

## STRATEGIC PLANNING IN MUNICIPALITIES AND DISTRICTS – SWOT/TOWS ANALYSIS

Aleksandra KUZIOR<sup>1\*</sup>, Marcin WRÓŃSKI<sup>2</sup>

<sup>1</sup> Silesian University of Technology; aleksandra.kuzior@polsl.pl, ORCID: 0000-0001-9764-5320

<sup>2</sup> Zabrzeńskie Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o.; mwronski@wodociagi.zabrze.pl

\* Correspondence author

**Purpose:** The aim of the study was to present strategic planning issues in municipalities and districts using SWOT/TOWS analysis.

**Methodology:** The research was based on a systematic literature review and content analysis.

**Findings:** In strategic planning, we can distinguish different phases. Each of these phases is characterized by a different value in terms of the effectiveness of strategic decision-making. Municipal and county offices occupy a special position that must be taken into account during all types of planning. Firstly, the tasks of a municipality or county are defined, more or less precisely, by legal regulations. Secondly, an office is not an institution operating for profit - it is therefore more difficult to measure the effectiveness of the office's activities, special tools and indicators are needed for this. Thirdly, political and social factors often come into play. Strategic planning must be preceded by a strategic analysis.

**Practical Implications:** Strategic analysis is a combination of two ways of looking at management and two sources of information, it is a simultaneous study of the environment and the organization itself and confrontation of the results of this research. The second feature of strategic analysis is its interdisciplinary nature - the use of various methods (qualitative, quantitative) from different fields of science. The third aspect is time - strategic analysis concerns both the future and the past, because it examines current trends, analyzes available data and on this basis designs actions for the future.

**Originality:** The article presents the theoretical foundations of strategic planning in communes, municipalities and districts.

**Keywords:** strategic planning, strategic analysis, SWOT/TOWS.

**Category of the paper:** Research paper, theoretical paper.

### Introduction

In many institutions – enterprises, offices, the activities of management and executive staff focus on one aspect – somehow surviving the day. J. Penc writes “In the grind of everyday problems (...) they act like a good fire brigade. They put out fires, that is, they solve constantly

recurring problems and reinforce the need to constantly keep their finger on the pulse” (Penc, 1992). Unfortunately – acting in this way means that instead of devoting most of their time to really important matters, the management staff goes in circles – around some insignificant undertaking, detail. That is why current management must be based on a solid strategic foundation, with an appropriate arrangement of tasks and roles. The etymology of the term “strategy” has ancient historical and military origins. The word comes from the Greek word – strategos and means the art of effectively conducting a fight – an armed victory over opponents. Two important elements of strategy can be emphasized here – art and effectiveness. Here are three sample definitions of strategy:

1. Strategy is a series of actions by a firm that are decided on according to the particular situation (Neumann, Morgenstern, 1947).
2. Strategy is a set of goals and major organizational undertakings (Tilles, 1963).
3. Strategy is a set of ideas and structures through which a company recognizes, interprets, and solves specific problems and in accordance with which it selects and undertakes specific actions (Hedberg, Jonsson, 1977).

As you can see, the scope of these definitions is different. However, their essence is similar. If we were to trace the evolution of strategic thinking in an institution, we could distinguish the following phases, following B. Wawrzyniak (Wawrzyniak, 1993):

1. Financial planning – which would de facto come down to budget implementation (annually).
2. Long-term planning – predicting the past (multi-year budgets).
3. Outward-looking planning – strategic thinking (assessment of strategic alternatives, “dynamic allocation of resources”).
4. Strategic management – creating the future (restructured and formalized strategic assumptions, strategically oriented organization, interdependent strengthening of management processes, supporting system of values and organizational climate).

