps process and defined some of the concepts more precisely, we will go deeper in the following modules on each of the steps to make sure to get the right understanding and tools to develop a strategic plan.

Case study

To illustrate the content of this module, here is a detailed case of a sports organization implementing a successful strategic plan, the United States Olympic and Paralympic Committee (USOPC). In 2019, the USOPC launched a strategic plan called "Final Strategic Plan 2020-2024: Best in the World" with the goal of becoming the best Olympic and Paralympic organization in the world.

Figure 4: Final Strategic Plan 2020-2024

MISSION

To ensure communication between the USOPC and athletes who are actively engaged in amateur athletic competition or who have represented the United States in international competition within the preceding ten (10) years.

VISION

Represent the athlete voice and empower Team USA to inspire and drive positive change.

CORE VALUES

The USOPC Athletes' Advisory Council (AAC) will advance its mission, vision and strategic priorities through commitment to the following values:

We will:



Source: USOPC, 2019.

The plan was developed with input from athletes, coaches, and other stakeholders, and focused on four key areas: athlete-centred, organizational excellence, sustainability, and partnership. Some of the specific initiatives included in the plan are:



1. Athlete-centred initiatives, such as increasing funding for athlete programs and services, improving athlete safety and wellness, and enhancing athlete engagement and communication.
2. Organizational excellence initiatives, such as improving governance and transparency, increasing diversity and inclusion, and investing in staff training and development.
3. Sustainability initiatives, such as reducing the environmental impact of the organization's operations, promoting social responsibility and ethical practices, and enhancing financial sustainability.
4. Partnership initiatives, such as building strong partnerships with sponsors, broadcasters, and other stakeholders, and leveraging these partnerships to support athlete development and achievement.

Figure 5: Priorities



Source: USOPC, 2019.

Since the launch of the strategic plan, the USOPC has made significant progress towards its goals. For example, the organization has increased funding for athlete programs and services, launched new initiatives to support athlete safety and wellness, and developed new partnerships to support athlete development and achievement. Overall, the USOPC's strategic plan has helped the organization to focus its efforts, prioritize its resources, and achieve its mission of supporting American athletes and promoting the Olympic and Paralympic movements.

Figure 6: Olympic and Paralympic Committee



Source: Pavitt, 2019, <https://bit.ly/44DN3RD>

In an interview with Finbarr Kirwan, Senior Vice President, Chief of USOPC, in the SiS Master podcast, he highlighted the relevance of knowing what to do with the resources and the plan you have:

The key is that you can have all the information in the world, but if you don't have that expertise to bring together into a single coherent plan that's where you don't get the value. We have to remember that we are investors in talent. (Drijard, 2023)

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