

YOUR BUSINESS PLANNING WORKBOOK



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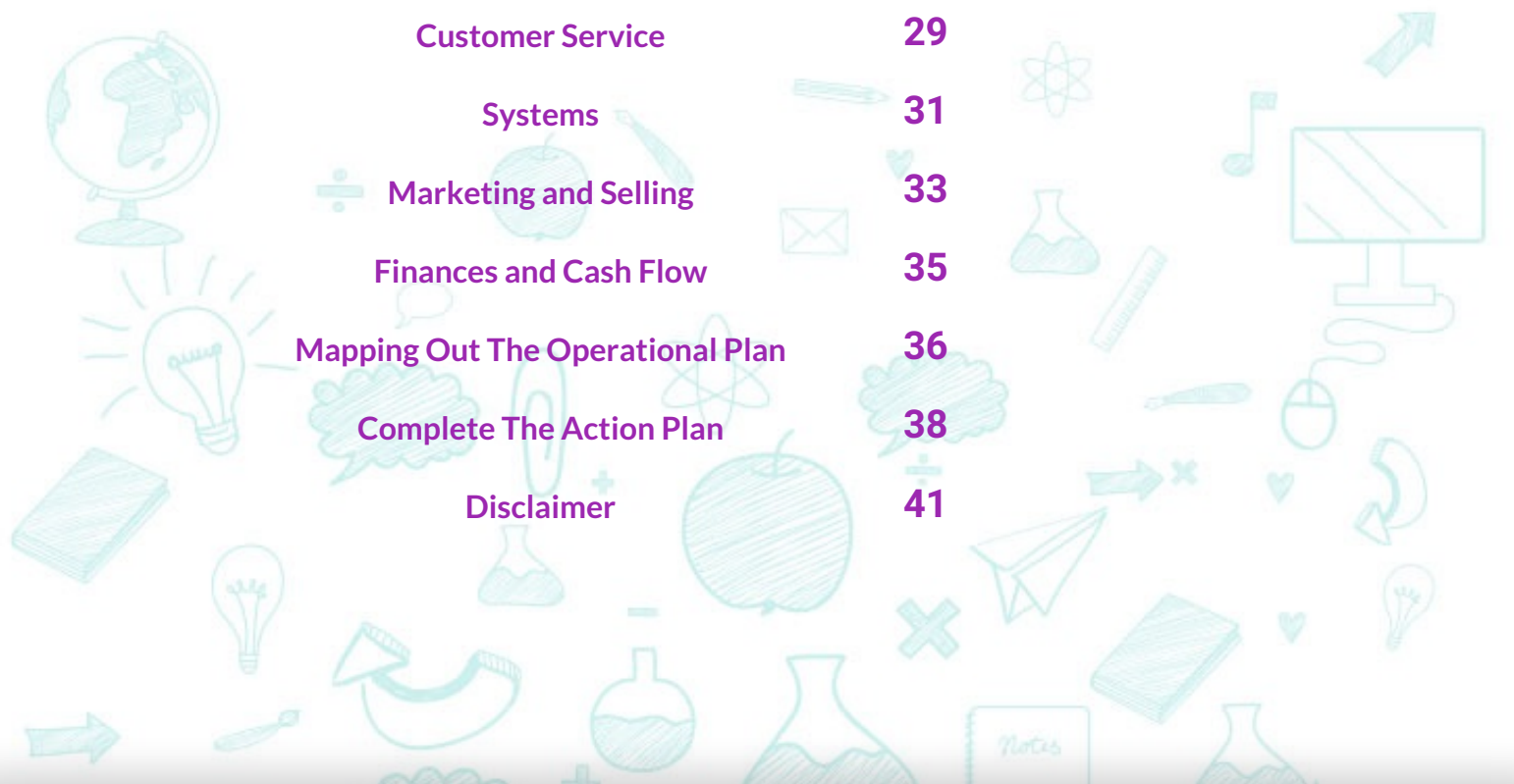
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Section One

Your Strategic Plan



Introduction

Section One of this workbook gives you a path for developing your business's strategic plan. Whether your business is just starting, already up and running, want to refresh your existing plan, or you haven't yet prepared a strategic plan, you will find this easy step-by-step approach as a way to get it done. (Note: I suggest if you are just starting out that you read my e-book, ***So You Want To Start A Business***.

