

Strategic planning is an essential process for every business. Effectively, it puts in place the overall game plan for the business.

The strategic plan should be treated as a living document. It should be reviewed regularly and updated to ensure it always provides a current view of where the business is heading.

The strategic plan sets the direction for the business over an extended time (three to five years for example). It defines the goals for the business, what the business will do and how it will do it.

Items to be covered in a strategic plan include:

1. Mission, vision, values.
2. SWOT (strengths, weaknesses, opportunities, threats).
3. Issues analysis, including a definition of core competencies.
4. Overall business direction, goals and objectives.
5. Key business initiatives.
6. Allocation of resources.
7. Situation analysis and assumptions including:
 - Analysis of the markets the business is in and their future direction.
 - Analysis of the performance and strategy of competitors.
 - An environmental scan (for example, using PESTLE analysis – which considers political, economic, social, technological and environmental factors).

Wise businesses communicate the key points of the strategic plan to staff. This helps them understand the direction of the business. A business plan is a one-to-two year subset of the strategic plan that describes in greater detail how the business will progress its strategy.

Establish a formal, ongoing planning process to ensure enough time and resources are dedicated to effective planning. Contact your local Business Enterprise Centre for advice on preparing and reviewing a business strategic plan or identifying consultants qualified to advise on the process.

Growth strategies:

Growing a business can be tough, and in today's competitive world business owner and managers need new strategies and new thinking to take their business to the next level.

While selling your current product/service may result in growth initially, there may be a time when sales start to decline or your growth plateaus and you need to seek other avenues and ways to increase your revenue.

Depending on your goals and objectives, there are different ways to grow your business. However, each strategy demands careful consideration, a well developed plan and a committed team in order to be successful.

If you want to grow your business, consider:

- Acquiring a new business.
- Identifying acquisition targets.
- Raising capital to fund acquisitions.
- Alliances and partnerships.
- Export strategy.
- Using technology.

Developing business goals:

Whether expressed explicitly or not, most small business owners and managers have goals for the business they would like to achieve. When developing a business strategy, goals need to be defined in the early stages of the process. When embarking on a growth phase, goals are particularly important so all staff and key stakeholders understand where the business is going and what needs to be achieved.

Business goals should be:

- Time bound – goals should be set with a timeframe for achievement in mind. They can be set for one or more time periods (ie 12 months, 2-3 years or 5 years +), and linked together. Goals expressed for time periods under 12 months, are generally considered to

be business objectives or targets and will be part of a business plan

- › Formulated to achieve the company's vision and mission
- › Easily understood, clear and concise, but can also be broad in scope
- › Realistic and achievable, given the company's resources
- › Measurable, so they can be tracked and judged whether they have been achieved
- › Meaningful in that achievement of the goals will make a considerable difference to the company. It is best therefore that goals are outcome focused versus input driven.

Goals can be financial, reputational, cultural, customer focussed or even community based. Along with goals striving to achieve the company's vision and mission, they must also be aligned to the company's values. Goals should be seen as opportunities for the company, not a burden that is out of reach or a fanciful suggestion.

Goals can be established for the entire company and/or for individual business or operational units. They can also provide a framework for developing key performance indicators (KPIs) at a company, business unit or individual level.

The most important aspect of developing goals is gaining commitment to achieve them from everyone involved in the company. Therefore, good communication during the developing process is needed, and once confirmed they should be shared widely and openly discussed.

More Information:

- › Central West Business Enterprise Centre:
124-128 Summer Street Orange NSW 2800
www.becbiz.com.au
Tel: Bathurst: 6332 1077
Tel: Orange 6362 0448
Email: businessadvice@becbiz.com.au
- › The Australian Government Principal Business Resource:
www.business.gov.au

www.bathurstregion.com.au/building-bathurst/