



# Business Start Up

*Business Plan  
versus  
Strategic Plan*



NEWFOUNDLAND & LABRADOR ORGANIZATION OF  
WOMEN ENTREPRENEURS

# Business Plan versus Strategic Plan

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**You need a business plan to set up and operate your company.**

**Do you need a strategic plan as well?**

**YES**

**Is a business plan the same as a strategic plan?**

**NO**

**Your company will function best with both a business plan and a strategic plan.**

To clarify, a business plan is not a strategic plan.

Each plan is unique, providing insight and guidance for different aspects of your business

A Business Plan maps and governs day-to-day operations of your company: cash flow, market share, management, and due diligence. It can be seen as the 'who' and 'what' of your business. Your Business Plan is used internally to guide startup and monitor and review operations. External audiences such as regulators, partners, investors, and potential buyers use your business plan to determine the health of your operations, your company's capacity for growth and the estimated return on investment for any grant or loan you receive.

A Strategic Plan maps the way to company growth and evolution. It can be seen as the 'how' of your business. Your Strategic Plan is an internal document for you as company owner, your management team and your employees, clarifying measures of success, responsibilities, and required actions. A Strategic Plan can help a company improve efficiency or pivot in a new direction. External audiences may also want to review your Strategic Plan to determine whether your company's goals are a good fit for their investment.

## Imagine an inverted Y:

Both a Business Plan and Strategic Plan begin with:

- Executive Summary
- Company Description
- Mission, Vision, Values

Then each plan diverges into its own areas of expertise.

A Business Plan contains marketing plans, management plans and financial statements.

A Strategic Plan contains:

- a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)
- description of goals and priorities
- action plan to meet those goals and priorities

While separate documents, both work together to expand your company's reach and success.



## Sources:

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