

# Strategy, Planning and Monitoring

It is necessary for a Board to have well defined strategies and objectives to be able to achieve its goals. A Board must monitor how its strategies are implemented and pursued as well as evaluate and review them regularly.

PwC believes strategic planning and monitoring will assist organisations to achieve their goals in a more efficient and secure manner and is an essential part of good corporate governance.

## Vision, strategy and monitoring

### Vision and Mission

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The vision and mission of an organisation should be determined by the Board of Directors and driven by either the Chairman or the Managing Director. It is important that an organisation's vision and mission are practical and relevant to its operation, and are endorsed by its employees.

An organisation's vision and mission should support the desired corporate culture and ethos, encourage the intended level of innovation and risk taking, and attract the continuing support of all stakeholders.

The organisation's vision and mission should also be sufficiently challenging yet realistic, and survive changes in Board membership.

### Strategic / Corporate Plan

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The Board should design the organisation's strategies and long and medium-term goals in cooperation with management when necessary. Goals should be set for individual corporate units as well as for the organisation as a whole.

The Board should design a financial plan that reflects particular goals and contributes towards achieving them.

The Board should also design risk strategies related to the organisation's overall policymaking.

### Monitoring and Evaluation

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The Board should put measures in place to regularly monitor the implementation of the organisation's strategies and plans. To facilitate such monitoring it would be advisable to implement efficient compliance processes designed to fill the organisation's needs. Such risk management requires that the Board gather all relevant information and identify and explain discrepancies between planned and actual performance.

The Board and management should introduce adequate strategies and planning, and evaluate them regularly, taking into consideration the organisation's projects, goals and values.



Are your organisation's vision and mission statements relevant to the business operation and endorsed by all Board members?

Are your organisation's strategies and business plans adequately implemented and reviewed regularly?

Do business plans and strategies exist for different parts of your organisation?

# Our Experience

## Strategic Planning

PwC believes that strategic planning should involve those who implement it. The organisation's management is in charge of the daily operations and can identify important issues that need to be included in the strategy formulation, such as customer preferences, quality issues, employees and so on.

The Board should keep this in mind:

- Recognise that past trends may not simply be extrapolated into the future
- Incorporate input from external specialists when appropriate
- Evaluate the probabilities of risks in different future projections
- Incorporate risk management
- Set performance objectives and compare them with other relevant companies

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## Business Plans / Annual Budgets

The Board should determine business plans and strategies for different parts of the organisation that are consistent with corporate strategy and reviewed regularly. Business plans should reflect the business operation and recognise changes in know-how and innovation. They should be governed by specific action-based and dated milestones and supported by appropriate project plans and management reports.

There should be a sufficiently detailed annual budget that includes adequate comparisons between actual, historical and budgeted expenditures and detailed explanations obtained for all significant variations.

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## Management Performance Monitoring and Assessment

The Board should delegate authority to management and monitor and evaluate the implementation of policies, strategies and business plans. The Board should examine the organisation's successes and variations, analyse the causes and consequences of why goals have not been achieved and react appropriately in each case.

The Board should underpin management's commitment and support for strategies and plans to ensure positive results. Performance evaluation is an important aspect of strengthening and encouraging management to implement and pursue the organisation's strategies and plans.

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## What can PwC do for you

PricewaterhouseCoopers emphasises that strategic planning and monitoring will result in a more efficient and transparent business operation. PwC consults businesses in implementing robust information and communication systems, internal control, risk management and improved managerial work procedures, all of which are important aspects of good corporate governance.

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