



## *Questions and Answers for Effective Strategic Planning*

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Why is Strategic Planning Important?

What are the Keys to Strategic Planning Success?

How Does Strategic Planning Focus Institutions?

What is the Role of Leadership in Successful Strategic Planning?

How Does Strategic Planning Fit into the National Policy Framework?

What are the Major Elements of a Strategic Plan?

Who Should Participate in the Strategic Planning Process?

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## Why is Strategic Planning Important?

Strategic planning in higher education in the current era takes on even greater importance today than it did even a decade ago. The changing needs of higher education and society, the growth of information technology, the communications revolution, fluctuations in access to financial and human resources, and the rapid pace of change in other aspects of the environment in which higher education operates, give strategic planning an added urgency. More than this, however, in the prevailing environment of fierce competition for outstanding staff, students and resources, strategic planning is about *positioning*, defining, or discovering the institution's niche, and seeking to be the best in what it can do. Harvard's Michael Porter says 'strategic positioning' means performing activities *different* from those that rivals perform, or performing similar activities in *different ways*.<sup>1</sup>

According to Porter, strategy must be differentiated from 'operational effectiveness', although both are essential to superior performance. Operational effectiveness 'means performing similar activities *better* than rivals perform them ... [It] includes but is not limited to efficiency'<sup>2</sup> and refers to any number of practices that achieve superior results through better utilisation of resources. Strategic planning provides the framework to achieve operational effectiveness and benchmarking for best practices.

## What Are the Keys to Strategic Planning Success?

Strategic planning is a dynamic process requiring a high standard of future-focused thinking on the part of those involved in the planning process. Among the keys to strategic planning success at an institutional level are the:

- creativity and viability of the vision, mission and goals developed for the future;
- commitment of the institution's leadership to the plan;
- extent to which the vision is communicated, understood and shared by the institution's leadership and members;
- scope and depth of analysis involved;
- relationship of the plan to budget, human capacity and environmental realities;
- care with which the plan is developed and implemented;
- early achievement of smaller goals that are noted publicly and celebrated;
- ability to be flexible in the course of implementation; and
- commitment to ongoing review, evaluation and adjustment of the plan on a regular basis.

In the end, a strategic plan is only as successful as the mission, vision, goals and values it enshrines, as well as the accuracy of the environmental assessment, institutional capacity, resources needed and time frame for implementation. At one level, the strategic plan must be carefully crafted, the constituents consulted, and major participants convinced of its value and feasibility. At another level, the most important factors affecting success are the *ideas* and *creativity* that go into thinking about the goals to be achieved and preparation for the ever-changing realities of reaching them. The ability to mobilise the human capacity needed to reach desired goals and the accuracy of predictions about the environment are especially important to successful planning.

Planning results in **decisions**.

It is fundamentally a **change** process.<sup>3</sup>

Success is also more likely if there is a common and accepted understanding that the strategic plan is to be created in the context of current budget parameters and that there will be no increase in budgets. This has critical implications for decisions that may be made to channel resources to priority programmes during the implementation phase, which may result in decreases in funding or even funding cuts in programmes deemed unsuccessful in the context of the new mission, vision and goals that are developed.

While a realistic assessment of the financial resources needed is essential, abundant funding without excellent ideas, committed leadership and talented human resources is likely to produce neither a successful plan nor desired results.

## How Does Strategic Planning Focus Institutions?

One of the vital aspects of strategic planning is to focus attention and thinking on the academic strengths of the institution that will promote excellence and meet national needs in the future. It requires discussions, which include representatives of all institutional stakeholders, about the mission, vision and goals of the institution, prioritisation of goals and thoughtful reflection about the future. Some decisions about institutional focus will flow from an assessment of the environment; some will become clear as a result of a careful review of current strengths and weaknesses; while other decisions about appropriate focus will follow from a thoughtful assessment of national needs and predictions about the future. In the end, however, successful strategic planning should result in an enhanced institutional focus for all stakeholders.