Each of these phases is characterized by a different value in terms of the effectiveness of making strategic decisions. Phase one is the poorest in this respect, phase four is the fulfillment of the assumptions of a well-functioning institution, an institution with a vision and tools for action. Unfortunately, many institutions in Poland are still in phase 1. It is worth emphasizing here that the office occupies a special position here, which must be taken into account during all types of planning. Firstly – the tasks of the commune or district are defined, more or less precisely, by legal regulations. They cannot be abandoned because they are unprofitable. Secondly – the office is not an institution operating for profit – it is therefore more difficult to measure the effectiveness of the office, special tools and indicators are needed for this. Thirdly, political and social factors often come into play, which in market enterprises usually have only secondary significance. When preparing a strategy in this area, we must remember all these factors. Let us move on to the features of strategic analysis, to what distinguishes it from other analyses used in the process of managing an institution.

## Strategic analysis

Strategic analysis combines two ways of looking at management and two sources of information, it is a simultaneous study of the environment and the organization itself and confronting the results of this research. The second feature of strategic analysis is its interdisciplinary nature - the use of various methods (qualitative, quantitative) from different fields of science. The third aspect is time - strategic analysis concerns both the future and the past, because it examines current trends, analyzes available data and, on this basis, designs actions for the future.

The objectives of strategic analysis are primarily (Berliński et al., 2004):

1. identification of opportunities and threats generated by the environment in the context of further development of the institution,
2. early detection of any irregularities in the functioning of the enterprise itself and their sources and causes,
3. self-definition of the institution and determination of its place in relation to other institutions carrying out similar tasks,
4. creation of substantive and pragmatic foundations for taking the necessary actions aimed at making the institution more dynamic and launching the necessary development processes,
5. confrontation (balance) of opportunities and threats inherent in the environment and the strengths and weaknesses of the enterprise in order to define variants of the development strategy and, consequently, management plans and strategies,
6. identification of the strengths and weaknesses of the institution,
7. assessment of the risk associated with conducting individual types of activity,
8. determining the possibilities of creating added value for customers and other stakeholders of the institution,
9. identification of the expectations of various interest groups,
10. assessment of the strategic position of the institution in the environment,
11. identification and filling of the strategic information gap,
12. providing premises for selecting the best variant of the institution's strategy in a given situation,
13. providing data and information enabling the development or modification of the company's mission and vision.

Strategic analysis should be conducted systematically and consistently. It should consist of three stages:

1. analysis of the environment divided into the study of the macro-environment and the competitive environment,
2. analysis of the institution's potential,

3. compilation of the results of the analysis of the institution's environment and resources and drawing conclusions that allow for the formulation of variants of the company's strategy.

The proper strategic analysis should also be preceded by a so-called diagnostic analysis, aimed at determining the current state of the institution and its development prospects. It constitutes a certain information basis for the strategic analysis, which is why it is often not distinguished as a separate analysis. The diagnosis of the institution's resources includes primarily:

1. a short history of activity,
2. legal situation,
3. organization,
4. employment,
5. potential,
6. "products",
7. economics and finances,
8. marketing and promotion.

In turn, for the purposes of the analysis, the macro-environment can be divided into six smaller segments (Gierszewska, Romanowska, 2003):

1. economic environment (interest rates, exchange rates, inflation rate),
2. technological environment (modern technologies, the Internet, information transfer),
3. social environment (poverty, social movements, social problems, crime, indifference),
4. demographic environment (ageing society, migration, fewer children),
5. political and legal environment (legal basis for action, external pressures, cooperation with other entities),
6. international environment (exchange of experiences, showing good practices, partner cities).

Individual methods can be divided into those appropriate in planning and analysis of the strategic environment and integrated methods. A kind of crowning achievement of all these methods is the SWOT/TOWS analysis. This is an analysis that allows for the formulation of the organization's strategy (Johnson, 2010). It summarizes the most important issues related to the business environment and the strategic capabilities of the organization, which will probably have the greatest impact on the development of this strategy. However, in order to properly conduct it, data is necessary, which we can obtain using other analysis methods.

At each stage of strategy development, appropriate consultations are necessary. While internal consultations can be reduced to meetings, e.g. of an internal working group and sending a draft document or inquiries to individual departments or units for comments, special attention should be paid to social consultations (with representatives of the local community - e.g. leaders of local non-governmental organizations and directly with residents of the commune) and directly with residents - including representatives of potential beneficiaries of the strategy.

