



# Strategic Planning for Community Development

COMMUNITY DEVELOPMENT SERIES

**S**trategic planning began in the 1960s, as the business environment became more unstable and outside factors disrupted long-range plans. Social change, such as the civil rights movement, affected hiring practices. Technological change affected the production process, and change in world competition affected the profitability of American businesses. Strategic planning was first used by business managers to improve their ability to compete in the marketplace. Those who promoted strategic planning were concerned that many businesses were making plans based on past performance in the marketplace, despite the fact that the business environment was changing rapidly. They felt that firms were not looking at their future position in the market and evaluating new sources of competition. Such an evaluation might lead to a new mission statement, firm goals, business strategies and actions.

According to Graham S. Toft, a leader in corporate and community planning, the essence of corporate strategy addresses the question, "In what direction should we take the company in response to the present and anticipated environment?" The concept of strategic planning began to be applied to community development as local communities discovered that they were affected not only by national events, but also by international factors such as oil prices, wars, trade policies, and the debt held by foreign countries that limits their ability to buy American goods.

Everyone would like their communities to be successful in fostering an environment that results in better earnings for their citizens. Local businesses would have more customers, local governments would have a stronger tax base, and residents could count on increased job security. How can Kansans strengthen their local economies? This is a particularly difficult question for smaller communities suffering from weakened economies and shrinking state and federal government support.

## CREATING ECONOMIC OPPORTUNITIES

The purpose of this publication is to outline a process by which community groups can develop strategies to improve their local economies. While no one will guarantee that following these steps will improve community prosperity, it will allow community leaders to match the actions and resources they commit to spur economic development with the area's specific needs and potential.

**A Definition of Strategic Planning**

Strategic planning is a framework providing a systematic approach to

planning for future development and allocating needed resources for anticipated changes. Ordinary planning and goal setting usually looks at the past and bases the future on historic trends. Strategic planning considers possible future events and trends, and then bases planning and resource allocation on anticipated changes. Simple planning often falls short of implementation because the plan fails to be linked with resources and action.

The crux of strategic planning is "anticipated" change. In other words, the community plans for the future by envisioning what the future will be like. The obvious questions community leaders need to ask are "How will the future be different?" and, "What decisions can we make now, based on this perception of the future?" The basic premises behind strategic planning are:

1. A thorough understanding of the purpose for the community's existence, i.e., knowing how your local economy and socio-political structure works.
2. Familiarity with the competition and a comparison of strengths and weaknesses.
3. Strategies that build on strengths and overcome weaknesses.

Strategic planning focuses on key variables such as external trends that impact on the local community and internal factors that are either strengths or weaknesses. These are the key critical issues, not an exhaustive list of all possible issues. Also, since the process leads to action, the issues will be addressed by action-

oriented groups such as a city council. As David R. Kolzow states, “Strategic planning stresses implementation rather than just goal-setting or long-range planning.”

Strategic planning does not try to arrive at the “best of all possible outcomes.” Its purpose is to foster a better outcome than the current environment would produce. This is a relative improvement compared to expected trends. It also includes a “doable” list of desired results rather than a “wish list.”

Strategic planning deals not only with the long-term, but also the short-term and the intermediate planning period. Thus, those involved should be working toward goals that address important issues for the next 1 to 6 months as well as issues that will take longer to resolve.

The process is **inclusive** rather than **exclusive**, and all interested citizens should be encouraged to participate. However, it is important to identify people who have a large stake in the community and personally invite these individuals or their representatives to participate in the process. If these stakeholders are excluded, whether intentionally or not, the strategic planning process will be weakened.

Finally, the process should be repeated every 2 to 5 years, depending on the amount of change that has occurred since the last strategic plan was completed. For continuity, an organization such as a county-wide economic development commission should make the strategic planning process an on-going part of their responsibilities. This will institutionalize the process.

### Steps in Strategic Planning

The flow chart on the next page provides more perspective on the ordered activities in strategic planning. A glossary of terms is also included to help the reader.

