Different Strategic Planning Models:
Considerations for International Study Programs

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Multiple different strategic and operational planning models are provided that may constructively impact international study planning within an educational institution. The models covered include: Porter's Five Forces, SWOT analysis, VRIO framework, Value Chair Analysis (VCA), and PESTEL analysis.

Keywords: strategic models, planning models, strategic planning, international study, international programs, international study, study programs

INTRODUCTION

AACSB accreditation standards that emphasize a need to internationalize the business curriculum and the school's student experiences impact business schools across North America and throughout the world (Gordon, Heischmidt & Greenwood, 2000; Delahunty, Phusavat, Kess, Kropsu-Vehkapera, & Hidayanto, 2018). Business schools have goals related to international education that impact their planning and delivery of business education to students. These goals likely center on exposing students to a broader area of cultural and business understanding beyond their local community and state. The understanding of international dimensions of business is critical for the success of todays' students studying business and commerce. The implementations of internationalization strategies for students studying in higher education is very important (Alhalwaki & Hamdan, 2019) and the appropriate building block for such efforts starts with an understanding of the multiple environments in which an institution makes plans and decisions.

International business experiences can be approached in a variety of ways. These include in-class reading on international topics, analysis of case studies, and study abroad. An out of country study experience may be viewed as the most preferred approach for business students to learn about international commerce (Blasco, *2009)*. There needs to be an understanding of the broader environments that impact international study development and specifically consider multiple models of strategic planning associated with successful international study programs (Shahijan, Rezaei, & Preece, 2016). This understand of the impact of environments on decision making start with efforts do developing strategic plans. Strategic plans start with looking at the fit between organizational mission with market opportunities in a context of environmental forces impacting the organization (Drucker, 1973). Functional plans develop to support the organizations strategic plans and mission. After developing functional plans the operational plans are developed to support the implementation of the various plans of the organization.

The common thread of all strategic planning is the consideration of multiple factors that can impact the decisions relevant to the decision under consideration. One needs to look at the "big picture" before moving down to the operational level of decision making. Strategic planning assists with the development of plans that lead to an organization's achievement of long-term organizational goals. Simply stated, strategic planning necessitates the organization (the business school in this instance) to determine its strategic position by way of environmental analysis, develop a strategic plan, implement the plan, and finally evaluate and revise the plan. This paper considers this first step in the process: analysis of the internal and external environments of the organization. For successful planning of international programs, a facilitator first needs to understand all the relevant external and internal environments before moving on to the operational areas of planning for international study.

MODELS OF STRATEGIC AND OPERATIONAL PLANNING

While a number of other authors have provided step by step models for developing a short-term study abroad program (Bates & Snell, 2013; Heischmidt, 2018; Eckert, Luqmani, et al, 2013; Schermerhorn, 2013;), this paper provides a strategy for understanding many factors that impact all international study program. Models considered include: Porter's Five Forces (Entry, Substitution, Customer Power, Supplier Power, and Competitive Rivalry), SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, VRIO (Value, Rarity, Imitability, and Organization) framework, (VCA) Value Chain Analysis, and PESTEL (Political, Economic, Social/Cultural, Technological, Environmental, and Legal) analysis. Application examples related to the discussion will be demonstrated in the discussion of the first model covered (PESTEL). Subsequent models will be provided, and the audience can apply the models to their situation. Examples of models related to strategic planning follow. The models could be used individually or in some combination to address the needs of international planning.

PORTER'S FIVE FORCES

A very well know author on strategy, Michael Porter, expresses the need to understand planning from a strategic perspective that encompasses five compelling environments impacting an organization (Porter, 1979; Porter, 2008). Porter indicates an organization needs to analyze the following contending forces related to the likely success of the institution. These forces/areas include entry, substitution, customer power, supplier power, and competitive rivalry.

The threat of entry is the first area. This analysis requires the evaluation of such things as the economies of scale of the institution, product/brand differentiation, financial resources available, access to distribution, and government policies. Related to economies of scale, some institutions have many more personnel and program resources by way of institutional size and degree offerings that allow them to enter program internationalization whenever they so wish. Certain institutions easily move into the international arena because of institutional reputation. If a highly respected and nationally known institution of higher education moves into the international arena, they can make an instant impact that a lesser recognized institution takes years to establish. Related to available financial resources, some institutions have a greater capacity to do the programming by way of state funding or endowments that allow them to enter program internationalization whenever they so wish. Access to distribution may be operationalized by the proximity of a given institution to other international partners. If an institution is on a border area with international partners in relative proximity, it is far easier than this institution to facilitate international experiences and exchanges than it is for an institution in the middle of a much larger country where time, distance, financial costs, and greater cultural differences may become part of the decision criteria.