In the case of expert consultations, apart from traditional meetings, e.g. within working groups or a strategy team, the so-called Delphi method is worth considering. This is a method of establishing a long-term forecast by examining expert opinions. It consists of collecting opinions using surveys addressed to specialists involved in activities in various fields (levels). Experts remain anonymous. Anonymity is intended to avoid mutual influence between experts during the discussion. The forecast is made in several stages. In the first stage, individual opinions of experts on the expected development or timing of hypothetical events are revealed using a questionnaire. In the second stage, the experts are given the distribution of the obtained statements with a request to re-balance the opinions and, in the event of a change in the previously taken position, to indicate the reasons for its revision. In the third stage (or even later), the procedure is repeated in order to achieve greater consistency of the assessment, i.e. to obtain a position shared by the majority of experts, i.e. dominant assessments (Penc, 1992).

The advantages of this method are a high degree of independence and objectivity of the opinions. However, let us move on to the methods of strategic analysis of the environment. The first one to be presented here is the PESTER analysis (trend analysis). PESTER originates from the business sector, where it is known as PEST - analysis of the environment. Its name comes from the first letters of words describing external trends, influences, and impacts:

P – political.

E – economical.

S – social.

T – technological.

PEST analysis has been adapted to the local government environment by extending it to include two areas:

E – ecological.

R – legal regulations.

This analysis allows for a full description of the environment in which a commune/county operates. It is one of the lesser-known methods of examining the environment. Its basic feature is its ease of implementation and the ability to focus the institution's attention on the most important external factors.

Another method of analyzing the environment is the so-called scenario methods. A scenario is a certain probable course of events in a given field, in a given place. It allows for the analysis of a wide range of conditions that are likely to occur in the institution's environment. Scenarios are usually built for a time period of 5 to 15 years, with the reservation, however, that the more changes we observe in a given field, the faster they occur, the shorter the scenario should be. The idea of scenario planning is to create many visions (alternative areas of the future) and design an appropriate response of the institution that will allow for the best use of a given situation or avoid the threats associated with it.

There are many types of scenarios, but the most interesting for the topic of our meeting today will be the scenarios of the state of the environment. The method of their construction can be divided into 5 stages:

1. Identifying factors and processes that affect the institution - you can use the previously prepared PESTER analysis for this purpose.
2. Assessing individual processes in terms of the strength and direction of the impact on the institution according to a specific scale, e.g. from -5 to +5 points and in terms of the probability of occurrence according to three variants of changes (growth, stabilization, decline).
3. Sorting trends according to individual scenarios, i.e.:
  - optimistic scenario (created by trends with the greatest positive impact on the organization),
  - pessimistic scenario (created by trends with the greatest negative impact),
  - surprise scenario (created by trends that are the least likely),
  - the most probable scenario (consisting of trends that have the highest probability of occurrence).
4. Determining the average strength of the impact of individual factors in the distinguished spheres of the environment and their graphical presentation.
5. Drawing conclusions covering aspects such as:
  - analysis of the turbulence of the environment and the degree of the institution's dependence on the changes taking place in it (the greater the range between the optimistic and pessimistic scenario, the greater the organization's dependence on the environment - the more carefully the strategy must be formulated);
  - analysis of the range of the most probable scenario in individual spheres. The greater the range, the more heterogeneous and less structured the environment is;
  - defining in the most probable scenario the spheres in which opportunities dominate and those in which threats dominate;
  - isolating from the most probable scenario the leading processes in the environment, i.e. those that have a strong impact on the organization (both positive and negative) and a high probability of occurrence;
  - analysis of the surprise scenario - isolating trends with a low probability of occurrence, but a strong positive or negative impact on the institution. This analysis is very useful in building a kind of "early warning system".

The main advantages of scenario methods:

1. They help the company's management in setting goals.
2. They increase the effectiveness of making quick strategic decisions.
3. They discover the mechanisms of the dynamics of the institution.
4. They are an instrument for actively shaping the future of the institution.