Strategic planning usually involves ‘trade-offs’ as well. It is about accepting that an institution cannot excel at everything. Trade-offs may involve dropping



academic programmes that detract from the institution's niche. At the same time, however, it is about supporting and enhancing those areas in which an institution excels or those that define the core of its mission, vision, goals and values. And it is about positioning the institution in its region, locality and nation, in a context that requires excellence and competitiveness. In his essay entitled 'Re-inventing the University', Mahoney suggests some questions that may be appropriate in the planning of an institution's strategy: 'What are the core functions and departments of the institution? Can you dispose – I don't use that word lightly – of unproductive programmes? What is the primary goal of the institution?'<sup>4</sup>

What are we and what do we want to be? Can we honestly say we excel in specific areas compared to other institutions? Can we survive without staking out areas of excellence? UDW has strong areas, but are they enough to sustain the university? We have strong academics, but are they enough to carry the university as a whole?<sup>5</sup>

An example of institutional trade-offs comes from South Africa where, until recent times, only one university offered courses and degrees in Indian languages such as Urdu, Hindi and Gujarati, as a niche area. However, community support for these courses diminished and student interest waned over time to the point that there were few students enrolled in these language courses and this niche ceased to be a centre of excellence. Thus, the university was obliged to confront the difficult and politically sensitive issue of their cost and viability, and reluctantly decided to close down the departments, which generated cost savings.

On the other hand, cost alone should not determine whether a course or a programme remains on offer. An institution may make the strategic decision to retain its school of music, dance or opera, despite the disproportionately high cost of related courses, because of its international reputation, high level of student demand, outstanding staff and contribution to the campus community.

## What is the Role of Leadership in Successful Strategic Planning?

The active and enthusiastic support of the vice-chancellor, principal, rector or president,<sup>6</sup> and other senior leaders is essential for successful strategic planning. Such leaders are able to play a role in shaping the future of their own institutions, higher education in general, and the country as a whole. Vice-chancellors and senior leaders need to lead the strategic planning process and be seen as strongly supportive of a wide range of options and involved in the process, while at the same time giving the planning committee sufficient latitude to explore a wide range of options. They should be active in all the major aspects of planning, such as preparing and articulating the mission and vision statements, goals, priorities and values. Their experience and creativity should be reflected in the vision and

direction of the institution. If key leaders are not committed to and engaged in the process, it is unlikely to be successful.

Leaders need to ‘... engage people in a journey. They lead in such a way that everyone on the journey helps shape its course. As such, enthusiasm inevitably builds along the way.’<sup>7</sup>

## **How Does Strategic Planning Fit Into the National Policy Framework?**

It is vitally important that strategic planning takes place within the context of the national policy framework on higher education, if there is one. If not, the strategic planning process should include an assessment of how the institution measures up to the generally accepted national expectations, assumptions and aspirations for higher education – or help define it. In other words, the strategic plan should position the higher education institution within the context of the higher education framework (formal or informal) in a way that recognises national education objectives and self-consciously builds on the institution’s vision and goals.

In this regard, we look at South Africa as being representative of a country with a well-established higher education system and a well-developed national policy framework, despite its implementation still being under way and some aspects of change remaining contested.

Nigeria has a framework and policies that are currently in a state of change. University senates now once again play a role in the appointment of vice-chancellors. A proposal for decentralisation, which would weaken the role and authority of the National Universities Commission (NUC)<sup>8</sup> and strengthen institutional autonomy, is also under discussion, however. The resulting ambiguity makes institutional planning difficult since the locus of authority and control is unclear. Will major control continue to be exercised by the NUC, or be devolved to the institutions? While government seems to be leaving the appointment of vice-chancellors to institutions, the NUC continues to assert control over Nigeria’s universities. Furthermore, there is neither consensus nor clear national policy spelling out the NUC’s authority over higher education.

This does not imply that a formal ‘national policy’ needs to exist. Indeed, the decentralised nature of higher education in the United States would suggest this/it is unnecessary. What South Africa and the United States have in common is a national consensus about the mission, goals and aims of higher education. A national higher education policy that reflects national consensus provides a useful anchor for strategic planning. No such consensus exists in Nigeria at present. A brief discussion of the policy frameworks in both South Africa and Nigeria can be found in Appendix A.



## What are the Major Elements of a Strategic Plan?

The four fundamental elements of an institution's strategic plan are:

- a mission statement;
- a vision for the future premised on institutional values;
- goals; and
- a financial plan developed to support the strategic plan.

Each of these elements is defined below.

