Strategy development: aligning vision, mission, values and goals

MODULE 5 | 5.1 | STUDENT COMPANION

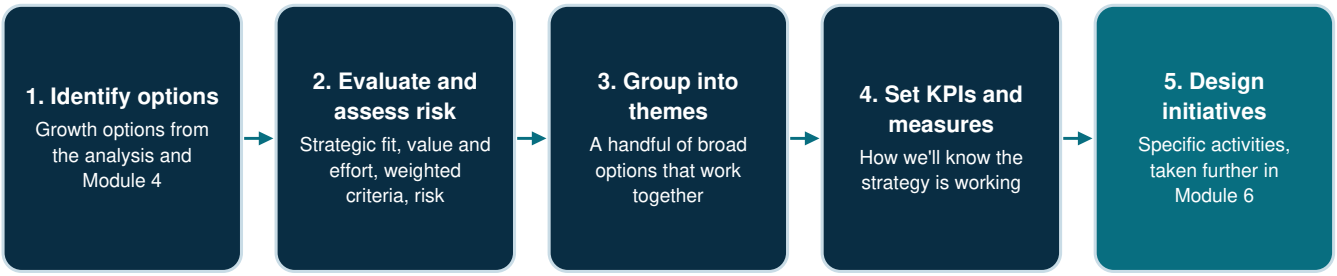
Strategy development weighs up the options generated earlier, decides which to pursue and turns them into a **roadmap** the organisation can follow to reach its goals. Putting the roadmap into action is the subject of Module 6.

What CPAs bring to strategy development

Skill	What it involves
Forecasting	Gathering business intelligence and data, analysing it and projecting where results are heading
Market analysis	Collecting data and building models to understand how profitable an industry is and what its participants earn
Financial statement analysis	Showing the current financial position and what the organisation can afford
Also	Benchmarking against rivals, reporting interim results against budget and forecast, contingency plans, and meaningful non-financial measures (sustainability, brand value, digital performance)

Imagined example. A not-for-profit's draft four-year plan assumes government grants will grow by 5% a year. The CPA notes that grants have been flat for three years, models a zero-growth case, and proposes a contingency: delay one building project if funding falls short.

The strategy development sequence



Strategy development chooses among options and turns the chosen ones into a roadmap

The chain of alignment

Vision	Where are we going? The future position and role we want
Mission	Why we exist, and how we will pursue the vision
Values	The principles that guide decisions and behaviour
Goals	Specific, measurable results, with dates (SMART)
Strategic themes	The broad options that will achieve the goals
Initiatives	Programs and projects within each theme
Actions	Who does what, by when

A broken link (imagined). A financial planning firm says it puts clients first, but its goals and bonuses reward advisers only for the number of products sold. Clients are sold products they don't need, trust erodes and regulators step in. The fix is to change the goals and rewards, for example by adding client satisfaction, complaints and the quality of advice.

Testing a vision: the seven questions from Module 1

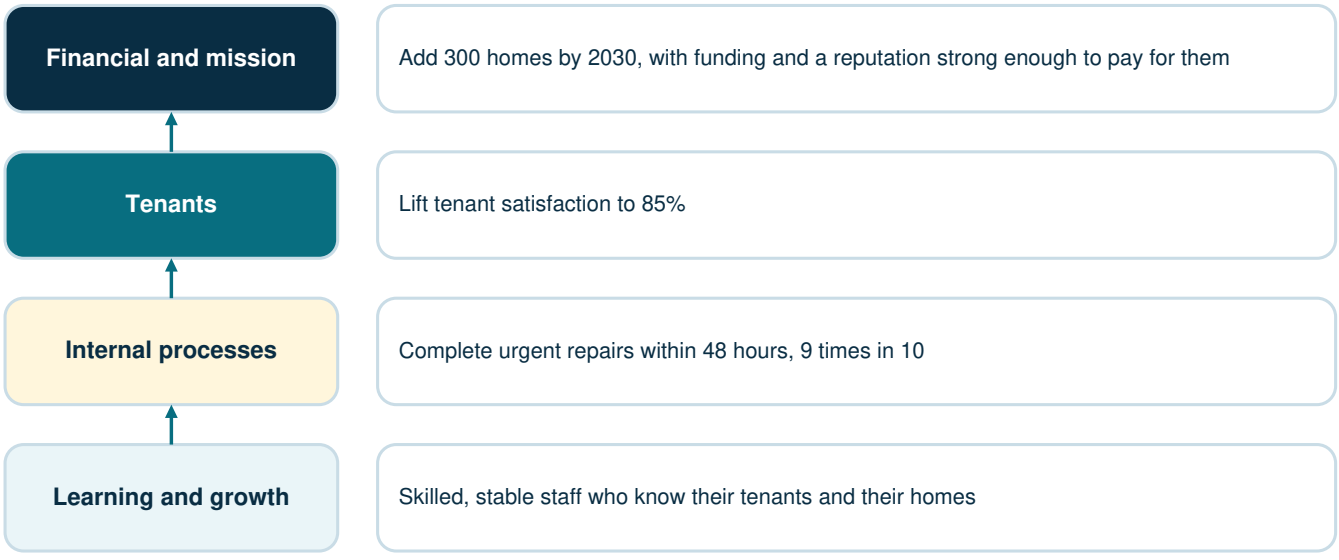
- Does it paint a clear picture of the future?
- Would the people it serves and employs see it as in their long-term interest?
- Are its goals realistic?
- Is it clear enough to guide decisions...
- ...yet broad enough to leave room for initiative as conditions change?
- Could you explain it in five minutes?
- Is it bold enough to shake people out of their routines?

