

What is the Strategic Planning Process?

Worksheet

The strategic planning process is a sequence of steps - setting mission/vision, analyzing the environment, formulating strategy, implementing it, and evaluating results - that guides an organization toward its long-term goals.

Questions

1. What analysis tool is commonly used in the environmental analysis stage?
 - A) PERT chart
 - B) SWOT analysis
 - C) Gantt chart
 - D) Balance sheet
2. Which step comes right after strategy formulation?
 - A) Mission definition
 - B) Environmental analysis
 - C) Implementation
 - D) Evaluation
3. What is the purpose of the evaluation and control stage?
 - A) Set the mission statement
 - B) Measure results and adjust strategy
 - C) Hire new staff
 - D) Design the logo
4. A company's mission statement should primarily define
 - A) Its quarterly budget
 - B) Its long-term purpose and reason for existing
 - C) Its org chart
 - D) Its stock price target
5. A coffee chain wants to expand internationally. Outline how it would move through the strategic planning process.
6. A mid-size manufacturer's SWOT analysis reveals an aging workforce and a strong balance sheet. What strategy fits?
7. After implementing a new strategy, sales grew but customer satisfaction dropped. What should happen in the evaluation stage?
8. Define: What are the main steps of the strategic planning process?
9. Define: What is SWOT analysis used for?
10. Define: What's the difference between strategy formulation and implementation?

Answer Key

1. B) SWOT analysis - SWOT analysis evaluates strengths, weaknesses, opportunities and threats.
2. C) Implementation - Once a strategy is chosen, the organization moves to implementing it.
3. B) Measure results and adjust strategy - Evaluation and control compares outcomes to goals and triggers adjustments.
4. B) Its long-term purpose and reason for existing - A mission statement expresses the organization's core purpose.
5. Mission & Vision: Defines its goal - become a top-3 global coffee brand in 10 years. Environmental Analysis: SWOT shows strong brand (strength), limited overseas supply chain (weakness), rising demand in Asia (opportunity), local competitors (threat). Strategy Formulation: Chooses a market-entry strategy - franchising in Asia rather than fully-owned stores. Implementation: Signs franchise partners, adapts menu, trains local staff. Evaluation & Control: Tracks store openings and revenue per market against the 10-year target.
6. Step 1: Weakness = aging workforce (retirement risk, skill gap). Step 2: Strength = strong balance sheet (capital available). Step 3: A logical strategy formulation step is investing capital in automation and workforce training. Conclusion: The company should formulate a strategy that uses financial strength to offset the workforce weakness.
7. Step 1: Compare both metrics to original goals - sales target met, satisfaction target missed. Step 2: Diagnose the cause - perhaps growth outpaced customer service capacity. Step 3: Adjust the strategy - invest in support, throttle growth pace. Conclusion: Evaluation and control feed back into a revised strategy, not just a scorecard.
8. Mission/vision, environmental analysis, strategy formulation, implementation, and evaluation/control.
9. To assess internal Strengths/Weaknesses and external Opportunities/Threats during the analysis stage.
10. Formulation is choosing WHAT to do; implementation is DOING it - allocating resources and executing.

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