5. They stimulate the launch of change processes.
6. They generate new ideas, allow for the free play of imagination, the use of invention and creativity.
7. They discover opportunities and threats.

Their limitations are:

1. Costly.
2. They require extensive experience of in-house specialists and the help of external experts.
3. They require great creativity of the team developing the scenario.
4. It may happen that none of the developed scenarios will "fit" reality.
5. Having scenarios does not guarantee the effectiveness of the strategy developed on their basis. As you can see, the discussed methods are interconnected, so let's move on to the next one - M.E. Porter's "five forces" analysis (a model of competition analysis in the industry). The diagnosis of the state in relation to the external environment is characterized here by two approximations:

- the first is a quick, "bird's eye view" analysis of the diverse dimensions of the company's or commune's environment (environment). This analysis includes, among others, PEST in the business sector, and PESTER in the local government sector, "Social and Economic Profile", "Entrepreneurship Climate Study";
- the second approximation is an analysis of the company's direct competitive environment conducted, among others, using Porter's five forces model.

The five basic forces shaping the company's competitive environment are:

- entry barriers,
- suppliers,
- recipients,
- substitutes,
- rivalry between competitors.

The starting point for the possibility of applying the analysis method is a clear definition, already at the mission level, of strategic domains that are the answer to the question: What is the subject of our interests? What will be the driving wheels for the development of our commune/county? After unambiguous definition, similarly to business, strategic domains become areas of our activity. Now is the right time for the analysis proposed by Porter – with one condition: similarly to business and local government, this method is definitely the most appropriate in the situation of introducing a new product/"launching" a new area of local government activities or entering a new market with a product/activities.

Let us recall one more concept here. Entry barriers - in economics, we agree on entry barriers, which are a structural limitation of the competitiveness of the industry, often underestimated by the management of companies, but also communes/counties. High entry

barriers limit the possibility of a competitive attack from unexpected, new competitors, in simple terms they mean high costs (material and intangible) of entering a given market. High entry barriers depend on many variables: economies of scale, capital requirements, brand strength, switching costs, access to distribution capital, access to technology, government regulations and entry barriers.

The pressure force of suppliers and customers is a set of competitors in the industry.

The threat of substitutes is another variable that shapes the dynamics and attractiveness of the industry.

The intensity of competition within the industry itself is another important element. In the business sector, we observe industries within which there is a deadly fight, e.g. the brewing industry, but we also observe industries in which the situation is completely different, e.g. the railway bumper production industry. The level of competition in the industry is influenced by:

- the growth rate of the industry itself,
- the degree of product differentiation,
- fixed costs,
- the number and differentiation of competitors.

Moving to the local government sector, it can be safely stated that the situation of Polish communes, counties and regions is much more similar to the brewing industry than to the production of railway bumpers. A cursory analysis of the forms and promotional documents of Polish communes allows us to draw the conclusion that there is a high degree of competition between communes for, e.g. external investors or tourists.

At this point, it is worth briefly mentioning two methods of analyzing the environment.

The first of them is the so-called benchmarking. This is a method based on creative adaptation in one's own institution of solutions developed by others - the best in their class. It requires constant observation of the sector in terms of good practices, model solutions, which, with appropriate modification, can be transferred to one's own area. To sum up - it is a process of continuous measurement and comparison of processes occurring in a given institution with analogous processes occurring in other organizations. This method is considered a vehicle for disseminating innovations in the industry.

Practical use of benchmarking is mainly to serve the following purposes (Urbaniak, 1999):

1. defining customer requirements,
2. establishing effective goals and objectives,
3. establishing the best patterns in a given field,
4. developing time-based productivity criteria,
5. achieving greater productivity.

The scope and subject of benchmarking are basically arbitrary. In practice, we can distinguish, among others, the following types of benchmarking:



1. internal (when, for example, a department has developed patterns) and external,
2. comprehensive, functional (we imitate only one function), process (one process), procedural (a selected procedure), etc., etc.