### Mission statement

A mission statement is fundamental to strategic planning. It is an assertion of an institution's *raison d'être*, or purpose, and should clearly define its ideals as well as the products and services that will be offered and to whom. It informs an institution's financial planning, budgeting, staffing and academic programming. One aspect of a mission statement relates to students, in terms of both institutional commitments and expectations.

An institution expresses its educational values and philosophy through its mission statement. It translates that statement into programs and services, through which students are to develop knowledge, abilities, habits of mind, behaviors, ways of thinking and knowing. And it sets expectations for student learning in core or general-education curricula; learning in a major or in preparation for a career; and learning of 'the ineffable' – that is, spiritual, moral, ethical, and social dispositions including 'leading an examined life'.<sup>9</sup>

The mission statement should be a general statement of values, aims and goals of the institution. An effective mission statement will be clear, precise and transparent about commitments, long-term goals and values. It usually includes a commitment to high standards and levels of performance, discussion of the context of the institutional environment, recognition of institutional obligations to the community, the nation and the world, and commitment to its students. In some cases, major components of the mission statement are spelled out in an Act of government or other enabling legislation. A mission statement ordinarily consists of two parts:

- a high-level preamble that encapsulates the gist of the institutional mission; and
- a narrative portion that lists the particularities and elaborates on the implications of the mission statement in practical terms.

The following six questions should be answered by the mission statement:

1. Who are we?
2. What is our purpose?
3. How do we recognise or anticipate needs or problems?
4. How should we respond to our key stakeholders?
5. What is our philosophy? What are our core values?
6. What makes us distinctive or unique?<sup>10</sup>

### Sample mission statements

The University of Pretoria:

- is an internationally recognised academic institution;
- provides quality teaching, research and community service;
- meets the educational, cultural, social, economic and technological needs of the Southern and South African communities;
- is part of the international academic community; and
- stands in the service of its staff, students and community.

The vision and mission of the University of Pretoria are pursued within the context of an accountable system of academic, religious, moral, social and cultural values.<sup>11</sup>

In its quest to train entrepreneurial leadership, ML Sultan Technikon strives for the transformation of higher education through sustainable, quality teaching, learning, research and development programmes in participation with industry and the wider community.<sup>12</sup>

... the mission of Duke University is to provide a superior liberal education to undergraduate students, attending not only to their intellectual growth but also to their development as adults committed to high ethical standards and full participation as leaders in their communities; to prepare future members of the learned professions for lives of skilled and ethical service by providing excellent graduate and professional education; to advance the frontiers of knowledge and contribute boldly to the international community of scholarship; to promote an intellectual environment built on a commitment to free and open inquiry; to help those who suffer, cure disease, and promote health, through sophisticated medical research and thoughtful patient care; to provide wide-ranging educational



opportunities, on and beyond our campuses, for traditional students, active professionals and lifelong learners using the power of information technologies; and to promote a deep appreciation for the range of human difference and potential, a sense of the obligations and rewards of citizenship, and a commitment to learning, freedom and truth.

By pursuing these objectives with vision and integrity, Duke University seeks to engage the mind, elevate the spirit, and stimulate the best effort of all who are associated with the University; to contribute in diverse ways to the local community, the state, the nation and the world; and to attain and maintain a place of real leadership in all that we do.<sup>13</sup>

## Vision statement

An effective vision statement is vital to a strategic planning process. A vision statement describes what an institution aspires to become in the future and the values it enshrines. It captures in detail what things could be like at the institution if it were functioning effectively and focuses on the contribution the institution will make to society. In the long run, a successful strategic plan must be premised on institutional values, such as:

- academic freedom;
- institutional autonomy;
- high quality;
- equal access; and
- non-discrimination (by race, ethnic affiliation, religion and gender).

A clear vision will:

- provide focus at both strategic and operational levels;
- give specific guidance to members of the institution about what is expected of them and why;
- guide decision-making and help avoid and resolve conflict;
- contrast the institution as it is with one you would like it to be; and
- inspire and motivate constructive behaviour among management and staff.<sup>14</sup>

The vision should inspire, challenge and focus the institution. It needs to be memorable and easily understood. Part of its purpose is to mobilise the campus community to focus on excellence as it formulates its hopes and plans for the future.<sup>15</sup>

A successful strategic plan is a 'living document' which draws its inspiration from the stated vision, and which must constantly be reviewed, adjusted and revised, so that long-term goals and the methods chosen to achieve them conform to current realities and to the best guesses about tomorrow.

