

MAKING A STRATEGIC PLAN

Olalah Njenga, CEO
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“UNLIKE A BUSINESS PLAN, A STRATEGIC PLAN IS AN ASPIRATIONAL TOOL.”

You have hopes and dreams for your business, but now you want to transform them into goals and priorities that can really take your business to its next level. So where to begin? It's time for a strategic plan!

Unlike a business plan, a strategic plan is an aspirational tool—meaning your plan is a reflection of your company's future success as seen through your eyes. Your strategic plan is essentially all of your hopes and dreams captured in a one-year, two-year or three-year plan. For most business owners, a one-year plan is ideal.

To get started, you'll need to put your “strategy hat” on and view your business from the outside in. Be objective about what you see. Putting on your strategy hat often means asking yourself what, why and when questions first, not how questions. How is what happens after you've defined what, why and when. If you start with how, you are thinking tactically, not strategically.

At its heart, strategy is simply drawing a box around what matters most. That box is organized into categories. Each of the categories has its own importance, but in order to make the box purposeful, each of the categories must build on as well as align with the others.

FOR EXAMPLE,
INSTEAD OF ASKING,
**“HOW CAN I BUILD A
MILLION-DOLLAR BUSINESS?”**

CONSIDER THESE QUESTIONS:

“What needs to exist in order to make a million dollars?”

“Why does having a million-dollar business matter to me?”

“By when do I want to have a million-dollar business?”

NOW YOU'RE USING YOUR STRATEGY HAT!

That categorized and organized box you, as a business owner, are drawing is often referred to as a framework—more specifically, a strategic framework.

Oftentimes, a large company has a very complex box (strategic framework) with a bunch of smaller boxes within it. The more complex their strategy, the more time it will require for them to see the results of the strategy. But for most business owners, a simple box that focuses on goals and priorities for a year is plenty to keep you busy.

SO WHAT GOES IN YOUR BOX?

The most common categories for your strategic plan include an Outlook on your success a year from now, your Vision for the future, your company's Mission statement, the Landscape of your industry, the Objectives for the year, the Goals to support your priorities, Drivers to accelerate your success and the key Actions you'll need to take.

As a business owner, you're likely to want a strategic plan that will include Objectives and Goals for growing your business, increasing revenue and getting more customers. If you really want to get the most out of your marketing and sales efforts, then make sure you have a good strategic plan.

**“AT ITS HEART,
STRATEGY IS SIMPLY
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QUICK TIP

When your marketing and sales strategies align with your company's Vision, Mission and other priorities, it will make your planning cohesive, purposeful and more effective.

**NOW.
LET'S START CREATING
YOUR STRATEGIC PLAN.**



Olalah Njenga, CEO YellowWood Group

Olalah is an award-winning entrepreneur, an accomplished business strategist and an advocate for the small-business economy. She partners with business leaders to transform ideas into objectives and objectives into outcomes. Olalah worked in several enterprise operations, administration, legal, human resources and technology roles before founding her firm, YellowWood Group, in 2003. Olalah serves in several state and national leadership roles and is a trusted media source for the BBC, NPR, New York Times, Marketplace, Fox and local broadcast affiliates.

OUTLOOK

What winning looks like for the business a year from now

When you think about the Outlook for your company, let your sense of optimism take over. Look at what's happening across your industry and other industries. What trends do you notice? What shifts are happening? How can you make this work for your business?

For example, a couple of years ago, the owner of an interior-design firm noticed a trend of homeowners opting for DIY projects thanks to the lessons they were learning watching all the then-current design shows. When her revenue started slipping, she reworked her services and started offering consulting for "DIY gone bad," "DIY on a dime" and "DIY done right" to recoup lost revenue.

HERE ARE EXAMPLES OF WHAT WINNING LOOKS LIKE A YEAR FROM NOW FOR A FEW BUSINESS OWNERS:

Added a new product or service to increase revenue by 25 percent

Used more technology to automate routine tasks and free up time

Hired a part-time marketing assistant to help with campaigns

Won a large contract away from a competitor company

Opened another location in a business-district hot spot

ACTION: WRITE OUT YOUR OUTLOOK FOR THE BUSINESS THIS YEAR

VISION

What the company aspires to be within its industry over time

Your company’s Vision is a look into the distant future—10, 20 or 30 years from now. While that might seem overwhelming at first, it is a fantastic way to dream big—really big. Your Vision is the story behind why you started the business in the first place. Are there companies that you admire that you want your company to be like? What is it about those companies that you admire? Now take that information and envision your own company and the amazing things you want it to do.

