

***SHORTENED SYSTEMATIC STRATEGIC PLANNING (SSP): A COMPREHENSIVE
FRAMEWORK FOR DEVELOPING STRATEGIES***

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ABSTRACT

This systematic methodology is developed for the purpose of assembling the disconnected and disorderly ideas, processes, and techniques under the same roof, and providing an easily understandable and universally applicable methodology for strategic planning projects. As many sources exhort managers to “*think strategically,*” only a few address how to make this happen. Where strategic analysis tools are explained, this is most frequently done conceptually rather than practically. Shortened systematic strategic planning consists of a pattern of step-wise procedure for straight-forward planning, and the fundamentals involved in a strategic planning project. The use of shortened SSP is more suitable for the development of strategic plans for small and medium size businesses (SMEs). The intention here is to provide a new perspective and benefit for the strategic planners by introducing this new systematic methodology and demonstrating its application on a given example case.

Keywords: *strategy, strategic planning, systematic strategic planning, strategy development*

ÖZET

Bu sistematik yöntemin geliştirilmesinin amacı birbirinden kopuk ve dağınık düşünce, süreç ve teknikleri tek bir çatı altında toplamak ve stratejik planlama projeleri için daha kolay anlaşılabilir ve evrensel olarak uygulanabilir bir yöntemi kullanıma sunmaktır. Birçok kaynakta yöneticilere 'stratejik düşünce' veya 'stratejik liderlik' tavsiye edilmektedir. Ancak çok azında bunun nasıl gerçekleştirileceği açıklanmaktadır. Stratejik analiz araçlarının açıklandığı durumlarda da stratejik planlama için araçların nasıl kullanılacağına gösterilmesinden ziyade sıklıkla kavramsal düzeyde konu ele alınmaktadır. Kısaltılmış sistematik stratejik planlama (SSP), sade bir planlamaya yönelik adımlardan oluşan prosedür şablonu ve her stratejik planlama projesinde yer alan temel esaslardan oluşmaktadır. Kısaltılmış SSP'nin kullanımı daha çok küçük ve orta ölçekli işletmeler için stratejik planlar geliştirmeye uygundur. Buradaki amaç, bu yeni sistematik yöntemi stratejik planlamacılarla buluşturarak ve örnek bir vaka üzerinde uygulanmasını göstererek, onlara yeni bir bakış açısı kazandırmak ve daha önemlisi bu yöntemin kullanılması ile fayda sağlamaktır.

Anahtar kelimeler: *strateji, stratejik planlama, sistematik stratejik planlama, strateji geliştirme*

INTRODUCTION – SHORTENED SYSTEMATIC STRATEGIC PLANNING

Before beginning with strategic planning, businesses must have articulated their *missions and visions*, and identified their *basic policies* (Wickham, 2004). Strategic plan helps the business to establish its objectives, goals, as well as the decisions to achieve these objectives and goals. Thus, a strategic plan provides guidance for the preparation of functional plans, such as marketing, finance, production, etc., and business budget in such a manner that they reflect the objectives, goals, and main strategies of the strategic plan during the implementation phase, as well as for basing resource allocation on priorities (Harrison and St. John, 2001).

This paper is intended to briefly explain how strategic planning can be done through a systematic method. *Systematic Strategic Planning* is the pattern of procedures by which an organization defines its current status, opportunities, long-term goals and the strategies for which to achieve them. SSP is based on the principles of Planning by Design (PxD) which is generated by Muther (2011.) When each step of a working model is supported by the particular form of *output* and *key document* leading to it, we have what is called *High Definition PxD Working Model*.

The aim of *systematic strategic planning* is to force a look into the future and therefore provides an opportunity to influence the future, or assume a proactive posture, to provide better awareness of needs and environment, to help define and focus on the objectives of the organization, to provide a sense of direction, continuity, and effective leadership and to plug everyone into the system and provides standards of accountability for people, programs, and allocated resources.

A strategic plan includes the fundamentals – and therefore, the basis on which any strategic planning must rest- are *competitive advantages, scenarios and strategies*.

Competitive advantages: Competitive advantages is fundamental A. As a result of investigating internal and external factors, weaknesses and strengths of the organization determined. Based on the comparison of the strengths with market conditions, the unique strengths, i.e. competitive advantages of the organization are determined.

Scenarios: *Scenarios* is fundamental B. Scenario analysis is made on external factors- macro economic analysis, industry analysis, etc. By this analysis, negative and positive scenarios are determined. These scenarios help to predict the industry's future.

Strategies: *Strategies* is fundamental C. Strategies is the fundamental that helps the organization to define how to reach to the opportunity that is brought out by matching fundamental A with fundamental B. This fundamental characterizes the process that organization should follow in order to reach the opportunity, and guides the organization about how it should be done.

Shortened SSP constitutes a six-step method intended to identify these three fundamentals. Figure 1 illustrates shortened version of SSP.

The use of shortened SSP version is more suitable for the development of strategic plans for small and medium size businesses (SMEs).

Certain working forms, in the forms of key documents and output, are used in applying the techniques in each step of the SSP pattern on a given example case.

1. INVESTIGATING ENVIRONMENTAL and INTERNAL CONDITIONS – CLARIFICATION of CURRENT STATUS

The first step of strategic planning systematic is to answer the question “*where are we?*” This requires a comprehensive status analysis. Status analysis essentially covers the following assessments (Harrison and St. John, 2001):

- Analysis of the internal structure of the organization, i.e. analysis of the duties and authorities, performances, problems, potentials, institutional culture, human resources, technology level, etc. of the organization.
- Environmental analysis, i.e. the analysis of external conditions as well as the environment in which the organization operates and related parties- target group of the organization and parties affected negatively/positively from the organization's activities.
- Analysis of developments which the organization may face and be affected in the future.

While making these assessments, the global and domestic trends in the sector/sub-sector in which the organization operates are discussed.

During and after status analysis, the internal strengths and weaknesses of the organization and developments originating from the external factors are identified. The negativities and uncertainties which the business may face are particularly identified and evaluated during the subsequent sections of strategic systematic planning.

Instruments like documentation review, interview, survey, and similar studies, and participatory meetings bringing together various groups concerning the business are used while performing status analysis.

Throughout this paper, for the sake of understanding well, an *example case* will be used to demonstrate *how the steps of the shortened SSP are applied*:

“The example business designs and produces innovative medical machinery that aims to ease handicapped people’s life. The brand will be known as designing innovative and new generation wheel chairs by its own engineers.

Firm’s vision is: Being the best in everything we do. Serving patients with an excellent care and high quality and making their lives easier.”

1.1 Internal analysis

The purpose is to identify the potential of the business taking into consideration its existing performance and problems. The strengths to be identified will shed some light on the future goals of the business, whereas its weaknesses will form the basis of the measures to be taken by the business. *Strengths and weaknesses* of the business, ascertained within the framework of these studies, are outlined in a summary table.

Diagnosing a business’ key strengths and weaknesses requires the adoption of a disaggregated view of the business. Examining the business across distinct functional areas is one way to disaggregate the business for internal analysis purposes (Table 1). The considerations revealed by Functional Approach are grouped under various functional headings such as overall

management, human resources, operations/technology, marketing, finance and accounting, and their distinction as things done well and poorly.

The business should examine past performance (Table 2) to isolate key internal contributors to favorable or unfavorable results. What did we do well, or poorly, in marketing operations, and financial operations, and financial management that had a major influence on past results?