### Sample vision statements

The University of Fort Hare aspires to become a vibrant, equitable and sustainable African university committed to teaching and research excellence that builds upon its unique historical leadership role and rural location to provide an attractive and enriching educational service to its graduates and scholars to become meaningful and critical participants in the social, economic and political development of society.<sup>16</sup>

The Peninsula Technikon will be a centre of excellence for career education. The Technikon will be recognised by the community, commerce and industry as well as the public sector as being responsive to the needs of society. The Technikon will be a non-racial, non-sexist and democratic community.<sup>17</sup>

[The vision of the University of Maryland is to be] ... One of the nation's pre-eminent public research universities, an institution recognised both nationally and internationally for excellence in research and instruction, which makes the results of its research available for the use and benefit of the State of Maryland and its people.<sup>18</sup>

### Institutional goals or objectives

Institutional goals help translate the institutional vision and mission into action. Goals should state clearly the conditions for institutional effectiveness, and the norms and expectations of students and staff. They should reflect the needs of the community and the society as a whole. They should present a broad statement of the aims of the institution. Such goals might include: to be the national leader in the sciences; to focus on national needs in health care; to help develop surrounding communities; to foster lifelong learning; to be open to all people regardless of background.

### Sample goals and objectives

The goals of the University of Durban-Westville are:

- to make university education accessible to all, especially to students who are financially and educationally disadvantaged, thereby opening up opportunities for their personal growth and empowerment;



- to promote teaching and research in a context of social responsibility and academic excellence; and
- to encourage cultural, intercultural, and spiritual understanding and tolerance.<sup>19</sup>

The goals of Duke University are to:

- build an excellent faculty in every school;
- significantly strengthen science and engineering;
- be among the best universities at integrating teaching, learning and research;
- promote major multidisciplinary and interdisciplinary programs;
- promote diversity in all aspects of university life;
- intensify the use of information technology;
- nurture the personal and intellectual growth of students by building community in social, civic and academic realms;
- extend our global reach and influence; and
- take a leadership role in building partnerships and collaborations in the Research Triangle, the state, and beyond.<sup>20</sup>

The seven objectives of Makerere University's strategic plan are:

- Organisational and operational efficiency to be improved.
- Human resources to be improved and developed.
- Create ability to mobilize and allocate resources better.
- Improve the university's capacity and quality in areas of teaching and learning.
- Enhance the university's capacity to conduct high-quality and relevant research.
- Improve the capacity and quality as well as relevance of the university's services.
- Build new physical infrastructures to cater for more students and improve the quality of education.<sup>21</sup>

## Financial plan and institutional budget

A good strategic plan serves as a blueprint and a source document for the operational financial plan and underpins the institutional budgeting process. The fundamental purpose of an institutional budget is to support the core business as embodied in the goals of the institution's strategic plan. It functions best if it

reflects the real cost of achieving institutional goals within the context of reasonable expectations about income.

In a paper written to explain the budget process to the University of Michigan academic community, Nancy Cantor and Paul Courant articulate the approach to budgeting as: ‘what we believe we should do with the current budget system in order to *serve the academic purposes of the university* [emphasis added]. Thus, this paper is as much about these purposes as about the details of the budgeting system. Our task is to be clear about the [University of Michigan’s academic] commitments, and to configure the budget so as to make these “desired doings” as affordable as possible.’<sup>22</sup>

This year each department will be required to develop a three-year plan which, once costed, will be considered part of the budget development and allocation process. Each department will be required to show how its plans contribute to the strategic objectives of the sector and each will be required to motivate and defend its budgetary requests.<sup>23</sup>

The step-by-step budget process will naturally differ from institution to institution, depending on institutional and local traditions and practices. We do not seek to advocate a specific approach or sequence for generating an institutional budget. The purpose of this section is to illustrate, by way of examples of procedures followed at some institutions, the critical role of the strategic plan in the budgeting process of an institution.