Think about the story behind your business. What motivated you to start it? Why is it important for you to succeed at it? What obstacles did you face that helped you change course for the better? Why does your story matter?

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A FEW EXAMPLES OF THE SHORT STORIES THAT FUELED SOME POWERFUL VISIONS:

McDonald’s—Ray Kroc wanted a hamburger in every hand

Apple—because everyone should be their own creative team

BMW—if you’re going to drive, feel what you drive

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QUICK TIP

Get your story down to a 15-second snapshot. Think of it as a highlight reel or a movie trailer. Then turn that snapshot into a few key phrases to develop a succinct Vision. Keep working it until you get excited and it speaks to you. Then share it with others to get their feedback.

ACTION: WRITE OUT YOUR VISION STATEMENT

MISSION

Why the company exists
and the problems it solves

You probably had a ton of reasons why you started the business, but the only reason that really matters is the reason that matters to your customers. In figuring out your company's Mission, consider the many ways your products and/or services help your customers and the specific problems or challenges that your customers face.

For many companies, a Mission statement is a short phrase that aligns with their Vision statement. However, as your company evolves, you might need to evaluate whether the Mission stills "fits." Get into the habit of revisiting your Mission statement every few years, and ask yourself the question, Is this still true?

SOME WELL-KNOWN MISSION STATEMENT EXAMPLES:

Google—to organize the world's information

Nordstrom—to give customers the most compelling shopping experience possible

Tesla—to accelerate the world's transition to sustainable energy

QUICK TIP

Your Mission statement should be relatable and repeatable. Don't weigh it down with a bunch of words. The most effective Mission statements are the ones that use the fewest words possible to make the most impact. One of the shortest and most effective Mission statements was TED's "Spread Ideas," which was reworked to "Ideas Worth Spreading."

ACTION: WRITE OUT YOUR MISSION STATEMENT

LANDSCAPE

Your customers, competitive threats and what's happening within your industry

Regardless of your industry or the type of business you have, every business owner is in the same race—the race for relevance. Being and staying relevant mean understanding what's happening in the business environment and using that information to make critical business decisions about the future of your company. That business environment is your Landscape.

A competitive threat is not the same thing as competition. A competitive threat is any alternative that can be used as a substitution for what your business produces or does for its customers. For example, if you own a small bookstore, your local library is your competition, but Audible (the online audio-book service) is your competitive threat.

HERE ARE SOME WAYS YOU CAN STAY ON TOP OF YOUR LANDSCAPE:

Conduct customer surveys and polls.

Do competitive research.

Attend industry trade shows.

Subscribe to subject-matter expert forums.

REMEMBER

Competition and competitive threats are not necessarily a bad thing. Think about the ways you can make improvements within your business on the basis of what you learn when you research other companies.

ACTION: WRITE OUT YOUR COMPANY'S COMPETITION

ACTION: WRITE OUT YOUR COMPANY'S COMPETITIVE THREATS

ACTION: WRITE OUT WHAT YOUR BUSINESS WILL DO TO STAY COMPETITIVE

OBJECTIVES

The big outcomes you are planning to achieve during the year

While you might hear some people refer to them as BHAGs (big, hairy, audacious goals), Objectives are outcome-driven achievements that move the needle in a big way for your business. Sometimes people interchange the words "goals" and "objectives," but they are quite different. For example, losing 10 pounds is a goal; being fit and healthy is an objective.

REMEMBER

Think big! What are a few things you get really excited about accomplishing? What big outcomes will set your company up for long-term success? If you have team members, use this as a brainstorming opportunity to get input from everyone. You might be surprised to discover what other people believe is possible for the business to achieve.

