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# It's time to update your strategic plan

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These past 14 months have been the most turbulent times any current business owner has ever had to navigate.

Our world has changed, and if you haven't made time to re-evaluate the environment in which your business is operating, you've left yourself exposed and vulnerable.

If you don't take the time to get refocused on what you have to change to ensure long-term success, rest assured at least one of your competitors has.

Do you really want to give them a competitive and strategic advantage by default?

## Smart Plan

Does your business have a strategic plan? Not something inside your head, or something a few board members think the company should do, but a written, well-thought-out plan that actually leverages the organization's strengths, steers around its weaknesses and takes advantage of the current economic environment?

Strategy creates purpose, instills the sense of need, provides direction and focus, and clearly helps you know what's important.

When you think strategy, think chess. Strategy is thinking multiple moves ahead, thinking about what someone else will do based on something you do and vice versa.

It's the action-reaction scenario, it's about knowing what you should and shouldn't be doing, it's about not being surprised, and when you are, being prepared with an appropriate response or action.

A strategic plan is the "how-to" part. Michele Masterfano, professor at [Drexel University](#), describes a strategic plan as "...understanding the external environment as well as the internal environment — the skills, capabilities and resources of the company. The idea is to look at the external and internal environments and develop a way to grow the business."

The action component of a strategic plan is SMART objectives. SMART stands for strategic, measureable, action-oriented, realistic and time-bound. Strategic plans often have three objectives with two- to four-year timelines.

## No strategic plan = opportunity lost

Companies with a history of success through good times and bad are the ones that plan. They make time to gather the best thinking in the organization and reflect on it. They put that knowledge to work identifying the goals they must achieve in the near term to be successful in the long run.

Companies operating without a strategic plan are operating under a reactionary philosophy. They react to market conditions, competition, internal limitations and other external forces such as regulation instead of preparing for them and acting proactively to minimize any potential negative impacts. Those companies with strategic plans have the luxury of shaping both internal and external forces in their benefit to the extent those forces can be shaped.

I asked two successful entrepreneurs why they thought having a strategic plan was important. Doug Worth, president and chief executive officer of [Worth Group](#), an architectural, construction and development company, said "I always felt strategic planning was the only way we would ever find a path to becoming a larger company. A strategic plan turns a game of poker into a game of chess."

And Jim Horan, president of One Page Business Plan, said, "It gets the owner, executives, managers, etc., to stop and think about their business, gather their thoughts, distill them, make decisions around them, and put them down on paper as a contract with themselves."

## Getting started

The first step to creating or revising a strategic plan is to gather your leadership team, the people who understand your business intimately. As a group, you should meet and talk about what is going on in your organization. What are people's fears and concerns, and what do they see as bright spots on the horizon?

This process is often referred to as a SWOT analysis, which stands for strengths, weaknesses, opportunities and threats. The discussion must be done away from the office to avoid the distractions and interruptions that are a part of every normal workday. Ideally it would be done out of town as well to avoid distractions from home.

I have two questions for you:

1. What does strategy and strategic planning for business mean to you and how would you describe it to someone with little or no experience with strategic thinking?
2. Is it important to have a strategic plan, and if so, why? What is the harm that can come from not having one, what are the benefits?

I would love to hear from you and look forward to your ideas and thoughts.

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