

STRATEGIC BUSINESS PLAN
(BP0001)

for

(company name)

for Period

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Document version control

Version	Date	Author(s)	Summary of changes

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Document distribution

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Overview of how to create this document

- Clearly identify the readers of this document. Then write the plan in a style that is easily understood by readers
- Remember that this plan is a working document that has the clear purpose of initiating focused action and generating clear and measurable results. Avoid the excessive use of descriptive adjectives to 'pad' or over-sell the plan. Flowery, highly descriptive language can cloud key issues, blur the plan's focus and slow/confuse its implementation
- Keep the plan 'tight'; ensure it remains concise, balanced, clear and logical. Where possible use quantitative rather than qualitative information. Remember the KISSS approach to planning; keep it simple, short and specific. Interlink all Sections, with the Market Analysis providing a clear focus for all subsequent sections.
- Focus on facts and information from credible and reputable sources. Where possible avoid critical dependencies on one source of information. Build redundancy in to information sources. Validate, validate, validate all key information used in the plan
- Always remember that faulty assumptions and faulty logic are some of the greatest hazards to business performance and business planning. Also remember that a good plan implemented today will always beat an excellent plan implemented sometime in the future. So, get the plan completed and in to action as soon as is practicable. Also, plans must be adaptive to changing circumstances. If the plan is not performing be prepared to complete 'major surgery' on it.

Some Thoughts on a Format for Each Section

The following is a simple, but effective planning format that will fit many of the sections in this plan. The format is not rigid and should be adapted to the requirements of individual Sections as applicable. The four sub-sections that comprise the format are as follows:

- **Current Situation**

Clearly and concisely present the current situation with any contributing history, and any trends, cycles, changes or future developments that are relevant

- **Key Issues**

Clearly define the most urgent and important issues as they relate to the current situation for this Section, and the overall purpose of this plan and the company's Mission. Key issues are usually those strengths, weaknesses, opportunities, threats, capability gaps and impediments that impact on business performance

Strategies to Address the Key Issues

Formulate strategies using the SMAAART acronym to address the key issues. SMAAART - Specific, Measurable, Action-orientated, Achievable, Affordable, Relevant and Time-bound

- **Key Performance Measures and Targets**

Establish key performance measures/indicators, performance targets and time lines in conjunction with the strategies to assess and improve performance

Five Tests for a Good Strategic Business Plan

- **Comprehension**

Am I satisfied that all readers of this plan will clearly understand it?

- **Appropriateness**

Am I satisfied that the strategic/business directions proposed are aligned with the company's constitution?

- **Sustainability**

Am I satisfied that the strategic/business directions proposed are of a nature and quality that should ensure the future?

- **Feasibility**

Am I satisfied that:

- * All company implications of the strategic/business directions proposed have been considered thoroughly,
- * Implementation is possible, and
- * All supporting goals, objectives and strategies are realistic, practically achievable, affordable and comprehensive?

- **Accountability**

Am I satisfied that:

- * Management accountability is clearly defined,
- * Management is adequately resourced and well prepared to implement this plan,
- * Effective remedial action has been planned in the event a management shortcoming occurs with plan implementation?

EXECUTIVE SUMMARY

The Executive Summary is the last section written. It should be restricted to two to three pages in length. In essence the Executive Summary is a very effective distillation of the overall business plan into a 'hard hitting' summary of key performance initiatives and performance targets. Typically it would include the following:

- The Business Opportunity
- The Product
- The Market Strategy
- The Management Team
- Profit and Cash Projections
- Investment Needs
- Returns to Investors

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SECTION ONE

STRATEGIC FOCUS

The Aim of this Plan

What do we wish to achieve with this plan?...start, grow, consolidate, downsize or exit.

Our Mission

A Mission Statement clearly defines the primary purpose or reasons for our existence. It is heavily focused on Customer Value. It is also vital to achieving organizational alignment

A mission statement typically provides clear and concise answers to the following questions:

- What products and services do we deliver?
- Where and when do we deliver our products and services?
- Which customer groups are our primary groups?
- Where are our primary customers?
- What tangible value do our products and services deliver to customers?
- What is our competitive advantage?
- What additional community and environmental benefits do we generate?

Answers to the above questions provide a start-point for preparing a statement that clearly positions the company in the minds of key stakeholders and customers

Core Organizational Competencies

Which core organizational skills and competencies are vital to achieving our mission

Organizational Values

What core organizational values must be imbedded in our organization to establish a culture capable of achieving our Mission?

Highest Priority Goals

List up to six of your highest priority goals in order of priority. These goals are formulated at Section 17. Section 17 shows how to use the SMAAART acronym to write clear, concise action-oriented goal statements. SMAAART Goals - are Specific, Measurable, Action-oriented, Achievable, Affordable, Time-bound. An example of a SMAAART Goal: *By 30 June 2011 to construct and commission a world-standard production and delivery facility capable of producing two 20 meter road bridges per month for direct installation in to Australia's public road system.*

In essence strategic goals progressively take the company to its next level of performance and keep it there.

- **Goal One.**
- **Goal Two**
- **Goal Three**
- **Goal Four**

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Performance Objectives

The performance objectives below, in combination, form a performance scorecard for easily tracking the performance improvements generated by this plan. Section 17 provides the inputs for this scorecard. The planning team determines the composition of the performance scorecard.

Performance Area	Performance Measures	Target	Time Frame
Financial Performance			
Customer and Market Performance			
Internal Efficiency and Effectiveness			
Long Term Development and Innovation			

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SECTION TWO

THE BUSINESS

Provide a concise overview of the business. Areas for consideration when preparing this section to include:

Owners/Directors/Shareholders/Shareholdings

A brief history of the business

Corporate and business cultures

Nature of the business and its main activities

Location

Current stage in its life cycle

Past performance and key achievements

Key business advisors - Solicitor, Banker, Accountant, and Consultants

Relationships with key stakeholders

Competitive strengths and weaknesses

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