

IT ALL Starts WITH Your Strategy

Begin 2008 with a Strategic Review of Where You Want Your Business to Be by the End of 2008

By Desiree Young



Developing a strategic plan is really about better understanding yourself, your business, and the environment or industry in which you operate.

“Strategic plans go wide where business plans go deep into the details.”

Take a good look at that store on the corner. There is a 10 percent to 12 percent chance it will not be there next year, according to the Office of Advocacy for the Small Business Administration. And although being a home-based business can increase chances for survival, growing the business can carry the same level of risk.

If you're new, you have little chance of surviving five years. Still, such odds do not seem to lessen the desire of entrepreneurs. An estimated 671,800 small businesses with employees opened their doors in 2005—the most recent year with statistics available—even as another 544,800 were expected to close theirs that year.

A lot of businesspeople start out with good intentions: They may have an idea of the goals they want to accomplish and may even write them down, but then stick them in a drawer while they deal with the daily issues that consume their time. I've seen it dozens of times—well-meaning entrepreneurs that work hard, burn the midnight oil, and run around non-stop—only to get to the end of the year and wonder how they fared as a business. The question I most often get asked is, “How do I know if I'm on the right track?”

To get entrepreneurs back on the right path and avoid the “headless chicken” syndrome, go back to the drawing board and develop, or re-develop, a strategic plan. Young is the owner of VentureWalk Business Partners (www.venturewalk.com), a New Orleans-based company which provides business owners around the country with the opportunity to identify and break down the barriers that stand in the way to achieving their ultimate business goals and the assistance to successful-

ly market their business to attract loyal customers.

Gone are the days where strategic plans are for the big-wig corporations and MBA types. Small and home-based businesses need them too. But first it's important to understand just what a strategic plan is. First of all, a strategy is simply a roadmap or a measuring stick for your business. It spells out the big picture of what your business does and where it's headed. It's the tool that guides you in all you do, from marketing, to selling, to operating, and it can be used as your basis for comparison and to direct and guide objectives.

Not to be confused with the business plan, the strategic plan answers why you started this business, what the big picture or the end goal of the enterprise is, and how you will get there. Strategic plans go wide where business plans go deep into the details. The business plan will most often be a detailed, longer document that will include parts like the financials, a marketing plan, specific operations, and a management plan, whereas the strategic plan is more likely to be a broad, shorter one.

My preference is the one-page strategic plan. In this format, entrepreneurs can post or hang it anyplace as a reminder of their company's big picture vision. This type of thinking can be difficult for entrepreneurs because most often they want to jump in and “DO” something. Developing a strategy can save time and money in the long run as it enables you to define where you're going, watch-outs to avoid in getting there, and how you know you've arrived or missed the boat.

STEP 1: DRAW THE FUTURE AND WHERE YOU WANT TO BE

The first part of a strategic plan is a vision statement. Like the term suggests, this is where a business owner states what the business will look like in 1-3 years in terms of its size, activities, and location. Some encourage 3-5 years, but for upstarts, I recommend a more realistic timeframe. If I were to use the analogy of building a car, the vision statement would be the drawings including the specifications, the color of the car, and the way it would look once finished.

Questions to Ask:

To help in identifying a vision, I ask business owners to answer 3 main questions:

- 1) If your business were to win an award for excellence, what things would you want mentioned in the bio prior to you're receiving it?
- 2) What 2-3 things do you want to achieve in the next 30 days, 3 months, 6 months, 1 year?
- 3) If your business were not here, what would the world be missing?

The vision statement example I like quoting reads like this:

I will come to America, which is the country for me. Once there, I will become the greatest bodybuilder in history..... I will go into movies as an actor, producer and eventually director. By the time I am 30 I will have starred in first movie and I will be a millionaire. I will marry a glamorous and intelligent

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wife. By 32, I will have been invited to the White House.

Attributed to Arnold Schwarzenegger – body builder turned Governor of the State of California

Naturally, the vision statement will change as the business reaches its goals. This statement should always include what the business is pursuing not what it has already accomplished.

The second part of a strategic plan is the mission or purpose statement. Not to be confused with the vision statement, this part of the plan most often does not change. It is the guiding statement and defines the purpose your business will fulfill.

Questions to Ask:

1. Why did you personally commit to start this business?
2. What impact do you want to have on your audience through your business?
3. What is it that makes you continue to perform your work in your business day after day, no matter what?

Guy Kawasaki talks about the concept of mantras versus missions. I whole-heartedly agree as mission statements should be inspiring, especially to the business owner. The key principle of the mission statement is that you

can explain why you do what you do. It should be natural so that anyone can understand it and should evoke the passion for which you started the business in the first place. There's no need for lots of words here, the key is to be concise, understandable, and of course accurate.

Catch a glimpse of the mission statement for a career coach who specializes in helping professionals leap into the world of entrepreneurship:

My mission is to improve the quality of work and life for entrepreneurs and the entrepreneurial-minded.

The value statement is a portion that should not be left out of a strategic plan but often is. It relates to every part of your business operation—from the employees you hire, to the audience you go after, to the services you deliver.

This statement identifies your main beliefs, philosophies and boundaries. To use our car analogy again, it's the brakes on the car and always starts with your personal values. For example, if you're a business coach and value quality time with your family (perhaps the reason you started your business in the first place), you will probably not take on any clients who could only have coaching sessions after hours. Therefore, your value statement may read like this:

I value quality time for me, my family, and my friends. My business attracts clients who also respect, value, and appreciate my time and what I deliver.

