

GUIDE OF BASIC CONCEPTS IN STRATEGIC MANAGEMENT

PEST ANALYSIS: is the determination of the opportunities and threats that are critical for the institution by examining the conditions and trends out of the institution's control. In the PEST analysis; the external changes and trends affecting the institution are assessed. Especially, general trends in the world, changes in the activity area of the institution in Turkey, development plans and programs, government programs and stability programs, if any; the states of the other institutions and sectors, and especially the expectations of the target audience of the institution are taken into consideration.

OUTPUT: is the final product or service produced by the institution. The output can be quantitative. The data produced will also be considered as output.

CURRENT STATE ANALYSIS: is the answer of the institution's question: "where are we?" Current state analysis is a study that covers the statement of the institution's current state and potential, the determination of its stakeholders and also strong and weak points, the analysis of the positive or negative changes out of the institution's control in order to develop its aims, objectives and strategies for future.

ACTIVITY/ PROJECT (within the scope of the strategic plan): While the strategic aims and objectives cover what the institution will achieve, the activities and the projects cover how the institution will achieve this. Activity/Project is the defined form of the wholly complete, manageable and can be costed studies that are to be realized in order to achieve an objective that serves to a specific aim. Its output is a product or service.

ACTIVITY AREA: is the working area of the institution whose strategic plan is being prepared, the work it carries out or the service it provides.

ACCOUNTABILITY REPORT: is a report that includes the activities conducted by the institution in accordance with the strategic plan and performance, explains the reasons of the deviation through comparing the foreseen performance objective and the realization assets by using the predetermined performance indicators, and covers the general and financial information about the administration.

INPUT: are human, fiscal, physical resources and information resources required for the production of a product or service.

PREPARATION PROGRAM: It is a program prepared prior to the planning studies including;

- Arrangement of time schedule by considering the current state of the institution,
- Determination of the ways and methods to be followed during this process,
- Definition of the persons and their duties to be included in the planning studies,
- Determination of the training, consulting, human and technical resources that will be required during the studies,
- Decision of which researches and data will be required during the studies and by whom they will be provided.

Briefly, preparation program is "planning of the strategic planning studies."

ACCOUNTABILITY: The people charged and authorized with the duty of acquisition and utilization of all kind of public resources are responsible for the the effective, economic and efficient acquisition, utilization, accounting and reporting of the resources on the basis of law, as well as for taking necessary measures to prevent the abuse of such resources and are liable to render account to the competent authorities.

FISCAL TRANSPARECY: Correctly and timely promulgation of any informaiton about the acquisition, utilization of public resources of all kind and their results to the stakeholders.

MISSION: is institution's basis of existence; explicitly states what, how and for whom the instutition carries out its activities. It is a general concept covering all types of services and activities of the instutition. Mission should be short, clear, remarkable and deficit.

CLIENT: are the people, groups or instituitons purchasing and utilizing the products or services produced by the institution. (Utilizers)

STAKEHOLDER: are the people, groups or institutions claiming a right on the resources or outputs of the instutitions affecting or being affected by the outputs, products or services of the instutitions directly or indirectly; positively or negatively.

PERFORMANCE INFORMATION SYSTEM: is a system established based on process in order to collect, produce, analyze, report information and to utilize information in the decision-making process for measuring the preformance of instutitional process, teams and the persons.

PERFORMANCE INFORMATION: is qualitative and quantitive information of all kind collected to be used in performance-based decision making process.

PERFORMANCE EVALUATION: is the process-based evaluation of the pathes followed by administrations to achieve their predetermined strategic goals and objectives, the methods used to achieve the performance objectives, the projects and activities conducted and the outputs and results obtained.

PERFORMANCE AUDITING: is objective and systematic auditing of the effectiveness, savingness and efficiency of the utilization of the public resouces by examining and evaluating the activities, outputs and results of the instutition; performance objectives and their realization level; performance information, monitoring and control systems within the context of institutions' accountability.

PERFORMANCE INDICATOR: are the tools that are used for measuring, monitoring and evaluating the results of the activities conducted in order to achieve the strategic goals and objectives and the performance objectives of the public administrations. In other words performance indicator is used for measuring the success of the strategic plan and forms basis for performance auditing. Objective-oriented performance indicators should be included in the strategic plan. Performance indicators are used in determining to what extent the results are in compliance with the predetermined strategic goals and objectives. In conclusion, the performance indicators developed in order to measure and evaluate every level of the activities carried out by the public administrations facilitate measuring whether the public resources are utilized effectively, economically and efficiently or not. Performance indicators can be qualitative (work load, production, transaction number, registration number, utilization rate, consumption, frequency), quantitative (timeliness, out of service, error rates,

responsiveness frequency, etc), efficiency (for instance relative transaction costs), or financial (tax collection, etc ratio/proportion). Performance indicators are used to monitor performance in attaining institutional objectives (improving performance by determining the successful or unsuccessful states), to improve the policy making process of the decision makers, budget (for what /how to utilize the limited public resources), legal obligations, to announce the values of the study to the stakeholders and clients, to increase the confidence by reporting the results, announcing the results which are wished to be attained to the personnel.

