



SETTING THE COURSE

How To Use Strategic Planning To Conquer Your Business Goals

Understanding Strategic Planning

Strategic planning became popular with corporations during the 1960's and remains an important aspect of management to this day. It is not only confined to planning and may also extend to implementation of the created strategy.

Some people are hesitant to plan. Claiming everything from "it is a waste of time," to "I can do this in my head, and have done so for years." From my experience, it is vitally important to have a plan. Whether it be a trip on vacation or planning a new business or a plan to take people to Mars. The old adage of – a failure to plan is a plan to fail - has something to it. There are four main elements to developing a strategic plan, they are:

1. Let everyone know their role in the project.
2. Communicate to the organization what you want to achieve and why this is a priority for the organization.
3. Articulate a summary of what success means for the strategic initiative to the people who are responsible for achieving results.

4. Understand that the strategic plan helps you measure the strength of your organization and its ability to achieve the given tasks.

Many businesses struggle to justify the time and expense required to do strategic planning well and yet, [77% of successful companies](#) have an established mechanism to translate their strategy into operative terms and evaluate it on a day to day basis.

Strategic planning takes abstract ideas and makes them concrete. It's a process employed by individuals and organizations to use resources available to pursue goals. In order to do this well you need to assess the resources required, which usually take the form of three different elements: time, team and resources (TTR).

Time

Time is the first step because you need to understand how long your strategic plan is going to take. Setting a realistic timeline allows you to accurately measure progress and efficiency. Unreasonable timelines create unnecessary pressure or allow for wasted time. Create a timeline that pushes you but is also achievable and then execute against that timeline.

Team

Without the right team, any strategic planning initiatives are dead on arrival. You need to assess your current team members to see if you have the talent available right now. If you don't, you'll need to identify the right way to build your team. Do you hire more people? Can you engage a few consultants for a short period?

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Resources

Resources are last because they are informed by what comes out of your time and team considerations. Now that you know how long it will take and who will be involved, you can accurately judge the resources you'll need. Do you have the money to pay for this? Do you have the equipment, software, and technology required to get it done? If not, this needs to be developed.

Creating A Strategic Plan

There are many different tools that can be used to develop the plan, here are twelve to consider:

- 1. Brainstorming** - a spontaneous method of exploring a problem and providing potential solutions in a fast paced interactive event
- 2. Voice of the customer** - a methodology to receive information from the users and stakeholders of a system to provide invaluable insights to improving a businesses planning
- 3. Road Map Development** - a relatively simple visual strategic map that lays out 1, 3, 5, and/ or 10 years and more into the future what you want to accomplish and by when.
- 4. Visual Planning** - another visual method of laying out your ideas that can be viewed frequently as a reminder to you drive your work to completion.
- 5. SWOT** – Strengths, Weaknesses, Opportunities and Threats - a tool to identify what is good, bad and indifferent in your organization and to use that information to move the business forward.
- 6. Gap Planning** - understanding where your organization is, where it would like to be and to highlight these differences and then enable planning to work the path to the current to future state.
- 7. PEST Model** – Political, Economic, Social, and Technological - a tool that provides a breakdown of the organizations status, allowing a different perspective to be viewed.
- 8. Scorecard** - a business analysis technique that moves the mission, vision and other business strategies into deliverable and quantifiable goals.
- 9. Porters Five Forces** - Rival, Threats - New & Substitute, Bargaining - Buyer &

Supplier - another analysis tool that shows a business attractiveness and likely profitability.

10. House of Quality - a tool that breaks down a problem into component pieces to allow different, possibly out the box solutions to be generated.

11. Hoshin Planning - a powerful visual method for developing and showing the high level plans of an organization and also its past accomplishments.

12. VRIO Framework – Value, Rarity, Imitability, and Organization - a tool used to analyze a businesses internal resources and capabilities to drive towards a competitive advantage.

The 7 Keys To Develop A Strategic Plan

1) Create clarity around your purpose and goal for the team

Be sure that you understand your purpose. The will create the drive to achieving event the most outlandish goal. Setting the scene, it helps to paint the picture in a vision, that describes the finished state of the goal or objective that you are wanting to achieve. This step will help ensure everyone associated with the project are in line and understand the expectations.

2) Setup your goal in a SMART-WB format

This means your goal is Specific, Measurable, Achievable, Realistic, Time-bound – Written, and Balanced (SMART-WB). It needs to be written so that it stands by itself and does not need any interpretation.

