



## Does Your Business Do Strategic Planning?

Arthur F. Rothberg, Managing Director, CFO Edge, LLC

If you ask them whether or not they do strategic business planning, most business owners and CEOs will say, “Yes, of course!” But then if you ask them to describe their strategic planning process to you, the majority will probably stammer for a few seconds and then say something along the lines of, “Well, we don’t really have a strategic planning process per se. Our strategic plan is right up here in my head.”

There’s a big difference between having a strategic plan “in your head” and engaging in true strategic planning. For one thing, if the plan is in your head, you’re the only one who has access to it: Your managers and executives can’t read your mind and know what you’re thinking. Just as important, going through the formal process of strategic planning will result in the creation of a written strategic plan that provides you and your leadership with a common blueprint to follow — which helps ensure that everyone is on the same page and working toward the same goals and objectives.

### How to Get Started

“But how do we start the formal strategic planning process?” you might be asking. Before we get to that, let’s first define exactly what strategic planning is. Wikipedia defines strategic planning as follows: “An organization’s process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy.”<sup>1</sup>

The strategic planning process for most companies entails three key steps:

1. **Recognize** that you probably already have a strategic plan, even if it’s just in your head.
2. **Articulate** this plan clearly with your key executives, managers and other stakeholders.
3. **Write** the plan down in the form of a formal strategic planning document.

A strategic plan will detail the strategies your company will implement in order to achieve your goals and objectives. It is more big-picture oriented than a business plan and should include a review of four key things — your company’s mission, vision, values and culture. Additionally, the company’s current situation should be analyzed using a traditional SWOT (Strengths, Weaknesses, Opportunities and Threats) or PEST (Political, Economic, Social and Technological) methodology. Think of the business plan as the tactical implementation of the strategic plan. Neither type of plan is more or less important than the other — in fact, the plans should complement each other and work together.

The best way to start the process of writing a strategic plan is to gather your executive team together for an in-depth planning session. Ideally, this session will take place outside of your normal office or work environment, such as in a hotel conference room or, better yet, at a secluded retreat center where everyone can relax and feel like they’re really separated from the day-to-day stresses of the business world. Set aside as much time as you think will be necessary to plan — this could be a half-day, full day or maybe even a weekend. Moreover, best practices recommend the use an outside resource to act as the planning session moderator so that executives feel more open about discussing issues than they might if the CEO were chairing the session.

## Your Planning Session Agenda

As you create an agenda for your strategic planning session, you might want to separate your discussion into the following categories:

- 1. Business growth plans** — Almost every company wants to grow, but there's a difference between growing strategically and just growing for the sake of growth. For example, think about *how* you want to grow — organically, or by expanding your current operations and selling more products and services, or by acquiring other businesses through a strategic merger or acquisition (M&A).
- 2. Operations, workflow and processes** — Six of the most dangerous words in business are, “We've always done it that way.” Force yourselves to look at how you do things through a different lens and from a fresh perspective: How can you tweak your operations and processes to increase efficiency and productivity and boost your bottom line?
- 3. The current state of your industry** — Is your industry going through major changes right now and, if so, how are you adapting to them? If not, could major changes be coming in the near future? Think about how entire industries were radically changed or even eliminated by the Internet. But companies that planned strategically not only survived – they thrived.
- 4. Your competitive position** — Are you a market leader, laggard or somewhere in between? Also, what is your company's unique selling proposition (USP)? Or in other words, what makes you different from (and better than) your competitors and why do customers buy from you instead of them? It's important to figure this out so you can build on your strengths and emphasize them in your sales and marketing efforts.

Your company can realize many benefits by making the effort to put your strategic plan in writing. These include better resource allocation, improved alignment of business and employee goals, the opportunity to make better decisions, and a stronger focus on the long-term health of your business.

## Concluding Thoughts

There's a big difference between having a strategic plan “in your head” and engaging in true strategic planning. Going through the formal process of strategic planning will result in the creation of a written strategic plan that provides you and your leadership with a common blueprint to follow that puts everyone on the same page. An outsourced CFO services provider can act as a planning session moderator and assist in the process of writing a strategic plan that will help you realize a number of business benefits.

<sup>1</sup> “Strategic planning”; Wikipedia  
[en.wikipedia.org/wiki/Strategic\\_planning](http://en.wikipedia.org/wiki/Strategic_planning)

## About CFO Edge

CFO Edge, LLC delivers enterprise-class financial and operational performance solutions to executives throughout Southern California. Based in Los Angeles, our formerly-seated chief financial officers engage on demand as part-time CFOs, single-project CFOs, and interim CFOs to help business leaders successfully resolve pressing challenges and realize their financial and operational goals. At CFO Edge, we are passionate about helping our clients create, grow and sustain value. For more information, visit [www.cfoedge.com](http://www.cfoedge.com) or call 800.276.1750 Ext 101.

This publication has been prepared for general information on matters of interest only, and does not constitute professional advice on facts and circumstances specific to any person or entity. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication. The information contained in this material was not intended or written to be used, and cannot be used, for purposes of avoiding penalties or sanctions imposed by any government or other regulatory body. CFO Edge, LLC, its members, employees and agents shall not be responsible for any loss sustained by any person or entity who relies on this publication.