STEP 2: ANALYZE WHERE YOU ARE

The next part of the strategic plan is the analysis part. It's where you take the roadmap (vision, mission, value statements) and match it with a review of where the business is right now. Though there are many ways to analyze where you are, one of the more simple methods is by performing a SWOT analysis or as I like to call it, a "SWOT/SCOT" analysis.

SWOT stands for strengths, weaknesses (or challenges), opportunities, and threats. What's critical to understand is that the strengths and weaknesses (or challenges) are identified internal to the business and answer what is good or needs improvement, right now. So let's use the example of a professional organizer. Strengths the organizer may have are strong partnerships and alliances with local realtors and



This later step in developing your strategic analysis is where you develop the link between the vision, mission, and value statements AND the SWOT analysis—goals and activities (often called objectives).

Strategic Plan Flow Diagram

This diagram will guide your through the parts of a strategic plan.

Vision, Mission, Values Statements
Where you want to be

Goals and Activities
How you will get there

SWOT/SCOT Analysis
Where you are right now

“... take the roadmap (vision, mission, value statements) and match it with a review of what the business is right now.”

associations. A noted weakness may be that the organizer has not identified a particular niche but works with anyone who asks.

The opportunities or threats are relative to the external or outside forces of the business and answer questions about what good things are on the verge of happening or that could threaten business success. Using our same example, if the organizer works in the Gulf South, an opportunity may be that there are fewer certified organizers in this region of the country than in others. However, a threat may be a lack of education or perceived need for this type of service in the region.

Questions to Ask:

1. What's going well in the business right now?
2. What would you improve if you could?
3. What may potentially threaten your success?

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The table below will give you some other considerations.

STEP 3: IDENTIFY THE STEPS TO GET WHERE YOU WANT TO BE

This later step in developing your strategic analysis is where you develop the link between the vision, mission, and value statements AND the SWOT analysis—goals and activities (often called objectives). The goals are developed from the findings of the SWOT analysis and define the key strategies that you want to achieve. Activities define the step-by-step things to do to achieve your goals. The idea is to develop goals that reduce the weaknesses while increasing strengths and manage the threats while capitalizing on the opportunities. Most have come across the concept of developing goals that are known as SMART. If you haven't, here's a refresher:

1. Specific and meet what you want to accomplish.
2. Measurable or have some metric that answers how many or how much effect.
3. Achievable in that it is realistic and can be accomplished.
4. Relevant in that it moves your business toward your vision, mission, and values.
5. Timely in that it has a realistic time frame to complete.

SWOT/SCOT ANALYSIS – INTERNAL

OPPORTUNITIES	THREATS
What do you do well (in sales, marketing, operations, management)?	What do you need—customer service, marketing, accounting, planning, etc?
Specialty or niche market?	Where do you lack resources?
Good contacts/relations with partners or clients?	Unclear of who your market is?
Good competitive skills?	Lack of technological know-how or resources?
What are the economic trends that benefit you? Vulnerability to recession and business cycle?	
Special expertise, experience or core competencies?	Missing any key skills or competencies?

SWOT/SCOT ANALYSIS – EXTERNAL

OPPORTUNITIES	THREATS
Serve additional customer groups?	Likely entry of new competitors?
Enter new markets or segments?	Slow market growth?
What new needs of customers could you meet? (i.e., expand service line, diversify into related services)	Where are you vulnerable?
What are the technological breakthroughs?	Growing competitive pressures?
What are the economic trends that benefit you? Vulnerability to recession and business cycle?	
Fast market growth?	Growing bargaining power of clients?
What niches have your competitors missed?	Changing client needs and tastes?
What are the emerging political and social opportunities?	Adverse demographic changes?



For a strategic plan to be successful, there must be execution and accountability, so be sure to share it with others who are vested in your success.

SMART goals will help you to know exactly what to do and when to do it. Other things to consider include the resources that the goals will require such as additional support or finances and the fact that you are inspired to take on the challenge.

Using our professional organizer example:

Goal 1: Identify two niche groups to target in the next three months and define them by income and location.

Activity 1a) Ask existing partners for recommendations on groups to target.

Activity 1b) Get assistant to do research on the incomes and locations of the groups.

Goal 2: Develop and roll out free talks to newly targeted groups to strengthen awareness and education of professional organizing by March 30th.

Activity 2a) Get the graphic designer to develop presentation template.

Activity 2b) Develop an outline of three distinct talks to introduce services.

Activity 2c) Get virtual assistant to contact niche groups to get me on monthly meeting schedules.

Every strategic plan will change as you work to develop it. Therefore, start with the top 3-5 goals and review those at least monthly, depending on the time frames of the goals. In this review, it's important to do two things. First, measure your progress of how close you are or far and make adjustments as necessary. Second, celebrate milestones. A good exercise is to have a monthly meeting with a mastermind group and/or your employees or team members to review your plan. For a strategic plan to be successful, there must be execution and accountability, so be sure to share it with others who are vested in your success.

Developing a strategic plan is really about better understanding yourself, your business, and the environment or industry in which you operate. Once you begin this process, you'll begin to find yourself accomplishing more and reaching more goals in your business than you originally thought possible! **HBM**

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