3) Make sure that everybody's voice is heard

Some people can dominate the conversation, everyone needs to make sure that their input has been received and that they are valued in the organization.



4) Identify roles in the strategy for the organization and its representatives

Everyone needs to understand their input. It also helps the organizers understand the gap in the resource deployment so these issues can be quickly filled. The type of strategic plan could be there to exploit an edge that exists in your marketplace or something that you need to do internally to maintain your business edge. The internally driven improvements are often the most difficult to optimize until the internal stakeholder all agree that a change needs to be made and that they support this initiative no matter what is found in the process and to what the specific changes that need to be introduced. The plan needs to ensure that it is able to flex and turn with the challenges that will come it's way. There may be changes to the external factors that lead to changes, or internal issues that limit the resources. Any and all these impacts should be understood, and plans developed to adjust to the change and overcome the obstacle.

5) Ensure that performance characteristics are developed and understood.

As with a sporting game, what would it look like and feel like if no score was kept, and the clock was not running, and no end time planned? How much interested would you be in keeping watch? Surprisingly, businesses often operate under a similar guise, by setting activities moving, be it: a marketing team, a sales team, production team, but never understanding how they are performing. Remember also - what gets measured - will also improve!

6) Make sure that you have complete involvement from everyone on the team.

- Team members – those that do the work.
- Stakeholders – those that sanction the work.
- Other interested parties – those that are affected by the outcome of the project.

7) The mechanisms for the project should provide you the status of the project

1. Time – what is the status of the project, project estimates for completion is the project delivering to the plan.
2. Team – are the resources still deployed and able to work the project as planned.
3. Money - project spend perspective – is the project spending to the plan.



In the review, tweaks to the project can be introduced, to either improve delivery time or ensure that the specified deliverables are achievable to the required and agreed standards. It is also a great time to listen to the team and understand the challenges that they are facing to then enable intervention to be made to help ensure project delivery to time, cost and quality standards.

The important point in this is to make sure you have an open and honest dialog. This builds trust within the project that issues will be dealt with as they arise.

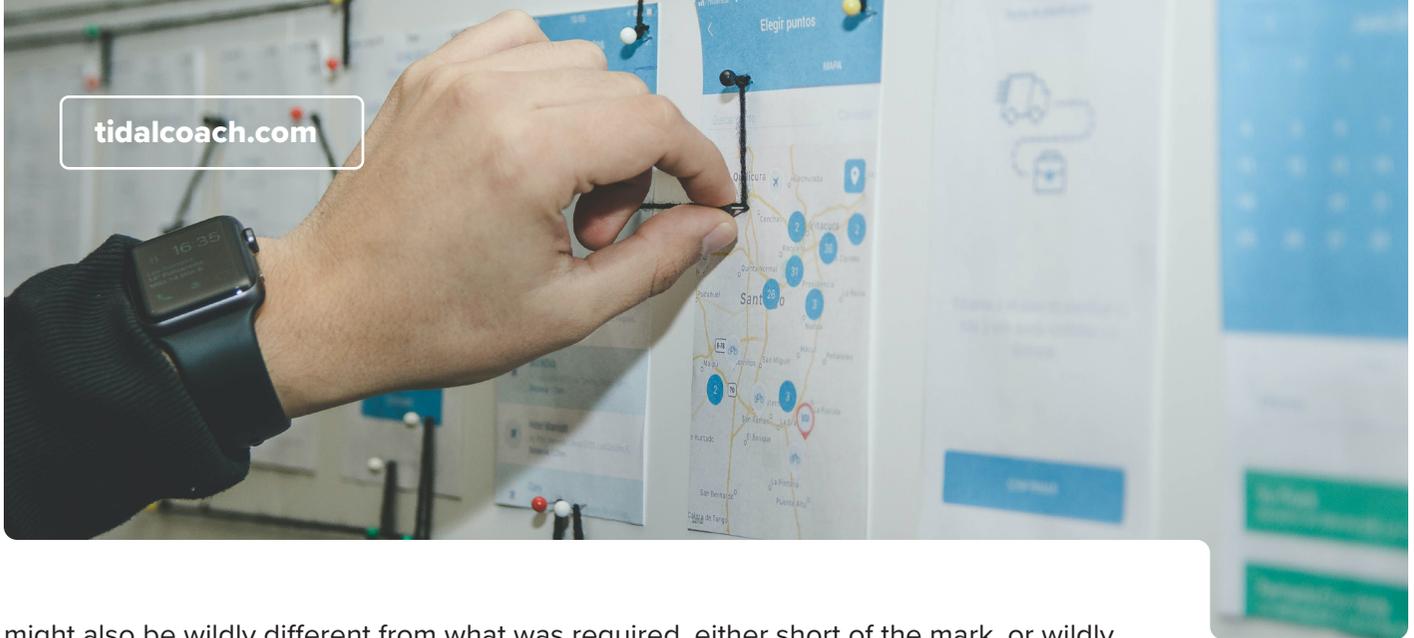
Motivation on the project is also a key point to address, with rewards for success and exemplary service can be awarded. These rewards can be a non-monetary or external reward – an intrinsic reward, or an extrinsic reward – where money or other objects are provided.