To sum up, we can say that the benchmarking method creates many opportunities for improving the organization:

1. It allows the institution to understand its own organizational processes well and emphasizes the need to improve them.
2. It allows finding new sources of improvement and new ways of proceeding externally.
3. It establishes reference points for measuring the degree of implementation of various processes.
4. It focuses attention on the constantly changing environment.
5. It prevents self-satisfaction (through constant comparisons with others).
6. It stimulates learning processes in the organization and motivates to introduce changes and improvements.
7. It accelerates the processes of continuous improvement of the organization and ensures the implementation of new solutions on an ongoing basis.
8. It is a good way to set operational and strategic goals.
9. It allows you to learn from the mistakes of other organizations.

However, it also has its drawbacks - first of all, by imitating others, we can contribute to a significant decrease in creativity and innovation in ourselves, and it does not always have to be the case that only others are better. Using this method causes individual institutions to become similar, to stick to dominant methods - not necessarily the best ones.

The second method - ETOP analysis (Environmental Threats and Opportunities Profile) is a method that allows you to create a profile of opportunities and threats occurring outside the institution. It takes into account elements of the closer and more distant environment. Its aim is to identify and use emerging opportunities and to determine, avoid or reduce possible threats. De facto, ETOP analysis is therefore part of the SWOT analysis, which is a comparison of the strengths and weaknesses of the organization with its opportunities and threats.

Strategic analysis would not be complete without an analysis of the institution's potential. It is therefore worth devoting a few words to this topic as well. The basic methods of analyzing the potential of an institution include the resource analysis developed by Hofer and Schendel. This is a fairly simple analysis that involves identifying and describing existing resources across various functions performed by the institution. Several types of resources are listed here:

1. financial (cash, bank accounts, securities, creditworthiness, level of indebtedness),
2. material/physical (buildings, land, equipment),
3. human (employees, management staff),
4. organizational (organizational chart, control system),
5. technological.

Financial potential is treated as the most important here – because it allows for obtaining resources of a different type. Resources are analyzed across functional boundaries (i.e. in terms of finance, management, development, marketing, “production”). The aim is to determine the amount of resources assigned to individual functional areas and to determine whether this allocation is appropriate from the point of view of the goals realized by the organization.

A similar method to resource analysis is the so-called strategic balance sheet. This method also allows for a comprehensive examination and assessment of the resources and skills of an institution. The preparation of such a balance sheet involves selecting several or a dozen or so strategic areas in the company's activity and identifying the most important factors in these areas. Each of these factors should then be assessed according to the adopted point scale, which will allow us to determine (after summing up) which factor requires improvement, which area should be particularly taken into account. We can designate very different areas here - depending on the specifics of a given organization: human resources management, fixed assets management, planning, work organization. The assessment of individual factors can also be made qualitatively (weak, strong). This is also a profile of the institution's strengths and weaknesses, and therefore also a part of the SWOT analysis, which we will discuss here, the part concerning the organization's interior. This method is relatively simple to conduct, but it is also very laborious due to its high level of detail. Similarly to the previously mentioned resource analysis, it is a good introduction to more complex methods of analyzing the institution's potential.

When talking about the analysis of the potential of an institution, it is worth mentioning at least a few words about the analysis of strategic capabilities. Strategic capabilities are related to three basic factors: resources available to the institution, competences in the implementation of various tasks and the optimization of resources and activities. The analysis of strategic capabilities takes into account the degree to which resources, skills and competences match the environmental conditions in which the institution operates. Here, great emphasis is placed on the use of knowledge accumulated in the enterprise, which is the basic type of resource here.

At this point, we come to the SWOT analysis, which consists of identifying:

S – Strengths – strong points, assets RESOURCES.

W – Weaknesses – flaws, weaknesses, weak points.

O – Opportunities – opportunities, possibilities, chances ENVIRONMENT.

T – Threats – difficulties, threats.

This popular strategic analysis at the level of strengths and weaknesses is used for internal diagnosis of the state. At the level of opportunities and difficulties, this analysis refers to the diagnosis of the state of the environment. Seemingly uncomplicated, it is very often performed superficially, which may result in errors or simply not be a valuable element of the diagnosis.

