Strategic Business Leadership

Strategic planning designed with small and mid-sized businesses in mind
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Strategic Planning: What is it?

Strategic planning is first and foremost a management tool. Like any other management tool, its primary purpose is to assist an organization to perform better and, ultimately, achieve success. Strategic planning can help an organization focus its energies, ensure that all team members are working toward the same goals, and aid in making the course changes in response to a dynamic marketplace. Strategic planning provides a framework that guides the choices that determine the direction and mission of a company.

Strategic planning unveils what a business is, what it does and why it does it – with a focus on the future.

Strategic planning assesses the role of an organization in context to its environment. This enables an organization to adapt to stay in tune with changes occurring in its environment. The final plan serves as a systematic management tool for business activities such as: problem solving, market planning, product and/or service development and full business plan preparation. The goal is to integrate all aspects of a business’s activities in a mutually supportive system. The plan is no more and no less than a set of decisions about what to do, why to do it and how to do it.

Strategic Planning: Why Do It?

There are many reasons for developing a strategic plan. Planning and goal-setting have continually proven to be positive influences on overall business performance. Since strategic planning is all about goal-setting, its impact, if executed correctly, can unequivocally help a business operate better.

A written plan can help you organize all the pieces that have to come together in order for your business to be a success. Many business owners keep track of everything without writing them down. However, the structure that a written plan provides makes it more likely that you will consider all relevant factors and that nothing of importance slips through the cracks.

Furthermore, today’s businesses must cope with constant changes in the business environment. Putting these changes into perspective using a strategic plan allows a business to address problems in a coordinated way.

Successful Strategic Planning

- Guides choices and leads to action
- Creates a shared vision
- Is an all-inclusive process between top management and business owners
- Focuses on an organization’s environment
- Is a key part of effective management
Improved Communication & Collaboration
Even if your business is successful, and you have a well thought-out plan in your head, you need to be able to communicate your plan and collaborate on it. Investors, management and employees all need to know what the future plans are for the company. They need to see where they fit in, how they can help and be able to share suggestions based on their expertise that will help the company succeed. Having a written plan is an essential communication tool.

Strategic Business Leadership® (SBL)

When it comes to business ownership, most entrepreneurs have a definite purpose in mind. They have an understanding of their external and internal environments, especially as they relate to the competitive forces that affect the fulfillment of that purpose, and a creative nature that allows them to effectively respond to those forces. In fact, entrepreneurs carry around much of the information needed to create rudimentary business plan right in their heads.

The SBL process is ideal for the privately owned business. Its purpose is to help you unleash the data necessary to create an effective strategic plan, allowing your business to capitalize on its strengths, neutralize its weaknesses, take advantage of opportunities and prepare for potential threats. SBL will help you find the best future for your company and the best path to take in to order reach that destination.

The steps of the Strategic Business Leadership® (SBL) process will help transfer the information kept in your head and the heads of your top management into a well developed written plan so you have a road map of where your company is going SBL also allows you to measure your progress step-by-step.

Align Your Personal Vision & Company Vision

SBL is a unique process designed specifically for small to mid-sized companies. It is different from the strategic planning processes used by large conglomerates or publicly traded companies. With SBL, there is greater involvement on the part of the business owner; more flexibility is utilized in developing the strategic plan and both a “personal” and “business” vision are defined.

Strategic Business Leadership means continually asking the questions: are we taking the appropriate action, and are we doing the right thing? Strategic leadership is focused on the future, which is always subject to change, yet, to a certain extent, still predictable in the context of an organization’s environment. Being a successful business leader requires constant “out-of-the-box” thinking that takes into consideration the big picture. It means having the willingness to embrace and adapt to changing circumstances.
Steps to SBL Strategic Planning Success

Nearly every step throughout the process is detailed in a written 100 word statement. This ensures that only the most powerful and influential business elements and activities are included and that the plan is easy to modify as needed. The SBL process involves an orderly sequence of activities, each vital to the process as a whole.

1. Company and Personal Vision

In a privately owned business, there are typically two complementary business visions—each must be in sync with the other. One is the “Personal” Vision, which is kept “close to the vest” by the owner. It contains elements the owner does not wish to share with employees or customers. This may include plans to sell the company or bring on a relative to run the business. The other is a “Company” Vision, which is openly communicated to employees and customers. Both visions should be written in a no-holds-barred 100 word statement of what you want your company to be in the future—and what you personally want from your life.

2. A Look in the Mirror/SWOT Analysis

An analysis of company Strengths, Weaknesses, Opportunities and Threats. Some questions to answer during this phase include

- Why does the business exist?
- What does your company do best?
- What is unique or distinct about your business?
- What is the basic need that your product or service fulfills?
- What is your customer’s view of the quality of your product or service?

