THE USE OF STRATEGIC PLANNING TOOLS IN THE CONTEXT OF POLITICAL AND LEGAL DEVELOPMENT OF THE STATE

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Strategic planning is one of the most important processes for achieving the effectiveness of political and legal development of the state. J. Bryson defines strategic planning as «a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it» [1]. Bryson believes that strategic planning «accepts and builds on the nature of political decision making» [1].

The creation of any development strategy consists of several stages:
1) analysis of the situation and formation of the conceptual part of the development strategy, identification of key strategic factors;
2) elaboration of priority problems, formation of the goals system, formulation of the type of the strategy we would like to pursue;
3) formation of the set of program-target means for achieving goals, determination of the relative attractiveness of various strategies.

Thus, the first stage can be described as conceptual-analytical, the second – problem-oriented, and the third – project-oriented. Within each of the stages of strategic planning, certain specific methods and tools are used, which allow to carry out this process effectively.

Within the first stage, the external factor evolution matrix (EFE) and the internal factor evolution matrix (IFE) are used. At this stage there is systematization of basic primary information for strategy formulation. At the second stage there is a comparison of external and internal factors, identification of priority problems. Based on this, a system of goals is further formed. To this end, the Strengths-Weaknesses-Opportunities-Threats Matrix (SWOT), the PEST Analysis, the Strategic Position and Action Evaluation Matrix (SPACE), the Boston Consulting Group (BCG) Matrix, the Intra-External (IE) Matrix are used. Within the third stage, a quantitative strategic planning matrix (QSPM) is used. This matrix uses the information identified in the first stage to objectively assess the strategic objectives identified in the second stage. QSPM provides an objective basis for selecting strategies and allows to determine which strategies are best. The WASPAS method is also used to make decisions where multiple criteria are used (Multiple Criteria Decision Making).
The internal and external factor evaluation matrices are used to summarize the information gained from sector’s external and internal environment analyses. The summarized information is evaluated and used for further purposes, such as, to build SWOT analysis or IE matrix.

The strategic planning of certain sectors of political and legal development of Ukraine, at the moment, is characterized by the use of a limited number of tools. Instead, EU and USA use most of these tools, however, mainly for strategic planning in the business environment. The most common strategic planning tool in Ukraine is SWOT Analysis. Developing a fuller awareness of the situation helps with both strategic planning and decision-making. The SWOT method was originally developed for business and industry, but it is equally useful in the work of community health and development, education, and even for personal growth [2]. This tool provides an opportunity to analyze the strengths and weaknesses of the internal environment, as well as opportunities and threats of the external environment of the sector or institution, the development of which is carried out. All possible paired combinations between threats, opportunities, strengths and weaknesses are considered. Established connections are used to select an effective strategy. The advantages of this method are: 1) systematization of knowledge about internal and external factors influencing the process of strategic planning; 2) identification of specific advantages and formation of strategic priorities; 3) periodic diagnostics of the sector and available or missing resources. PEST or PESTLE Analysis is another popular method used at the second stage of strategic planning, is an acronym which stands for six external factors affecting any sector or institution: political, economic, sociological, technological, legal and environmental. Each of these can have a profound effect on the sector and varying implications, for example, in terms of: duration of impact, type of change, rate of impact, importance. The advantages of this method are: 1) determination of long-term effect on the performance and activities; 2) possibilities to review any existing strategies; 3) possibilities to identify solutions to problems; 4) evaluation of the risks associated with sectors or markets.

The quantitative strategic planning matrix (QSPM) is the main tool at the third stage of the strategic planning. Conceptually, the QSPM tool determines the relative attractiveness of various strategies based on the extent to which key external and internal factors are capitalized upon or improved. We can include any number of alternative strategies in the QSPM analysis and evaluate their effectiveness.

In conclusion, various tools and methods can be used for strategic planning of political and legal development of the state. Quantitative tools demonstrate a high level of efficiency, even when used within the analytical stages of strategic planning. They provide possibilities to create the most effective strategy of political and legal development of the state taking into account all possible factors.

References: