Strategic Planning Models in Public and Non-Profit Sport Organizations

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Abstract

Strategic planning is widely used by organisations, as it is an integral part of strategy. The present study tackles the topic of strategic planning as it is developed by public and non-profit organizations and provides an extensive review of literature in the area of the development and role of strategic planning within strategic management and the way it is adopted by public and non-profit organizations. For the purposes of this paper, five models of strategic planning have been discussed with the belief that they describe better the models that can be approached and developed by public and non-profit organizations in the area of sport. This article aims at partly contributing to the theoretical discussion concerning the ability of organizations to integrate and deploy strategic planning. For this study we examined a non-profit sport organization in British Columbia, Canada. The authors propose that public and non-profit sport organizations should develop their own model of strategic planning, which may help them to think and act strategically.

Key Words: *strategic planning models, strategic management, public and non-profit sport organizations.*

One of the most common sets of activities in the management is planning. In order to determine where the organization is going, whether it operates in the private or in the public sector, the organization needs to know exactly where it stands, then determines where it wants to go and how it will get there. Planning is an intelligent preparation for action. The planning process is differentiated from other pre-decision activities, in that it is systematic, deliberate and continuous (Glaister and Falshaw, 1999). Strategic planning is widely used by organisations at international level, as it is an integral part of strategy. Strategic Planning is the formal consideration of an organization's future course. All strategic planning deals with at least one of three key questions (Bradford and Duncan, 2000): 1) What we do? 2) For whom do we do it? 3) How do we excel?

The maturity of an academic discipline is often judged by the extent to which its theories and techniques are employed in everyday practice. It is possible to benchmark the maturity of strategic management by exploring the extent to which its theories, frameworks and tools are employed by organizations in their strategic thinking and planning (Stonehouse and Pemberton, 2002). In this paper, attention is focused on strategic planning models in public and non-profit sport organizations. The primary objective of this study is to explore the extent to which the models of strategic planning are employed by public and non-profit organizations within the sport sector and such an organization was selected for examination. In addition, this permits further discussion of whether public and non-profit sport organizations do indeed think and act strategically.

Strategic Planning in Public and Non-Profit Sector Organizations

Strategic Planning is a means to an end, a method used to position an organization, through prioritizing its use of resources according to identified goals, in an effort to guide its direction and development over a period of time (Bryson, 1995). Although the notion of strategy has its origins in the military arena, strategic planning in recent years has been primarily focused on private sector organizations and much of the theory assumes that those in executive control of an organization have the freedom to determine its direction. Current theories also appear to assume that the operating environment is predominantly competitive and, implicitly, that a profit motive will be the driving force behind the planning requirement.

In public sector organizations, however, those in executive positions often have their powers constrained by statute and regulation which predetermine, to various degrees, not only the very purpose of the organization but also their levels of freedom to diversify or to reduce, for example, a loss-making service (Duncan, 1990). The primary financial driver in these organizations is not profit, but to maximize output within a given budget (some organizations

currently having to try to do both) and, while elements of competition do exist, it is much more common to think of comparators rather than competitors. Much of the planning literature, currently being published, addresses the necessity of planning in the profit and non-profit sectors. Strategic thought and action have become increasingly important and have been adopted by public and non-profit planners to enable them to successfully adapt to the future (Kriemadis, 1997; Laycock, 1990; Nelson, 1990; Wilson, 1990). According to Bryson (1995) strategic planning, can help public and nonprofit organizations anticipate and respond effectively to their dramatically changing environments.

In their efforts to provide increased value for money and to genuinely improve their outputs, public and non-profit sector organizations have been increasingly turning to strategic planning systems and models. While it is acknowledged that models rarely actually fit organizations without some adaptation, many in the public and non-profit sector have found that certain key dimensions of the existing strategic models have not existed within their organizations. In supporting that approach to strategic development within the public and non-profit sector, Wilkinson and Monkhouse (1994) goes one step further and suggest that the actual design models of the strategic process should also reflect the reality of public and non-profit sector organizations. It is suggested that any model of strategy development used in public and non-profit sector organizations should acknowledge the key differences that exist in that sector.

Strategic Planning Models

The following models provide a range of alternatives from which organizations might select an approach and begin to develop their own strategic planning process (McNamara, 2000). An organization might choose to integrate the models, e.g., using a scenario model to creatively identify strategic issues and goals, and then an issue-based model to carefully strategize to address the issues and reach the goals.