Improving the working environment is also a key part of achieving improved performance, there are also many other improvements that can be made to improve productivity, sometimes it's the smallest things that make the greatest differences.

Why Strategic Planning Matters

With Project Management being a relatively new discipline, it is easy for people to not see the benefits of up-front planning and how it is important to do this work. Jumping into a project without planning is typically going to take longer (time), take more resources (team), and/or cost more money (money). The result





might also be wildly different from what was required, either short of the mark, or wildly overachieved – i.e. gold plated when a paint finish was only required.

Another problem with lack of planning is that once the momentum is established with the project, it is difficult to turn-around the project in a new direction. Project tweaks are inevitable, however, a complete change in direction can be a major problem. For a larger project, reaching all the project workers with the news of the change is difficult. It then takes an immense effort to reinforce the new project direction and keep everyone on task. This appears to be a simple problem, but in reality, it is significant!

The greatest help you can provide your team is the Why in proceeding. This should align with the company's Why, and therefore support each team member's Why. This is part of the puzzle, the Mission and Vision of the organization should also be included into the framework.

Benefits of Strategic Planning

The strategic planning process will take time, but it's beneficial for everyone involved. As the small business owner, you'll have a better idea of the goals and objectives you want to accomplish and a path to do that. For employees the process can improve productivity and hence contribute to the businesses' success.

- [] Communicating your strategic plan.
- [] Increasing productivity.
- [] Identifying strengths and weaknesses.
- [] Setting the direction of the business and generating a proactive business.

“Efficiency
is doing the
thing right.
Effectiveness
is doing the
right thing.”

PETER DRUCKER

Parkinson's Law

Parkinson's law says that work expands to fill the time available for completion. Basically this means if you have more time, you're going to take more time to do things. Understanding this phenomenon is critical for making the best use of your time.

It is not enough to things well, you also need to make sure you're spending your time on the correct activities. This creates real momentum and allows your business to move forward. The only way to make sure you're doing the right things is to take the time needed to plan strategically.

Creating a vision

When you begin the process of strategic planning, visioning comes first. When visioning the change, ask yourself, “What is our preferred future?” and be sure to:

- [] Draw on your beliefs, the business mission, and its environment.
- [] Vividly describe what you want to see in the future.
- [] Be specific to each part of the organization.
- [] Make sure you are positive and inspiring.
- [] Be aware that the business will look differently from what you see today.

