



# 1,000 THINGS BOARDS & MANAGERS SHOULD KNOW

## Good Management Tip #1

### Strategic Planning in Co-operatives

#### INTRODUCTION

Planning is the start of all good business activities. Strategic planning is a leadership skill that needs to be learned, practiced, and developed. Practice does not make perfect, only perfect practice makes perfect.

Here are the key components of strategic planning that, if practiced well, will dramatically increase your success as a manager of your co-operative. By following these ideas, co-operatives can dramatically affect their success.

#### **Strategic Planning**

It has been proven that good planning will return ten to one compared to any of the other functions of management, including organizing, staffing, directing, and controlling. Attention to the planning process, if done well and done often, will dramatically increase the success of your co-operative.

Consider this statement, 'if you don't have time to do it right the first time, when will you find the time to do it over'? We often think we don't have the time, but we always find the time to do work over. Good planning is good time management.

The function of management is to analyze problems and to gather facts, and then to determine a course of action. This is where strategic planning enters the planning process.

Strategic planning is a key skill of leadership and determines whatever else happens in the co-operative. It would be beneficial if we understood the three underlying principles which are behind strategic planning:

- ★ The quality of your plans directed toward helping your customers satisfy their needs and wants will be directly proportional to your results. Help will be expressed in the quality of your products, the quality of your services, and the value of these products and services
- ★ When your plans are clear, including your dominant goals, motivation, and values, they attract to the co-operative the right people, the right circumstances, and the right opportunities
- ★ The internal world of planning, people, organization, values, quality, and attitudes reflects your external world of results. Planning is the start of all good business activities

Good strategic planning will:

- ★ Increase your success
- ★ Increase your market penetration
- ★ Increase your profitability
- ★ Increase your personal satisfaction
- ★ Increase your quality
- ★ Increase your control of your destiny
- ★ Allow you to accomplish significantly more
- ★ Allow you to be where you want to be

Research shows that fewer than five percent of people have goals that are set consistently and written down. Those who do set goals and establish a strategic planning process in their co-operative have a decided advantage over those who do not. The seven strategic planning components are:

- ★ Have a clear vision of what you want
- ★ Remember all strategic plans are offensive
- ★ Concentrate your forces at the critical time and at a critical point
- ★ Be efficient with the greatest return for the least effort
- ★ Surprise your competitor
- ★ Be flexible with a fall-back plan
- ★ Exploit your advantages

Why should be set strategy?

- ★ To have a better return on investment (make more money)
- ★ To maximize your strengths
- ★ To maximize your opportunities
- ★ To reposition your company

To focus on the customer and use the plan as a basis for decision-making

Before you can start the strategic planning process, the person in charge must first get control. Then:

- ★ Be committed to the strategic planning process
- ★ Be prepared to live with the consequences
- ★ Identify the internal opposition
- ★ Deal with it within six months
- ★ Take responsibility for the process
- ★ Set the tone in the organization
- ★ Commit the co-operative to leadership
- ★ Commit the co-operative quality

Keys to strategic planning (do these basics over and over again... Be brilliant on these basics):

- ★ Ask 'where are you now'?
- ★ Ask 'how did you get there'?
- ★ Ask 'where do you want to go'?
- ★ Ask 'how are you going to get there'?
- ★ Ask 'What additional information, knowledge, resources, and skills are needed'?
- ★ Ask 'what is in it for us'?

Who are the players?

- ★ The person in charge
- ★ The key players (department heads, etc)
- ★ Outside consultants

Mission statement is:

- ★ Explains why the co-operative exists?
- ★ Explains the co-operative's the super goal?
- ★ Explains the co-operative's values?

- ★ Guides the decision-makers?
- ★ Is para-praseable
- ★ Is unique
- ★ Separates the co-operative from others similar to it
- ★ Inspires

Before you can expect anyone to follow you as a leader and to work effectively for the co-operative, they should know what the co-operative stands for. This is a powerful force to encourage customer support. What are the values of the co-operative?

- ★ Write them down
- ★ Start the statement with 'we believe...'
- ★ Include statements on quality, products, integrity, people, services, innovation, creativity, friendliness, etc

### **Conclusion**

We have not been able to cover all the critical points of the strategic planning process, but I hope that you have received an insight into the process. Here is a quick, 14 step review on the steps you should take to launch the strategic planning process in your co-operative:

- ★ The leader takes command
- ★ The leader takes responsibility
- ★ Commit to continuous planning
- ★ Get professional help
- ★ Determine your values
- ★ Determine your mission
- ★ Describe your vision
- ★ Determine your driving force
- ★ Concentrate on your strengths
- ★ Evaluate your weaknesses
- ★ Evaluate your strengths
- ★ Determine what the treats to the organization are
- ★ Determine how you are compared to the competition
- ★ Determine what you should be getting into or out of

For further information on this and other related topics, as well as many co-operative development subjects such as governance, finance and marketing, strategic planning, management, etc, contact the Nova Scotia Co-operative Council at the address below. Our knowledgeable staff of Business Development Officers, located in Truro, Sydney, and Yarmouth are available to assist you in all areas of co-operative development. You can also visit us on the web at [www.nsko-opcouncil.ca](http://www.nsko-opcouncil.ca).



### **Nova Scotia Co-operative Council**

*Making a Difference in Nova Scotia Communities*

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