1st Model - Basic Strategic Planning

This very basic process is typically followed by organizations that are extremely small, busy, and have not done much strategic planning before. The process might be implemented in the first year of the non-profit organization to get a sense of how planning is conducted, and then embellished in later years with more planning phases and activities to ensure well-rounded direction for the non-profit. Planning is usually carried out by top-level management. The basic strategic planning process includes:

1. Identify the purpose (mission statement) – This is the statement(s) that describes why the organization exists, i.e., its basic purpose. The statements will change somewhat over the years.

2. Select the goals the organization must reach if it is to accomplish its mission – Goals are general statements about what the organization needs to accomplish to meet its purpose or mission, and address major issues facing the organization.

3. Identify specific approaches or strategies that must be implemented to reach each goal – The strategies are often what change the most as the organization eventually conducts more robust strategic planning, particularly by more closely examining the external and internal environments of the organization.

4. Identify specific action plans to implement each strategy – These are the specific activities that each major function (for example, department, etc.) must undertake to ensure it's effectively implementing each strategy. Objectives should be clearly worded to the extent that people can assess if the objectives have been met or not.

5. Monitor and update the plan – Planners regularly reflect on the extent to which the goals are being met and whether action plans are being implemented. Perhaps the most important indicator of success of the organization is positive feedback from the organization's customers.

2nd Model - Issue - Based (or Goal - Based) Planning

Organizations that begin with the «basic» planning approach described above often evolve to using this more comprehensive and more effective type of planning. The following depicts a rather straightforward view of this type of planning process, but an organization may not do all of the following activities every year.

1. External/internal assessment to identify «SWOT» (Strengths, Weaknesses, Opportunities, Threats).

2. Strategic analysis to identify and prioritize major issues/goals.

3. Design major strategies (or programs) to address issues/goals.

4. Design/update vision, mission and values(some organizations may do this first in planning).

5. Establish action plans (objectives, resource needs, roles and responsibilities for implementation).

6. Record issues, goals, strategies/programs, updated mission and vision, and action plans in a Strategic Plan document, and attach SWOT, etc.

7. Develop the yearly Operating Plan document (from year one of the multi-year strategic plan).

8. Develop and authorize Budget for year one (allocation of funds needed to fund year one).

9. Conduct the organization's year-one operations.

10. Monitor/review/evaluate/update Strategic Plan document.

3rd Model - Alignment Model

The overall purpose of the model is to ensure strong alignment among the organization's mission and its resources to effectively operate the organization. This model is useful for organizations that need to fine-tune strategies or find out why they are not working. An organization might also choose this model if it is experiencing a large number of issues around internal efficiencies. Overall steps include:

1. The planning group outlines the organization's mission, programs, resources, and needed support.

2. Identify what's working well and what needs adjustment.

3. Identify how these adjustments should be made.

4. Include the adjustments as strategies in the strategic plan.

4th Model - Scenario Planning

This approach might be used in conjunction with other models to ensure planners truly undertake strategic thinking. The model may be useful, particularly in identifying strategic issues and goals.

1. Select several external forces and imagine related changes which might influence the organization, e.g., change in regulations, demographic changes, etc. Scanning the newspaper for key headlines often suggests potential changes that might effect the organization.

2. For each change in a force, discuss three different future organizational scenarios (including best case, worst case, and OK/reasonable case) which might arise with the organization as a result of each change. Reviewing the worst-case scenario often provokes strong motivation to change the organization.

3. Suggest what the organization might do, or potential strategies, in each of the three scenarios to respond to each change.

4. Planners soon detect common considerations or strategies that must be addressed to respond to possible external changes.

5. Select the most likely external changes to effect the organization, e.g., over the next three to five years, and identify the most reasonable strategies the organization can undertake to respond to the change.

5th Model - «Organic» (or Self - Organizing) Planning

Traditional strategic planning processes are sometimes considered «mechanistic» or «linear,» i.e., they're rather general-to-specific or cause-and-effect in nature. For example, the processes often begin by conducting a broad assessment of the external and internal environments of the organization, conducting a strategic analysis («SWOT» analysis), narrowing down to identifying and prioritizing issues, and then developing specific strategies to address the specific issues.