For example, analysis of past trends in sales, costs, and profitability is of major importance in identifying strategic internal factors. An anatomy of past trends broken down by product lines, channels of distribution, key customers or types of customers, geographic region, sales approach, etc., should be developed in detail. A business may determine that certain key internal factors, such as experience in particular distribution channels, pricing policies, warehouse location, and technology, deserve major attention in formulating future strategy.

Numerous quantitative tools are available for evaluating selected internal capabilities of a business. These entail measurement of a business' effectiveness vis-a-vis each relevant factor and comparative analysis of this measurement against the historical experience of the business. The business' balance sheet and income statements are important sources from which to derive meaningful ratios. Examples of other quantitative or analytical tools include cash flow analysis, sensitivity analysis, and elasticity and variability analysis.

Quantitative tools cannot be applied to all internal factors, and the judgements of key planning participants may be used in evaluation. Company or product image and prestige are examples of internal factors more appropriate to qualitative evaluation.

1.2 Environmental analysis

Intention of environmental analysis:

- To determine the developments and trends in the macro economical, such as demographical, economical, judicial-political, technological, socio-cultural, environment that effects the business and its industry at most

- To understand the powers that effect competition in the industry, such as new businesses, customers, suppliers, substitutes, competitors, government, financial institutions
- To anticipate the trends that these powers would create for the industry

Environmental analysis considers the general *trends* in the world, changes in the environment in which the business operates and particularly the expectations of the group served by the industry. Environmental analysis does not only identify current status, but also lays the basis for future forecasts or creation of scenarios.

Macroeconomic analysis

Macroeconomic variables are the variables that affect the businesses and their industry and not being under the control of businesses. Macroeconomic variables are

- Demographical
- Economical
- Judicial–Political
- Technological
- Socio–Cultural

The variables to be evaluated in order to compose changes and developments should primarily be conducted at global scale, and then at regional and country scales.

After collecting information about the present state, efforts must be made to identify trends in variables and future continuation of these trends. The purpose is to ascertain the *impacts of variables in the macroeconomic environment on stakeholders*. In order to analyze the effects of trends within these variables on the industry, (Table 3) can be used. While composing this matrix

- On vertical axis - trends determined on variables
- On horizontal axis – stakeholders of business

- On elements of matrix - the anticipated effects of trends on the stakeholders should be input

Author (2015) stated that, macroeconomic analysis table summarizes the status of the variables with respect to customers, government, financial institutions, suppliers, shareholders and employees point of views. If macroeconomic factor will

- Turn into a better condition than now, then mark as +
- Remain unchanged, then mark as blank
- Turn into a worse condition than now, and then mark as -

Competition analysis

If a business is producing a product or service, considerations like global and domestic market conditions, development/evolution trends of the demand for the subject product and/or service, price movements, changes in quality and standards, competition, etc. are laid down as a result of a comprehensive analysis of the powers in the industry (Porter, 1998). The powers that affect a business at most are the groups that compose competition within the industry:

- Rivalry among existing companies
- Threat of potential new entrants
- Bargaining power of customers
- Threat of substitutes
- Bargaining power of suppliers
- Bargaining power of other stakeholders, such as government, trade unions, financial institutions, etc.

In an industry where the power of these groups is high, the potential of profitability will be low. When one of these groups has a higher power, this would have negative implications for the industry, whereas a lower power would have positive implications (Table 4).

The results of analyses conducted in the light of these and similar considerations will be given in summary (Porter, 1998):

- Each force needs to be evaluated in terms of- does it make the market
 - High
 - Moderate or
 - Low attractiveness?
- Each force needs to be evaluated in terms of its relative importance.

When the industry changes significantly it is frequently not because of one competitive force, but because of changes to two or possibly three forces combining together (Figure 2). In the *example case*, taking the *five forces as a whole*, the industry is currently favorable to making a good and longer- term profit.

Industry life cycle

Each industry passes through the stages of introductory, growth, maturity and finally regression (Vernon, 1979). The stage that the industry is within facilitates the estimation of impacts and trends of powers defined in competition analysis. Figure 3 shows the industry life cycle.

2. COMPARISON of STATUS and IDENTIFICATION of COMPETITIVE ADVANTAGES

The organization's strengths and weaknesses are compared with the key factors in the market development phases, capacities and resources of main competitors and the industry's success factors, to identify the competitive advantages of a business. Figure 4 summarizes the development of a business profile (Pearce and Robinson, 2011).

A factor is considered a competitive advantage, if it is something the business does or has the future capacity to do particularly well relative to abilities of existing or potential competitors. Firm gains competitive advantage by performing these strategically important factors more cost effectively or more efficiently than its competitors.

Identifying competitive factors requires an external focus. The result of the second step should be a determination of whether key internal factors are:

- a. *Competitive advantages*: Factors providing the business with an edge compared to its competitors, and therefore key factors around which to build the business' strategy.
- b. *Basic business requirements*: Factors that are important capabilities for the business to have but are also typical of every viable competitor: does not represent a potential source of any strategic advantage.
- c. *Key vulnerabilities*: Factors on which the business currently lacks the necessary skill, knowledge, or resources to compete effectively. This assessment is also a key input because businesses will want to avoid choosing strategies that depend on factors in this category. And businesses usually target key vulnerabilities as areas for special attention so as to remediate and change this situation.

By considering the internal analysis outcome of Step 1 (Table 1) and the information about the selected main competitors that are briefly explained below, *comparison* among the firms can be made for the *example case* (Table 5).

“Comp. X is a German company dominating the sector as a world market leader. They not only have a great financial power, but also have an army of design engineers giving them the very best product designs and high quality new products. Their key vulnerabilities seem to be their high costs and high profit appetites which lead them to high prices.”

Comp. Y is the biggest Turkish company in Turkish medical sector. They are mainly focused on mass production of regular wheelchairs. Their sales number is quite high but the main reason of this success is their great financial power and lack of competition in Turkish market.”

The outcome of (Table 5) can be summarized in (Table 6) by considering the above definitions of competitive advantages, key vulnerabilities and success factors. Accordingly, the *competitive advantages* of the *example case* can be identified as product performances, responsiveness, management skills, technical and non-technical competencies and low costs.

3. UNDERSTAND SCENARIOS and DEFINE OPPORTUNITIES

Using the trends to be revealed by the environmental analysis, it is possible to anticipate how the field of business in which we operate or plan to enter will evolve in the future. It is intended

to find the factors that would affect and change the outlook mostly in the current status and anticipated future, based on the results obtained from environmental analysis.

Then, the scenarios to be created by trends revealed by environmental analysis for the industry must be developed; i.e. alternative scenarios must be developed for the future. Thus, assumptions are grouped under various scenarios, their potential positive and negative impacts on the industry are identified.

Finally, in order to identify opportunities for the business, the organization's competitive advantages need to be matched with potential positive scenarios that may be encountered in the industry. Figure 5 shows the procedure of identifying opportunities.

3.1 Assumptions on future

Assumptions imply the external factors that are not under the direct control of the business preparing the strategic plan but that can affect the progress and success of the strategic plan. After reviewing socio-cultural factors, technological factors, political environmental, legal conditions and variables originating from international system in the environmental analysis, the tendencies of related parties such as competitors, customers and suppliers must reflect onto the systematic of strategic planning as assumptions. Make your assumptions as specific as possible through statistical models or brainstorming (Fligor, 1990).

