

GOV7

Determine the organisation's strategy and its approach to risk



Overview

This standard is about the Governing Body determining the organisation's strategy and the criteria against which the strategy will be evaluated and success measured. It includes the creation of value for the organisation, identifying, analysing and quantifying potential risks and how to manage the impact of change to the organisation and its stakeholders.

GOV7

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Performance criteria

You must be able to:

- P1 Evaluate and select strategic options in line with the organisation's purpose, vision, values and goals
- P2 Determine the nature and extent of the significant **risks the organisation is willing to take** in achieving its strategic objectives
- P3 Determine the '**tone at the top**' in relation to risk
- P4 Oversee the identification, prioritisation and review of internal and external strengths, weaknesses, opportunities and threats, challenging assumptions as appropriate
- P5 Oversee the identification and evaluation of any potential risks to future opportunities and threats
- P6 Consider the impact of changes upon the environment and key stakeholders of the organisation
- P7 Obtain input from specialists, where appropriate
- P8 Ensure that adequate resources are available to implement the strategy
- P9 Determine the criteria against which the strategy will be evaluated and success measured
- P10 Put in place systems to ensure that the strategy is monitored

GOV7

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Knowledge and understanding

You need to know and understand:

- K1 How to select strategic options in line with the organisation's purpose, vision, values and goals
- K2 How to assess **risk levels** that are appropriate for the organisation
- K3 How to evaluate information and challenge assumptions contained within the review of internal and external strengths, weaknesses, opportunities and threats
- K4 Techniques and attitudes towards identifying, analysing, evaluating, transferring, modifying and reducing risks
- K5 When the use of specialist input is appropriate
- K6 The importance of ensuring that adequate resources are available to implement the strategy
- K7 How to determine criteria against which the strategy will be evaluated and success measured
- K8 Systems to monitor the implementation of the strategy

GOV7

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Glossary

P2... risk levels the organisation is willing to take ...

K2 ... risk levels

P2/K2 relate to the Risk Appetite of an organisation. It is the amount of risk exposure or the potential adverse impact from an event that the organisation is willing to take.

P3 Tone at the Top

Tone at the Top sets the culture of the organisation and the risk appetite the organisation is willing to take. It refers to how an organisation's leadership creates an ethical work environment and its trickle-down effect on employees to uphold ethics and integrity across the organisation.

Links to other NOS

CS1, CS2, CS3, CS4, CS5

GOV7

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Relevant occupations 1000 Managers and Senior Officials
1112 Directors and chief executives of major organisations,
1114 Senior officials of special interest organisations
1131 Finance Managers and Chartered Secretaries
1135 Personnel, training and industrial relations managers
2000 Professional Occupations
2421 Chartered and certified accountants
2422 Management accountants
4000 Administrative and Secretarial Occupations
4214 Company Secretaries

Suite Governance

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