Another view of planning is similar to the development of an organism, i.e., an «organic,» self-organizing process. Certain cultures, e.g., Native American Indians, might prefer unfolding and naturalistic «organic» planning processes more than the traditional mechanistic, linear processes. Self-organizing requires continual reference to common values, dialoguing around these values, and continued shared reflection around the systems current processes. General steps include:

1. Clarify and articulate the organization's cultural values. Use dialogue and story-boarding techniques.

2. Articulate the group's vision for the organization. Use dialogue and story-boarding techniques.

3. On an ongoing basis, e.g., once every quarter, dialogue about what processes are needed to arrive at the vision and what the group is going to do now about those processes.

4. Continually remind yourself and others that this type of naturalistic planning is never really «over with,» and that, rather, the group needs to learn to conduct its own values clarification, dialogue/reflection, and process updates.

5. Be very, very patient.

6. Focus on learning and less on method.

7. Ask the group to reflect on how the organization will portray its strategic plans to stakeholders, etc., who often expect the «mechanistic, linear» plan formats.

Strategic Planning in Sport Organizations: The Case of British Columbia Rugby Union

Rugby Canada (www.bcrugby.com) is the national governing body for the sport of rugby union in Canada. Rugby Canada is the administrative body for rugby union in Canada and every province also has its own union. The British Columbia Rugby Union (BCRU) is the administrative body for rugby union in British Columbia. The BCRU consists of nine sub-unions and 65 clubs. It was

originally organized in New Westminster around 1889 and the current head-quarters is on the west side of Vancouver. British Columbia is considered a hotspot for rugby in Canada. The BCRU is responsible for organizing the Canadian Direct Insurance Premier League, the provincial men's club championship. It also oversees provincial representative teams which compete for national championships organized by Rugby Union.

The vision of BCRU is:

- Rugby will flourish and be a sport of choice in British Columbia.
- British Columbia Rugby will be recognized as one of the most professional and competitive provincial unions in the world.
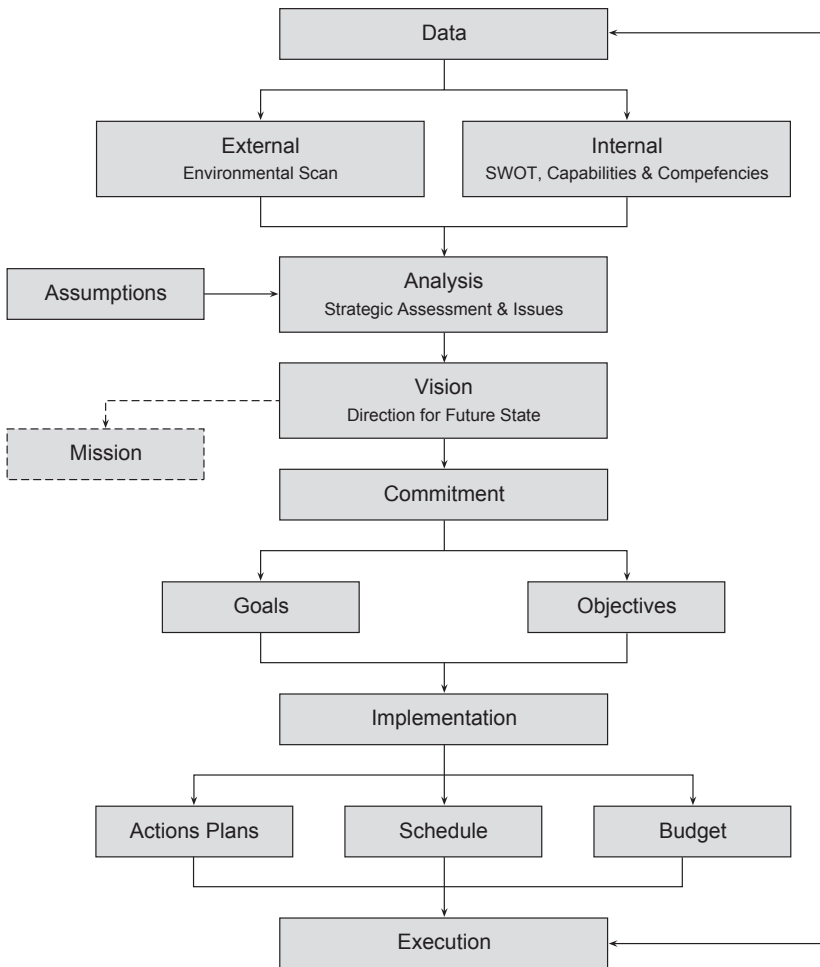
The mission of BCRU is:

- Promote, grow, and manage the game of Rugby in British Columbia.
- Ensure wide participation and the continuous development of excellence in a safe and respectful environment.

