

BUSINESS SENSE

Next Level Tools for Entrepreneurs & Small Business Owners



LEADERSHIP AND GOVERNANCE SERIES

Strategic Planning

An Overview and a Cautionary Tale

It's been said that if you don't know where your business is going, any road will get you there. You may not be happy with where 'there' turns out to be though.

Strategic planning is the process by which an organization identifies not only where it's going, but also how it's going to get there. And, an accurate assessment of the condition of the vehicle (organizational strengths and weaknesses) taking you there, along with an understanding of the external elements (opportunities and threats) that might either help or hinder your progress. A strategic plan is the roadmap, and the real-time dashboard, that ensures that all of the 'drivers' can clearly see the best routes to take, based on how your business is doing at any given moment in time. It is also the vehicle's Owner's Manual, the document that, when things go wrong (and it's not a matter of 'if' but 'when'), any given 'driver' can access key information to keep things

moving; swiftly, safely and efficiently.

Unfortunately, too many organizations treat strategic planning like an annual pep rally, an off-site event, to espouse the leadership's ideas and goals, without a commitment to implementation. And then it gets forgotten, at best, ridiculed at your peril. We strongly believe that unless the top leadership is completely committed to the implementation phase of strategic planning (the much, much longer and more arduous element to ensure success), it is counter-productive to move forward with a strategic planning retreat.

The Steps to Successful Strategic Planning & Implementation (SPI)

Whereas there may be a number of variations on the theme, generally a successful strategic planning process and implementation involves these main components:

- **Operational Parameters** - the core values and the disciplined guidelines to work by. These serve as the 'limits' within which the

work will get done. This is the foundation upon which everything else is built. Any strategy, action plan or step needs to reflect back on these core values to ensure that the integrity of the plan and the organization itself is never compromised. These core values might originate from the founder or be developed by the leadership team as part of first step in SPI.

- **The Vision** - what the business will look like in five to ten years. Or, three to five years, as things continue to change so dramatically. Usually only a dozen words, at the most, this Vision statement can serve as the clarion call in the organization, bringing a sense of purpose and unity to everyone's work. The founder or CEO may develop the Vision independently, or, it may be best to create it with a core team of individuals who share a common dream for the business and its future. This may be the best time to start including more people throughout the organization.

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Know that leadership exists at all levels of an organization and having front line leaders involved early in strategic planning will help both in the planning stages and as importantly, in the implementation phase.

- **The Mission** - what the business will actually be doing in three to five to ten years. The Mission should focus on the organization's unique strengths, its niche markets and the specific ways in which it separates itself from the pack. It has also been referred to as the purpose of the organization. As with the vision statement, the shorter the better, but not at the risk of clarity.
- **A SWOT and/or a SOAR** - a listing of the organization's internal Strengths and Weaknesses, as well as the external Opportunities and Threats, a SWOT is the internal assessment tool from which the rest of the planning process develops. SOAR is a more positive and metric-centric approach which separates the WT, as the pre-work to identify the Weaknesses and external Threats, but then uses a strength-based approach during the retreat, where everyone (and here it's usually helpful to have representatives from each aspect of the business) assesses their own and the company's Aspirations and desired Results.
- **Long-term Objectives (LTO)** - these are developed at a high level, so they're consistent with the Mission and Vision, but they begin the process of bringing the Aspirations and hoped for Results back down to earth.
- **Strategic Objectives (SO)** - now it's time to take the LTO's, combine them with what we've discovered in the SWOT and SOAR, and develop very specific strategies for achieving measurable results. The Strategies are developed according to the functional areas that have responsibility for implementation. They need to be measurable, observable and achievable.
- **Action Plans** - this last step provides the "Who" is going to do "What" by "When" specifics. Again, the focus is by functional

area of the business. The "Who" tends to be the different functional leaders, and the "What" is everything that has been identified in order to build on strengths, resolve weaknesses, exploit opportunities, avoid threats. Think BIG and BEYOND today and have very measurable results. Usually Action Teams are created at this stage, tasked with the implementation phase and reporting back to senior leadership on a regular basis throughout the year.

This process requires a number of weeks to organize, assemble the right players and develop the agenda. Then, it's usually a solid two days to put the Strategic Plan (SP) together, but some organizations have been known to get a full SP done in one, long day. This is especially true in organizations that have already developed their Core Values, Vision and Mission, and they have been fully articulated throughout the organization. Or, they might arrange to do action planning as follow-up work for operational teams, after the retreat.

Having an independent facilitator, who has no bias and won't be impacted by whatever Action Plans are created, is an important role in all of this for a number of reasons:

- **Help set the stage** - this involves things like making sure that the right people are invited to the retreat, advocating for those who might be important leaders in their functional area but without the 'title' of their position. The facilitator ensures that the appropriate pre-work



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has been curated, vetted and distributed well in advance so that people come prepared to get right to work, and that the agenda is developed in such a way that successful planning, and implementation, is inevitable.

- **Facilitate the discussion. Without judgement. Without any personal agenda** - an independent facilitator helps to manage and corral the extroverts so that the introverts are heard and acknowledged. Additionally, an independent facilitator defers to the senior leaders who are championing the Vision, but is willing and able to be radically candid when need be, no matter who needs to be called to task and no matter their position in the company.
- **Ideally the facilitator can provide expertise in steering wise planning development** - although most facilitation work

is inherently passive in nature, there are some moments during the process where a facilitator will 'switch hats' and go into a more active role of steering discussion in a healthier direction. There may also be opportunities, 'teachable moments', where it will be appropriate to provide on-the-spot training to ensure that everyone's got the right tools for the job. If we go back to the analogy of 'planning a long road trip' together, an experienced and tactful facilitator can be both a good tour guide, mechanic and cheer leader.

Strategic planning is a management tool, period. As with any management tool, it is used for one purpose only: to help an organization do a better job - to focus its energy, to ensure that members of the organization are working toward the same goals, to assess and adjust the organization's direction in response to a changing environment. The plan

is ultimately no more, and no less, than a set of decisions about what to do, why to do it, and how to do it.

Because it is impossible to do everything that needs to be done in this world, strategic planning implies that some organizational decisions and actions are more important than others - and that much of the strategy lies in making the tough decisions about what is most important to achieving organizational success. Prioritization is key. Narrowing down all of the possible long-term objectives and the strategies to be employed to achieve them is critical to a successful implementation.

Strategic planning can be complex, challenging, and even messy, but it is often defined by the basic ideas outlined above - and you can always return to these basics for insight into your own strategic planning process, however you decide to implement it.

Business Sense is a no-fluff source of information that gets right to the heart of what small business owners need: essential tools and informational resources to help their businesses grow. Written by our team of business coaches, this series shares their decades of experience in areas such as financials, operations, sales and marketing, human resources, leadership, and governance. Business Sense is designed to provide entrepreneurs and small business owners in various sectors, including agriculture, forestry, waste management, renewable energy, and environmental technology, with recommendations and practical advice to help their businesses not only survive but thrive.

Our business management coaching and Business Sense Resource Guide are designed to accelerate the growth of the enterprises we work with and expand the leadership capacity of the entrepreneurs who own and manage these businesses.

Let Us Help You and Your Business

The Vermont Sustainable Jobs Fund provides tailored business management coaching, entrepreneurial support, and training to position Vermont-based entrepreneurs and small business owners in our designated market sectors for growth and long-term success. We partner with state government, private sector businesses and nonprofit organizations to build a thriving economic, social and ecological future for Vermont. Learn more at [VSJF.org](https://vsjf.org)



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