



Business Growth

*How to Write a
Strategic Plan*



NEWFOUNDLAND & LABRADOR ORGANIZATION OF
WOMEN ENTREPRENEURS

How to Write a Strategic Plan



A strategic plan is a document that maps out your company's goals, objectives and growth. Your strategic plan can clarify measures of success, responsibilities, and required actions for you and your employees, and can help your company improve efficiency or pivot in a new direction.

If you have written a business plan, you may already have the first part of your strategic plan.

Both a Business Plan and Strategic Plan begin with:

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

A Strategic Plan also contains:

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

The executive summary is the first thing your audience will read when you submit your strategic plan. It is a summary of your key points and also your 'first impression.'

Write this section last, in two pages or less. Create the outline of your executive summary from the first and/or last sentences from each section of your strategic plan.

Step 1: Company Description

This section introduces you and your company.

Include company name and location and purpose of your company.

Briefly describe your products and services, customer demographics and regions served.

This outlines your market reach now in terms of customer profiles and locations. This also clarifies whether your company is exporting now, export ready or choosing to focus on local markets.

Conclude this section with the benefits/positive impacts on the customer offered by your company. It is expected a company will provide what customers pay for; the unique feature of your company is the enhanced value of how your offerings improve life or make people feel.

Make sure that your description addresses the elements that are pertinent to your industry. You also need to include a few statements addressing how your background in this type of business or industry can be leveraged to help the business be successful.

Step 2: Mission, Vision or Values

Some companies have all three; others have a combined mission/vision or a value statement.

By any name, your company is served by a public, bold, and motivating statement clarifying what it does (and does not) do. For example, McDonald's has as its mission statement: "to make delicious feel-good moments easy for everyone." (<https://corporate.mcdonalds.com/corpmcd/our-company/who-we-are/our-values.html>)

Keep these elements in mind as you create a mission statement:

- The company's public image
- Your shareholders
- Your target market
- Your plans for growth
- Influences for the business

- Your moral and ethical beliefs
- Keep your mission statement simple and clear. Use it in all company planning and promotion tools, including your strategic plan

Step 3: SWOT Analysis

SWOT stands for the strengths, weaknesses, opportunities, and threats facing your company. The strengths and weaknesses are usually considered to be internal, while the opportunities and threats are generally external to the company. SWOT provides a situation analysis or inventory to help you answer, “Where are we now?” , then plan for the future.

SWOT works best when an analysis is done on a specific segment of your business, rather than trying to do the entire business at once. SWOT should also provide specific rather than general statements. Clarity is the goal.

SWOT Matrix

A SWOT analysis is often organized using this type of matrix:

P O S I T I V E S	INTERNAL	INTERNAL
	Strengths	Opportunities
N E G A T I V E S	INTERNAL	INTERNAL
	Weaknesses	Threats

A SWOT analysis should consider the following types of issues. You can, in fact, complete a separate SWOT for each area:

- Your company within your geographic marketplace
- Your company within your industry
- Your products and/or services
- The community and what is currently going on that may affect future planning
- Your primary and secondary target markets and what they want/need
- The competition and what they are doing
- External forces that will affect your business
- Environmental factors
- Human resources (including the availability of people as employees, your succession plan, safety issues, wellness, etc.)

Step 4: Goals and Objectives

Goals are clear and measurable items for action. Objectives are tasks required within each goal.

Goals often focus on four perspectives:

Financial

What non-tangible investments do we need to make? What results do we want to see?

Customers

What does success mean to our customers?

Internal Processes

How will we achieve our financial and customer perspectives?

Major areas include:

- Operations management
- Customer management
- Innovation
- Regulatory and social



Employee Learning and Growth

What non-tangible investments do we need to make? Major areas include:

Human capital: What people do we need in place for success? What knowledge resources do we need?

Information capital: What information sharing and technology resources need to be in place?

Organizational capital: What cultural and leadership supports should be in place?

One method of writing goals uses SPIRIT:

Specific

Be specific about what you want or don't want to achieve. The result should be tangible and measurable. "Sell more products" is ambiguous, but "Increase market share by 7% per year" is specific.