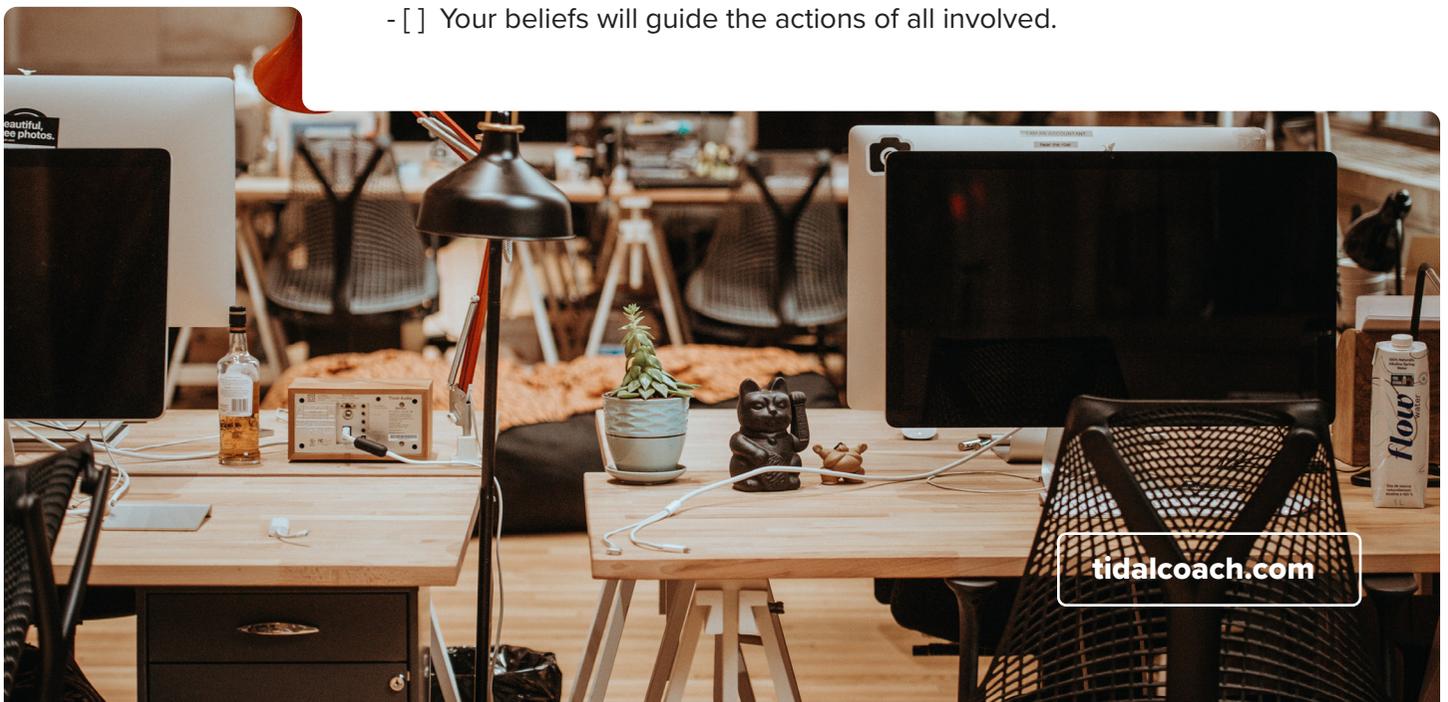
Key Components for Your Vision

Your vision must be encompassed by your beliefs.

- [] Your beliefs must meet your organizational goals, the community goals and your goals.
- [] Your beliefs are a statement of your values.
- [] Your beliefs need to be a public/visible declaration of your expected outcomes.
- [] Your beliefs must be precise and practical.
- [] Your beliefs will guide the actions of all involved.

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- [] Your beliefs reflect the knowledge, philosophy, and actions of all.
- [] Your beliefs are a key component of strategic planning.

Create a Mission Statement

Once you have clarified your beliefs, build on them to define your mission statement which is a statement of purpose and function.

- [] Your mission statement draws on your belief statements.
- [] Your mission statement must be future oriented and portray your organization as it will be, as if it already exists.
- [] Your mission statement must focus on one common purpose.
- [] Your mission statement must be specific to the organization, not generic.
- [] Your mission statement must be a short statement, ideally not more than one or two sentences.

Here is an example mission statement:

“By providing quality education, we empower individuals to become caring, competent, responsible citizens who value education as a lifelong process.”

Benefits of Visioning

The process and outcomes of visioning may seem vague and superfluous. The long-term benefits are substantial, however. Visioning:

- [] Breaks you out of boundary thinking.
- [] Identifies direction and purpose.
- [] Alerts stakeholders of the change.
- [] Promotes interest and commitment.
- [] Promotes laser-like focus.
- [] Encourages openness to unique and creative solutions.
- [] Encourages and builds team confidence.
- [] Builds loyalty through involvement by collaboration and ownership.
- [] It results in efficiency and productivity.



Vision Killers

As you engage in the visioning process, be cognizant to the following vision killers:

- 1) Tradition: we've never done this before.
- 2) Fear of ridicule: it's a different way to do it.
- 3) Complacency of some stakeholders: non-believers that this can be useful.
- 4) Exhausted senior staff: not willing to take this step seriously.
- 5) Short-term thinking: by short-term thinkers.

Exercise in Creating a Vision

Take the time to assimilate this information, use the following example to exercise your planning techniques: Assuming that you are 3, 5 or 10 years in the future, you have achieved (X). Describe your findings of what X you have achieved. The vision of what you see needs to be specific and as descriptive as possible.

Also, answer the following questions:

- [] How has the business changed?
- [] What has changed in the business to make these changes?

