

# **Strategic & Business Planning Made Simple**

By  
Mark Cohen, President



A Strategic Plan is the blueprint that every Company needs to complete and to work toward every business day. The best way to ensure that the desired future of your Company becomes reality is through strategic planning.

Strategic and Business Planning is a thinking process and one that does not need to be complicated.

Strategic thinking is about gathering information that is relevant to the success of a business, brainstorming the possible applications and exploiting opportunities that have been discovered in the process.

Frequently, people don't plan because they just don't know the simple steps of how to plan. Many entrepreneurs, professionals, and business leaders, have an abundance of technical expertise, but lack the planning skills required to grow a successful business. Still others look upon planning as a discretionary function that would be nice to do, but is not necessary. They mistakenly believe that if they are good enough at what they do, and work hard enough, they'll somehow "make it."

Building a business is not about surviving, it is about succeeding.

There are those who realize the value of planning, but just don't have

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the time. They regularly promise themselves that they will do it “when they get big enough.” The fact is that without planning, they will probably never succeed, much less get big enough.

Many business people and professionals get so tied up in the business of doing business on a day-to-day basis, so busy putting out fires, that they never really take the time to plan their future. “I just don’t have the time” is an oft heard excuse. The fact of the matter is that unless you make the time to plan, you’ll waste money and energy, and if the mistakes are too great, you will go out of business. Most people do not know where or how to begin, what’s realistic and what’s important. Many buy a computer program and install it or buy a book and read it, and then wonder when will the magic begin? Still others have someone else develop their strategic/business plan, many of which are impressive in appearance, few of which work. Many of these attempts are destined to gather dust on a shelf of a closed office because they lack the most important factor in designing a powerful plan....the personal involvement of the owner/manager/founder/ CEO

The benefits of planning are many. Planning helps to prioritize your activities and helps you see beyond the immediate issues and focus on the desired outcome. This is critical in that it will help to ensure that the day-to-day activities are in line with long range objectives and vision. It will help you avoid getting involved in seemingly endless crises, and prevent crisis-simulated activities that seem to be important and necessary, but in fact may not be either. With this

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understanding, you are better able to focus your energies on getting where you want to go.

A comprehensive plan is the single most important tool you can utilize to build a successful business.

Strategic and Business Plans can be simple and built over a two day period with the critical members of a management team. One of the most important elements to understand is that every plan must have follow-up. To simply design a Plan and then store it away in a desk drawer is not of great value. Follow-ups must be scheduled in 30, 60 and 90 day time periods in order to amend and refine the original plan.

Strategic Planning is the process of determining the future of the organization and what organizational resources will be needed to achieve organizational goals.

The vision is a mental snapshot of where management sees the business in the future....probably 3-4 years down the road. It describes who you are as a company, who you have the capability to become, and why you are unique and important. It articulates the business you are in and your reason for being in business. It could describe how people will be acting, how you are structured, and the physical appearance of the organization or any other issues that could serve as a guiding light. In essence the vision answers the question, "What do you want to become?"

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Something to remember:

- *With urgency, there is focus,*
  - *With confidence, there is urgency,*
    - *With vision, there is direction.*

If the vision is "...an international clientele with offices on four continents..." then decisions about expansion are weighed against the vision. If your vision is to be "...known as the business of the community..." then all the international offices in the world are not nearly as important as your meetings with local business people.

Another key element of a successful planning process is a statement of the organization's values. If the vision provides a direction; values then determine the rightness of the direction toward the overall decision-making. An organization's values create the foundation of integrity for a company. They define important truths that guide the actions of the company. For example:

- *To be regarded by our customers as easy to deal with and as a provider of high quality, reliable products and services.*
- *The customer must always be made to feel as though they are right*
- *Our employees are our most important asset*

As soon as the vision is crystallized, the value statements are created; you must begin to think where you want the business to go. One then needs to evaluate the current conditions, both externally and internally and how they will impact the success of the business.

The external assessment will provide you with insight into areas such as the economy, industry, competition and trends. Controlling these will not be possible; however, a business needs to establish a strategy and a business plan to portray the products and services in the most advantageous manner possible.

In regard to the internal appraisal, there are three elements which need to be addressed:

1. the organization structure in relation to the markets served
2. the resources available or which need to be made available
3. an understanding of the organizations strengths and weaknesses

When evaluating the strengths and weaknesses, you first begin to focus on your business strengths particularly in relation to the market segments that you will be targeting. While many focus on eliminating a company's limitations, equal if not greater emphasis must be placed on exploiting strengths. What is it that you do better than anyone else? You must first look at capitalizing on those strengths and then

look at improving areas where you are weak. This is where the competitive edge is built.