The two main problems with SWOT analysis are:

- lack of selection of key areas of activity,
- lack of selection of a frame of reference for assessing strengths and weaknesses.

In the case of the first problem, in the business sphere, we observe that in many cases the process of analyzing the strengths and weaknesses of an institution begins with a discussion about the entire organization, during a session of advisors with the company's management staff. Such an unstructured approach has its advantages, because it forces the participants of the session to look at the company as a whole and unleashes creativity. At the same time, the end result is not particularly useful, because managers most often create long lists of features considered strengths or weaknesses, from which little results. Therefore, better results are achieved by thinking about the strengths and weaknesses of an institution through the prism of competitive factors or organizational processes that are key to success. This allows for the structuring of the process of assessing strengths and weaknesses and the use of the analysis of the environment. Typical sets of activities for which a SWOT analysis is conducted in a company are:

- Technology.
- Production.
- Management.
- Finance.
- Marketing, Distribution.
- After-sales Service and Maintenance.
- People Management.

For an institution such as a local government of a county commune, these could be areas such as:

- Economy,
- Society,
- Education and Culture,
- Social Policy,
- Sports and Tourism,
- Healthcare.

The problem with the business sector is not a foreign problem for the local government sector. Similarly to a company, at the level of a commune or a district, conducting a general SWOT analysis does not bring good results. We receive a set of more or less general statements rather loosely related to each other, where, in addition to advantages concerning, for example, the good functioning of the information point in the main hall of the commune office, a large number of forests that occur in the commune are mentioned. The solution to this problem, similarly to the business sector, is the selection of key areas of activity. Therefore, it is important to always perform SWOT analyses for previously selected strategic domains of the commune/county development. This is an important action from the point of view of direct connection of the mission with further elements of the strategy. The second problem, often observed in SWOT analysis, is the lack of a reference frame for assessing the strengths and

weaknesses of the company or commune. In the case of companies, the most common mistake made by managers and consultants is analyzing the strengths and weaknesses of the company in a perfect vacuum, i.e. without a specific frame of reference. When using SWOT analysis in the local government sector, we are dealing with a similar problem. We can deal with it by conducting a constant comparison of the analyzed commune to its neighbors or other local government units with similar development aspirations, average values for the county, province and Poland. If we want to ask the question of what is the strength or weakness of the institution, we need to know the frame of reference well - and this is where the previously discussed method - benchmarking - will come in handy.

SWOT analysis is very widely used in strategic management. Its usefulness results primarily from the fact that (Grudzewski, Karst, 1999):

1. it determines the place of the analyzed institution in the environment, as well as the available development opportunities,
2. it allows you to focus on the most important factors,
3. it is a universal tool; depending on the experience of the people using it, it can be a very simple tool or a very complicated tool,
4. it allows you to easily move from the stage of strategic analysis to the stage of strategic planning,
5. the SWOT analysis scheme forces you to notice both strengths and weaknesses within the organization, which managers often do not want to admit to,
6. it allows for distinguishing between factors that the institution has influence on and should focus on, and factors that are independent – but which must be taken into account,
7. by analyzing opportunities and threats well in advance, the company gains the time necessary to make the appropriate preparations.

The weakness of this method may be its subjectivity, which occurs especially when the assessment of individual factors is made exclusively by employees of a given institution.

SWOT analysis comes in various forms. It is most often used in its simplest form, which consists of listing a group of internal and external factors, i.e. strengths, weaknesses, opportunities and threats.

The next stage in SWOT analysis is strategic SWOT analysis. It consists of comparing the four groups of factors listed and drawing conclusions from this comparison regarding the further directions of the institution's activities.

These conclusions correspond to four strategic variants:

1. SO strategy (aggressive, maxi-maxi) consisting in using opportunities appearing in the environment by using the institution's strengths. This is a strategy of development, investment, and expansion of areas of activity.

2. WO strategy (competitive, mini-maxi), consisting in overcoming the institution's weaknesses by using the opportunities created by the environment. It can be implemented, for example, by reducing costs, increasing efficiency, improving the quality of services).
3. ST strategy (conservative, maxi-mini), meaning the use of the institution's assets to avoid or reduce the impact of threats.
4. WT strategy (defensive, mini-mini), aimed at limiting internal weaknesses and avoiding threats from the environment. It can be implemented by reducing costs and discontinuing investments.