Phase one is devoted to organization. During this phase, it is critical

that the organization doing the actual planning has the “blessing” of the political unit it represents. Next, a complete review should be done of ongoing actions and planned projects that may have a major impact on the community. The third element of phase one is the creation of a mission statement that gives direction to the entire strategic planning process, from the identification of issues to the allocation of resources. The goal of the task force is to create a vision of the future and to uncover key issues that, when addressed, will suggest a new action agenda for the community.

Phase two is the analytical phase. Since the key ingredient of strategic planning is the development of a plan based on anticipated future changes, the planning group needs all relevant social and economic information. Envisioning the future, understanding the competition, and analyzing local and outside factors are necessary to identify key issues affecting the political unit. (See issues statement guide in the appendix.)

Phase three is devoted to shaping the plan into a formal document. Goals that address the designated key issues are developed during this phase as well as corresponding objectives and strategic action statements. Most groups find this phase the most difficult one. It’s much easier to analyze and brainstorm new ideas than to define goals, specify objectives and develop specific strategies to reach these goals. A subgroup of the entire organization, possibly with the help of an outside facilitator, should develop a first draft of the final report and then let the entire group review and improve it. A worksheet that will help in drafting the plan is provided in the appendix.

Phase four is devoted to finalizing the plan and launching it. During this time, responsibility needs to be assigned along with the resources to accomplish the tasks. Along with the design of the action plan, evaluation criteria should be developed for measuring accomplishments. Once the plan is completed, it needs to be mar-

keted through public presentations as well as the news media.

As with any major undertaking, the key ingredient for a strategic plan is a sound foundation; this is accomplished by selecting a group of individuals to champion and develop the plan. This group should represent the power structure and influential segments of the community as well as a broad cross-section of the population. Group members need to be enthusiastic, have a uniform commitment to community betterment, be action-oriented, and willing to take risks.

The final document should address these five questions.

1. **What** do we want our community to become?
2. **What** are all the possible actions we can take to improve the quality of life in our community, given our vision statement above?
3. **How** do we organize and proceed to implement our plan?
4. **Who** is going to lead and who is going to follow to implement our plan?
5. **Where** do we find all the resources to support the implementation of our plan?

### Benefits of Strategic Planning

Many positive things can come from the strategic planning process:

1. Provides an outline of steps to follow
2. Promotes efficient use of scarce resources
3. Improves coordination
4. Builds community consensus
5. Increases public awareness
6. Strengthens the community’s competitive position
7. Encourages forward thinking
8. Focuses community efforts on key issues

(Adapted from “Strategic Planning for Economic Development in Rural Areas and Small Towns in Oklahoma,” Oklahoma Cooperative Extension Service)

## Strategy Worksheet \*

Goal: \_\_\_\_\_

Objective: \_\_\_\_\_

Strategic Action: \_\_\_\_\_

Primary Agency, Contact Person: \_\_\_\_\_

| Tasks<br>(list in chronological order) | Time<br>Period | Manpower<br>Requirements | Outside<br>Resources | Estimated<br>Budget | Source<br>of Funds |
|----------------------------------------|----------------|--------------------------|----------------------|---------------------|--------------------|
|                                        |                |                          |                      |                     |                    |

\*Use a separate worksheet for each specific strategy. If more space is necessary, continue on a new worksheet.

### Issue Statement

1. Who is involved or affected
2. What the problematic situation consists of
3. What the consequences of the situation are

Issue statement:

[illegible]

Three activities are critical to a successful strategic planning process. First is to sell the concept of strategic planning as a procedure to improve the quality of life in the community. This means that someone has to champion the idea of putting this technique to work locally. The second activity is to work through the strategic planning process. And last is to implement the plan that comes out of the process. "Selling" the plan will be more successful if everyone who wanted to be involved was involved, and the public at large was kept informed during every step.

The only people with a large stake in the current and future quality of life in a community are the citizens who live there. From this group should come the task force that develops the plan. An outside facilitator can help guide this group through a successful program.