It is this competitive edge that you seek as you focus on the customer. A customer-driven focus is one that places a premium on going beyond meeting customer expectations. It means that your focus is on exceeding customer expectations and that you build your business around the voice of the customer. It requires that you have an on-going process to improve quality and service. It is critical that your internal customers, your employees, be trained and empowered to address issues that affect customer satisfaction. Internal communications and response time is an important focus.

Once the customer focus and the market segments have been identified, the plan needs to focus on the competition. When analyzing the competition, you will identify both their strengths and their weaknesses. The fact that your product may be of better quality or you may have better service than your competition is of little or no value unless it is compared to what it means to the customer. You must analyze how the features you offer stack up against the features of the competition. You can then focus on why customers should buy from you rather than your competition. The plan will also direct you to analyze the market position of your organization versus the competition.

There is a strong understanding needed about the trends that are taking place in your industry, in your customers' industry and in the world, in general.

As soon as the exercise of visioning, analyzing the internal and external resources, you have basically completed the strategic portion and now move on to the business process. This is the process that will help you turn your thoughts and strategies into goals, plans and actions steps which will turn your vision into reality. The business plan differs from the strategic plan, which focuses on the long-term future, by helping you to focus on and plan the present. The business planning process helps you to identify what specific actions must be accomplished, who will accomplish them, how they are going to be accomplished, and by when, so that the future that is envisioned will become a reality.

The mission statement is developed only after the strategic portions of the plan (vision, values, external and internal appraisals) have been done. The mission represents the next logical step in answering what needs to be done to achieve the vision. Together the vision and the mission provide the purpose and direction that will ensure you are focused. The mission statement is the description of how you will achieve your vision during a specific time frame. It has a shorter focus than the vision, usually twelve to thirty-six months and will often change based upon the business. This mission statement will serve as the basis for the development of business goals and plans. It should address customers, products, principal services, and the qualities that make you and your business unique. The mission statement should be:

- Clear
- Involving
- Memorable

- Aligned with Company Values
- Directed at Company Vision
- Linked to Customer Needs
- Seen as a Stretch
- Measurable

Once the mission is complete, the next step is determining more specifically what must happen to ensure success, and that is to identify the critical goal categories. These categories are those items that must happen, must be in place, to achieve your mission.

They are broad categories that will serve as a foundation for actualizing the mission. Some examples of critical goal categories are:

- Customers
- Cash Flow
- Product Quality
- Motivated, Skilled Workers
- Cost of Operations
- Sales Representation
- Distribution
- Capabilities for Market Segments
- New Market Penetration

These must be central and critical to the specific business and the markets that are being focused on. They also must pass the

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“necessary and sufficient” test. Is each one really necessary, or could you do with fewer? Are they sufficient? If each is realized, will you accomplish your mission?

A very important step in ensuring the success of your business plan is the formulation of clear lifetime goals.

- What is success for me?
- What are my personal values?
- What are my priorities?
- What do I want to become?
- What are my strengths? My weaknesses.
- What is my most important life purpose?

A business can be the vehicle to grow personally and professionally. It can be a place where personal and professional goals can be realized. The process starts by asking the right questions. And it is a process that never ends.

While critical goal categories tend to be general, they must be connected to business planning goals which are very specific. To a good business planning goal, it must be specific, measurable, attainable, realistically high and have a targeted date of completion.

Many people remember these with the acronym SMART.

It is essential that goals be specific and not hazy. As an example,

A hazy goal: Increase revenues

A specific goal: Increase revenues by \$250,000  
within the next twelve months.

The market plan addresses how you are going to position, market, deliver and price your products and / or services, while the sales plan develops the tactics that will be employed with the actual customers. This sales plan addresses the strategies in how your product or services will get in front of the decision makers, those individuals who have the need and the money to purchase what you are selling. One major indicator of an organization's viability is measured by profitability. The financial planning needs to focus on projecting revenues, completing a financial projection, and monitoring cash flow and expenses.

Overall, the simplicity of a Strategic and Business Plan in today's environment is the quest to maintain market position. Business leaders are realizing that one of the areas where they can improve profits, as well as market position, is by creating a customer-driven organization.

A customer-driven company recognizes that the customer is now the driving force of the company. All of the strategies, business processes and people in the organization are focused on the most important person, the customer. It is not about customer satisfaction, but about exceeding the customer's expectations.



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A strategic plan must be directed at your employees, your business processes and your managers and all of these disciplines must be focused and directed to the customer.

To become an enduring company is to attract and maintain customers. To become a truly great company is to make a commitment to be customer-driven.

***If the best way to predict the future is to  
create it, then the best way to  
create it ... is to plan it.***

The Strategic and Business Plan should be a way of business life. At that point it is engrained and not an assignment or an exercise. When this happens it becomes part of your management style and a business tool that is truly simple to execute.