### ***Senior management and the budget***

The actual budget process will vary from institution to institution. In most cases, the vice-chancellor and senior management will set out target parameters for the budget for a three- to five-year period with relatively clear targets for the upcoming fiscal year. It is crucial that general guidance be provided at this time, building on the existing strategic plan, or on current assumptions in the plan if the process is under way. Ideally, priority areas will receive additional funds to meet new goals while non-priority areas may face cuts to reflect the new or altered core functions of the institution. If the total budget for the institution is not yet clear, or the planning priorities not yet set, units may be expected to propose several budget scenarios (for example, five per cent higher and five per cent lower than the expected allocation). Budget allocations must reflect strategic planning priorities if the planning process is to have any meaning to the institution as a whole.

### ***Unit budgets***

Critical to the overall success of the planning effort is the care and thought put into the budget process at the level of the constituent units of the institution: a



school, a faculty, an administrative department such as human resources or a support unit such as student services. Each unit puts together its individual budget based on its own strategic plan which is, in turn, linked up with the institutional strategic framework based on the doctrine that resources must follow strategic objectives. For example, if the science faculty and the broader institution's strategic objectives are to broaden student access to science, and to shift the institutional thrust away from languages and biblical studies to science and technology, the science faculty might undertake to admit promising students who, owing to previous disadvantage, otherwise do not meet the threshold scores in high-school science and mathematics. The faculty would then undoubtedly have to make provision in its budget for special tutors to help these students catch up, thus boosting their chances for success. Similarly, an institution may have as another of its strategic objectives to enhance the safety and security of its campus. In line with this objective, the campus protection services may then budget for the establishment of an electronic security system to include a closed-circuit television network.

Some institutions have found it useful to use zero-based budgeting, whereby all units must assemble their entire budgets from scratch every year, and justify each line item in the context of the institution's strategic planning framework. The budget process must be absolutely transparent, and the budget proposals and eventual allocations must be accessible to all who may wish to examine them.

### ***The strategic planning committee and the budget***

Once all the unit and faculty budget proposals have been submitted, they need to be reviewed by senior management and the strategic planning committee. While the decision-making process will vary somewhat by institution, final decisions about the division of the funding 'cake' (for example, revenues, global expenditures, surpluses and deficits, and audits) must reflect the general mission, vision and goals of the strategic plan. The role of the strategic planning committee in the budget process is to scrutinise the proposed allocations for each unit and faculty in the context of the institution's strategic planning framework and its goals and priorities and to satisfy itself that the proposed allocations are in line with the institution's budget objectives. In a well-functioning institution, the iteration between the strategic planning committee and management begins early in the process, in order to present a consensus recommendation to the council.<sup>24</sup> If the budget is not tied to the strategic plan, it becomes completely irrelevant.

The primary function of the budget is to span the distance between intent and action.<sup>25</sup>

### ***The council, budget and planning***

The final authority and responsibility for budget approval rests with the council. In an institution with well-functioning council, finance and institutional strategic planning committees, and where there are no conflicting recommendations between the three structures, the budget planning process should be smooth, reflecting general consensus about the process. The council then approves the budget on a global rather than a line-item basis.

A budget is the device by which an organization carries out its plans and by which it signals its priorities.<sup>26</sup>

Under normal circumstances, council approves the strategic plan with its institutional goals and priorities prior to submission of the budget. Council members discuss the recommendations of the finance committee, make their input, and approve a final budget for the institution. If the strategic planning process has been carried out carefully, with good participation from all major sectors of the institution, this should be a relatively seamless process of checks and balances, which strengthens commitments to the strategic plans and the goals that have been articulated.

### **Who Should Participate in the Strategic Planning Process?**

Successful strategic planning is inclusive, allowing every major stakeholder – management, teaching and research staff, support staff, students, the council, and other interested parties and stakeholders – an opportunity to participate. Successful strategic planning is not an exclusive function of the strategic planning committee. Invariably, there will be ‘top-down’ and ‘bottom-up’ input. In the end, strategic planning must receive the endorsement of the senate, the institutional forum (in the South African context) and the governing council.

Effective participation of all institutional sectors in the strategic planning process is most often linked to the combined effort of the vice-chancellor and the chair or head of the strategic planning committee (henceforth referred to as the ‘strategic planner’). Commitment of the vice-chancellor to the strategic planning process, as we have noted, is key to achieving success. Nonetheless, it is very difficult for a vice-chancellor to drive the process. That usually falls to the strategic planner and the strategic planning committee. In this regard, the role and composition of the institutional strategic planning committee, which may be chaired by the vice-chancellor, are crucial. The strategic planning committee must include senior management (usually the deputy vice-chancellor of finance and someone involved in institutional research or data management), respected



senior members of the teaching staff, senior staff, students and representatives of the alumni or community, if appropriate to the institution. The council should be briefed regularly about the progress and direction of the strategic planning committee.

