



## **U. STRATEGIC PLANNING**

To achieve success, all organizations must plan to the future. JPAs, so that they provide a valuable service to their members, must periodically review their operational and organizational goals and objectives. Below is a brief outline of the strategic planning process.

### **I. WHAT LONG-RANGE (STRATEGIC) PLANNING IS**

- The process by which the organization envisions its future and develops the necessary procedures and operations to achieve that future.
- The process to identify current decisions about courses of action open in the future.
- The design of a desired future and of effective ways of bringing it about.

### **II. WHY PLANNING PAYS OFF**

- It simulates the future.
- It encourages a systematic approach to identifying and meeting future needs.
- It forces the setting of objectives.
- It constructs a framework for decision making.
- It is a basic for management functions.
- It creates performance measurements.
- It brings key issues to the top.

### **III. PLANNING STEPS FREQUENTLY USED BY POOLS**

- Develop an understanding of planning.
- Identify strengths, weakness, opportunities and threats (SWOT).
- Identify, evaluate and select strategies to exploit opportunities and avoid threats.



- Formulate major aims:
  - ✓ Vision and Values
  - ✓ Mission
  - ✓ Goals and objectives.
- Prepare operating plans.
- Monitor performance.
- Repeat the process periodically.

#### **IV. WHERE ARE WE?**

- Original mission, philosophy, purpose
- Financial situation
- Competitive situation
- Service reliability, acceptability, etc.
- Markets served
- Why members join, stay or withdraw
- What are our strengths?
- What are our weakness?

#### **VI. WHAT'S GOING ON AROUND US?**

- Competitors
  - ✓ Commercial insurers
  - ✓ Other JPAs
- Legislation
  - ✓ Federal
  - ✓ State



- Trends affecting members
  - ✓ Reduced financial resources
  - ✓ Increasing cost of benefits and liabilities

## **VI. WHAT DO WE WANT TO BE?**

- What do our members need?
- Types of members
- Percentages of potential market served
- Services/programs used
- Who else could use our services?
- What other services could our members use?