

# Strategic Planning

## Benefits Snapshot:

- Unifies your Board and management team around your organization's vision of the future
- Creates the context for all decisions in the coming years
- Leverages deep industry perspective that brings key market realities into your planning process

## Definition:

Strategic planning is that style of thinking and method of planning which first focuses on what the business should be in the future. It evaluates and determines where the business is presently, and then systematically concentrates resources to reach that predefined future.

*"You cannot escape the responsibility of tomorrow by evading it today."*

**Abraham Lincoln**

*"The basic philosophy, spirit, and drive of an organization have far more to do with its relative achievements than do technological or economic resources, organizational structure, or timing."*

**A Business and Its Beliefs IBM's Thomas Watson, Jr.**

*"As long as there are people, they will engage in commerce. As long as there are transactions, the five attributes will be with us. And as long as they're with us, they'll be measurable. And as long as they're measurable it will be possible to craft a successful strategy around them."*

**Crawford and Mathews, The Myth of Excellence**

## Overview:

Strategic planning produces the passion, high-level direction and strategic focus that enable your organization to deliver the highest possible lasting value to your membership now and into the future.

Strategic planning equips the credit union with the foundational direction, focuses and clarity that it needs in order to grow the organization and better serve the membership in tomorrow's competitive financial services marketplace. It creates the core strategic fixtures that will continually benefit the entire organization. Strategic planning also involves taking a close look at specific approaches to delivering higher value to the membership and greater growth for the credit union. The development of a high-level framework to measure your organization's performance is also an important piece of strategic planning.

## Nice Approach:

Nice Enterprises' strategic planning is a robust combination of inspiration, vision and pragmatism. The plan we create is a living document that articulates what can be. It defines, within the grander business context, what you will do and why. It draws us back to all that is important in the bigger picture, amid a schedule of urgency.

## Desired Future

### Benefits Snapshot:

- Establishes the values that every employee will use to make consistent decisions
- Focuses your financial and human resources so you will more effectively serve your members and grow the organization
- Makes the organization's long-range future more tangible and attainable

- Creates an ongoing means for confirming which operational actions should be prioritized or eliminated
- Unites the entire leadership team around new ways the credit union will create better member value

**Definition:**

Your Desired Future is what you want to see your business look like in three to five years.

**Overview:**

Many organizations are far too short-sighted in their planning. They need to transition from the traditional one-year (budget-focused) planning approach to establishing a longer term desired future for their organization.

Establishing a desired future involves looking at what you (the Board and Management) would like the organization to be in three to five years. Having this desired future written down is vital to giving your organization context for making strategic decisions.

**Nice Approach:**

Over our long and accredited history, we at Nice Enterprises have developed many tools and group exercises to help organizations identify and document their desired future. We will take your group through the challenging dialogs required to determine your credit union's unique competitive advantage in the marketplace, which will serve as your foundation for serving members and determining your sales and marketing messaging.

## Values

**Definition:**

The critical, deeply-held beliefs shared throughout the organization.

**Overview:**

Organizational values are the core beliefs that every employee and volunteer should live out. They are the most essential elements that are critical to enact throughout the organization. Values are what your organization states are important, and they should be treated that way; modeled through behavior, and reinforced through confrontation of value-inconsistent actions.

Values define our organizations. They remind us who we are and what we stand for in today's and tomorrow's competitive marketplace. They are the rudder that directs all actions and the compass that guides all thought. They give meaning to our vision, mission and strategies.

Values are critical because they correctly position our priorities. They assure that we're all committed to a higher path in our everyday actions. They serve as the essential decision-making filter. When facing a decision, you should ask: "Which action is consistent with our values?"

**Nice Approach:**

Through Nice Enterprises' facilitated, introspective interaction, the leadership team will document the organization's values, which serve as the decision-making filter for all employees and volunteers.

## Vision

Bill Gates had a vision to see a PC in every home by the year 2000 at a time when the rest of the industry wondered why anyone would ever want a computer in the home. Even before most American homes were connected to electricity, William Paley (builder of CBS) could envision an entire country

watching television. He saw an audience where there was no audience. He saw the world as it could be, not as it was.

**Definition:**

Vision is the organization's long-range desired result, written as a single statement. It represents the ultimate goal or destination of the organization.

**Overview:**

Vision is the ability to see the world as it could be, rather than as it is. Vision is “out of the box” and transformational in nature. It is exciting, compelling and often very intimidating. Vision is difficult to establish because few people are truly visionary. The vision describes what the organization desires to become.

Vision should be a magnifying glass that creates focus and a bridge that draws us from the present to the future. It provides a target that beckons us both mentally and emotionally. Vision defines the ultimate desired destination and thereby always points us in the right direction. It both points us and magnetizes us toward new and uncharted territories.

**Nice Approach:**

Through Nice Enterprises' facilitated process your organization can create a vision statement that clearly establishes what the credit union desires to become in twenty-five years. Most importantly we assist your entire Board and management team in coming together with one voice and one mission.

## **Mission**

**Definition:**

Mission defines what a business does (and doesn't do). It clarifies, in a single statement or series of statements, what the focus of all activity should be.

**Overview:**

Your mission is the road on which your organization is traveling and what every individual in the organization is there to do. It needs to clarify, in a single statement, what the focus of all activity should be. It represents what the business does.

A short and simple mission statement that accurately reflects your organization's deliverable is an essential asset, a critical “strategic fixture” to achieve your desired future.

**Nice Approach:**

Through Nice Enterprises' facilitation, your organization can create the pragmatic mission statement that clearly establishes what the credit union is here to do, simplifying and focusing operations and decision making.

## **Futuring**

**Definition:**

Where the credit union wants to be in 3-5 years, and why.

