

STRATEGIC PLANNING

STRATEGIC PLANNING

It is not a document, but a
plan!



STRATEGIC PLANNING

What Strategic Planning is NOT!



STRATEGIC PLANNING

What is Strategic Planning?

“A TEAM of PEOPLE :

“ Who can make the decisions that move a company forward”

STRATEGIC PLANNING

You will take away the following:

1. What are the core principles
2. Effective processes for creating a strategic plan
3. The value of follow through and accountability
4. The importance of the behaviors involved in strategic planning

STRATEGIC PLANNING

Strategic planning identifies specific actions we will take to achieve our long term objectives.



STRATEGIC PLANNING

Strategic Thinking:

Taking a long-range, broad approach to problem solving and decision making through objective analysis OR



STRATEGIC PLANNING

Strategic Thinking:

THINKING AHEAD AND PLANNING



STRATEGIC PLANNING

3 core principles of strategic planning

1. Where is the business today?
2. Where do we want the business to go?
3. How are we going to get there?

STRATEGIC PLANNING

Other words we might use to describe
strategic planning:



STRATEGIC PLANNING

“Game Planning”



STRATEGIC PLANNING

Business Teams vs Sports Teams
(The only difference is timing)

1. Where are they today?
2. What do they want to achieve?
3. How are they going to get there?

STRATEGIC PLANNING

Strategy consists of the numerous decisions and activities that we identify that will enable us to achieve our long term objectives.



STRATEGIC PLANNING

Basic Business Model

- ⦿ Ideas = Identifying unmet customer needs that they will pay to have met
- ⦿ Assets = People, Property, Relationships
- ⦿ Income = Enhancing the bottom line, our ultimate goal

STRATEGIC PLANNING

Cash Flow

The pattern of income and expenditures

Resulting in the availability of cash



STRATEGIC PLANNING

Income

The money received from the sale of products or services

Expense

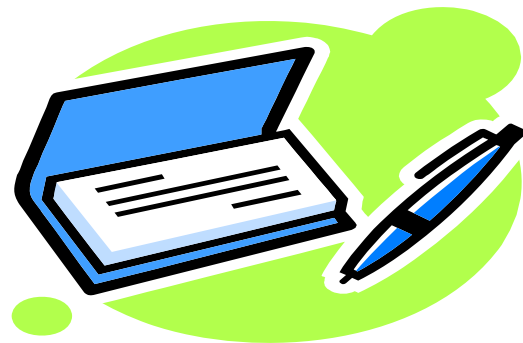
The cost of labor, materials, equipment, overhead, etc.

STRATEGIC PLANNING

Profit

Income minus the expenses over the same time period as your cash flow.

(What's left in your check book after you've paid all your bills)



STRATEGIC PLANNING

The “3” components of strategy:

1. Create
2. Implement
3. Evaluate

STRATEGIC PLANNING

The “3” components of strategy:

1. Create = what it is we will do
2. Implement = how we will do it
3. Evaluate = understanding where we are in achieving our objectives

STRATEGIC PLANNING

- ◉ The Gas Station

- ◉ Create = Lost Leader (milk)



- ◉ Implement = Identified the unmet need of cheap milk and convenience

- ◉ Measure = How many gallons of gas were purchased at the same time people bought the milk (did we increase sales and profits)

STRATEGIC PLANNING

A strategic plan should:

- ◉ Strengthen operations
- ◉ Enhance competitive capabilities
- ◉ Improve efficiencies
- ◉ Better serve our communities and shareholders

STRATEGIC PLANNING

What is the Business Purpose?

Primary need - Capital



STRATEGIC PLANNING

Mission Statement

“Establish xxxxxxxx as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow.”



STRATEGIC PLANNING

Principles/Core Values

- ◉ Provide a great work environment and treat each other with respect and dignity.
- ◉ Embrace diversity as an essential component in the way we do business.
- ◉ Apply the highest standards of excellence to the purchasing, roasting, and fresh delivery of our coffee.

STRATEGIC PLANNING

Principles/Core Values

- ◉ Develop enthusiastically satisfied customers all of the time.
- ◉ Contribute positively to our communities and our environment.
- ◉ Recognize that profitability is essential to our future success.

STRATEGIC PLANNING

A strategic plan should include:

External Assessment -

- ◉ Competition
- ◉ The market
- ◉ Customer profiles
- ◉ Emerging trends and opportunities
- ◉ Socio-cultural, economic, technological, and political changes

STRATEGIC PLANNING

A strategic plan should include:

Internal Assessment -

- ◉ Company's current performance across all areas
- ◉ Strengths and weaknesses of each department

STRATEGIC PLANNING

A strategic plan should include:

- ◉ Specific strategies for achieving our objectives
- ◉ Assignment of responsibilities for implementation
- ◉ Timeline for each objective
- ◉ Success measures

STRATEGIC PLANNING

Internal Assessment, “Where are we now?”