Accordingly, based on the environmental analysis that are resulted on (Table 3) and (Figure 2), the following *assumptions* are generated for the *example case*:

1. *Turkish government increases the budget for social security and health care system.*
2. *Economic growth of Turkey increases higher than expected.*
3. *Turkish government provides higher incentives for high-tech startups.*
4. *Caucasian and Middle Eastern markets for health support equipment will grow.*
5. *Euro/TL parity increases so high that Turkish companies have price advantages.*
6. *There will be strict restrictions for low quality health care equipment which may reduce Chinese competitive power.*
7. *Transportation costs from China to Turkey may decrease due to the higher return loads from Turkey to China.*

8. *Russia gives importance to health care equipment market.*
9. *New developments in medical science allow handicapped patients get well.*

3.2 Grouping of assumptions as scenarios

As a result of studies and researches to be conducted for assumptions, the business will group assumptions under various scenarios, their potential positive and negative impacts on the industry are identified. Against the developments that may occur in the environment beyond the control of the business, the business will prepare alternative scenarios for the future.

Author (2015) stated that, generating scenario stories by testing out judgements and identifying interdependencies:

1. Prepare a list of key assumptions.
2. Rank the assumptions according to probability of actualization and importance.
3. Convert the classification of each assumption into quantitative values; multiply the values, and select the two or three assumptions with highest value.
4. Use the selected assumptions to diversify the basic scenario.

Accordingly, by applying the above classification procedure on the *example case* and selecting the assumptions that have rates above three from the (Table 7), the following *scenario stories* can be developed:

Positive scenarios - Example

- *Based on events 1 and 2, governments worldwide increase their budget for healthcare and social security systems which increase the size of medical market. In addition to this progress, economic growth also improves the sales and profitability.*
- *Based on event 3, Turkish government gives high incentives to local startups in medical field.*
- *Based on events 5 and 6, increased €/TL parity and the restrictions on low quality Chinese products; Turkish brands may have best price/performance ratios which may help them both in local and global competition.*

Negative scenarios - Example

- *Based on event 7, if Turkey starts exporting to China, transportation companies will be able to find return loads easier for their containers. This less likely case will decrease the transportation costs which may be a threat for Turkish medical companies.*
- *Based on event 8, new player means more competition. Russia currently is not active in medical field, but if they give importance to this field it may have a negative effect on especially Turkish companies.*

3.3 Defining business opportunities

Competitive advantages of the business need to be matched with the potential positive scenarios in the industry in order to find out the opportunities for the business. Opportunities, by definition, arise in cases where the unresolved problems and unsatisfied expectations and needs are identified for use of products and/or services in the market, and if solutions can be produced for these (Kotler, 2002.)

By testing out total market attractiveness of each positive scenario, you would be able to screen out investment opportunities even before considering what kind of competitive strengths you might be able to attain. The *attractiveness* is the net benefits less the costs, but not just the benefits.

Besides market attractiveness of a scenario, to position a business effectively on the GE grid, you also need to take some view of its competitive position w.r.t. the particular scenario (Rasiel, 1999).

For the *example case*, the following discussions and conclusion can be made on its business *opportunity definition*:

“By utilizing the GE grid and the given positive scenario stories above, first scenario can be considered as Big Bang. Reasons for considering as Big Bang are as market attractiveness of the first scenario is quite high, and as the high product performances, low costs, technical and non-technical competencies and competitive management skills of the business, which are clarified in Step 2, can help turning this scenario into an opportunity for the firm (Figure 6).

For supporting the above decision, the following arguments can be claimed: High profitability and less amount of players may point out the attractiveness of the medical market, though high R&D expenses and wide distribution channels require a great amount of capital for investment. In conclusion, the market is quite attractive for financially powered big players but still quite risky for startups.”

Not all opportunities are equally valuable. A business with limited resources cannot pursue every opportunity with which it is faced. It must select those opportunities which are going to be the most rewarding. Author (2015) stated that, the key decisions in screening and selecting opportunities should be based on answering the following questions (Table 8):

- *Market attractiveness*: is the market or segment inherently attractive by considering key growth drivers and competitive forces?
- *Competitive advantage*: are we likely to have and sustain a competitive position?
- *Financial attractiveness*: are we likely to make enough money out of it?
- *Implementation difficulty*: do we have the capability, resources and commitment to implement it effectively?

For our *example case*, as we generate only one opportunity, we do not need to conduct screening and selecting opportunity analysis that is shown in (Table 8).

4. IDENTIFICATION of STRATEGIC OBJECTIVES and MAIN GOALS and DEVELOPMENT of ALTERNATIVE STRATEGIES

The parameters constituting the assumed opportunities need to be laid down as strategic objectives and main goals. Another important point in this section is to avoid selecting too many goals, which are hard to follow and understand. The things done well and poorly should also be utilized when identifying strategic objectives and main goals. Furthermore, strategic objectives and main goals should be used for following up the strategies to be developed.

4.1 Strategic objectives

Strategic objectives are the conceptual results which the business aims at achieving within a certain timeframe. Strategic objectives and main goals answer the question “*what do we want to achieve?*” within the strategic planning systematic.

For the *example case*, the following *strategic objective* is identified based on the defined single opportunity in Step 3:

“Touch to patient’s life.”

“We will focus on creating more value for our customers through innovative solutions and comfort. Our products should deliver better performances to our customers, and provide superior health. Being innovative in the sector helps us to take place in the market. We should act as an entrepreneur by creating value and trust to the customers.”

4.2 Main goals

Main goals are specific and measurable sub-objectives specified for achievement of strategic objectives. Unlike strategic objectives, goals are expressed in quantifiable terms and cover a shorter term. Goals should be expressed in terms of quantity, cost, quality and time. Multiple goals may be established to achieve a strategic objective.

Main goals can be classified as financial and market goals, such as *target markets*, product range, sales volume and profitability for the planned period, regional concentration, etc.; and operational goals, such as organization, investment goals, labor turnover rate, environmental standards, technology and equipment choice, quality and performance standards, long-term capacity plans, etc.

Just to give an idea, considering the defined opportunity and identified strategic objective, the following *main goals* can be set for the *example case*:

- *50 sales units in 2013.*

- *0.5% of the Turkish wheel chair market in initial phase, which is approx. 500 sales units annually.*

4.3 Main strategies

Strategies are instruments for achievement of long-term goals. Alternative strategies are developed by searching for an answer to the question “*what should businesses do to be competitive and lasting in their own industries and markets?*”

Determination of a suitable strategy for a business begins in identifying the opportunities and risks in its environment. This discussion is concerned with the identification of a range of alternative strategies by recognizing the constraints imposed by business capability and the determination of one or more strategies at acceptable levels of risk. While evaluating the opportunities defined, various strategies we can implement come out:

- You should have a single strategy for a single opportunity.
- If there are multiple opportunities, you can have multiple strategies.

Based on using both the techniques of Generic Competitive Strategies and Components of Strategy, the main strategy(ies) can be identified. Accordingly, this will lead you to the selection of the corresponding Grand Strategy(ies.) (Pearce and Robinson, 2011).

Generic competitive strategies

The fundamental basis of above average performance in the long run is *sustainable competitive advantage*. There are two basic types of competitive advantage a business can possess: low cost or differentiation. Any strengths or weaknesses is ultimately a function of relative cost or differentiation (Porter, 1998).