A SWOT analysis prepared in this way shows the mutual relationships between external and internal factors, informing which of them reinforce each other and which weaken each other. Let us move on to the next stage of the SWOT analysis - a point SWOT analysis, consisting in assessing (according to the adopted scale) individual factors and determining whether strengths or weaknesses prevail within the institution and whether there are more opportunities or threats in the environment. This allows for the selection of the appropriate strategy - aggressive, competitive, conservative, defensive. This analysis can be combined with the assessment of the probability of strategic success according to the algorithm developed by L. Berliński (Berliński, 2002).

The next stage of the SWOT analysis is a weighted point SWOT analysis. It involves assessing individual factors according to the adopted scale and assigning them appropriate weights (which sum up to 1).

The most complicated form of the SWOT analysis is the SWOT/TOWS analysis. It consists of eight tables. The analysis begins with the preparation of a SWOT table in its simplest form – i.e. listing opportunities, threats, and strengths and weaknesses. Then, each of the features is assigned weights defining their significance from the point of view of the impact of these factors on the development possibilities of the organization. The weights in each area should sum up to 1. The next step is to examine the relationship between opportunities and threats and the strengths and weaknesses of the organization.

1. From the perspective of the environment (TOWS analysis):
  - do the given threats weaken the strength of the organization?
  - will the given opportunities increase the identified strengths?
  - will the given threats increase the existing weaknesses?
  - will the given opportunities allow to overcome the existing weaknesses?
2. From the institutional perspective (SWOT analysis):
  - will the identified strengths allow the use of opportunities that may arise?
  - will the identified weaknesses prevent the use of emerging opportunities?
  - will the identified strengths allow the overcoming of threats that may arise?
  - will the identified weaknesses strengthen the impact of threats that may arise?

We can see two approaches here - "from the outside to the inside" and "from the inside to the outside". In this method, both are treated as complementary and conditional on the proper recognition of interactions occurring between the environment and the institution. The answer to each of the above eight questions requires the construction of a separate table examining the relationships between individual factors. The analysis is crowned by a summary of the results obtained from all eight tables. The combination of factors for which the sum of the products obtained in the summary is the largest shows which of the four strategies discussed earlier should be adopted

## **Materials and methods**

The research was based on a systematic literature review and content analysis. Recent years have brought new scientific research in the field of strategic planning. The issues of strategic planning in municipalities are discussed from the perspective of different forms of leadership. Based on the concepts of leadership and strategic planning in municipalities, different approaches to leadership were assessed depending on the size of the municipal population and the continuity of power. Four types of leaders were identified, with entrepreneurial leadership being the most important in the studied regions (Beneš, 2023). The authors also focus on the stages of implementation of strategic planning in municipalities, using selected criteria, and present the characteristics of the processes taking place in the individual stages of development (Astrauskas, Stasiukynas, 2020). The authors also assess the integration of strategic and spatial planning and the cooperation of local governments (Maleszyk, Szafran, 2024). However, the basics of strategic planning are contained in earlier studies, including those cited in this article.

## **Conclusions**

To sum up the above, when deciding on the method and scope of strategy development, the following premises should be taken into account:

1. There is no single model strategic planning process, nor are there two identical strategic plans. The individual nature of individual communities and other resources of the commune and its surroundings shape this process. Each action, including the scope of diagnosis, should therefore be assessed in the context of the community it is to serve.