S = Strengths

W = Weaknesses

O = Opportunities

T = Threats

STRATEGIC PLANNING

Yogi said it best:

“If you don't know where you are, how do you know where you are going”



STRATEGIC PLANNING

External Assessment:

- ◉ Economic issues
- ◉ Socio-cultural issues
- ◉ Technological
- ◉ Political

STRATEGIC PLANNING

Company Analysis:

- ◉ Structure
- ◉ Resources
- ◉ Processes
- ◉ Staffing
- ◉ Culture

STRATEGIC PLANNING

Operating Plans:

Financial

Technology

Operations

Human Resources

Sales/Marketing

Others



STRATEGIC PLANNING

Controller Behavior Style

Major Focus: Results

Driving Need: Control



STRATEGIC PLANNING

Controller Behavior Style

Strengths:

- ◉ Using conflict
- ◉ Making fast decisions
- ◉ Accepting challenges
- ◉ Generating ideas
- ◉ Adapting to change

STRATEGIC PLANNING

Controller Behavior Style

Blind Spots:

- ◉ Listening
- ◉ Being patient
- ◉ Working in teams
- ◉ Communicating expectations

STRATEGIC PLANNING

Controller Behavior Style

The controller wants to do it right the first time . . . and now!

“What do you mean it will take a little time?” “How much time?”

STRATEGIC PLANNING

Stabilizer Behavior Style

Major Focus: Relationships

Driving Need: Security

STRATEGIC PLANNING

Stabilizer Behavior Style

Strengths:

- ◉ Maintaining harmony
- ◉ Accommodating
- ◉ Working in teams
- ◉ Warm and friendly
- ◉ Systematic and thorough

STRATEGIC PLANNING

Stabilizer Behavior Style

Blind Spots:

- ◉ Spends too much time doing things for others
- ◉ Making task decisions
- ◉ Initiating quickly
- ◉ Letting go of past wrongs

STRATEGIC PLANNING

Stabilizer Behavior Style

The stabilizer wants everything to be well organized and have everyone involved.

“Let’s be patient, this is all new to everyone.”

STRATEGIC PLANNING

Analyzer Behavior Style

Major Focus: Quality, Accuracy,
Perfection

Driving Need: To be right

STRATEGIC PLANNING

Analyzer Behavior Style

Strengths:

- ◉ Uses facts, data, history
- ◉ Logic
- ◉ Assimilating information
- ◉ Quality control
- ◉ Providing well thought out opinions

STRATEGIC PLANNING

Analyzer Behavior Style

Blind spot:

- ◉ May lose sight of the “big picture”
- ◉ Getting out of either/or mindset
- ◉ Setting realistic standards
- ◉ Taking action immediately

STRATEGIC PLANNING

Analyzer Behavior Style

The analyzer generally wants more information on objectives, especially what has worked before.

“Do you have other examples that have worked in the past?”

STRATEGIC PLANNING

Persuader Behavior Style

Major Focus: People

Driving Need: To be liked



STRATEGIC PLANNING

Persuader Behavior Style

Strengths:

- ◉ Uses verbal skills
- ◉ Optimistic
- ◉ Takes social initiative
- ◉ Seldom at a loss for words
- ◉ Can stimulate others to action

STRATEGIC PLANNING

Persuader Behavior Style

Blind Spots:

- ◉ Planning or detail work
- ◉ Follow through
- ◉ Following systems
- ◉ Becoming overly emotional

STRATEGIC PLANNING

Persuader Behavior Style

The persuader likes to be the focal point of the discussion where the objectives are frequently seen as his/her ideas.

“Now that we all agree on those objectives, lets work as a team and get it done!”

STRATEGIC PLANNING

CONTROLLER



STRATEGIC PLANNING

- ◉ What type of behaviors do we need on our Team?

- ◉ ALL of THEM 😊

To Achieve Success



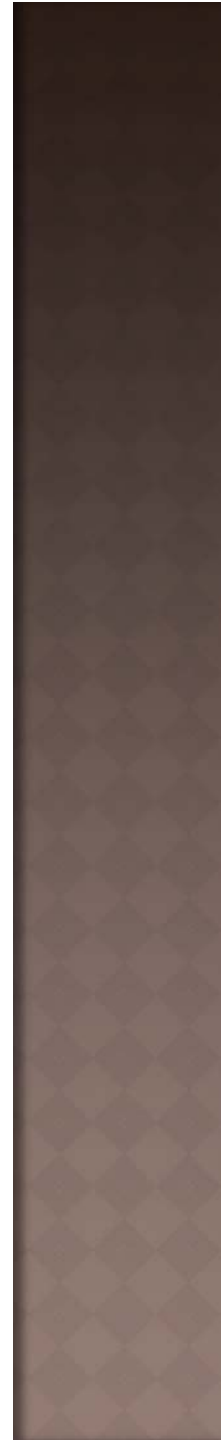
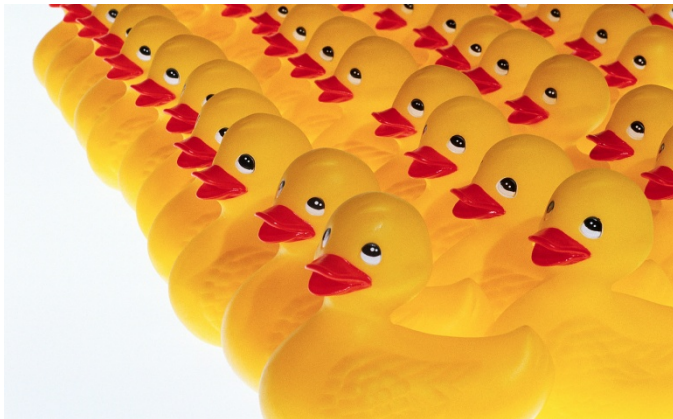
STRATEGIC PLANNING