3. Company and Personal Plans

The Critical Success Factors (CSFs), Goals (short-term goals realistically attainable within 36 months), and Strategies and Action Plans collectively keep your company moving forward toward greater success. Goals and Action Plans must be specific and measurable. In addition, Action Plans must meet “S.M.A.R.T.” criteria:

- S = Specific
- M = Measurable
- A = Actionable
- R = Responsible party
- T = Timeline
Sample Critical Success Factors:
- Development of specialized new products
- Operating at full capacity

Sample Goals:
- Develop one new product within 10 months, two within 24 months and two more within 36 months
- Increase gross profit from 21% to 23% by year’s end
- Increase sales of current products by 10% by year’s end

Sample Strategies:
- Research alternative new product markets for customers, competitors and suppliers
- Create a new product development plan
- Create the new product marketing and sales plan

Sample Action Plans:
- Director of marketing to complete market evaluation by 10/15 concerning potential for new products
- Review options and recommendations from research team on 10/25

4. Making it Happen

There are three key elements that maximize the likelihood that plans will be successfully carried out.

Results-Driven Communication
Using reciprocal communication will ensure that directions are clear and effect an emotional commitment or buy-in from all key players. Methods include the how, when and whereof effective communication and establishing company culture.

Weekly Review and Modification of Your Plan
One of the most important factors in this step is scheduling time to monitor and revise your plans. Do this review weekly, if possible. Keep in mind, that no matter how much you plan, you have to plan for the unexpected. Doing a weekly review will allow you to factor in the unplanned events.

Self-Accountability
As a business owner, you are vital to the success of your action plans. You are responsible for getting things done.

Click here to learn how TAB members keep themselves accountable to their strategic plans
5. Turning the Wheel

Ultimate success is dependent on being committed to keeping the SBL Plan constantly in motion. This takes a level of self discipline and accountability that is difficult for most business owners to achieve without the help of a coach.

Forward motion cannot take place without the consistent weekly review of the plans. Benchmarks and timelines must be checked, and revisions made as needed. Upon completion of an existing plan, it must be decided if a new plan will be implemented.

Staying on course toward success also requires the flexibility to embrace an unexpected change in plans. Course changes can be necessitated by myriad factors including cash flow difficulties, a break-up in a partnership, the loss of a major client or customer, or a shifting focus due to a change in personal passion.

An SBL plan is a dynamic document that should be updated on a regular basis!

Bringing in the Strategic Leadership Team

Your strategic leadership team should be a combination of “visionaries” (individuals who recognize the potential of the company) and “actionaries” (those who are cautiously optimistic about the current status of the company’s resources and objective about the reality of the projected goals and tasks). The team should also consist of individuals with varying positions of power. Other interested individuals should also have the chance to be heard by all decision-makers.

Upon completion and commitment to paper of the first three steps of the Plan, the business owner can call in the strategic leadership team (key employees and the owner), to thoroughly review and discuss your company and personal vision statements.

The strategic leadership team’s job is to challenge these statements and make any modifications they deem necessary and are agreed to by the business owner. When brought in early in the game, a strategic leadership team can save valuable time and energy on the part of the business owner.

The Benefits of Strategic Business Leadership® (SBL)

- The entire management team will have a clear picture of the strategic direction of your company and its vision.
- Both a “personal” and “company” vision are defined and are in harmony.
- Your company will have better focus. It will be able to direct its resources, time and employees’ efforts in the desired direction and avoid fragmentation on lower priority issues.
- Commitment from all management on the key points of each step.
- The development of the strategic plan acts as a filter for any operational plans, new products or services, or new market opportunities being considered before implementation.
- You will have the framework to make more effective decisions.
Conclusion

Many business owners resist the concept of strategic planning, using excuses from “I don’t have time” to “planning is too restrictive for my business,” to “I’m doing well, why do I need to change?” This is unfortunate because all businesses, even successful ones, can benefit from strategic planning. You might carry around the best-laid plan right in your head. But until you get it down on paper, you may never know what vital elements are missing that may or may not pose a serious threat to the success of your business. And the only way to clearly communicate your thoughts and personal vision for the company to others is through written word.

Preparing a satisfactory strategic plan is a challenging, yet essential exercise—made all the more easier using the Strategic Business Leadership® process. SBL helps entrepreneurs understand more clearly what they want to achieve and how and when it can be achieved. With a good plan, management doesn't get lost or constantly wander down dead-ends. Nor are unforeseen issues likely to sneak up on businesses that have written strategic plans.

An effective strategic plan is a “living” document that, with ongoing monitoring and revision, serves as a compass for guiding the business through inevitable change. A strategic plan charts a business’s direction, shapes its future and secures its growth and prosperity. No privately owned business should be without one.