

## FACTSHEET 6: STRATEGIC PLANNING FACTSHEET

**Strategic Plans** are owned by The Board/Owners of the business. **Annual/Business Plans** are owned by the CEO/Manager.

**A Strategic Plan** can be written in conjunction with senior management but it must always be remembered that The Board/Owners are responsible for its delivery, even though they do not do the physical delivery themselves.

Strategic Plans should have a life of 3-5 years and show a direction and pathway for this period of time and beyond. They should be reviewed each year and tweaked as appropriate. Each 3 to 5 year period they need to be challenged and the questions: 'Do we have the right Vision?', 'Are we following the right Strategy?', 'Are there new Strategies we need to develop to cope with changes?' be asked.

A Strategic Plan can have many elements e.g.

- ◆ **Vision:** Where do you want to be in 3-5 years time? What will you look like? Saying 'Be #1' is not clear enough!
- ◆ **High Level Strategy:** How are you going to get to your Vision? What will you 'acquire' (i.e. companies, clients, market share), what will you 'retain' (i.e. clients, competitive edge, staff), and what will you grow (i.e. more from existing-clients, Intellectual Property).
- ◆ **Structure:** Type of legal entity and who reports to whom. Structure follows Strategy. You need to know how you are going to get there before you assemble the team that you need. Structure is built around the High Level Strategy, not the current human resource.
- ◆ **Culture:** Organisational Culture is created by the type of Structure you create. A silo Structure will create a silo Culture.
- ◆ **High Level Goals:** What the organisation wants to achieve in the big scheme of things. Achieving High Level Goals will lead to the Vision being fulfilled. Two High Level Goals are usually sufficient.

The Strategic Plan then has the Annual Plan/Business Plan supporting it showing how the business will align with the Vision, Strategy, Culture, Structure, High Level Goals. Include in the Annual Plan:

- ◆ **Objectives:** What needs to be done to achieve the High Level Goals? A total of six Objectives is usually sufficient.
- ◆ **Strategies:** How the Objectives are going to be achieved. Three per Objective is appropriate.
- ◆ **Tactical Actions:** The actions which will be taken to deliver the Objective. Three per Strategy is a good number.

It is important to remember that the **Strategic Plan** is far reaching and sets the direction of the business. The Annual Plan/Business Plan delivers on the steps to achieving the Strategic Plan.