Ironbark Housing (imagined): from vision to action

Level	Ironbark Housing
Vision	Everyone in our region has a safe, affordable home
Mission	We build, manage and maintain affordable homes, and support our tenants to thrive
Values	Respect, fairness, accountability and care (tenants' safety comes before saving money on repairs)
Goals (SMART)	300 more homes by 2030; tenant satisfaction of 85%; urgent repairs within 48 hours, 9 times in 10
Themes	Grow the supply of homes; excellent tenancy services; stay financially sustainable
Initiative	A partnership program with private developers
Action	Sign agreements with two developers by June

The vision is deliberately ambitious (no single organisation can house a whole region), so the **goals must supply the realism**. SMART goals are specific, measurable, achievable, relevant and time-bound. Leaders reinforce values by honouring them when it costs money, telling stories about staff who displayed them, and rewarding people who act on them.

Ironbark Housing's goals on a balanced scorecard



Read from the bottom up: people and processes drive service to tenants, which protects the funding that pays for new homes

Case note: Who Gives A Crap

Launched in Melbourne in 2012 by Simon Griffiths, Jehan Ratnatunga and Danny Alexander, Who Gives A Crap sells toilet paper and other household paper products. To fund its first production run, Griffiths sat on a toilet, filmed live online, for about 50 hours in July 2012, until a crowdfunding campaign had raised US$50,000 in pre-orders. The company donates **50% of its profits** to water and sanitation charities, makes its paper from recycled fibres or bamboo, wraps each roll in paper rather than plastic, and has been a certified B Corporation since 2016. By late 2026 it had donated more than A$20 million. In 2025 it closed a sister brand to concentrate on the work with the most impact: a clear mission makes it easy to rule out choices that would distract from it.

Sources: Who Gives A Crap 'Our impact' page and company blog (March 2025); TriplePundit, 20 July 2012; CNBC, 7 October 2021.

What leaders and managers need

- An honest look back at past performance, and at what has changed around them, including competitors
- A clear view of what the organisation can and can't do
- A steady flow of new ideas aimed at new customers and markets
- A culture that keeps the strategy in focus, and decisions grounded in data and sound measures
- The agility to change course quickly, and belief in the strategy across the organisation
- Managers with the authority to encourage ideas, make evidence-based decisions and report against the goals

Common alignment problems

- A vision so generic it could belong to any organisation in the industry
- Values printed on the wall but missing from the bonus scheme and promotion decisions
- Goals with no numbers or dates, so nobody can tell whether they were met
- Themes and initiatives that cannot be traced back to any goal
- A strategy chosen first, with the vision rewritten afterwards to fit it

Practice questions

MODULE 5 | 5.1 | TRY THESE BEFORE THE WORKED ANSWERS

Question 1 - Test a vision

Coastline Bank is an imagined regional bank with 40 branches along the New South Wales coast. Test its vision, then suggest a better one.

Question	Coastline Bank: 'To be the best bank in Australia, delivering superior value for all stakeholders through excellence in everything we do.'
Clear picture of the future?	
In stakeholders' long-term interest?	
Realistic goals?	
Clear enough to guide decisions?	
Broad enough to allow initiative?	
Explainable in five minutes?	
Bold enough to shake routines?	

Question 2 - SMART goals on a scorecard

Bright Smile Dental is an imagined clinic with three dentists, revenue of $2 million and long waits for appointments. Write one SMART goal for each perspective of the balanced scorecard (financial, customer, internal processes, learning and growth), and explain how the goals connect.

Question 3 - Find the broken links

SkyLark Air (imagined) lists its values as 'safety above all' and 'care for every passenger'. Its goals include the fastest aircraft turnaround in the region. Ground crews earn bonuses based only on turnaround time; cabin crews earn bonuses on onboard sales; and pilots earn bonuses for fuel savings. Identify where the values, goals and rewards are out of line, and suggest fixes.

Worked answers

MODULE 5 | 5.1 | WORKED ANSWERS - ATTEMPT THE QUESTIONS FIRST

Question 1 - Coastline Bank

Question	Assessment
Clear picture?	No: 'best bank' paints no picture of what will be different
Stakeholders' interest?	Vague: 'superior value' for everyone says nothing specific
Realistic?	No: a 40-branch regional bank is unlikely to be the best in Australia
Guides decisions?	No: almost any decision could be justified
Allows initiative?	Yes, but only because it is empty
Five minutes?	Easy to say, but there is nothing to explain
Bold?	Superficially, but generic ambition rarely shifts routines
A better vision	'Every family and small business on our coast can bank with people who know them.' It paints a picture, fits a regional bank's strengths and guides choices such as keeping local branches and lending decisions close to customers.

Question 2 - Bright Smile Dental (sample goals)

Perspective	SMART goal
Learning and growth	Each dentist completes 20 hours of training in clear aligners by 30 June 2027
Internal processes	Raise chair use from 70% to 85% by December 2027, through online booking and reminders
Customer	Cut the wait for a check-up to under 7 days, and reach 90% patient satisfaction, by December 2027
Financial	Grow revenue by 10% to $2.2 million in 2027-28
How they connect	New skills (aligners) and better scheduling (chair use) shorten waits and lift satisfaction, which brings repeat visits and referrals that grow revenue

Question 3 - SkyLark Air

- **Turnaround bonus vs safety:** speed-only pay tempts rushed checks; gate it on zero safety breaches.
- **Sales bonus vs care:** it rewards pushy selling; add passenger satisfaction and complaints.
- **Fuel bonus vs safety:** it may encourage minimum fuel; reward savings only within the safety rules.
- **The goal:** change 'fastest turnaround' to 'safe, on-time turnarounds', to match the values.