The second area is understanding the power of the customer/buyer. Can the customer place pressure on the institution (or their employees) to behave in certain ways! For example, faculty be influenced by way of faculty evaluations, or institution influenced by way of public pressure.

The third area is understanding the power of the supplier. For example, can a supplier of international study programs charge a high price for providing an international program because the home institution

does not feel they have the ability to provide a home developed program that could be delivered at a much lower cost?

The fourth force to consider is the threat of substitute products such as an international educational service. Can a student easily substitute some other experience for their international experience? A fine example is a trade-off between a spring break in London and Paris vs spring break in Daytona Beach, Florida or on a service project in an urban environment in another part of the home country,

The final force to be considered is the competitive institutional rivalry. Is another school or program poised to offer a future program that would negatively impact another school's delivery of an international program? Maybe a competing school/program had a recent infusion of endowments that provide support for internationalization that home institutions cannot match.

SWOT Analysis

SWOT is an acronym for understanding organizations' internal strengths and weaknesses as well as broader external opportunities and threats to the organization. This analysis is a popular technique that allows decision-makers to have a quick review of the organizations' strategic situation. This technique allows managers to better understand their competitive position and to assess the risks, performance, competition, and potential. This technique encourages honest feedback from various groups within an organization to provide useful information for future planning. If presented in a square format with strengths and weaknesses on one horizontal and then opportunities and threats as the second horizontal, the decision-maker can have a quick overview of the organizations' balance of good and bad within and external to the organization.

The SWOT analysis provides an excellent foundation for discussion and analysis during organizational strategy meetings/planning sessions. The power of group thinking comes into play using this method. Starting with brainstorming about the institutions' core strengths and weaknesses and ending with a synthesis of information from the group input, the manager can develop a schematic of future opportunities for an institution while keeping in mind the need to respond to threats from outside of the organization.

Looking at individual items within the SWOT analysis, opportunities compile the major favorable situations for an institution. Items looked at include keys trends within the society that could be a source of opportunity. Changes in legal and regulatory areas, technology changes, cultural changes within society, and competitive changes are all areas to consider when looking at future opportunities for the institution.

Threats look at those unfavorable situations outside of the organization that can impact their operation and thus needs to be seriously considered in strategic planning. Threats can hinder an organization from achieving its desired goals. Many of the same areas reviewed for opportunities may also yield information related to impediments to an organization. Upon completion of an overall external review, the organization will try to optimize opportunities and minimize threats.

With the completion of the external analysis, the institution would look at strengths and weaknesses within the organization, within the observation, relative to their competition. The strengths look at the controllable resources internal to the institution. Strengths may center on facilities, personnel, geographic location, brand/reputation value, price/cost position, and strength of or demand for program offerings.

The evaluation of the weaknesses of an institution is a critical evaluation of many of the same areas reviewed for strengths. There is an evaluation of the deficiencies of the firms' resources or capabilities relative to their competition. By compiling these external and international evaluations of opportunities, threats, strengths, and weaknesses an organization can make key strategic decisions relative to internal capabilities while considering external factors as they relate to the issue under consideration. Related to international business programming, what is the future direction for an institution relative to this topic?

VRIO Framework

A strategic planning process that focuses on institutional vision, as well as strategic planning, is the VRIO framework. VRIO stands for value, rarity, imitability, and organization. This framework focuses on maximizing organizations resources and capabilities. There is a desire to understand the areas in which an organization has a relative competitive advantage in the broader marketplace (i.e. educational environment).

The V or value in the framework encourages the user to evaluate if they can take advantage of an opportunity or deflect an external threat using some of the institutions' resources. The R, rarity, ask the user if there is a sizable amount of competition in the marketplace being considered and if so, can the resources utilized by the competition be matched by the institution. The I, imitability, relates to the uniqueness of the institutions' program offerings. Could the program offerings be easily replicated by other institutions? The O in VRIO stands for organization and relates to the organizational structure of the institution and their ability to exploit a program or resource competitive advantage.

The overall focus of VRIO analysis is to assist an organization to better understand their competitive position, organizational strengths and sustainable distinctive competencies that contribute to effective future decision.