The two basic types of competitive advantage combined with the scope of activities for which a business seeks to achieve them lead to three *generic strategies* for achieving above-average performance in an industry. The specific actions required to each generic strategy vary widely from industry to industry. Broad target is defined as one which

1. Covers a great diversity of customer needs and market segments
2. Covers a wide and perhaps complex range of products and services
3. Covers both (1) and (2)

Components of strategy

In conjunction with its objectives the firm may choose one, two, or all of the strategy components with respect to its current product-market position (Ansoff, 1970).

Grand strategies

Grand strategies often called business strategies to provide basic direction for strategic actions for indicating how long-range objectives will be achieved. Thus, a grand strategy can be defined as a general approach that guides major actions:

- Are we going to stay in the same ring of value chain? Are we going to continue doing the same work with the same system?
- Are we going to enter new business areas with additional products and/or markets?
- Are we going to leave the business completely or some?

For the *example case*, the following *main strategies* are developed as a combination based on the identified strategic objective and main goals above:

“We will use unique technology, features, channels, and customer services. We will offer physical benefits to the customers with lots of unique features. Also we will focus on a relatively narrow market segment and a buyer group, which in turn leads us selecting the differentiation focusing as a strategy (Table 9).

We will bring special features and advantages to the product, which means product development should be our strategy as well (Table 10). Thus, for marketing innovative products, we should attend local fairs, advertise on the industrial magazines and organize a local dealer network.”

5. EVALUATING STRATEGIC PLANS and SELECTING the BEST

Here you select the strategic plan most suitable for your organization, only by making an evaluation as objectively and impartially as possible. Techniques that may be applied simultaneously or interchangeably to select the best of alternative strategies are:

- Factors analysis
- Strategic option grid
- Risk drivers

Factors analysis: Factors analysis (Table 11), which is generated by Muther (2011,) can prevent your overlooking an important factor. Ratings should be done by several people independently. Then, they get together to resolve any differences. The highest total indicates the best available alternative.

Even if the best strategy is selected by any one of these techniques, *contingency plans* are necessary in a risky environment. A *sensitivity analysis* needs to be conducted, taking into consideration the possibility that basic assumptions do not come out as expected (Keown and Martin, 2001).

6. IMPLEMENTATION PLAN and CONTROL

The implementation plan is a tool that gets *strategic plans* underway. The implementation plan required to be created to answer the question “*how can we reach our target destination?*” in the systematic of strategic planning must be coherent with the whole of strategic plan.

The business will explain the main strategy for each strategic objective and goals and will describe the activities required for the realization of this strategy in detail. This is the step when action plans are prepared to identify by whom, how, and when the strategy created to achieve strategic objective and goals will be implemented within the business (Table 12).

This step also involves the preparation of budgets for utilization of resources required for realization of action plans (Figure 7). The main purpose here is to be able to measure the cost of each activity, by laying down the resource and cost structure during the budget preparation process, as well as to assist the process of prioritizing expenditures.

Furthermore, performance criteria are monitored in this phase, to identify deviations from goals and analyze the reasons of these deviations. In case the desired goals cannot be achieved, the plan is modified or a new plan is prepared according to the suggestions of solution to be produced.

CONCLUSION

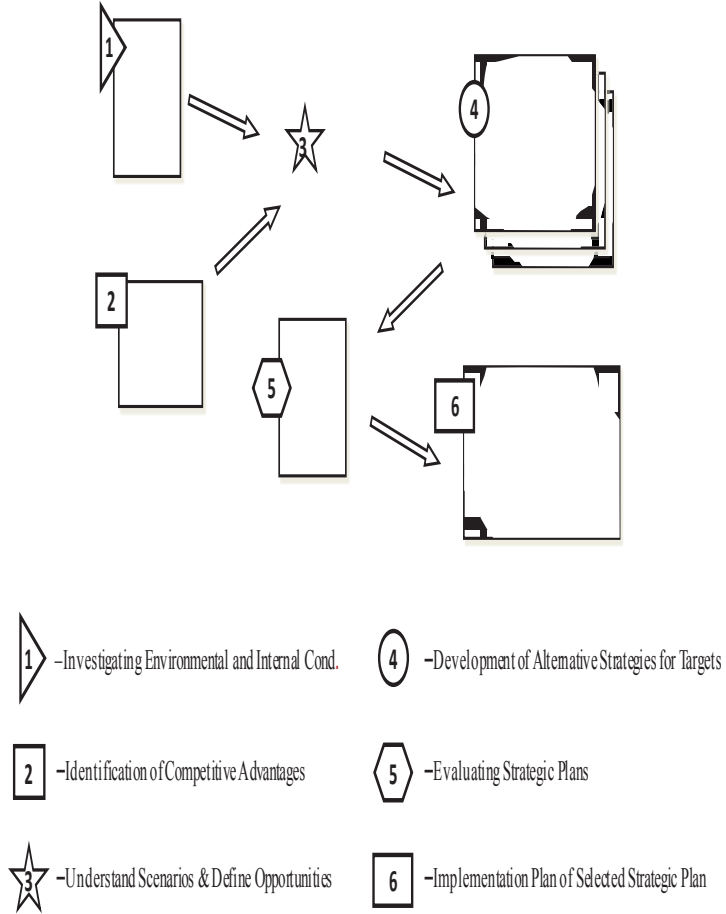
The need for a systematic method of strategic planning is, as many sources exhort managers to 'think strategically' and this is most frequently done conceptually rather than showing how to use the tools for strategic planning. Accordingly, this systematic methodology is brought out in order to assemble the disconnected and disorderly ideas, processes, and techniques written on strategy and business development under the same roof, and to provide a new perspective and benefit for the strategic planners by demonstrating its application on a given example case.

Certain working forms, in the forms of key documents and output, were used in applying the techniques in each step of the SSP pattern on a given example case.

SSP—shortened version, which is introduced in this paper, consists of a pattern of six steps for straight forward planning, and the three fundamentals involved in any strategic planning project. The use of shortened SSP version is more suitable for the development of strategic plans for small and medium-sized enterprises (SMEs.)

