

Plan Ahead to Achieve Strategic Goals



Many business managers are so preoccupied with day-to-day activities that they lose sight of their ultimate objectives. Those that do take the time to plan often focus simply on doing more of the same.

True visionaries realize that a business needs two plans—a business plan and a strategic plan.

While many strategic planning models exist, they all contain certain key elements:

- Develop a realistic company vision—a picture of what the company will look like in three to five years in terms of its products, size, physical appearance, etc.
- Establish the company mission—“Why this business exists.” It is a clear, precise, and definitive statement of what the business does. The mission helps maintain focus while developing the strategic plan.
- Perform a SWOT analysis—identification of strengths, weaknesses, opportunities, and threats is performed not only for the company, but for its competitors. In developing strategies, capitalize on the organization’s strengths and its competitors’ weaknesses while taking advantage of opportunities and minimizing threats.
- Identify major lines of business. At this stage in the process decide what lines of business to be in. Evaluate which lines to eliminate and which new lines of business to enter.
- Establish critical success indicators. Indices that measure the success of the business. They consist of both hard indices (ROI, margin, etc.) and soft indices (employee morale, customer satisfaction, etc.).
- Perform a gap analysis. The performance gap indicates the differences between where the business is and where it wants to be. It is the reality check. Can we get there from here?
- Develop strategies. The strategies are the directions on how to close the gaps and achieve the critical success indicators. Strategies are the goals of the company.



A strategic plan should not be confused with a business plan, which is typically a one-year operating plan. A strategic plan is usually a three-to-five year overview that envisions what the business will look like in the future and how you will get there. Strategic planning is nothing more than deciding what you want to become, deciding how you are going to get there, and developing tactics to achieve the plan.

- Develop actions plans. Action plans or tactics are the “hows.” Action plans define in detail how we will achieve the goals and specify who, what, and when.
- Develop contingency plans. What if sales go up or down more than planned? What if the economy changes? Contingency plans must be developed with trigger points that tell what to do and when to implement.
- Deployment. Often overlooked, a plan should be developed on how to deploy the tactics and include detail on how individual tactics interrelate.
- Monitor the performance. During the first few months after completion, conduct regular monthly reviews. Monitoring can be conducted quarterly if all is going well.

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A strategic plan is not an academic exercise, but rather the roadmap with which the organization travels into the future. If performed properly it becomes the outline from which the yearly business plan is developed.

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