Value Chain Analysis (VCA)

The value chain is a linkage of activities that turn inputs into outputs when creating customer value for an institution. Value Chain Analysis (VCA) desires to understand the customer value to an institution by reviewing the contribution value of activities within the institution. This analysis has the reviewer looking at two areas of value within an organization: primary (line) functions and support (overhead) functions.

The primary functions within higher education center on delivery of instruction by faculty, a significant cost within educational institutions. All costs directly aligned with faculty are also included, such as computers, graduate assistants, student graders, equipment for web delivery of instruction, and professional development support for faculty.

The support functions in education would include those areas not directly aligned with the delivery of instruction. These would include recruiting, career development, learning centers, student affairs, academic advising, purchasing, building and grounds, housing, foundation, and athletics. These support functions allow the primary functions to operate effectively regularly.

An additional item within the value chain is the value margin each of the primary and support function provides to the value chain. What value to each of the items within the primary and support areas contribute to the overall benefit/value for the organization?

The following model provides a more in-depth discussion of the areas analyzed. This in-depth discussion provides examples of how different parts of analysis could impact the decision-making process related to international study programs. The same type of application would apply to any of the previously listed strategic analysis models.

PESTEL

Planning needs to consider two broad environments: macro and micro. The macro environments (Bates & Snell, 2013) are the external national and multinational environments that impact plans while micro-environments are near field areas (usually internal) to the decision-maker, such as the state or institutional level. Macro strategic environments need to be considered before operational environments within the university and people associated with the programs can be considered. Taken together these strategic and operational environments impact the school's support and student participation in the internationalization efforts of a school. These strategic (macro) and operational (micro) areas are displayed in the following Model (Figure1). A model suggested by Heischmidt (2018) demonstrates these relationships to international business education.
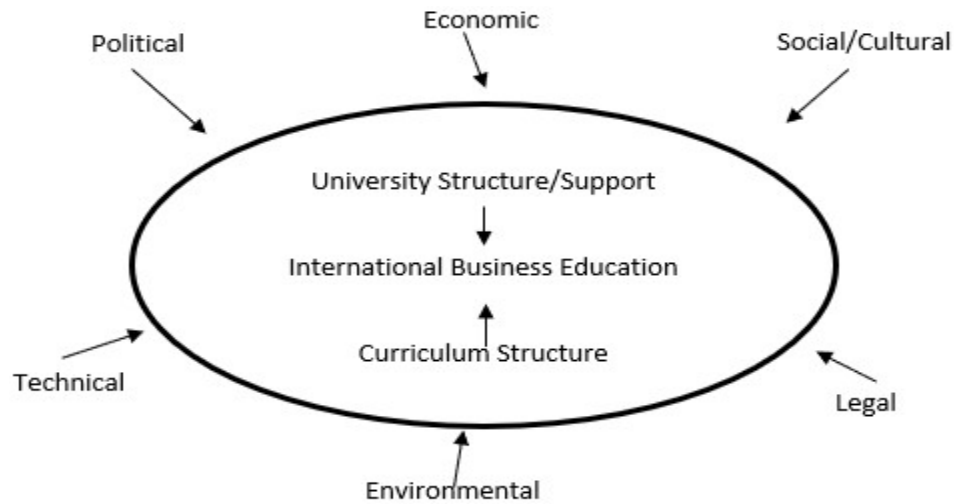
The model suggests the planning of international business study programs start with a thorough review of strategic environments impacting this planning. Six macro environments will be discussed: political, economic, social/cultural, technical, environmental, and legal (PESTEL) areas (Abbott, 2015: Marketing Theories: PESTEL Analysis, 2017; Solomon, Marshall & Stuart, 2016). First, understanding the political environment and then other areas will be reviewed.

Political

An organization needs to understand political dynamics impacting decision making. Political changes both within and between countries have a large impact on international study programs both conceptually and operationally. There may be changes in national government leadership that result in changing government policies that impact international travel. Changes in national leadership in certain countries have resulted in both real and perceived changes related to several areas including the issuance of entry visas for international travel to a country, modification of tariff agreements between countries, student safety, and changes to guest worker programs. These changes and perceptions of stability may result in changing attitudes of individuals living in other countries toward the home country. Governments and companies may have a changing willingness to assist with travel and company visits when compared to prior years (Heischmidt, 2018).

When a government changes political leadership or retains current leadership, it provides the various audiences (both domestically and internationally) with the opportunity to view that government as being either stable or unstable. Political leadership changes generally center on being inclusive to both domestic and international populations thus impact views toward social/security and economic/trade considerations within the political environments. These changes can impact international travel and students' willingness to participate in international study programs. The most relevant impact is on the interest of students and the encouragement and support of parents for their students to experience international travel. Concerns may certain around the feelings of safety in travel, agreement with domestic policies toward outsiders, and overall changes in views toward different nations.