SWOT analysis can identify a business unit that no longer fits the organization's Mission Statement



STRATEGIC PLANNING

Strategic realignment may require divesting that unit



STRATEGIC PLANNING

Strategic Realignment

Example:

A medical device company purchases a product line unrelated to the medical field. As the company grows and requires additional capital, divesting the non medical product line represents a strategic realignment.

STRATEGIC PLANNING

Review Your Objectives

Remember Know **YOUR** Business Purpose? (Mission Statement)

Focus in on “**WHAT**” needs to be accomplished, not “**how**” .

STRATEGIC PLANNING

The Action Plan

Here is where we focus on the “how” .

Include:

- ◉ Objectives
- ◉ Strategies for each
- ◉ Assign priorities
- ◉ Identify and assign necessary tasks
- ◉ Set deadlines
- ◉ Timeline (Ongoing or specific)

STRATEGIC PLANNING

Assigning Objectives

- ◉ Use the Employee Review Process
- ◉ Discuss the objective with the individual or group before adding it to their performance plan

STRATEGIC PLANNING

Example of "The What"

Objective - improve company financial performance 10% by year end

STRATEGIC PLANNING

Example of "The How"

- ⦿ Action Plan - each revenue unit will budget a 10% increase, each cost center will budget a 10% reduction in expenses
- ⦿ Deadline - 12/01/10
- ⦿ CFO will monitor results to insure goals are met

STRATEGIC PLANNING

Example of "The Reward"

- ◉ Profit sharing incentive based on achieving the 10% target
- ◉ If we hit X, each employee will receive 1% based on current salaries
- ◉ Results will be adjusted for controllable losses
- ◉ Results will be posted quarterly

STRATEGIC PLANNING

- ◉ Remember it is not a document therefore:
- ◉ Revisit your plan monthly or quarterly to identify if you need to realign or divest- and to insure you are on task.



STRATEGIC PLANNING

Revising Your Strategic Direction

- ◉ Redo the SWOT analysis and make sure you understand the “What”
- ◉ Insure the “What” still aligns with your Mission and Values

STRATEGIC PLANNING

Strategic Redirection Example

Mission - provide quality medical devices to hospitals throughout the US

STRATEGIC PLANNING

Strategic Redirection Example

Core Values

- ◉ Quality - strive for excellence and quality in every product we develop
- ◉ Integrity - we are committed to open and honest ethical relationships with our customers, business partners, and fellow employees

STRATEGIC PLANNING

Strategic Redirection Example

Problem

FDA is pulling your leading medical device from a specialized market due to a potential defect

Your strategy was to use this product to increase revenue and grow the company

STRATEGIC PLANNING

Strategic Redirection Example

Action

Leverage your remaining products to maintain your business

If this is your only product, fix the problem or inject additional capital until you can develop a new strategy and direction

STRATEGIC PLANNING

Review of Today's Goals

What are the core principles?

3 core principles of strategic planning

1. Where is the business today?
2. Where do we want the business to go?
3. How are we going to get there?

STRATEGIC PLANNING

Review of Today's Goals

What is an effective process for creating one?

The "3" components of strategy:

1. Create = what it is we will do
2. Implement = how we will do it
3. Evaluate = understanding where we are in achieving our objectives

STRATEGIC PLANNING

Review of Today's Goals

Do we understand the value of follow through and accountability?

The Action Plan Includes:

- ◉ Objectives
- ◉ Strategies for each
- ◉ Assign priorities
- ◉ Identify and assign necessary tasks
- ◉ Set deadlines
- ◉ Timeline (Ongoing or specific)

STRATEGIC PLANNING

Review of Today's Goals

Do we understand the impact of individual behaviors on the planning process?

What type of behaviors do we need on our team?

ALL of THEM 😊

To Achieve Success

STRATEGIC PLANNING

HANDOUTS



QUESTIONS?

Cynthia Sparacio, SPHR
EVP, Human Resources and Administration
West Coast Bank
503-598-3242