The strategic plan of BCRU is prepared for the period 2007-2011 and will provide the direction, priorities and framework to take the organization from today to the future. The strategic planning process covers the entire spectrum of issues to the precise steps necessary for a smooth transition from current conditions to the challenges that lie ahead. However, strategic planning rarely flows smoothly from one step to the next. Fresh ideas at one meeting may change decisions made earlier. This should not be a source of frustration; rather, it reflects the necessary creative input of inventive team members. The general approach taken by BCRU (www.bcrugby.com) for the strategic planning follows the model shown below:

Linking all the steps together integrates tying the results of the plan into performance measures (quantitative and qualitative). Perhaps more important, though, is the involvement of staff in the process, which assists in the alignment with the business strategy, goals and objectives, and helps maximize communication and feedback.

In the old vertical organization model, management told employees what to do, when to do it and how much to do. Today, people work in functional and cross-functional teams, which suggest that the reward is for teamwork, rather than individual performance. Too often, executive management talks about values but then «don't walk their talk». For example, some organizations say they value teamwork but continue to reward individual performance. It is the intent to align the Board, staff and other volunteers around a fresh strategy to take BC Rugby into the future. The BCRU strategic planning process is following this general approach described above.

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This new strategic plan, entitled «Pathway to Success», provides the foundation upon which BCRU will develop its services and programs over the next five years to grow the Union. The strategic plan will outline new courses of action to ensure that the goals that emerge from strategic planning are met. These goals are:

• Growth – increase the number of rugby participants
• Competitive Season – simplify, modernize and align rugby offerings
• Safety – minimize incidences and exposure to injury.

Realistic and methodical action plans, with a dedicated team to deliver, and in accordance with the mission and vision of the British Columbia Rugby Union, will ensure it is on the «pathway to success».

Discussion and Recommendations

This study has considered the deployment of strategic planning models in public and non-profit organizations within the sport sector. The focus has been to examine the role of strategic planning in a sport organization, the BCRU, which is the governing body for the sport of rugby in the province of British Columbia, in Canada. In considering the range of alternatives from which sport organizations might select an approach and begin to develop their own strategic planning model, the article has sought to identify the integration of various strategic planning models.

There are a variety of perspectives, models and approaches used in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture of the organization, complexity of the organization's environment, size of the organization, expertise of planners, etc (McNamara, 2000). As we have mentioned, there are a variety of strategic planning models, including «basic» strategic planning, goal-based, alignment, scenario, and organic model.

However, in seeking to obtain a better fit between the models and the organizations within the public sector, it is the models that must be adapted rather than twisting the reality of the actual organizations (Poister and Streib, 2005). BCRU developed its own model of strategic planning, by selecting mostly the «basic» strategic planning and the issue-based (or goal-based) planning models and modifying them depending on its processes and activities.

Strategic planning for public and non-profit organizations is important and probably will become part of the standard repertoire of public and non-profit planners. It is important, of course, for planners to be very careful about how they engage in strategic planning, since every situation is at least somewhat different and since planning can be effective only if it is tailored to the specific situation in which it is used (Ring and Perry, 1985). Since strategic planning tends to fuse planning and decision making, it makes sense to think of decision makers as strategic planners and to think of strategic planners as facilitators of decision making across levels and functions in organizations and communities (Taylor, 1984).

Strategic planning may help public and non-profit sport organizations to think and act strategically. There appears to be an ever increasing interest in this area, and further studies could prove to be beneficial. Further research should explore a number of theoretical and practical issues in order to advance the knowledge and practice of strategic planning for public and non-profit organizations within the sport sector. In particular, more detailed strategic planning models should specify key situational factors governing their use (Checkoway, 1986).

   Conclusively, strategic planning is not a static product, which, once being set, stays as it is throughout the implementation of the strategy. It is a constantly evolving process, trying to follow the continual changes in the environment (Stopford, 2001). Sport organizations may develop their own model of strategic planning, often by selecting a model or a combination of models in accordance with their own needs.

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