Economic

Consideration of the economic forces impacting an organization look at both national and world economies in which the institution operates. Institutions desire to operate in a stable economic environment, yet there may be changing economic environments consisting of some of the following problems: high

inflation and interest rates, fluctuating currencies, trade and budget deficits or surpluses, fluctuating commodity, stock, and real estate markets, accessibility to credit, increasing unemployment, changes in disposable income within family households, changes in monetary and fiscal policies and budgets, and contracting gross domestic product (GDP) (Heischmidt, 2018).

The decline of an economy within a country may result in a reluctance by students and their parents to venture out and try an international program. The economic capability of the sponsoring parent or student could be impacted by the overall state of the national and international economy. As the economy grows so does disposable income and thus possible international travel and study. The opposite also holds.

Within an individual economy, the development of expanding economic capability may result in more students from these countries being able to participate in international educational programs. For example, recently many students coming from China to study in the USA are financially able to participate in an international study to a partner third country (i.e. schools and programs in Europe) because of the increased financial capability of students from China. The next wave may be from students coming from other areas of Asia to study in the USA who then want to continue semester exchange programs with partners in Europe (Heischmidt & Gordon, 2010).

Social/Cultural

As society changes so do opportunities for international education. The social and cultural areas of strategic environments to be considered when planning international programs which include demographic makeup within society (i.e. aging population, immigration patterns), social lifestyle changes (i.e. rise of female education and power within a country), educational level changes of the population, and distribution of wealth within a society (i.e. concentration at the top or spread out). Generally, a more open society encourages international travel and education, in a closed society tends to be more restrictive. For example, the participation rate of students in international study programs may vary significantly by gender depending upon the country students may come from (Heischmidt, 2018).

Education of the general population within a society tends to impact the interest in international education. Higher education levels tend to foster increased interest levels for knowing what is available in the world. Demographics may impact international educational interests. In a society that has many small families, for example, one child, there tends to be more support for students to experience other cultures and educational opportunities. This may reflect financial capability when a family only has one child and the desire to give this special student every opportunity available to them so they can be successful in life.

Technical

The technical changes occurring in the world are providing exciting new opportunities for international education that are quickly changing. Technical change refers to those changes related to creating and applying new knowledge to the process of education. Some of the broad areas of technical change include the growth of social media, collaborative learning, online learning, and data related assessment.

Social media changes the way students interact, process information, and arrive at conclusions. This international growth of social media impacts the way students and faculty interact with one another which has implications for communication in the form of exchange and processing information. Students are no longer limited to learning only in the classroom or their campus library. Social media allows more of a community of learning with an informal exchange of ideas between students with other students and with their faculty. Faculty become more facilitators of knowledge with an increased need for quick response to students who are interacting as a community of learners. Social media coupled with online learning provide opportunities undreamed of related to international education a couple of decades ago. There are opportunities for international education that brings together students from different countries for more flexible and dynamic learning. This dynamic new learning environment may allow students to sample multiple international peer environments which may lead to an increased interest in visiting in person countries and environments outside of their home country.

Another area of change provided by technology is in the promotion and planning of international education. While prior years may have required the use of travel professionals to facilitate international

educational travel, newly developed communication platforms allow almost any technically capable individual to plan and facilitate rewarding educational international travel experiences for students. The educational environment is increasingly needing to provide accountability for its educational efforts and expenditure of resources. Technology will allow educators to demonstrate a broadening of educational opportunities for students (Heischmidt, 2018).

Environmental

The environmental area of macro considerations with strategic planning in international education centers on the actual and potential future changes in the physical environment of countries. Areas to consider include climate change and global warming, energy consumption and national regulations in this area, waste disposal laws, pollution, and the overall attitudes of various individuals within nations toward the environment (Heischmidt, 2018).

In the recent world situation associated with COVID-19, the opportunity for students to travel internationally has changed very rapidly. Many international short-term programs scheduled for spring break 2020 were canceled literally a week or two before scheduled departure due to the coronavirus that was rapidly spreading throughout the world. The presents of this virus around the world has impacted all summer 2020 international study programs as well as many upcoming for the 2020 – 2021 academic year. This significant change to the physical environment of international travel has impacted potential students willing to accept the associated risks with travel, in this instance, the potential to be infected with COVID-19 when traveling internationally. Additionally, a companion political result of this coronavirus epidemic is the closure of international borders to non-citizens of a receiving host country or the implementation of restrictions on incoming visitors to a set quarantine time (likely 10-14 days) for incoming visitors which essentially discourages all short term programs as well as many semester-long international study programs.

