

Unit 1:

Contribute to the Development of a Strategic Plan

Unit reference number: A/506/2046

QCF level: 5

Credit value: 5

Guided learning hours: 31

Unit summary

Formulating a strategic plan enables a business to better identify its objectives and how they might be achieved and by doing so maintain and improve its position in the market.

A strategic plan shapes the long-term direction of businesses – it is agreed by the board in response to an evaluation of the internal and external business environment. Senior managers, by virtue of their involvement in the management and operation of a business, are able to make contributions that inform the development of a strategic plan.

The unit will give learners an understanding of the importance of a strategic plan and other planning, and the need for businesses to be responsive to a range of internal and external factors that influence strategic planning. Learners will, by gathering, analysing and comprehending information about the business environment, understand how environmental scanning informs a strategic plan. Learners will also gain specialised understanding of the business environment and will be in a position to contribute to a strategic plan and to assess the impact on the business when implemented

Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

Learning outcomes	Assessment criteria
1 Understand the principles of strategic planning	<ul style="list-style-type: none">1.1 Evaluate a range of strategic planning models1.2 Evaluate the advantages and limitations of a range of analytical techniques1.3 Analyse a range of perspectives of and approaches to business strategy
2 Be able to analyse the factors affecting the development of strategic plans	<ul style="list-style-type: none">2.1 Evaluate political, economic, social, technological, legal and ethical factors affecting the development of strategic plans2.2 Evaluate the market factors that may influence strategic planning decisions2.3 Evaluate the application of scanning tools to strategy development
3 Be able to make a contribution to a strategic plan	<ul style="list-style-type: none">3.1 Analyse the relationship between strategic intentions, strategic choice and strategy formulation3.2 Make viable contributions that are consistent with strategic objectives and resource constraints3.3 Evaluate the impact of a proposed strategy on a business

Unit amplification

AC1.1: Evaluate a range of strategic planning models

- *Strategic planning:*
 - o models, e.g. mechanistic planning; goal-based planning; issues-based planning; alignment planning; scenario planning; organic planning; real-time planning
 - o strategy hierarchy and consistency between corporate strategy and subsidiary strategies

AC1.2: Evaluate the advantages and limitations of a range of analytical techniques

- *Environmental analysis techniques:*
 - o external to include political, economic, social, technological, legal and ethical (PESTLE) analysis, environmental scanning, horizon scanning
 - o internal to include strengths, weaknesses, opportunities threats (SWOT) analysis, mission, objectives, strategies, tactics (MOST) analysis
- Business environments that businesses need to consider for analysis to include macro-environment, meso-environment and micro-environment
- *Advantages:*
 - o understanding of business environments and developments in the business environments
 - o identification of opportunities for business development such as growth and re-organisation
 - o identification of factors that threaten business development such as competitor activities and legislative change
 - o ensuring optimal use of business resources
 - o provision of an empirical basis for decision making by reducing uncertainty
- *Limitations:*
 - o resource requirements and their associated costs
 - o biases in the use of techniques and in the data gathered
 - o incomplete and/or misidentification of potentially relevant factors
 - o empirical evidence is open to differing interpretations

AC1.3: Analyse a range of perspectives of and approaches to business strategy

- *Perspectives:* industrial/economic; human resources/sociological; social responsibility; sustainability; cultural, e.g. national, business; balanced score card
- *Approaches:* price based; growth based; product differentiation; technological leadership; market leadership; competitive strategy; hybrid strategies