

*[Whereas the previous tools looked at what happens around your organisation and in and around the target group, this tool starts reflecting on how to respond to these facts and trends. Rather than at 'What's happening?', this tool identifies 'What could we do?' This makes the tool more inventive rather than analytical. If you want to encourage innovation and creativity in your Sports & Development activities, you may further combine this tool with some principles from the 'Envisioning' tool].*

## **Strategic Options**

### **What is it?**

Strategic options are creative alternative action-oriented responses to the external situation that an organisation (or group of organisations) faces. Strategic options take advantage of facts and actors, trends, opportunities and threat of the outside world. Strategic options can be identified after an institutional assessment, keeping in mind the aspirations (basic question) of an organisation. The tool 'Strategic options' helps to identify and make a preliminary screening of alternative strategic options or perspectives.

### **What can you do with it?**

#### **Basic (sub-) questions**

- Which strategic options optimally fit the needs of the target group, the institutional options, and aspirations of the stakeholders? (strategy making)
- What supportive interventions are required to succeed in that option?

#### **Results**

- What are the key opportunities and threats (O&T's)?
- How can these O&T's be translated into strategic options?
- Which strategic options fit the basic question well?

### **How to use it?**

#### **Process**

The identification of strategic options is a creative process that can be done in small (sub-) groups of no more than eight persons; meanwhile taking care that hierarchy does not restrict people to actively contribute ideas.

#### **Groundwork**

The formulation of strategic options can take place after institutional analysis, and after (or in combination with) reaching clarity on the mission and aspirations of the organisation. In other words, this tool formulates possible responses to the opportunities and threats you identified by making an environmental scan, institutiogramme, coverage matrix and/or stakeholder analysis.

## Example SOP Health Department

### Problem owner

District Health Department in Faraway Province

### Basic question

How can the District Health Department ascertain effective, affordable and sustainable delivery of adequate health services to the rural population in the province?

### Opportunities

1. District commissioner gives high priority
2. Budget grows 10% per year in coming 3 years
3. Health services of NGO's well appreciated
4. Political trend towards decentralisation

### Threats

1. Rapid population growth
2. Growth of infectious diseases (typhoid, dysentery)
3. Bad reputation public health services
4. Fragmentation of donor efforts

### SOP matrix

	Opportunities and threats	Strategic options	Relevance to BQ
A	O3, O4, T3	Make better use of private health services	XXX
B	T1, T2	Intensify preventive health services	XX
C	O2, T4	Intensify donor co-ordination	
D	O2, T3, O1	Improve functioning and image of public health services	XX
E	O4, T2, T4	Improve functioning of public health services specifically in preventing/curing infectious diseases, thus earning credibility and budget	X

### Remarks

The first evaluation of strategic options is not the end of the process, because strategic orientation (SOR) should follow. Therefore you should not take decisions at this stage. You may realise for example that strategic option D is relevant, but probably least feasible. However you should postpone your judgement and conclusions until after the SOR.

## Steps to develop strategic options (SOP)

0. **Assess the external context**, in terms of opportunities and threats (e.g. from environmental scan, institutiogramme, coverage matrix and/or stakeholder analysis)
1. **Prioritise and cluster** opportunities and threats
  - If you have more than 15 of each, prioritise (e.g. through voting)
  - Brainstorm which opportunities and threats can be related to each other

*Who should participate in the following step? It is often hard to take step 2 with a group of 15 or more people, although that is ideal. Alternatively a core team of 1-5 people can do step 2. However, a process facilitator should not do it alone in a break.*

2. **Develop strategic options**. Formulate strategic options that:
  - Respond to one or more opportunities and/or threats
  - Are actions (or results) related to output, input, mission, vision and/or relations
  - Are straightforward (clearly relate to opportunities and/or threats), but
  - Are also creative (there may be more than the most obvious response. And you may consider new solutions that respond to new trends, opportunities, and threats)
  - You may develop several options relating to the same opportunity or threat
  - For each threat or opportunity try to formulate at least one strategic option
3. **Rate the options** in terms of relevance to (note that this is only a preliminary selection) in the SOP matrix
  - The criteria in your BQ, and/or
  - The mission and aspiration of the organisation

Note: Rating should not be done using the criterion of feasibility, as matching external strategic options with internal possibilities happens only during SOR

Rating can be done individually (give each person around 5 votes) or jointly. Each SO may be given 0-3 'votes'. Select the 3-6 most relevant options to be further considered during strategic orientation
4. **Follow-up**
  - Implement internal organisational analysis of critical elements
  - Strategic orientation (SOR), the final selection of a (set of) strategic options