

## Item 2.1 Strategy Development (40 pts.)

**How do you develop your strategy?**

Describe **HOW** your organization establishes its strategy and **STRATEGIC OBJECTIVES**, including **HOW** you address your **STRATEGIC CHALLENGES**.

Summarize your organization's **KEY STRATEGIC OBJECTIVES** and their related **GOALS**.

Within your response, include answers to the following questions:

**2.1a. Strategy Development Process**

- (1) **HOW** does your organization conduct its strategic planning?  
 What are the **KEY PROCESS** steps?  
 Who are the **KEY** participants?  
**HOW** does your **PROCESS** identify potential blind spots?  
 What are your short- and longer-term planning time horizons?  
**HOW** are these time horizons set?  
**HOW** does your strategic planning **PROCESS** address these time horizons?
- (2) **HOW** do you ensure that strategic planning addresses the **KEY FACTORS** listed below?  
**HOW** do you collect and **ANALYZE** relevant data and information pertaining to these factors as part of your strategic planning **PROCESS**:
  - your organization's **STRENGTHS**, weaknesses, **OPPORTUNITIES**, and threats
  - early indications of major shifts in technology, markets, competition, or the regulatory environment
  - long-term organizational **SUSTAINABILITY** and business continuity in emergencies
  - your ability to execute the strategic plan

**2.1b. Strategic Objectives**

- (1) What are your **KEY STRATEGIC OBJECTIVES** and your timetable for accomplishing them?  
 What are your most **IMPORTANT GOALS** for these **STRATEGIC OBJECTIVES**?
- (2) **HOW** do your **STRATEGIC OBJECTIVES** address the **CHALLENGES** identified in response to **P.2** in your **Organizational Profile**?  
**HOW** do you ensure that your **STRATEGIC OBJECTIVES** balance short- and longer-term **CHALLENGES** and **OPPORTUNITIES**?  
**HOW** do you ensure that your **STRATEGIC OBJECTIVES** balance the needs of all **KEY STAKEHOLDERS**?

**Notes:**

**N1.** "Strategy development" refers to your organization's **APPROACH** (formal or informal) to preparing for the future. strategy development might utilize various types of forecasts, **PROJECTIONS**, options, scenarios, or other **APPROACHES** to **envisioning the future** for **PURPOSES** of decision making and resource allocation. Strategy development might involve **KEY** suppliers, distributors, **PARTNERS**, and **CUSTOMERS**. *For some nonprofit organizations, strategy development might involve organizations providing similar services or drawing from the same donor populations or volunteer workforce.*

**N2.** "Strategy" should be interpreted broadly. Strategy might be built around or lead to any or all of the following: new products, services, and markets; revenue growth via various **APPROACHES**, including acquisitions, **grants, and endowments; divestitures**; new **PARTNERSHIPS** and alliances; and new employee **or volunteer** relationships. Strategy might be directed toward becoming a preferred supplier, a local supplier in each of your major **CUSTOMERS'** markets, a low-cost producer, a market **INNOVATOR**, or a high-end or customized product or service provider.

**N3.** Your organization's **STRENGTHS**, weaknesses, **OPPORTUNITIES**, and threats (**2.1a[2]**) should address all factors that are **KEY** to your organization's **future** success, including the following, as appropriate: your **CUSTOMER** and market and market needs, expectations, and opportunities; your competitive environment and your capabilities relative to competitors and **COMPARABLE** organizations; your product life cycle; technological and other **KEY INNOVATIONS** or changes that might affect your products and services and **HOW** you operate, as well as the rate of that **INNOVATION**; your human and other resource needs; your opportunities to redirect resources to higher priority products, services, or areas; financial, societal, **ETHICAL**, regulatory, technological, and other potential risks; changes in the national or global economy; **PARTNER** and supply chain needs, **STRENGTHS**, and weaknesses; and other factors unique to your organization.

## 2006 BALDRIGE ACTIONABLE CRITERIA

N4. Your ability to execute the strategic plan (**2.1a[2]**) also should address your **organizational agility** based on contingency plans or if circumstances require a shift in plans and rapid execution of new or changed plans.

N5. **STRATEGIC OBJECTIVES** that address **KEY CHALLENGES (2.1b[2])** might include rapid response, customization, co-location with major **CUSTOMER** or **PARTNERS**, specific joint ventures, Lean or virtual manufacturing, rapid **INNOVATION**, ISO 9000:2000 registration, Web-based supplier and **CUSTOMER** relationship management, and product and service quality enhancements. Responses to **Item 2.1** should focus on your specific **CHALLENGES**—those most important to your **ongoing** success and to strengthening your organization's overall **PERFORMANCE**.

N6. **Item 2.1** addresses your overall organizational strategy, which might include changes in services, products, and product lines. However, the ITEM does not address product and service design; you should address these factors in **Item 6.1**, as appropriate.

For additional description of this Item, see [2.1 Strategy Development Description](#).

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Key: [CAPS](#) link to [GLOSSARY](#) terms; **Red** words link [CORE VALUES](#); **Yellow** identifies new 2006 words; [Best Practices](#); [Application Information Capture Templates](#)