### Notes

### Endnotes

- 1 Porter, M. 1996. *Harvard Business Review*, November-December, 1996. p. 61.
- 2 *Ibid.*
- 3 Jones, D. 1996. *Linking Planning with Budgeting*. Boulder, Colorado: NCHEMS. pp. 1–5.
- 4 See Mahoney, R.I. 1997. 'Reinventing the University: Object Lessons from Big Business'. *The Chronicle of Higher Education*, 17 October 1997.
- 5 Ramashala, M. 2000. 'Repositioning the University of Durban-Westville'. Vice-chancellor's address to the University Assembly, University of Durban-Westville, South Africa.

- 6 This guide is intended for any leader of a higher education institution – a president, vice-chancellor, rector or principal, depending on the structure of the institution. We use the term vice-chancellor throughout the text to avoid having to list all the possibilities. However, we want to make it clear that we are referring to any of these institutional leaders. We also note that this guide is intended for use by deans, department chairs or directors in their strategic planning efforts either as part of an institutional process or alone.
- 7 Mintzberg, H. 1994. 'The Fall and Rise of Strategic Planning'. Harvard Business Review, January/February. p. 109.
- 8 The National Universities Commission (NUC) was legally established in 1974 to function as a buffer between government and the higher education institutions, with responsibilities for advising government on policy issues, setting norms for quality assurance, channelling block grants from government to the universities, and overseeing the balanced and co-ordinated development of the system.
- 9 Maki, P. L. 2002. 'Assessment: A Shared Commitment'. American Association of Higher Education (AAHE) website: <http://www.aahe.org/assessment/assessmentplan.htm>.
- 10 Adapted from Hafner, K. 2000. 'Strategic Planning Workshop'. Berkeley, USA. Office of the President, University of California. Website: <http://www.ucop.edu/ucophome/businit/presentations/connect/sld33> (2002).
- 11 University of Pretoria. 2002. Pretoria, South Africa. Website: <http://www.up.ac.za/history/vision.html>.
- 12 ML Sultan Technikon. 2002. Durban, South Africa. Website: [http://www.mlsultan.ac.za/About/Mission\\_Vision/body\\_mission\\_vision.html](http://www.mlsultan.ac.za/About/Mission_Vision/body_mission_vision.html).
- 13 Duke University. 2001. North Carolina, United States. Website: <http://www.planning.duke.edu/mission.html>.
- 14 Adapted from Hafner, *ibid*.
- 15 Adapted from Hafner, *ibid*.
- 16 University of Fort Hare. 2002. Alice, South Africa. Website: <http://www.ufh.ac.za/vision.asp>.
- 17 Peninsula Technikon. 2002. Bellville, South Africa. Website: <http://www.pentech.ac.za/ourmission.asp>.
- 18 University of Maryland. 2002. 'Building on Excellence: The Next Steps. The Strategic Plan'. College Park, Maryland, United States. Website: [http://www.inform.umd.edu/provost/Strategic\\_Planning/Plan.html](http://www.inform.umd.edu/provost/Strategic_Planning/Plan.html).
- 19 University of Durban-Westville. 2002. South Africa.
- 20 Duke University. 2001. North Carolina, United States. Website: <http://www.planning.duke.edu/mission.html>.
- 21 Makerere University. 2002. '5.6 Makerere Mission Statement'. Kampala, Uganda. Website: <http://www.makerere.ac.ug/innovations/opportun.html>.
- 22 University of Michigan. 1997. The University Record.
- 23 ML Sultan Technikon. 1999. 'Strategic Framework for Transformation'. Durban, South Africa.



- 24 'Council' is the term used to refer to higher education institution governing boards in South Africa. It is the equivalent of a board of regents or trustees in the United States. This term is used throughout the guide.
- 25 Jones, D. 1996. Linking Planning with Budgeting. Boulder, Colorado: NCHEMS. pp. 3-4.
- 26 *Ibid.*