PERFORMANCE OBJECTIVE: are clear, measurable, output-result oriented, satisfactory performance levels revealing the performance levels that the institution envisages to attain yearly in order to achieve the strategic objectives within the context of strategic goals.

PERFORMANCE MEASURE: is the definition of how (by using which measures) every one of the performance criteria (indicator) will be measured (by stating measuring method and unit and by whom this measurement will be made), in the scope of quantity, time, quality, and cost;

PERFORMANCE PROGRAM: is a program which determines the activities that the institution should carry out in accordance with the strategic plan within a fiscal year and the public resources required for these activities, evaluates whether the objectives desired have been attained or not by making the performance measurement, reports the results, forms a basis for the preparation of the administrative budget and administrative activity report.

RESULT: is the change that emerges in the states of the individuals or the society as a result of the service or products supplied by the administration. Reaching the result is an indicator of the attainment of the goal.

STRATEGY: is the whole decision that shows how to attain the goals and objectives that are predetermined in order to lead the institution to advance in a certain period of time from the current situation to the desired situation in the future

STRATEGIC GOAL: are the medium and long term goals that are result- oriented, and show how an organization will realize its mission within a certain period of time. Strategic goals are the conceptual results which can lead the institution to advance in a certain period of time from the current situation to the desired situation in the future. Strategic goals form the general framework of the strategic plan and contribute to the realization of the mission. They should determine a clear way for the institution and be guiding, ambitious but realistic and attainable at the same time.

STRATEGIC OBJECTIVE: is the formulation of what is required for realizing the strategic goals. In other words, these are specific and measurable sub-goals oriented to the realization of strategic goals and the outputs anticipated to be attained.

STRATEGIC PLAN: The plans prepared with participant methods constitute the political priorities of the institution. These plans should include the objectives and the measurable goals of the institution within the framework of the related legislation and the basic principals adopted by the institution. The plans should also include the methods which can enable the institution to achieve those goals. Furthermore, the plans should simultaneously include institutional preferences and resource demands. The plans should enable the performance to be followed and measured in accordance with the predetermined indicators. The plans guide

the budget to be prepared so as to signify the objectives and the goals displayed in the strategic plan. They also guide the allocation of resources to be based upon priorities and the responsibility of rendering account.

STRATEGIC PLANNING

It is a process which helps an institution to answer the four basic questions in the following

1. Where are we?

Situation analysis: examination and evaluation of inner and outer media in depth.

2. Where do we wish to arrive?

Mission (basis of existence), Vision (the future wished to be arrived), the principles guiding the Activities, Strategic aims, (general conceptual results which the efforts and actions will be oriented in order to achieve) and Objectives (measurable results required to be achieved in order to obtain the aims).

3. How can we arrive the destination we desire?

Strategies and activities which will be used so as to achieve the strategic aims and objectives.

4. How can we follow up and evaluate our achievement?

Monitoring (compilation of managerial information; preparation of reports of plan application) Evaluation (evaluation of the results to what extent they are in conformity with the mission, vision, aims and objectives; review of the plan in light of the evaluation results)

The answers given to the questions above constitute the strategic planning process.

STRATEGIC MANAGEMENT

It is a modern understanding of management established within the cycle of application and revision, on governance principles basis and on a system including human and technical elements which can delegate authority, can render or call account, follow up and measure the incidences risk-focused, has defined work and information management processes, can be continuously upgraded. It is focused on the efficient, effective and economical utilization of the resources in conformity with the aims and targets.

SWOT ANALYSIS

Determination of the strengths and weakness of the institution and the opportunities and threats facing the institution which are going to affect the institution to develop future strategies and its performance.

PRINCIPAL VALUES

It is an expression of basic principals of the institution. It expresses institutional values, form of management and institutional behavior rules. It is the base of values and beliefs underlying the mission and the vision of the institution. It guides the decisions, selections of the institution and the determination of its strategies.

PRODUCT/ SERVICE

The products or services which are produced by the institution for the users within the scope of the sector the institution is in.

VISION

It symbolizes the ideal future of the institution. It is a strong expression of the long-run objectives of institution. It is on one hand realist, ambitious and attainable expression of the future the institution desires to arrive and on the other hand it is promoting the employees and decision makers to advance.