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HERE ARE SOME EXAMPLES OF ANNUAL OBJECTIVES FROM BUSINESS OWNERS IN VARIOUS INDUSTRIES:

Health and beauty—get the product line on the shelves of a major big-box retailer

Marketing— become the agency of record for the top-10 largest firms in the area

Real estate—be named agent of the year with the highest sales volume in the office

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ACTION: WRITE OUT THE BIG OUTCOMES YOU WANT YOUR BUSINESS TO ACHIEVE THIS YEAR

GOALS

The milestones the business will achieve to indicate progress toward the Objectives

Think of Goals as the interim wins on the road to achieving your Objectives. When you reach a Goal, it creates momentum so that you can keep pressing forward. Most people have heard of making Goals SMART (specific, measurable, attainable, relevant and time bound).

However, a critical step that many people miss in making Goals is that Goals must align with the other elements of the plan. In other words, if you can't draw a line from your Goals to your Objectives and from your Objectives to your Vision and Mission, then they might be Actions disguised as Goals.

A local candlemaker was determined to make Oprah's list of favorite things. It was an Objective on her strategic plan for three years. Every year she mapped out the timeline for submitting her product for evaluation for the coveted favorite-things list.

What are the SMART indicators that are most important in achieving your Objectives? How will you know the plan is working? Are any of your Goals really Actions in disguise?

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HERE ARE SOME OF THE GOALS THE CANDLEMAKER CREATED:

Follow up with at least five clients every week for testimonials

Secure three major distributors by the end of the month

Get 12 beauty-blogger mentions by the end of the third quarter

Distribute 1,440 sample units by the end of the year

QUICK TIP

If you can give it a start and a stop, then it's likely a good Goal to consider for your plan.

ACTION: WRITE OUT YOUR WEEKLY GOALS

ACTION: WRITE OUT YOUR MONTHLY GOALS

ACTION: WRITE OUT YOUR QUARTERLY GOALS

DRIVERS

Something that can accelerate achieving your Goals

One of the most important things you can do as a business owner is to identify the people and things that can speed up getting the results you want. Sometimes it's a well-connected colleague; other times it's attending an annual conference; still other times it's a copy of the membership list of a professional organization. In any of these instances, if it can help you get from 0 to 100 in less time, you need to make it a priority.

SOME QUESTIONS TO HELP YOU FLESH OUT POTENTIAL DRIVERS:

WHO HAS REFERRED BUSINESS TO YOU "CLEAR OUT OF THE BLUE," AND YOU DIDN'T EVEN KNOW THAT THEY KNEW WHO YOU WERE?

WHAT EVENTS ARE YOUR CUSTOMERS ATTENDING THAT YOU ARE NOT ATTENDING?

WHICH OF THE ORGANIZATIONS OF WHICH YOU ARE A MEMBER OFFER MASTERMINDS, ROUNDTABLES, ETC.?

ARE THERE LEADERSHIP OPPORTUNITIES WITHIN PROFESSIONAL OR CIVIC GROUPS THAT PUT YOU IN FRONT OF PEOPLE REGARDED AS CENTERS OF INFLUENCE?

WHOSE ENDORSEMENT OR TESTIMONIAL WOULD BE WORTH ITS WEIGHT IN GOLD TO YOUR BUSINESS?

WHAT/WHO CAN ACCELERATE YOUR SUCCESS?

ACTIONS

The tasks that support Drivers, Goals and Objectives

There's action, and there's motion. Never confuse the two. Oftentimes business owners are busy, but they are not making progress toward what matters most—they're not gaining traction. Sometimes the stuff of life gets in the way of living, but you must protect your time so that you have the energy and stamina to do the important Actions that support fulfilling the company's Mission.

The hard truth is that working *in* your business will always compete with working *on* your business. But if you are the owner, there is no one else who can work on the business for you. Identifying and following through on "working on the business" Actions are critical to your company's long-term success.

REMEMBER

Sometimes, in order to get started, you need help, resources, input, etc. What are a few things you need to address before you can jump right in?

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FOR EACH OF THE GOALS YOU CREATED, CONSIDER THESE QUESTIONS TO UNCOVER THE ACTIONS THAT WILL ENERGIZE YOUR STRATEGIC PLAN:

What is one Action I can take right now that will make a difference?

What is one Action I can take today to move the needle?

What is one Action I can take tomorrow to support one Goal?

What is one Action I can take this week to achieve one Goal?

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ACTION: WRITE RESOURCES YOU NEED

ACTION: WRITE OUT THE ACTIONS TO TAKE THAT ARE CRITICAL TO YOUR COMPANY'S SUCCESS