**Overview:**

Futuring helps you find the long-range desired results – the major building blocks that outline your organization's desired future. Without this essential component, the power of strategic planning falls flat. These “results” statements or bullets indicate what you want to accomplish three to five years into

the future and why. These long-range results must be clearly defined in writing, and fully understood and agreed to by all parties. The more specific the definition of the long-term desired results, the better.

Futuring provides the “strategic content and context” by which your organization can set its specific short-term strategic initiatives. They provide a clear picture of the specific destination at which your organization wants to arrive, within a certain time frame.

## Initiatives

### Strategic Initiatives

#### Definition:

The organization’s major focuses for creating near-term progress.

#### Overview:

Strategic initiatives flow directly from the organization’s long-term desired results and competitive strategy assessment; they are the “meat” of the thematic objective. The purpose of strategic initiatives is to provide the immediate points of focus and major key issues that will concentrate the entire organization’s energy and resources. Short-term strategic initiatives generally have a 12 to 18 month timeframe and form all the basic components of the vehicle that your organization will use to “travel” down the road toward your long-term desired results and ultimate vision. From these broad statements flow your specific organizational goals.

### Operating Initiatives

#### Definition:

The organization's blueprint for ongoing operational priorities.

#### Overview:

In contrast to “progress-oriented” strategic initiatives, critical operating initiatives are the major focus of ongoing operations. Operating initiatives are broad statements about the key factors that must be perpetuated in order to maintain safety, soundness, service and sales. Critical operating initiatives are ongoing and seldom change. They are considered institutionalized but no plan should be without them.

Establishing critical operating objectives helps leadership continue to focus employee efforts on the most important areas of ongoing organizational implementation.

## Strategy

### Benefits Snapshot:

- Prioritizes your organization’s specific unmet strategic needs
- Develops the people aspects of your strategy so they rise to the level of your strategic plan
- Makes the organization’s long-range future more tangible and attainable
- Unites the entire leadership team around new ways the credit union will create better member value
- Elevates your team’s level of strategic thinking
- Guides your Board to be more focused on results and less focused on tactics

#### Definition:

How the credit union will differentiate from the competition.

**Overview:**

Your sustainable competitive strategy is the organization's approach for standing out or apart from competitors. It defines how you are different. It comprises the different and better value you deliver to members. It should be the content of your core sales and marketing messaging.

In addition to the contributions of Crawford and Mathews, Nice Enterprises, Inc. has identified what we believe to be the essential content of core strategy – the five universal elements that apply to every financial transaction: product, price, convenience and access, service experience, and inform, communicate, educate and market. The most successful companies dominate in only one of these five areas, are differentiated from their competitors in one other area, and work hard to be on par with (or equal to) their competition in the other three areas.

**Nice Approach:**

Nice Enterprises' strategic planning is a robust combination of inspiration, vision, and pragmatism. The plan we create is a living document that articulates what can be. It says, within the grander business context, what you will do and why. It draws us back to all that is important in the bigger picture, amid a schedule of urgency.

## Growth Strategies

### Organic Growth

**Definition:**

Beating the competition head-on by pursuing a traditional business model.

**Overview:**

Effectively pursuing organic growth requires that you beat the competition head-on using a traditional business model through similar activities while doing them more effectively: being faster, better and cheaper, as well as delivering better outcomes through team-based process improvement and better perceptions through effective communication.

### Mergers & Partnerships

**Definition:**

Combining operations with one or more other credit unions to gain greater economies of scope, scale and skill.

**Overview:**

Growth through mergers is one part of some credit unions' growth strategy. Credit unions are facing the market reality that size and skill make a difference in our ability to compete and position us to better serve members. This key strategy can make the difference in determining viable organizations in the future.

### New Growth Models

**Definition:**

Creating a new business model by breaking one or more of the accepted rules of financial services.

**Overview:**

Creating a new growth model is one of the most difficult things a business can do but, if done effectively it can be the difference in an organization's success. Creating a new growth model involves either doing something completely different from your competition or doing the same things in completely new

ways. An example would be starting a unique business service offering or changing the delivery mechanisms of your organization.

## Supporting Strategies

### Definition:

Statements that clarify your strategy for implementation.

### Overview:

Supporting strategies are detail statements about your sustainable competitive strategy that add clarity and make it more specific and actionable. They add meaning and definition to the organization's core strategy. They point out what it means and better extend it into credit union operations. Supporting strategies can also clarify something that was not addressed in the core strategy or elaborate or extend what exists in it.

It is essential to continually design, document and refresh your supporting strategies so that your sustainable competitive strategy can be wholly implemented throughout the organization on an ongoing basis.

## Thematic Objective

### Benefits Snapshot:

- Have one common voice throughout your organization
- Create drive and purpose for everything you and every other staff member does
- Create motivation for all employees

### Definition:

A thematic objective is a single, temporary and qualitative rallying cry shared by all members of the leadership team. It is the organization's short-term theme around which all leaders rally.

### Overview:

A thematic objective defines what your organization's short-term future is all about in a single phrase. It documents what will permeate both the strategic and operational focus of the credit union for a defined period of time. It is the short-term rallying cry of the entire organization, and it encapsulates the credit union's strategic initiatives.

Often organizations create organization-wide focus only when forced by crisis to do so. A major disruption like losing a key sponsor, poor profitability or a natural disaster causes everyone to take notice and rally to make the needed changes.

A thematic objective creates this sort of focus and urgency without a crisis, by defining the "cause" around which everyone should focus their energy. It says to all volunteers, managers and employees, "rally around accomplishing XYZ!"

### Nice Approach:

Nice Enterprises' helps you discover your thematic objective by pooling your entire management team and Board together in a team brainstorming session. Through this exercise your team will create what will be your organization's rallying cry for the next year. This will help everyone in your organization work together as a team to complete your plan.