



LEADERSHIP AND VISION

Executive Overview for:

The Essence and Overview of Strategic Planning

"The essence of the Strategic Planning Process is to identify your core strengths, use these core strengths to build competitively "differentiated" product and services solutions and then pre-identify target market buying and specifying influences that will place value on your solutions." YourBoard.US

1. Description of the essence of Strategic Planning.
2. Major challenge to Strategic Planning.
3. Who should participate in the Strategic Planning Process?
4. The necessity to take your "T" (tactical) hat off and put your "S" (strategic) hat on in order to invest quality time working **on** the business.



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The essence of the Strategic Plan is to:

1. establish an historic two to three-year baseline
2. look back to determine where the business has been and currently is
3. determine how the financial performance has been trending
4. 4) determine what product and market strategies have been employed
5. 5) assess the strengths, weaknesses, opportunities and threats that exist within the target markets you have currently selected.

The next phase of Strategic Planning, after you see where you have been, is to chart an improved course, a different course as to where you want to be in the future and what you need to consider to get there.

Your first consideration is to understand what your current core strengths are and what competitively differentiated products, services and strategies can best be produced by those core strengths to attract targeted market customers and earn an above average return on your investment and risk.

Leadership's Major Challenge

It will take a strong leader to bring the team back to the strategic "what" focus. It is extremely easy to slide backward and migrate to the old "how" focus.

Keep remembering that this is a strategic what process.



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Who should participate?

Who makes up our Senior Leadership Strategic Vision and Planning Team?

While every person in the organization plays a vital role in the execution of the Strategic Plan, a smaller and more senior group do most of the heavy lifting in the development of the Strategic Plan itself.

While every organization has a little different twist on the roles that each senior position plays, the four key influences that must effectively interact to bring about a successful Strategic Plan are: (There may be others but these are the informational influences that must be present.)

The Primary Leader i.e.:

Owner/Senior Leader, Chairman, CEO, C.O.O., General Manager, Divisional Leader etc. In public companies, there may be a Board of Directors participant. A loyal company outside advisors may also be invited.

The Chief Financial Officer: financial (or primary influence)

Much of our analysis to determine what strategic direction we will take will be developed and generated by our Lead Financial person. If the numbers don't work, the Plan doesn't work.

The Chief Marketing and/or Sales Influence

If one person manages the role of Business Development (Sales) and ting, it is critical that he/she be involved. If there is a Senior Marketing person (not necessarily marketing promotion but marketing and product strategist) that person is also key to analyzing and developing the strategic direction of the company in addition to the sales influence. Since the Determination of what markets you can profitably penetrate through the sales of your differentiated product or service solution is the most critical question to answer, I have in the past also invited some senior sales people. (That is just an option).



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The Chief Operations Influence

The senior person in Operations participates primarily for the purpose of analyzing the additional product or service differentiation that can be provided by the actual manufacturing, distribution or service delivery process. Again, the Senior Operations person must focus on "what" not "how." Most of the technology and new process based operational cost reduction opportunities are driven by this key player. Turning a strategic product and service solution into a cost effective operational success will be key to the price/value relationship you can offer your targeted customers.

Now that you have the strategic visionary "what" team assembled wearing their "S" (strategic) hats with a full understanding of their roles in the process, let's now take a look at the model you will follow in converting the Strategic Vision to a successful Strategic Plan.

This Team will ultimately not only develop and communicate the Strategic Plan but revisit the progress on initiatives every quarter or at least twice a year.

Annually the Strategic Plan should be totally revisited and updated. The strategic 3- to 5-year plan is a rolling plan. Ultimately, the Strategic Plan should be approved by the Senior Leadership Team and communicated to all company associates. The annual benchmarks outlined in the 3- to 5-year Strategic Plan should begin to match up with both the annual financial results and the business and budget plan for the next year.

After the Strategic Plan is completed, all business decisions made should line up with this well thought out long term plan.



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