

Strategic Planning 101

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A new year or a big change often sparks us to reflect on the past, make changes and plan for the future. But walking through that process might appear daunting. Although strategic planning can seem like a complex and overwhelming subject to tackle, it doesn't have to be complicated and every business (large or small) should engage in it.

Strategy is nothing more than matching your company's strengths with its opportunities, and moving in a clear direction with confidence. Now, I know what you're thinking... you already know what you're good at and where you want your business to go. However, the discipline of preparing a strategic plan helps to clarify goals, allocate resources, make decisions and ensure that team members are all unified. And, far more important than any written document you create is the strategic planning process itself - and the revelations that inevitably arise.

To sum up: strategic planning determines where a company is going over the next one to five years, how it's going to get there and how everyone will know if it successfully got there or not. The focus of a strategic plan is on an entire organization and is typically very broad in scope and timeline.

There are a variety of perspectives, models and approaches that can be used in strategic planning, and which technique is selected depends on the nature of a company's leadership, corporate culture, the business environment, and many other factors. Here is a quick explanation of two of the most popular models for strategic planning:

Goals-based planning – this is the most common model and it starts by focusing on mission and values, then creating goals to work toward the mission, formulating strategies to achieve the goals, and finally ending with detailed action planning (who will do what and when).

Issues-based planning - starts by examining specific issues facing an organization, then developing strategies to address those issues, and finally writing concrete action plans to correct each issue within the broader scope of moving the company forward.

There are many other options to guide strategic planning, but most small to mid-size companies will utilize goals or issues-based models. So, how do you actually go about developing a plan? A typical strategic planning process will unfold as follows:

1. Get clear on your desired results.

During planning, you should always have in mind some overall purpose or result that the strategy is to achieve. It's critical to clearly grasp the mission, values and overall purpose of your organization so that you stay on track.

2. Understand where you are.

Realistically take stock of your current situation. Explore the positives and negatives of where your company stands financially, relationally, competitively, etc... Analyze your situation thoroughly and be honest. Strategic planners often conduct a "SWOT analysis" (strengths, weaknesses, opportunities and threats). But whatever method you use, make sure you accurately measure the health of your organization and systems.

3. Establish goals.

Based on all the things you've uncovered, establish a set of goals that capitalize on strengths and take advantage of opportunities, while building up your weak areas and warding off threats.

4. Develop strategies to reach your goals.

The particular strategies (or methods) you employ to reach your goals will depend on matters of affordability, practicality and efficiency. As you develop strategies, it's important to blend proven best practices and historically effective techniques with innovative, new concepts.

5. Establish benchmarks and timelines to measure progress.

Objectives, or benchmarks, are selected to indicate movement toward goals. Initially you just want to set a target date for reaching each large goal. Then, associate required tasks with your benchmarks. Responsibilities should be assigned, and timelines projected for achieving smaller objectives. Ideally, deadlines are set with planned follow up meetings to ensure that things get done.

6. Write and share a written strategic plan.

All the information that has come from the planning process is organized and written in a document which is distributed around your company. This ensures that everyone understands where the business is going and what they need to do to help.

7. Acknowledge completion of tasks and achievement of goals.

This critical step is often ignored, which can undermine the success of many of your future plans. The purpose of a strategic plan is to address a problem or pursue a goal. It seems obvious that you should track if the problem was solved or the goal met; however, this step in the planning process is often ignored, and that dynamic can cultivate apathy, skepticism and cynicism within your business. Don't skip this step!

We all get busy trying to simply get through each day and keep our companies running smoothly, but don't neglect strategic planning. You will do so to your detriment later on when you realize that years have ticked by with your goals and dreams unrealized. So, block off a few days in the next month to take a hard look at where you are and where you want to go. It will pay off in the future!