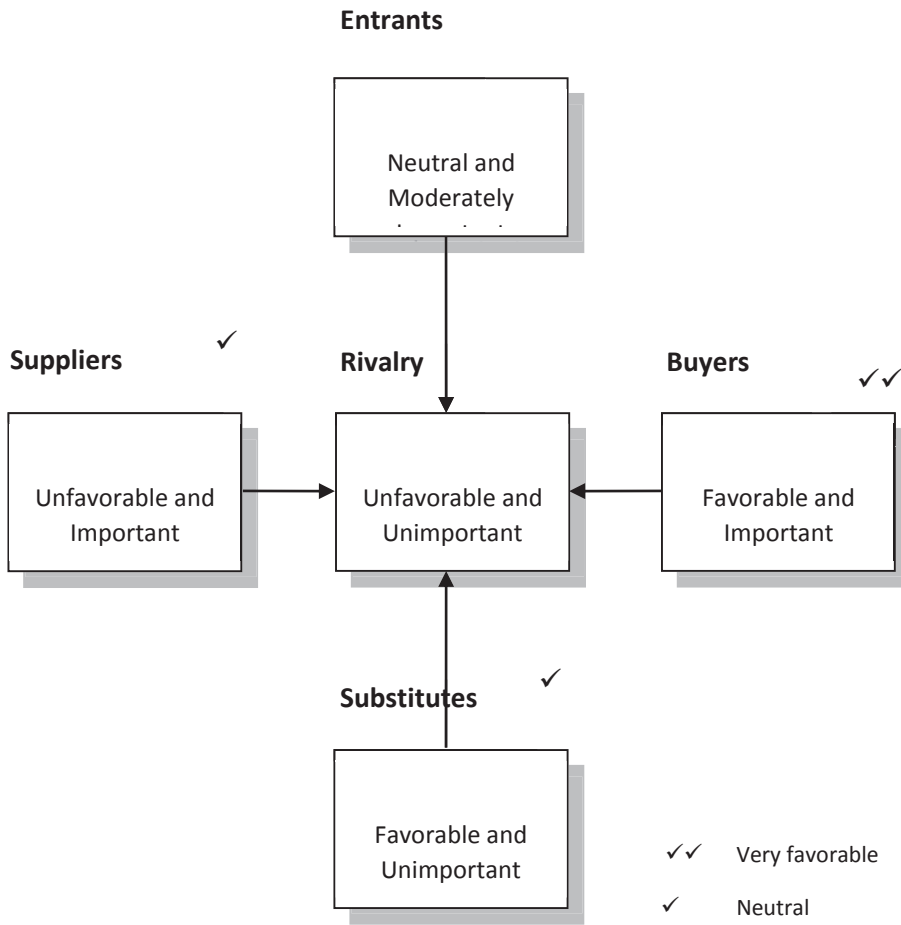
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FIGURE 1: SHORTENED SYSTEMATIC STRATEGIC PLANNING



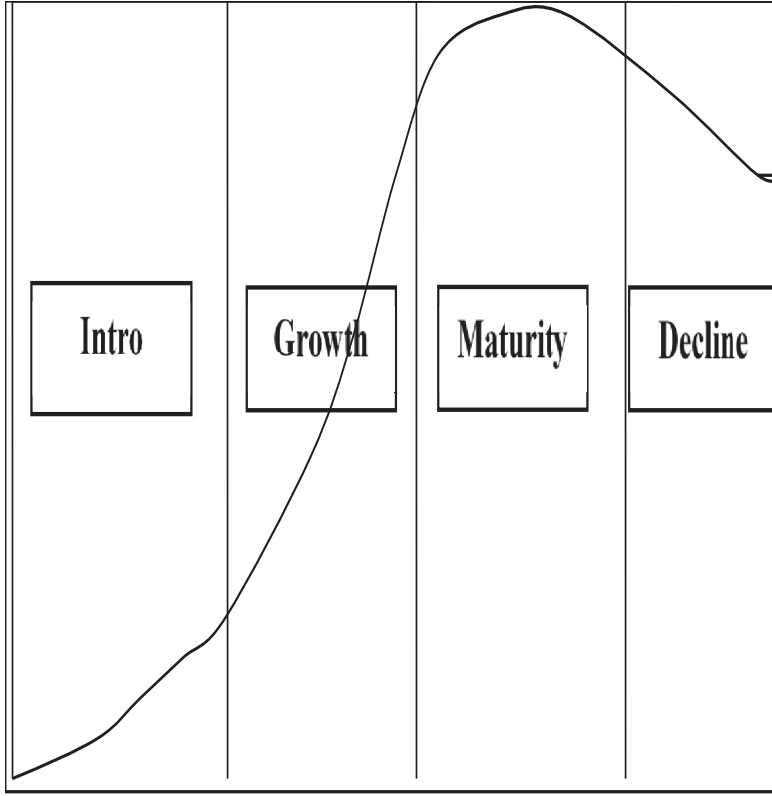
(Author, 2015)

FIGURE 2: COMPETITIVE FORCES STATUS – EXAMPLE CASE



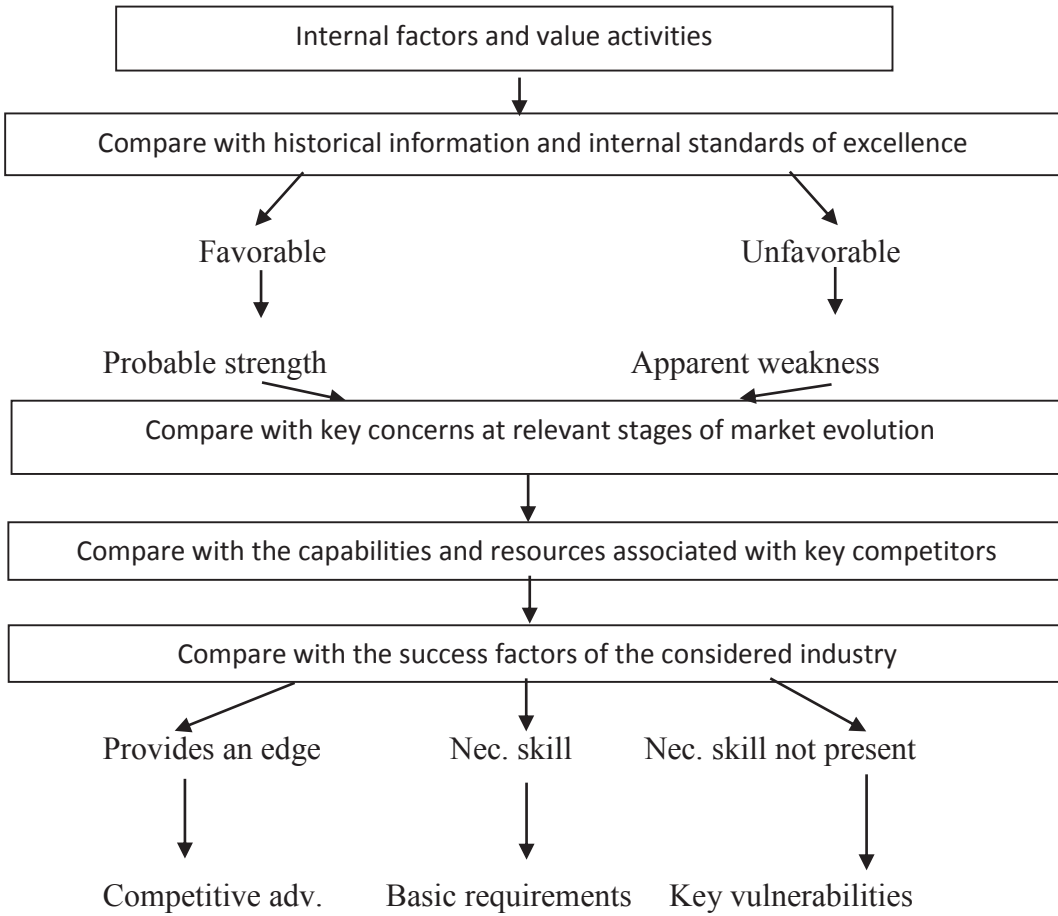
(Porter, 1998)