2. Diagnosis (i.e. identification, collection and analysis of data), which begins the process of building a strategy, should be continued not only throughout its creation, but also in the implementation phase. It is important to create a data bank that can then be used comprehensively by the commune or interested institutions. It must be supplemented and updated. In successful strategic planning, diagnosis should not be a closed set, but a continuous process, constantly providing new information. This is because both the regional and local environments change, as well as their surroundings. Although one must agree with the fairly common opinion that excessive paralysis by analysis is not advisable, insufficient recognition of the situation may be more dangerous than excessive analysis.
3. While fully respecting the importance of economic aspects, the necessary balance must be maintained between the need for unquestionable pro-efficiency solutions and other social preferences.
4. Optimal solutions should be sought on many levels, appreciating the multitude of paths and ways leading to the goal, but remembering the principle that the directions of solving social problems and the methods of their implementation should be resource-efficient and socially friendly.
5. A strategy on a commune/county scale does not exempt from respecting the general premises of development; on the contrary, taking them into account is one of the fundamental conditions for its effectiveness. In a commune, strategic options should be determined by the content and implications of development challenges, regional conditions.
6. A commune strategy cannot close development paths identified and adopted for implementation at the supra-local level. It should be remembered that each level of local government (municipality, district, self-government province) has the competence to set its own, independent goals and choose the paths to achieve them
7. Assuming that even the best and most rational proposals will not be implemented without the approval and identification with them of local communities, decision-making and economic structures in the region, without taking into account the value system of its participants. It should be considered very important that already at the first stage of work on the strategy, the most important issue is the compatibility of beliefs and values declared by the initiators of the strategy and experts, as well as historical knowledge of the determined system of motivations, values and other psychosociological features of the residents of the commune, as well as the preferences of social entities operating in its area.

8. The greatest importance should be attached to a genuinely social way of building a program for solving existing social problems. This program must be accepted by residents as their work and their own concept of the future. After all, the strategy cannot be either a program of the authorities and officials, or a program of external experts. In the process of social cooperation in the area of setting development goals and means of achieving them, a very important role is played by a broad, professionally prepared social consultation, guaranteeing the partnership nature of programming. Diagnosis of deficiencies and gaps is also generally bottom-up.

Taking into account this set of premises in subsequent stages of work on the strategy is one of the basic conditions for its creation and effective implementation.

## References

1. Astrauskas, A., Stasiukynas, A. (2020). The implementation of strategic planning in municipalities of Lithuania. *International Journal of Criminology and Sociology*, 9, 614-624.
2. Beneš, L. (2023). Different forms of innovation leadership in the strategic planning of municipalities in the structurally affected regions of Czechia. *Acta Universitatis Carolinae, Geographica*, 58(1), 113-128.
3. Berliński L. (2002). *Zarządzanie strategiczne małym przedsiębiorstwem*.
4. Berliński, L., Penc-Pietrzak, I. (2004). *Inżynieria projektowania strategii przedsiębiorstwa – konstrukcja i technologia*, 168-169.
5. Gierszewska, G., Romanowska, M. (2003). *Analiza Strategiczna Przedsiębiorstwa*, 40.
6. Grudzewski, W.M., Karst, A. (1999). Zastosowanie analizy SWOT w ocenie strategii. *Ekonomika i Organizacja Przedsiębiorstwa*, 5, 9-12.
7. Hedberg, B., Jonsson, S. (1977). Formułowanie strategii jako proces nieciągły. *Problemy Organizacji*, 2, 6.
8. Johnson, G., Scholes, K., Whittington, R. (2010). *Podstawy Strategii*, 112.
9. Maleszyk, P., Szafran, J. (2024). Strategia rozwoju ponadlokalnego jako nowy instrument zintegrowanego planowania – doświadczenia i rekomendacje. *Rozwój Regionalny i Polityka Regionalna*, 70, 27-44.
10. Neumann, J. Von., Morgenstern, O. (1947). *Theory Of Games And Economic Behavior*, 79-84.
11. Penc. J. (1992) Strategiczny system informacji. *Przegląd Organizacji*, 12, 18-20.
12. Tilles, S. (1963). How to Evaluate Corporate Strategy. *Harvard Business Review*, 112.
13. Urbaniak, M. (1999). Benchmarking – sztuka kopiowania. *Manager*, 1, 20-22.
14. Wawrzyniak, B. (1993). Zarządzanie strategiczne. Naukowa fikcja czy praktyka działania? *Organizacja i Kierowanie*, 2, 3-19.