All businesses and organizations need to develop a business plan. A business plan gives focus, direction and a way forward for all employees in an organization. After all, if we don't know where we are going, how do you know you have arrived? Or, how do we measure your progress? or, How will our team, employees and colleagues know what is important?

Your Business Strategic Plan Workbook is the first of two sections about the planning process. The second section Your Business Operational Plan Workbook outlines a step-by-step approach to creating a smart Work Plan.

When we develop a strategic plan, we consider the past and the present only in so far as it helps us understand our future. The planning process gives us the opportunity to dream, or to dream again and find a way to make that dream come true. It must, however, be tethered to reality otherwise it remains just a dream. We also must recognize that changes take place in our marketplace and so the plan needs to be up-dated to meet new contingencies. This doesn't mean we shouldn't plan, it means we need to be aware of those critical factors that may cause harm to our business.

The primary components of a strategic plan include:

- An Environmental Scan
- A Vision Statement
- A Mission Statement
- Goal Statements
- Value Statements

If your business is large enough to include a management or leadership team, then this team should be involved in the development of the plan. If you are a small business with no management or leadership team, for example a small Mom and Pop operation, then Mom and Pop develop the plan.

One more thing, be careful about traps associated with strategic planning. The traps could include: starting from the present, allowing existing finances to confine you, preparing a workplan unconnected to your strategic plan, not following through with your plan, allowing your plan to sit on the shelf, failing to make necessary changes to achieve your strategic direction, and allowing others to plan for you - although a good coach or facilitator will help you keep on track, provide you with objective feedback, and help you clarify your thinking.

Let's get started,

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The Environmental Scan

The first step in the planning process is to complete an environmental scan. When we set sail for a new port, or one in which we have sailed towards many times, we need to keep an eye on the changing winds. Changing winds are known to push ships off course. This is an apt analogy for viewing the changes which may affect our business direction.

An environmental scan is nothing other than keeping our eye on those winds of change and adjusting our course accordingly. Like sailing, sometimes there is a major storm which causes a crisis for the business and, like sailing we don't change our initial destination. We may need to sail to a safe harbor and when the storm passes or when the crisis is resolved we recalibrate our direction and sail onwards to our original destination.

During a strategic planning process, we complete an environmental scan to determine the push and pull of the winds buffering our business. We do this first by understanding that environmental scanning is a continual process, in other words, a process that doesn't happen just once but on-going throughout the year. This allows us to uncover a clear sense of what is going on in our marketplace that will affect our business in the coming one to five years. And, since it is an on-going process it may help us foresee a crisis and proactively avoid it.

An Environmental Scan has two major elements: a) A review of the business's external environment; and b) An assessment of the business's internal environment.



a) The External Environment

The external environmental scan isolates threats and opportunities which reside outside of the owner's or leadership team's control but have an impact on the business. They are often expressed in economic, social, political, demographic, competitive and technological terms. Briefly:

Opportunities are those circumstances that are potentially favorable to you, but you have no control over them.

Threats (challenges) are circumstances that are potentially unfavorable to you which exists or might reasonably exist over which you have no control.

Twelve ways to keep an eye on the winds of change within your marketplace.

- Listen to the daily news
- Bookmark websites that keep you informed about competitors
- Read e-newsletters
- Read local news papers
- Read books on market trends
- Join non-compete business associations
- Join professional associations
- Read trade magazines
- Keep abreast of legislative and regulatory changes affecting business
- Conduct customer and stakeholder focus groups
- Attend Chamber of Commerce Meetings
- Join community service organizations

b) The Internal Environment

The internal environment scan is all about assessing the strengths and weaknesses of what goes on inside your business. These are elements that are in your control.

Strengths are those assets within your internal business environment over which you have an element of control.

Weaknesses are those liabilities within your internal business environment over which you have an element of control.

Strengths and weaknesses are often determined by reviewing the scope and functions of your business, the human resource capacity, infrastructure needs, technological requirements and fiscal needs. When you scan your internal environment, you explore:

- How the people within your business carry out the vision, mission and values
- How you assess the knowledge, skills, abilities of employees
- How continuous training and learning is practiced
- How others might perceive your business
- How you relate to customers
- How you describe your internal culture
- How you treat your employees and how they treat each other
- How you describe your internal processes
- How you view your overall productivity
- How you use measurements
- How well you have developed your policies and procedures
- How you assess performance