Prizes

Motivation is extremely important. There needs to be a system in place so that we take time to recognize, reinforce, and reward people who are participating in meeting benchmarks and overall objectives. Prizes don't need to break the budget. Here are some ways that you can reward people:

- Acknowledge an individual or a team in a meeting
- Offer praise through a company newsletter
- Issue bonuses (monetary, points systems, etc.)
- Record successes in notes for annual performance reviews

For goals that are a long way off, set up rewards along the way to help keep people engaged.

Individual

Employees will respond to, and be motivated to work toward, goals that they can relate to. They need a way to relate to their goals on an individual basis. Establishing goals and tying them into performance objectives will put the big picture into terms that they can relate to. This also provides a way to share the big picture with them and let them know what direction the company is going in.

Review

Review progress periodically. Do the goals still make sense for the short and long term? Are people's activities a good demonstration of the strategic plan, or have they wandered off track and taken to pursuing their own personal goals? Are you measuring as you go and making adjustments, or is it more important to stay the course?

Inspiring

Frame the goal positively so that people relate to it strongly, even if the goal has a negative outcome to it. If the costs of your employee benefit plan are increasing, you'll find that cutting programs can demoralize a workplace. Instead, involve your employees and ask what they are willing to concede. You might be amazed at how innovative they are! Instead of having a goal like, "We must cut 15% of our employee benefit plan budget" try something like this: "Through a process of employee consultation, we will identify and implement savings of 15% to the employee benefit plan in the next 12 months."

Time-Bound

Give a deadline for achieving the goal. Divide large goals into smaller segments and assign a deadline to each segment.

An example of a SPIRIT goal:

Our company will be recognized as a top 100 employer by the end of next year.

Our company is proud of its people, products, and services. We will establish a project team with representation from four departments by the end of March, and they will be tasked with creating a portfolio for submission and review by the Association for Top 100 Employers by the September 30 deadline. When the submission is complete, the company newsletter will share a copy of the report with the employees and the team will be treated to a day off of their choosing.

Step 5: Action Plan

The action plan assigns roles, responsibilities, and accountabilities to each goal, spelling out Who Does What and When.

The action plan also organizes the goals into a continuous linear timeline, according to deadline and priority.

Step 6: Executive Summary

To recap, the Executive Summary appears at the beginning of your business plan, but is written last.

It highlights the key points that will be made and substantiated in your plan.

An executive summary is ideally 1-2 pages, longer for a more substantial plan.

Length is less important than content: if pertinent information is included clearly and succinctly, those reading it will be clear on your plan before reaching the details and evidence in the sections that follow.

The executive summary is also your 'first impression': make it professional, concise and enthusiastic. Explain the fundamentals of the proposed business: what is your product/service, who will be your customers, who are the owners, what do you think the future holds for your business and your industry.

To create the first draft of the executive summary, read through your business plan and pull out the first and/or last sentences from each section. Capture key words and phrases as well. If you feel you are missing something, locate it within the business plan, summarize it briefly, and add it to your draft. Once you have the elements you need, edit or rewrite them so that the text flows and has a clear beginning and end.

Step 7: Appendices

This section will contain all of the documents that back up the statements and decisions made in the main parts of your strategic plan. Organize appendices in alphabetical order, labelled 'Appendix A: Contracts', 'Appendix B: Samples', etc. and refer to them throughout your plan where applicable, for example, "See picture of building in Appendix A."

Appendix items could include:

- Personal resumes
- Copies of leases, mortgages, purchase agreements, etc.
- Contracts
- Pictures
- Charts or research data
- Design samples

Also, include an Appendix for Works Cited. If you are using information from any other source besides your own primary research you should keep track of it and cite it. This is to be done with any publication, online or in print.

There are different styles for citations. MLA is one example:

<http://www.library.mun.ca/researchtools/guides/citations/mla/mlaquickguide/>

Final Step: Review and Revise

Read your draft document through from beginning to end several times, making revisions after each reading for:

- Content: is all necessary information included?
- Flow: is the information organized well?
- Grammar and Formatting: punctuation, spelling and sentence structure
- Fourth, read for formatting. Paragraph spacings, bolded headings, font style and sizes should be consistent

Prepare to revise your strategic plan on a committed schedule or as needed. Changes to your company or external events such as market downturns or opportunities will cause changes to your strategic plan. A scheduled review will keep your plan current and relevant, and will refocus your efforts and those of your employees.

Additional Resource:

Strategic Planning

**Workplace Essentials
Series**

Velsoft.com