The impact that pollution has on global warming provides a rich area for the facilitation of education. There is an opportunity for students from around the world to learn from international travel how various leading forward acting nations are addressing pollution concerns. Observing how the creation of efficient national public transportation systems or the relationship of taxes on petroleum and more efficient private vehicle transportation, can reduce pollution within a country may be very eye-opening for many students. Other significant areas for student learning may center on waste disposal and recycling.

Legal

The macro-environmental legal dimension of international education centers on laws and regulations at all levels of government. These laws and regulations include taxation, regulations/deregulations, legal travel and documentation, labor laws and employment, liability and safety, and contracts (Heischmidt, 2018).

The legal dimension centers on the legal requirements of possible travel. Is travel to certain countries even allowed? Are passports and visas for certain students from other countries required? Assisting students coming from many countries may require a close review of the legal, health, and financial documentation required of students visiting international locations. Also, any hosting institution needs to fully understand the legal reporting requirements at the national level for incoming students.

Related to the facilitation of international travel, administrators need to fully understand the state and national laws related to buying, contracting, and making payments for travel. There is also a need for awareness of how academic credit is measured and is transferred between countries and institutions.

Implications and Applications for Operational Planning for International Study

Study abroad has been popular for many years (Peitro & Page, 2008). Universities have developed international opportunities for their students to study for a semester or entire school year. When looking specifically at international study programs the administrators must consider several international considerations. Included is the university support/structure, International study opportunities need the support of the administrative personnel at their university, including department chairs, college deans, provosts, and the university president. Another needed to be considered is curriculum structure. Students

want an international experience to enhance their education and count toward their degree. Faculty organizing international experiences for students need to understand this aspect of academic credit in their planning.

International programs are generally organized as long term or short-term international study. Short term international opportunities are usually less than eight weeks and are designed for students with personal restrictions (time, money, etc.) in their life. A long-term experience is appropriate for students who have the financial resources, home, and work flexibility, and can structure the experience to avoid delay in graduation (Kehl & Morris, 2007). Semester-long international business study programs fall under three different models: direct enrollment, hybrid programs, and island programs (Hanouille & Leuner, 2001; Gordon & Heischmidt, 2000). Long term programs provide students with opportunities to study outside of their home country for one or two semesters. The timing of a semester-long program is important. Many universities outside of the U.S. have academic calendars that are different from the U.S. calendars. The long-term agreements fall into multiple categories: bi-lateral agreements, consortium agreements, overseas campuses, and direct application.

In contrast to semester-long programs of international study, a study program that consists of a shorter period may be appropriate for many university students, usually consisting of one to three weeks. Faculty members then need to provide program promotes the international study in order to communicate the international study opportunity to students by way of posters, emails to prospects, program information sessions to student groups, and presentations in classes (Heischmidt, Gordon & Dobson, 2000) Curriculum issues need to be addressed, such as number of credit hours in addition to awarding this credit for general studies or business credit. Travel arrangement needs to be considered. Is there assistance provided by an international travel center on campus by with outside travel broker or does the faculty member arrange these things on their own? Once the international program is organized and students enrolled, the must consider the academic delivery of the course with would likely include pre-departure classroom sessions that provide both academic content as well as practical information related to the students' international travel experience.

In addition to the short-term vs long term time of program considerations, there needs to be a consideration or both the student and faculty backgrounds. Related to students, the prospective students' backgrounds need to be considered when designing international study programs. These considerations include their age and maturity, past travel experience, financial capability, and academic background. Related to faculty, the coordinating faculty needs to understand the time costs of planning, recruiting, coordinating, and traveling with the students on an international program (Carver & Byrd, 2008). What time do they have to invest in organizing the experience?

Summary and Conclusion

An international-focused academic program and student body help ensure the students attending an institution are exposed to and experience international perspectives and develop a global competence and skill base. International experiences prepare students to succeed in an increasingly global environment caused by changes to political, cultural, and economic landscapes. An institution needs to consider both the macro and microenvironments of international education. Active participation/experience is the most obvious implementation in international education. The development of international study programs is complex and involved. Planning international study programs involves many areas of consideration and development (Heischmidt & Gordon, 2014; Heischmidt, 2018).

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