

IS YOUR PLANNING STRATEGIC? MOST PLANNING ISN'T!



WHAT IS "STRATEGY"?

- Strategy describes how you will achieve your long term aims within the means available to you. This is how you will achieve your Vision.
- The longer term goals for the business that intend to have a major impact on its long term future. Decisions that will endure for many years.
- Examples of a Strategy may be to; enter a new market, diversify, close a business unit, sell or split the business, acquire a competitor, exploit new technology...



STRATEGIC OBJECTIVES - 'TOP 5'

1. Have a clear vision/aim for where you want to go
2. Strategic Objectives create the bridge between your Vision and what needs done to achieve your aims. Strategy without execution is a wish
3. They outline how you will execute the strategy, broken down into manageable and actionable focus areas

ELEMENTS OF GOOD STRATEGIC OBJECTIVES:

- **IMPACT** - Will have a major effect on the business
- **LONG-TERM** - take some time to achieve (3-5 years), and intended to endure for many years or be permanent
- **TOP 5** - Less is more. 3-4 is a sweet spot. More than 5 you will lose focus
- **FOCUS** - Key for success. They provide direction and boundaries for Action. Where resources are to be directed, and where they are NOT!

ANATOMY OF A STRATEGIC OBJECTIVE

Documenting your objectives to provide clarity, direction and focus for your business can be challenging.

'TOP 5' STRATEGIC OBJECTIVE	HOW WE WILL ACHIEVE THE OBJECTIVE
<p>TEMPLATE</p> <p><i>Label:</i></p> <p><i>Descriptive Statement (Start with a strong Verb):</i></p> <p><i>Impact (what will be achieved, how will this impact the business)</i></p>	<p>TEMPLATE</p> <p><i>Short description on how you will achieve the objective</i></p> <p><i>Questions to answer/clarify:</i></p> <ol style="list-style-type: none"> 1. <i>Where are we now?</i> 2. <i>Where do we want to go?</i> 3. <i>What do we need to do to get there?</i> 4. <i>How will we know we have been successful?</i>
EXAMPLE 1:	
<p>PROFITABILITY</p> <p><i>Restore Gross Profit margin to 30%</i></p>	<p><i>We have let our GP margin decline over last 2 years, and this is affecting the financial sustainability of the business. We need to restore our GP margin to 30%, by:</i></p> <ol style="list-style-type: none"> 1) <i>Reviewing our pricing structure and rising prices</i> 2) <i>Stop discounting</i> 3) <i>Increasing average order size per customer</i> 4) <i>Review our Product mix to focus on products that deliver high margins.</i> 5) <i>Having clients buy more for us, rather than competitors.</i>
EXAMPLE 2:	
<p>CUSTOMER FOCUS</p> <p><i>Achieve a minimum of 80% of customers who are delighted with us</i></p>	<p><i>We will achieve 80% promoters on NPS questionnaire, by shifting our thinking and behaviours to become more Customer Focused. Outward looking and seeing us from the customers eyes. Initiatives to provide world class service quality. We will deliver our products to the customer specification's; In full, on-time, and to the quality they require, each and every time.</i></p>

STRATEGIC PLAN

Plan that looks forward several years and is about the bigger picture and the massive change that will make a large and enduring impact on the business.

Differs from a Business Plan in 3 ways:

1. Big Picture – looks much further ahead 3-5 years, as opposed 1 or 2
2. Consists of mostly words – outlining the direction and scale of intentions for the business
3. Figures are broad strokes to inform the bigger picture achievement sought, rather than detailed forecasts and budgets. Some things are difficult to quantify in figures. ie. Succession Planning, Business Ethics etc.

Thus there are major differences between strategic planning, business planning and budgeting. They are not to be confused!

YOUR STRATEGIC PLAN:

- Provides direction and objectives for the business
- Communicates this to all staff and informs their business planning and budgeting
- Creates alignment of action and allocations of resources across the business
- Drives Action on the achievement of the Objectives for the business



TO DEVELOP YOUR STRATEGIC PLAN – PURPOSE AND STRATEGIC OBJECTIVES:

1.

**Review Past performance
– Brutal Facts**

2.

**Undertake
a S.W.O.T
Analysis**

3.

**Identify the 1-5
“Elephants”
in the S.W.O.T
that will have a
massive impact
on the business**

4.

**Develop the
objectives and
strategies to
address the
“Elephants” in
the business!**

**TALK TO US TODAY FOR A FREE, NO
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