



On Strategic Planning

Definition:

strategic planning

1. A long term plan or aim to achieve a specific purpose.
2. A detailed plan for achieving success in situations such as war, politics, business, industry or sport, or the skill of planning for such situations.
3. The planning of all the activities of a business to ensure competitive advantage and profitability.

What is Strategic Planning?

Like many other business owners and managers, we spend a lot of our time in daily battle at our respective places of work, dealing with problems and issues that arise from the normal course of business. We spend a great deal of time “reacting.” This daily grind often makes it difficult for us to take a step back, take a deep breath, and ask ourselves what is it that we want to accomplish; where are we headed as a business?

Does it seem at times, that all we’re doing is treading water? Do we get side tracked from time to time, and do things that don’t necessary help our business grow? How can we take control over our future and be proactive instead of reactive?

By charting our own course for our business and marshaling our resources to get us where we want to be. We need to take control over our future. And a commonly used technique is Strategic Planning.

Strategic Planning is a planning process that should result in the identification of specific priority items or issues or concerns. Then, Action Plans need to be developed to address how one plans to address each item or issue or concern. Strategic Plans are not “Vision Statements” which can best be described as a hope of how we want things to be well into the future; say 5 to 10 years from now.



Strategic Planning is a **vital management tool for every business**. Consider these points:

- ✚ Businesses that employ “best” practices that include strategic planning, perform better financially than those that don’t.
- ✚ There is a positive relationship between good human resource management practices and both gross revenues and the owner(s)’ personal income. Among the “good human resource management practices” is planning strategically and for succession.



- ✚ Strategic Planning helps to remind business associates to keep their eye on the larger goals for the business and put the everyday struggles into proper perspective.

Strategic Plans can be for any time period; less than a year, 3 to 5 years, or longer. The needs and issues that are to be addressed as well as the frequency of significant change that affects your business, should drive the length of the time period of the plan.

Strategic Planning usually includes many of the following questions, concerns and issues:

- ✚ What are your goals? What is it that you hope to meet and exceed?
- ✚ How are you going to achieve them? What are you specifically going to do?
- ✚ Who is going to be responsible to plans into action?
- ✚ What are the time frames within which you hope to accomplish this?
- ✚ When and how does periodic evaluation and feedback occur?
- ✚ What alternatives and options do you have in the event that your original plans don't work out?
- ✚ How does the plan fit with your vision for the business?
- ✚ Have you done your homework? Is your information accurate and as reasonably complete as possible? Have you done an internal, external, and a market assessment? Conduct a SWOT analysis.
- ✚ Strategic Plans must be values-based and shared throughout your company.
- ✚ Everyone must be on board with the plan and working toward the same goals. Those who plan must also be the ones implementing.
- ✚ The companies that have the capabilities to adjust quickly are the most likely to succeed. This ability to adapt to a dynamic environment is what keeps them ahead of their competition.





How does one go about creating a Strategic Plan?

1. **Identify all participants** in the planning process. This can include stockholders, key managers, and your advisors.
2. Review the company's **vision statement**. A vision statement should describe what we want the company to look like in ideal terms. The statement should focus on the results that we want to achieve and the characteristics that our company will need in order to achieve our desired results. Update it if necessary.

[A vision statement describes specific future directions or long term goals whereas a mission statement describes a general purpose for the company.]

3. Review your company's **mission statement**. A mission statement is a broad description of what the company does, with or for whom we do it, our distinctive competence, and why we do what we do. It should communicate the company's core ideology. Is the mission statement clear and on target given today's operating environment?
4. Have a firm understanding of your company's **guiding principles** and the **values and culture** that your company hold sacred.
5. **Identify the critical issues** that your company faces. Conduct an assessment of where you are as a company, and what is happening around you that impacts your business. SWOT analyses are helpful tools. Review your information base. Ask strategic questions to encourage creativity, question the current status quo, and move towards action. Ask "how", "what would it take", "is there a better way", "what is it that we want to achieve". Make sure that everyone's views or issues have been identified and known to all.
6. **Prioritize** the issues that have been identified. How do we capitalize on our strengths? How do we take advantage of opportunities? How do we address our weaknesses? How do we protect ourselves against threats? Can we use our strengths to overcome weaknesses and threats? Can our strengths help us to take advantage of opportunities? How can we minimize our weaknesses in order to overcome the threats that we see? Consider their impact on your business. Select the top issues that have the greatest impact on your business.
7. **Set goals and objectives**. Be clear and concise. Focus on outcomes or results and make sure that they are qualitative in nature. Write them down.



8. ***Develop specific Action Plans.*** Action Plans identify the steps, major approaches and methods used to attain specific goals or to resolve specific issues. Consider the amount of resources (capital, people, facilities, etc.) that each idea might require. Set timelines. Identify who's responsible to implement the specific plan.

Develop "Plan B's" or back up strategies. Make sure that strategies include the establishment of annual benchmarks or objectives that will be accomplished. Strategies should include what will be accomplished, by when and by whom.

9. Implement...Implement...***Implement!*** No matter how good the plan is on paper, it is of no use to your business if it is not put into action. Introduce the strategic plans to others in the company. Make sure that everyone understands the specific action plans and agrees to them. Make sure that everyone knows why this is so important. Leadership must live the plans and communicate them constantly.

10. ***Monitor performance and progress regularly.*** Hold people (including ourselves) responsible and accountable. Are the Action Plans being implemented according to schedule? If not, what are the challenges or hurdles that are holding you back? Be ready to adapt and move quickly to address unexpected changes in conditions.



Strategic Planning is not a one-time event. Your Strategic Plan should be revisited at least annually. If your business climate is very fluid, Strategic Plan updates should be undertaken more frequently. As conditions change in the world around us, so must your business.

The more we plan, the more we become accustomed to planning. As with everything we do, the more we do, the better we get at it. The same can be said with planning. The more we plan the better we get at planning.