FIGURE 3: INDUSTRY LIFE CYCLE



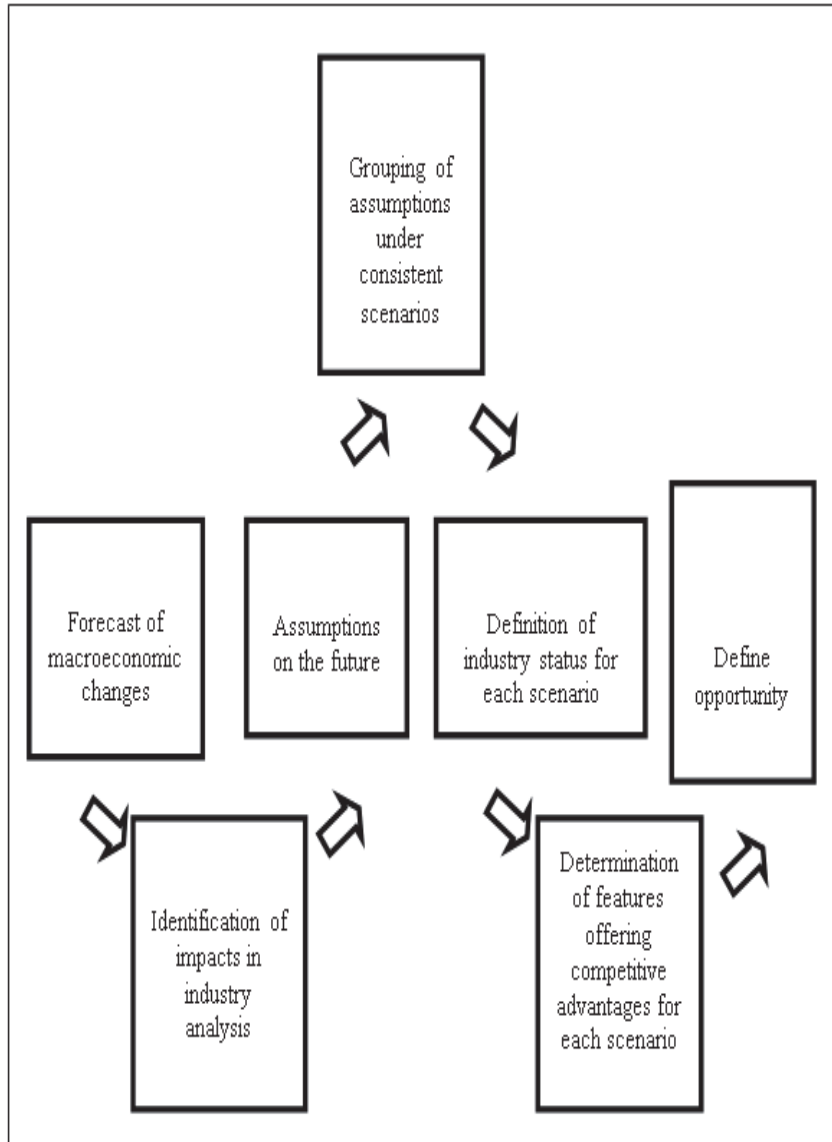
(Vernon, 1979)

FIGURE 4: COMPETITIVE ADVANTAGES and SUCCESS FACTORS



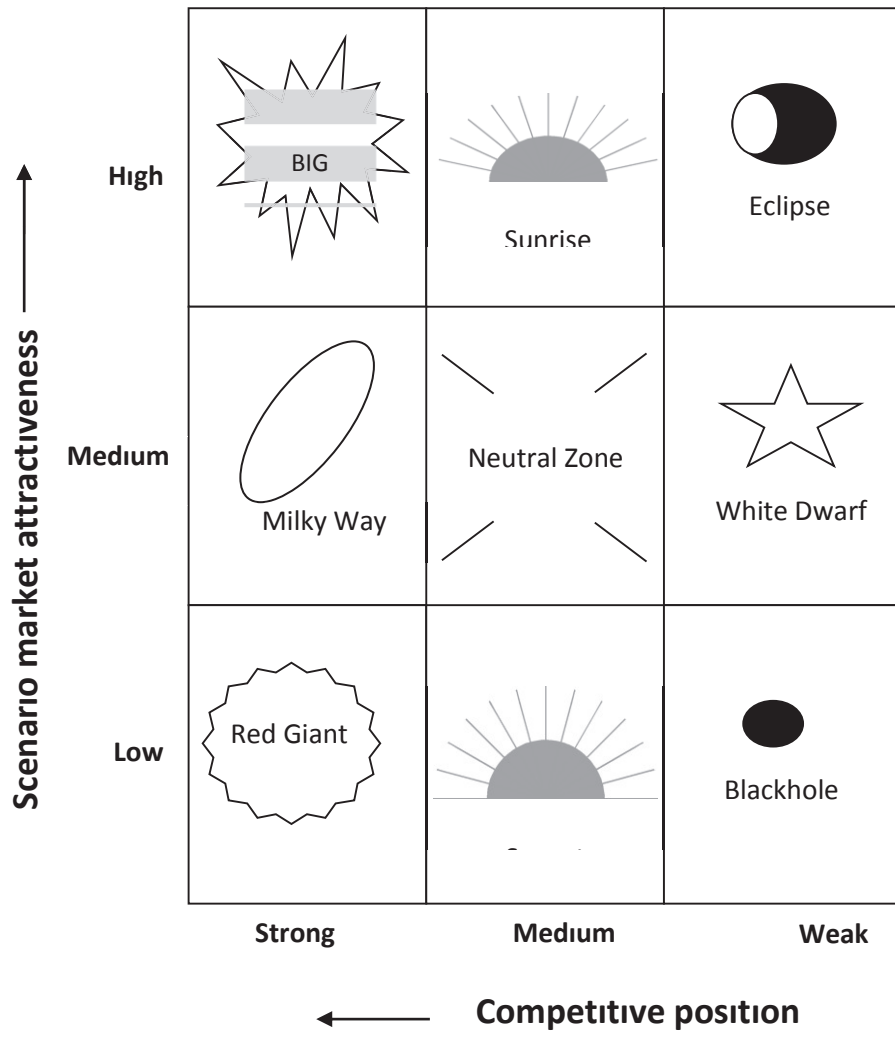
(Pearce and Robinson, 2011)

FIGURE 5: PROCEDURE of IDENTIFYING OPPORTUNITIES



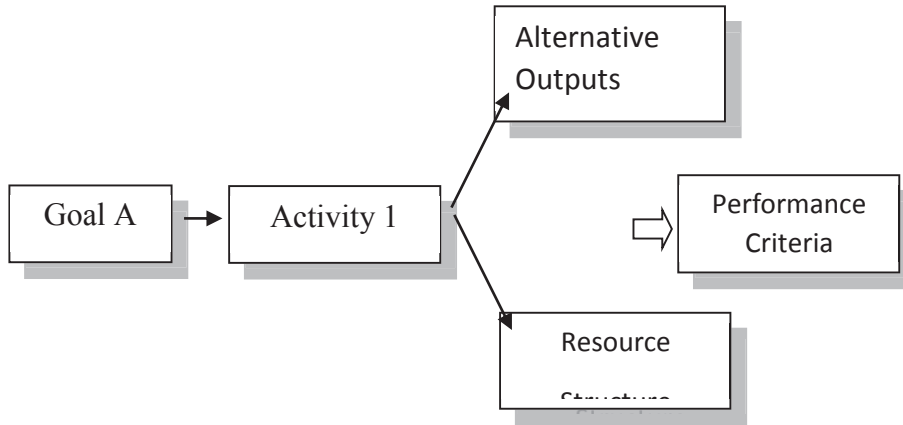
(Author, 2015)

FIGURE 6: BUSINESS OPPORTUNITIES – EXAMPLE CASE



(Rasiel, 1999)

