## Determine Strategic Direction

###### IDENTIFY CRITICAL ISSUES OR CHOICES

The critical issues or choices focus on the changes that need to be made or the areas that need to be addressed. Identifying these issues is a critical step because it allows participants to articulate and prioritize the real problems, challenges or opportunities before considering ways to address or take advantage of them. The success of this step is dependent upon having done a complete and accurate review of the internal and external environment and developed a good vision statement.

It is important to design a process that gets at the root issue or choice. The natural tendency of many participants will be to focus on one aspect of the agency or identify the ‘top level’ or ‘symptom’, rather than the real issues or choices. For example, participants may begin by describing the issue as *‘needing more staff or funding’.* However, with probing, they may discover the real issue is *‘how to identify ways to better utilize existing*

*staff or to find other human resource and technology solutions to meet the growing demand for service’.*

Issues or choices can be stated as questions or statements, for example: *‘how can projected deficits be avoided?’* They can also be stated as a problem or a solution, for example: *‘we need to build a financial base that can sustain our programs over the long term’.*

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###### SET STRATEGIC PRIORITIES

Strategic priorities describe what the organization will do in the next 3 – 10 years to ensure that it meets its mission and makes significant progress toward achieving its vision.

Clear, realistic and compelling strategic priorities keep the agency focused and will help it to avoid drifting away from its mission. They serve as the planning umbrella for integrating all the efforts of programs, processes and people into a cohesive organizational effort. If they are too broad and abstract and not grounded in the capacity or willingness of staff to fulfill them, they are nothing more than well intentioned wishes. However, they also need to be flexible enough to encourage creativity and innovation and allow for responses to new challenges and developments.

**Determine Strategic Direction Identify the Critical Issues or Choices**

**Steps**

1. **Compile all the key learnings** from the external analysis and internal review. If possible, put the learnings and vision statement on flip charts on a wall so that all participants can see them. Summarize what was learned about:
	* programs offered
	* market needs
	* size/growth
	* technology
	* human resources
	* service capacity
	* organizational image
	* financial sustainability
2. **Brainstorm all the issues and** choices that emerge from the findings of the external environmental analysis, internal review and the visioning exercise. It is important to be comprehensive in your view, don’t worry if they are ‘all over the map’. Try to express the issues or choices as either questions or statements. Consider the following.
	* Which strengths and assets should we be expand or strengthen?
	* Which significant opportunities should we capitalize on?
	* Which weaknesses must we correct?
	* Which threats must we avoid, mitigate or eliminate?
	* Which barriers could we encounter?
	* Which programs or activities should we add or discontinue?
	* Which benchmarks, best practices or innovations should we achieve?
3. **Narrow down the list** by finding logical combinations and by eliminating duplication. For example, if there are a number of issues or choices saying the same things, but in a different ways, restate them as one choice or issue.
4. **Cluster the issues/choices into relevant themes** (e.g. leadership, capacity, quality) or categories (e.g. financial, human resources, programs/services, community profile/reputation, governance, operations). This is best done as a

small group.

1. **Provide evidence that it is an issue/choice** (e.g. the numbers show a steady decline in clients over the last three years). You may not need to write these down, just be sure that people can justify the selection of issues or choices.
2. **Consider the consequences and implications of not responding** to the issues/choices.
3. **Identify the most significant issues/choices.** Begin by deciding on the criteria for prioritization. Prioritize the issues/choices in a way that allows for consensus to be reached. Try to limit the number to no more than 10 issues/choices. Possible criteria for selecting priority issues and choices, include:
	* Will it have significant impact on organization’s performance?
	* Is there a sense of urgency?
	* Is there the capacity to address it effectively?
	* Is it a priority that must be addressed or something that should simply be monitored?
4. **Review the issues/choices to see if they can be further refined** by combining them. If it is possible to combine them, ensure that they don’t lose impact or meaning because they become too broad. Also ensure that the meaning and implication of each issue/choice is understood by all critical stakeholders.