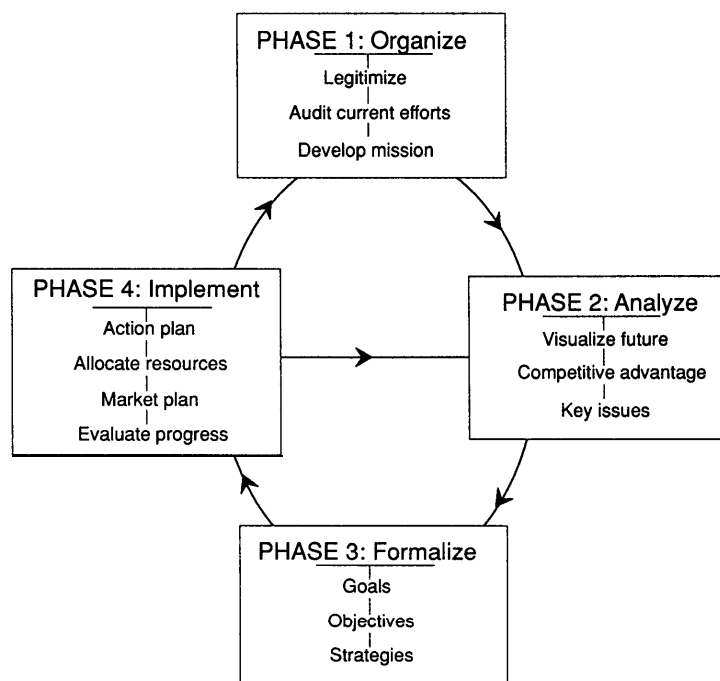
## References

Kolzow, David R. "Strategic Planning for Economic Development," Shiner Park, IL: American Economic Development Council, 1988.

Toft, Graham S. "Strategic Planning for Economic and Municipal Development," *Resources in Review* Washington, D. C.: Government Financial Office Association, November 1984.

Woods, Mike D., and Sloggett, Gordon. "Strategic Planning for Economic Development in Rural Areas and Small Towns in Oklahoma," OSU Extension Facts #859, Stillwater: 1988.

## Dynamic Strategic Planning Process



## Glossary

**Mission:** The overriding purpose of an organization, stated in the broadest and most inclusive terms.

**Vision Statement:** A written statement that describes the community as it could be at some future point.

**Issue:** A matter of wide public concern growing out of complex human problems.

**Goal:** A broad, general statement that describes a desired outcome that will be a relative improvement over some current situation.

**Objective:** A statement of the measurable results to be achieved, not the activities or methods to be used.

**Strategy:** A statement of direction that implies a cohesive set of activities designed to achieve a common result.

**Action Plan:** A group of specific interrelated tasks designed to meet an objective, often designating who has primary responsibility for what actions, with whom they should coordinate, and when each action should be completed.

**Tasks:** The specific actions assigned to each part of the organization which, when combined, make up an action plan for meeting an objective.

**Criteria** Standards by which judgments and decisions can be made.

**Trend:** A general direction of change—usually gradual and long-term—in the forces shaping the future of an organization, region, nation, or society.

**Event:** An occurrence which significantly affects a trend by reversing or intensifying the general direction of change.

For more information on community and economic development, send for the following literature from the Distribution Center, Umberger Hall, KSU, Manhattan, Kansas 66506-3406.

**Setting Community Economic Goals**, David L. Darling, Jr., Cooperative Extension Service, Kansas State University, (L-714 Revised) February 1988.

**The Social Action Process: Selling Ideas & Programs**, Robert L. Johnson, Cooperative Extension Service, Kansas State University, (MF-859) April 1987.

**Analyzing Your Market**, David L. Darling, Jr., Cooperative Extension Service, Kansas State University, (L-745) February 1989.

**Understanding Your Community's Economy**, David L. Darling, Jr., Cooperative Extension Service, Kansas State University, (L-775) October 1988.

**PRIDE: Kansans Building Better Communities**, Robert "Stan" McAdoo, Cooperative Extension Service, Kansas State University, (C-679 Revised) October 1989.

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