FIGURE 7: GOAL, ACTIVITY, OUTPUT and PERFORMANCE RELATIONSHIP



(Author, 2015)

TABLE 1: FUNCTIONAL APPROACH – EXAMPLE CASE

	Factors	Strengths/ weaknesses
Marketing	Firm's products /services; breadth of product line	+
	Concentration of sales in a few products or to a few customers	-
	Ability to gather needed information about markets	+
	Market share or submarket shares	+
	Product / service mix and expansion potential	+
	Channels of distribution: number, coverage and control	+
	Effective sales organization	+
	Product / service image, reputation and quality	-
	Imaginative, efficient and effective sales promotion and advertising	-
	Pricing strategy and pricing flexibility	-
	Procedures for digesting market feedback and	-

	developing new products, services or markets	
	After-sale service and follow up	-
	Goodwill/brand loyalty	-
Finance and accounting	Ability to raise short-term capital	-
	Ability to raise long-term capital: debt/equity	+
	Corporate-level resources	-
	Cost of capital relative to industry and competitors	-
	Tax considerations	+
	Relations with owners, investors and stockholders	+
	Leverage positions	+
	Cost of entry and barriers to entry	-
	Price-earnings ratio	+
	Working capital; flexibility of capital structure	-
	Effective cost control, ability to reduce costs	+
	Financial size	-
	Efficient and effective accounting system for cost, budget and profit planning	-
	Production/technical	Raw materials cost and availability
Inventory control systems; inventory turnover		-
Location of facilities; layout and utilization of facilities		+
Economies of scale		+
Technical efficiency of facilities and utilization of capacity		+
Effective use of subcontracting		-
Degree of vertical integration, value added and profit margin		+
Efficiency and cost / benefit of equipment		+
Effective operation control procedures		+
Cost and technological competencies relative to industry and competitors		+
Research and development/technology/innovation		+
Patents, trademarks and similar legal protection	+	
Personnel	Management personnel	+
	Employees' skill and morale	+
	Labor relations cost compared to industry and competition	+

	Efficient and effective personnel policies	-
	Effective use of incentives to motivate performance	+
	Ability to level peaks and valleys of employment	+
	Employee turnover and absenteeism	+
	Specialized skills	+
	Experience	-
Organization / general management	Organizational structure	-
	Firm's image and prestige	-
	Firm's record for achieving objectives	-
	Organization of communication system	+
	Overall organizational control system	+
	Organizational climate, culture	-
	Use of systematic procedures and techniques in decision making	-
	Top-management skill, capacities and interest	+
	Strategic planning system	+
	Intra organizational synergy	+

(Author, 2015)

TABLE 2: BUSINESS HISTORY SUMMARY – EXAMPLE CASE

	Year	Year 2013	Year 2014	Year 2015	Year
Personnel		No. of employees : 5 4 Clerks, 5 Labors	No. of employees: 10 5 Clerks, 5 Labors	No. of employees : 40 15 Clerks, 25 Labors	
Organization and general management				A flexible organization chart Production and R&D dept. Sales dept.	

				Dealer network	
				After-sales dept.	
Production / technical		Order based production (JIT)	Improved delivery dates	Increased production lines and capacity	
Marketing			Delivered demo units to major hospitals and rehabilitation centers Face-to-face selling and demonstrations	Increased brand awareness Attended to local fairs and advertised on the industrial magazines Established local dealer network	
Finance and accounting (x1000)		0.05% of Turkish wheelchair market 50 units sold	0,5% of the Turkish wheel chair market 500 units sold	2.5% of the Middle Eastern and Caucasian wheel chair markets; 10.000 units sold	

(Author, 2015)

TABLE 3: MACROECONOMIC ANALYSIS FORM – EXAMPLE CASE

	Demographical					Economical					Judicial-Political					Technological					Socio-Cultural									
	Population growth	Age pattern	Immigration trends	Birth and death ratios	Education level	Change in GDP	Income distribution	Interest rates	Supply of cash	Inflation rate	Unemployment rate	Foreign exchange policy	Saving&consuming trends	Tax laws	Antitrust law	Incentives	Green laws	Business law	Political stability	R&D expenditures	Innovation opportunities	New products	Acceleration - tech. change	Freshness product supply	Increase in automation	Changes in life styles	Expectancy for career	Change in family structure	Changes in personal values	
Cust.																														
Govt.																														
Fin. inst.																														
Supp.																														
Owner																														
Worker																														
Result	+	-			+	+	+		+		-	+	-	-	-	+					+	+	+	-	-	+	+	+		-

+	Change for the better
	Same as before
-	Change for the worse

(Author, 2015)

TABLE 4: COMPETITION ANALYSIS FORM – EXAMPLE CASE

	Firms in the industry	Threats of new companies	Competitive power of customers	Competitive power of suppliers
Low	Quantity of firms in the industry Growth rate of the industry Differences and the specialities of the products Fixed costs Cost to leave the industry Costs of the companies in the industry related with the company size Firms which have the customer-firm loyalty The equity needed to enter the industry Ability to reach channel of distribution Cost advantage related with experience Barriers to enter the industry		The share of the customer in the whole sale Potential of production of the products by integration Alternative suppliers Cost of the change of the suppliers Flexibility in the prices The importance of the product for the customers	Quantity of firms in the industry and the production place Unique products sale Substitute goods in the market Potential of production of the products by integration The share of the sale of the supplier
Avg.	+		+	+
High	+		+	+

(Author, 2015)

**TABLE 5: COMPARISON with MAIN COMPETITORS and INDUSTRY AVERAGE
– EXAMPLE CASE**

	Factors	Our business	Comp. X	Comp. Y	Industry avg.
Marketing	Firm's products /services; breadth of product line	+	+	-	-
	Concentration of sales in a few products or to a few customers				
	Ability to gather needed information about markets	+	+	+	+
	Market share or submarket shares	-	+	+	+
	Product / service mix and expansion potential	+	+	-	-
	Channels of distribution: number, coverage and control	-	+	+	+
	Effective sales organization	-	-	+	-
	Product / service image, reputation and quality	-	+	-	-
	Imaginative, efficient and effective sales promotion and advertising	+	-	-	-
	Pricing strategy and pricing flexibility	+	-	+	+
	Procedures for digesting market feedback and developing new products, services or markets	+	+	+	+
	After-sale service and follow up	-	-	-	-
	Goodwill/brand loyalty	-	-	-	-
	Finance and accounting	Ability to raise short-term capital	-	+	+
Ability to raise long-term capital: debt/equity		-	+	+	+
Corporate-level resources		-	+	+	+
Cost of capital relative to industry and competitors		+	-	-	-
Tax considerations		+	-	-	-
Relations with owners, investors and stockholders		+	-	+	-
Leverage positions		+	-	-	-
Cost of entry and barriers to entry		-	+	+	+
Price-earnings ratio		+	+	+	+
Working capital; flexibility of capital structure		-	+	+	+
Effective cost control, ability to reduce costs		+	-	-	-
Financial size		-	+	+	+

