

Core Elements of Strategic Planning



Collaboration

business consulting

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CORE ELEMENTS OF STRATEGIC PLANNING

Effective strategic planning ensures that your organization executes on the right tactics. We find that most all companies want to ensure that their people and financial resources are utilized as wisely as possible. Strategic planning allows for you to make the right choices about the future trajectory of your organization. Those choices include what you will accomplish, as well as what you will choose not to focus on in the long-term.

When strategic planning is done well, your company will be more effective and will have the ability to outline an actionable plan with concrete milestones that will lead to positive results for the company.

The strategic planning process has a number of important elements. At Collaboration Business Consulting, our model has eight core elements. The pyramid is a useful way to visualize this process, since each element builds upon the other to ensure that the company's teams stay on track to achieve the key objectives throughout the quarter, year, and beyond.

Eight Core Elements of Strategic Planning

1. Start with a Strong Foundation: Have a Well-Defined Mission (your organization's purpose) and Values
2. Assess Where You Stand: Conduct an Industry and Marketplace Analysis
3. Create a Vision for the Future: 3-5 Years Out
4. Establish Yearly Milestones
5. Involve Your Team: "What Needs to Change to Get Us There?"
6. Set Annual and Quarterly Goals & Priorities
7. Achieve Results!





START WITH A STRONG FOUNDATION

Have a Well-Defined Mission (your organization's purpose) and Values

Before you put any strategy down on paper, the owners and/or executive team must determine your company's WHY, HOW, and WHAT.

The WHY is your mission; it conveys the value your company brings to your customers and articulates your purpose, cause, or belief.

The HOW is your core values; they are the guiding principles for your employees. Values serve as the foundation for feedback, empowering employees to make decisions that will grow themselves and the organization.

The WHAT describes what your company does, and the products/services it sells or provides.

Developing a mission and core values, and defining what you are as a company, are material for determining the right strategic direction. Without these foundational pieces, an organization cannot identify, distinguish, or explain itself to its employees and customers alike, and in turn, cannot become an overly successful organization.

“If you hire people just because they can do a job, they'll work for your money. But if you hire people who believe what you believe, they'll work for you with blood and sweat and tears.

– Simon Sinek

ASSESS WHERE YOU STAND

Conduct an Industry and Marketplace Analysis

A marketplace analysis is integral to make sure your company is competitive in your space.

Begin with developing an industry description and outlook by understanding the answers to the following questions:

- How does data define your industry, including size, growth rate, trends, and outlook?
- Do you have access to reliable, up-to-date data resources?

Next, refine your target market and describe your ideal customer:

- Narrow down your target market by choosing specific demographics, motivations, and lifestyle preferences.
- Determine the size and geography of the market.

Now, take a hard look at your competitors with a competitive analysis. Establish answers to the following questions:

- Who is your competition, both direct and indirect?
- What are the strengths and weaknesses of the competition?
- How are you different from them?
- What are the potential roadblocks preventing you from gaining market share?

Finally, set your pricing strategy and create forecasts for future quarters:

- What is your pricing strategy?
- What are the pricing segments in the market, and where do you play?



CREATE A VISION FOR THE FUTURE: 3-5 YEARS OUT

Establishing where you see your company in three-to-five years and matching it with annual milestones will keep your team on track.

A company's vision is a forward-looking document that guides you, your team, and your organization over a period of time, which is typically set three-to-five years out. Before deciding on short-term action plans to achieve your business goals, you must be clear as to where you see the company in the longer term. Your vision should contain information that is realistic, credible, and attractive, and act as a guide for the future of the organization. It bridges the present with the future and brings commitment, energy, and meaning for employees.



Discuss the following with your team; the answers to these questions communicate executive direction and priorities.

- What values best capture your reputation and how you want to be seen by your customers in the marketplace?
- What opportunities or threats might you experience from external factors/trends?
- What, if anything, is different about your management structure than it is today?
- What products/services have you added or expanded?



ESTABLISH YEARLY MILESTONES

Yearly milestones provide your company with high-level touchstones that will guide you over the next five years, and they must be in alignment with your vision to maximize the impact. The chart (pictured here) is designed to organize your yearly milestones into the essential pillars of your strategic plan.

These milestones also establish a focal point for the team’s State of the Union (read on to find out more about the importance of employee input).

Use this chart to align your milestones with your vision.

Pillars	2020	2021	2022	2023	2024
Financial (Revenue & Profit)					
Sales/ Marketing					
Operations/ Production					
Management/ HR					
Owner's Role					
Company Overall					



INVOLVE YOUR TEAM

“What Needs to Change to Get Us There?”

In addition to your executive strategic planning sessions, it is crucial to get input from your greater team. Just like the WHY, HOW, and WHAT exercise within the executive team, you need to involve your managers for more effective planning and employee buy-in.

This State of the Union empowers managers (and in very small companies, employees will be engaged at this step) to make an impact on the trajectory of the company, which will aid in enhancing trust and improving retention.

Pillars	What is working?	What is not working?	What is confusing?	What is missing?
Sales/ Marketing				<i>(Example: an opportunity we are not taking advantage of)</i>
Production/ Operations				
Management/ Team Development				
Finance/Legal				

SET ANNUAL AND QUARTERLY GOALS & PRIORITIES

It's one thing to define your goals; it's another to understand when that specific goal is actually achieved. At this point in the process, managers will go back and discuss goals with their teams.

Develop a series of ultimate objectives, then break them down into quarterly goals. Continue to prioritize goals, projects, and tasks in each individual quarter to keep the timeline on track to ensure the objective is reached by the predetermined deadline.

Here is a sample Goal & Action Plan:

Goal 1: Complete implementation and adoption of new CRM software

How will we know this goal is achieved?

- A new CRM software is decided on and beta tested.
- All staff are trained and using software.
- All customer data is in new system and accurate.
- Everyone is moved over to the new system by May 1.

Projects/Tasks to Achieve Goal

Project/Task	Person Responsible	\$ Needed	Quarter Due
Begin Beta Testing CRM	Joe		Q1
Have bi-weekly meetings with staff members in Beta Test	Joe		Q1
Roll out software	Joe and Anne	\$1500	Q2
Training sessions with sales team on CRM	Anne		Q2



ACHIEVE RESULTS!

Accountability is the glue that holds the strategic plan together. Developing a list of accountability best practices will ensure positive results that adhere to the timeline and budget.

- Schedule regular meetings and treat it as sacred time, i.e. just as you would a client meeting.
- Create a project plan and clear expectations so each individual and team is aware of their responsibilities, tasks, and deadlines.
- Be sure that all goals and Key Performance Indicators (KPIs) are achievable. There is nothing worse than trying to adhere to a goal that is too lofty.
- Follow through, follow-up, and be consistent; when people know someone will come asking for their share of the task, they will be able to better stay on track.

THE BOTTOM LINE

Don't make strategic planning feel like a burden. Yet, like all other chores in our lives, we need to go through with the process to reach our goals and grow the business.

When you understand your company's purpose and position in the marketplace, make intelligent choices regarding allocation of your resources, and are relentless and accountable with your implementation plans, your business will thrive.