

Ernst Enterprises Newsletter



STRATEGIC PLANNING IN 10 STEPS

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Strategic planning is not a luxury or something you do when the business is running smoothly. Rather, it is an essential tool for the business owner to keep his/her business on track, and is especially necessary during these tough times.

Running a successful business is more certain when you have a strategic plan in addition to your annual plan/budget. Without it, your business will make wrong turns, expend unnecessary resources, lose momentum and miss opportunities. Think of it as having a destination on a road trip. Without a destination, any direction you head in appears to be a good direction.

SO WHAT EXACTLY IS A STRATEGIC PLAN?

Let's look at a few definitions:

1. Strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources, including its capital and people, to pursue this strategy.
2. Strategic planning determines where an organization is going over the next year or more and how it's going to get there.

Most owners and executives don't invest the time or energy to build a strategic plan for several reasons: first, they are so busy managing their business they don't have time to work on their plan; and second, they don't have the expertise to manage the process. Many have undertaken a strategic planning process in the past and all they have to show for it is a dusty three ring binder on a bookshelf. It's easy as a business owner to use these reasons as an excuse for poor planning and failing operations.

DEVELOPING A STRATEGIC PLAN IS NOT AS OVERWHELMING AS IT SOUNDS

A strategic plan in ten steps:

1. Commit adequate time and resources to the planning process (suggested timeframe of a few weeks or less if you and your management team focus at an off-site meeting). Get outside help if you don't feel comfortable managing the strategic planning process.
2. Update/develop the vision, mission and values for your business.
3. Develop a thoughtful and accurate SWOT (Strengths/Weaknesses, Opportunities, Threats) assessment for your business.
4. Visualize the future for your business by dreaming big.
5. Develop 3-5 bold goals - build plans of action to achieve the goals and prioritize them.
6. Dedicate resources (financial and people) to these to achieve your goals.
7. Reduce your plan to writing. (Tips: keep it brief, use bullet points, keep it to one page and prioritize. You can't do everything.)
8. Decide what goals you can accomplish in the first year and put those into your annual plan/budget to ensure that there are adequate resources to accomplish the plan.
9. Align your recognition and rewards systems to focus your employee's efforts and to encourage and reinforce results.
10. Communicate the plan to all of your employees.

GETTING STARTED

The strategic planning process is best accomplished with the management team going offsite to minimize distractions. The management team needs to focus only on the planning process and not the crisis of the day. Hire a professional to facilitate the meeting and to ensure the process works, stays on track, and produces a workable plan that can be easily implemented. Strategic planning is essential if you want to achieve success with your business.

Resolve to make a strategic business plan for 2010. Plan now, and be ready to implement in January or to update your strategic plan if you have one.

We have significant experience guiding companies in building their strategic plan, and at the end of our process a business owner has the entire first year planned out in detail. This helps the owner hold his team accountable for the results. To learn more, contact Mark Ernst at Ernst Enterprises, LLC at 847-438-8977 or go to his web site www.eellc.us. Mention this article and receive a complimentary assessment meeting.

Sincerely,

Mark

Mark Ernst
Ernst Enterprises, LLC

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