	Efficient and effective accounting system for cost, budget and profit planning	+	+	-	-
Production/ technical	Raw materials cost and availability	-	+	-	-
	Inventory control systems; inventory turnover	-	+	+	-
	Location of facilities; layout and utilization	+	-	+	-
	Economies of scale	-	+	+	+
	Technical efficiency of facilities and utilization of capacity	-	+	+	+
	Effective use of subcontracting	+	-	-	-
	Degree of vertical integration, value added and profit margin	+	-	-	-
	Efficiency and cost / benefit of equipment	+	-	-	-
	Effective operation control procedures	+	+	-	-
	Cost and technological competencies relative to industry and competitors	+	-	-	-
	Research and development/technology/innovation	+	+	-	-
	Patents, trademarks and similar	+	+	-	-
Personnel	Management personnel	+	+	-	-
	Employees' skill and morale	+	+	-	-
	Labor relations cost compared to industry and competition	+	-	-	-
	Efficient and effective personnel policies	+	-	-	-
	Effective use of incentives to motivate performance	+	-	-	-
	Ability to level peaks and valleys of employment	-	+	+	+
	Employee turnover and absenteeism	+	+	+	+
	Specialized skills	+	+	-	-
	Experience	+	+	+	+
Organization / general	Organizational structure	+	+	-	-
	Firm's image and prestige	-	+	+	+
	Firm's record for achieving objectives	-	+	+	+
	Organization of communication system	-	+	+	-
	Overall organizational control system	-	+	+	-
	Organizational climate, culture	-	+	-	-
	Use of systematic procedures and techniques	-	+	-	-
	Top-management skill, capacities and interest	+	+	-	-
	Strategic planning system	+	+	-	-
	Intra organizational synergy	+	+	-	-

(Author, 2015)

TABLE 6: COMPETITIVE ADVANTAGES, KEY VULNERABILITIES and SUCCESS FACTORS – EXAMPLE CASE

	Factors	Competitive advantages	Key vulnerabilities	Success factors
Organization / general management	1. Flexible and horizontal relations facilitate decision making	<input checked="" type="checkbox"/>		
	2. Participatory and sharing management	<input checked="" type="checkbox"/>		
	3. Broad investment vision			<input checked="" type="checkbox"/>
	4. Prestigious company name		<input checked="" type="checkbox"/>	
	5. Experienced management staff undertaking responsibilities			<input checked="" type="checkbox"/>
	6. Strategic planning and budget discipline			<input checked="" type="checkbox"/>
Personnel	1. Competent, experienced and responsible staff	<input checked="" type="checkbox"/>		
	2. Qualified and young labor force	<input checked="" type="checkbox"/>		
	3. Specialized staff	<input checked="" type="checkbox"/>		
Production / technical	1. Ease of raw material supply		<input checked="" type="checkbox"/>	
	2. Good supplier relations		<input checked="" type="checkbox"/>	
	3. Registered trademarks			<input checked="" type="checkbox"/>
	4. Effective use of subcontractors	<input checked="" type="checkbox"/>		
	5. Cost advantage through extraction of sand from own sandpit	<input checked="" type="checkbox"/>		
	6. Production control procedures		<input checked="" type="checkbox"/>	
	7. Effective quality control		<input checked="" type="checkbox"/>	
	8. Vertical integration	<input checked="" type="checkbox"/>		
	9. Technical team competence			<input checked="" type="checkbox"/>
	10. Product development capacity			<input checked="" type="checkbox"/>
	11. Development potential of products	<input checked="" type="checkbox"/>		
Marketing	1. Product diversity	<input checked="" type="checkbox"/>		
	3. Pre-sales application service	<input checked="" type="checkbox"/>		
	6. Technical support department			<input checked="" type="checkbox"/>
	7. Strong references		<input checked="" type="checkbox"/>	
Finance / accounting	1. Automation and integration through system investments, resulting in effective accounting, costing and budgeting			<input checked="" type="checkbox"/>
	2. Effective cost control			<input checked="" type="checkbox"/>
	3. High credibility			<input checked="" type="checkbox"/>
	4. Positive communication with shareholders, strong shareholder structure	<input checked="" type="checkbox"/>		

(Author, 2015)

TABLE 7: DEVELOPING ALTERNATIVE SCENARIOS – EXAMPLE CASE

	Possible future uncertainties	Classification		
		Degree of importance (A)	Likelihood occurrence (B)	Result (A)*(B)
1	Increased budget for social security and health care system	A	I	8
2	Higher economic growth	O	O	1
3	Higher incentives for high-tech startups	A	O	4
4	Growing Caucasian and Middle Eastern markets.	A	U	0
5	Increased Euro/TL parity	O	O	1
6	Restrictions for low quality health care equipment	E	O	3
7	Decreased transportation costs from China to Turkey	I	O	2
8	Russia gives importance to health care equipment market	O	O	1
9	New developments in medical science	A	U	0

Rating description			
A	Abnormal Impact / Almost Certain to Occur (4)	O	Ordinary Impact / Only Small Likelihood (1)
E	Especially High Impact / Especially Likely to Occur (3)	U	Unimportant / Unlikely (0)
I	Important / Inclined to Occur (2)		

(Author, 2015)

TABLE 8: SELECTION OF BUSINESS OPPORTUNITIES – PRIORITIZATION

Implementation capability	Financial attractiveness			
	Very high	High	Moderate	Low
A-Absolutely Capable				
E-Especially Capable		Opp. 1	Opp. 2	
I-Capable	Opp. 3	Opp. 4	Opp. 5	
O-Very little	Opp. 6			
U-Uncertain				
X-Not applicable				

The diameter of circle represents the relative position of an opportunity w.r.t. the market attractiveness and competitive position of it.

(Author, 2015)

TABLE 9: COMPONENTS OF STRATEGY – EXAMPLE CASE

		Market	
		New	Existing
Product	New	DIVERSIFICATION	PRODUCT DEVELOPMENT
	Existing	MARKET DEVELOPMENT	MARKET PENETRATION

(Ansoff, 1970)

TABLE 10: GENERIC COMPETITIVE STRATEGIES – EXAMPLE CASE

		Competitive advantage	
		Cost	Differentiation
Scope	Broad	COST LEADERSHIP	DIFFERENTIATION
	Narrow	COST FOCUSING	DIFFERENTIATION FOCUSING

TABLE 11: FACTORS ANALYSIS FORM

Evaluating description	X. _____
A = Almost Perfect, O = Ordinary Result	Y. _____
E = Especially Good, U = Unimportant	Z. _____
I = Important Result, X =Not Acceptable	V. _____

	Factor/consideration	Wt.	Alternative				
			X	Y	Z	V	W
1.	Strategic Attractiveness						
2.	Financial Attractiveness						
3.	Implementation Difficulty						
4.	Uncertainty and Risk						
5.	Acceptability to Stakeholders						
6.	...						
Total							
	Weighted rated down total						

(Porter, 1998)

NOTES:

1. Assign to each factor a weight- its relative importance to the strategy's effectiveness.
2. Select the most important factor and assign to it a weight of 10.
3. Rate for each factor the effectiveness of each alternative strategy in achieving that factor's objective— using (A = 4, E = 3, I = 2, O = 1) to represent effectiveness.
4. Multiply by the previously established weights.
5. Total the weighted rate values for each alternative.

(Muther, 2011)

TABLE 12: ACTIVITY-BUDGET

**Strategic
objective 1**

Goal 1.1

Activities	Current year (t)	Budget year (t+1)	Following first year (t+2)	Following second year (t+3)
Activity 1.1.1				
Activity 1.1.2				
Activity 1.1.3				
Activity 1.1.4				
.....				

(Author, 2015)

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