

By taking this global view we can focus on how these areas may affect the design profession. An example is the government and private-sector initiatives undertaken by the U.S. Green Buildings Council (USGBC). The USGBC's initiatives have a direct impact on the products and services we can provide our clients.

Strategic planning is “the process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future . . . the plan that helps an organization create its future” (L. Goodstein, T. Nolan, J. W. Pfeiffer).

Once the environmental scan is complete, we can focus on “where are we?” Through an internal evaluation process known as a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, we can evaluate the impact of our clients’ changing needs. First we focus on the strengths and weaknesses of our firms. What differentiates us from our competitors? In which fundamental areas are we strong or weak? This requires the leadership to be open and honest in their internal evaluation of current staff, financial standing, design abilities, personality issues, etc. This first analysis focuses on what is generally under our control.

Next we look at opportunities and threats for the future. These items are often not under our control. Issues such as legislation, the global economy, and political change are not under our personal control. However, we must be prepared to react to both the positive and negative aspects of changes in these areas. Quite often an opportunity can also be a threat, and vice versa. If there is an opportunity we do not address, it may come back to haunt us.

When the external and internal analysis is complete, you can develop a strategy for “where do you want to go?” By establishing goals (broad description of a nonmeasurable or time-sensitive aim) and objectives (measurable outcome derived from a goal), we can set the course for our business and financial planning. Strategic plans are generally a rolling three-to-five-year look at where we want to go, with detailed plans for the current year outlining what needs to be done to achieve the plan.

- **Develop alternatives—scenario planning. Creatively develop and explore alternatives that move the organization toward achieving its vision and mission. This is the fun part—it’s essentially brainstorming.**

When you come to a fork in the road, take it.

Yogi Berra

- **Decide on the goals and objectives.** *Goals and objectives are intended accomplishments, designed to resolve a critical issue and/or improve the execution of key operations or responsibilities.*
- **Decide on the strategies.** *A strategy is a statement of how an objective will be achieved through the allocation of human and financial resources. It frequently specifies a time frame for accomplishment.*
- **Decide on the performance indicators.** *A performance indicator is an observable measure or attribute, which reflects how well an organization is implementing or accomplishing its strategies in support of an objective. How well have we succeeded?*

Upon completion of your strategic plan, the year's *business plan* can be developed. Resources, both human and financial, are assigned based on the priorities established in the strategic plan. Therefore, the combination of strategic planning and the development of the business plan become the road map for meeting your company's long-term goals. The fundamental principles of financial management all come into play during this process. The foundation for a successful practice has now been established. Implement the plan. Make it happen!

Financial management requires sound business planning. By knowing where you want to go, understanding the business climate that affects your area of expertise, and developing sound management tools, one is able to properly plan and manage the *business of design*.

Bibliography

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