



WHAT IS **strategic planning?**

Strategic planning is the development of an overall business mission that clearly states the purpose and future direction of the business.

It involves the setting of personal and business goals that are realistic and measurable whilst being consistent with the overall business mission.

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WHY DO YOU need strategic planning?

- TO GROW! 99% of businesses state that one of their missions is to grow and develop. If you do not plan you will be a “survivor” and generally only a short term survivor
- planning ensures a far more efficient use of limited resources
- planning provides a blue-print for growth
- planning provides your staff with direction and motivation
- planning allows you to anticipate what you want to happen and to identify in advance what pitfalls may arise
- planning sets out a clear path to match your goals and ambitions against resources and performance
- planning forces you to examine and develop ideas and thoughts – this will help you decide whether the return will justify further time being spent on them
- planning forces an analysis of your activities versus those of your competitors and identifies subsequent opportunities and weaknesses that exist
- planning helps to generate an array of facts, rather than words, which can be followed and monitored
- planning provides a benchmark against which you can measure, compare and evaluate performance in the future
- planning for succession
- business plans are increasingly becoming an essential tool for banks, lenders, shareholders, and other parties to evaluate effectively a business’ economic viability, or investment opportunity and projected growth path.

GOAL SETTING – does it work?

In 1954, Yale University conducted a study on goal setting as a determinant of future performance. Members of the Yale graduating class were asked if they had identified their goals for future financial worth. 3% had written goals identifying a dollar value, 11% had formulated goals in mind whilst 86% had no definite goals.

A follow up in 1974 discovered those 3% with clearly defined, written financial goals had combined net worth exceeding the total of the remaining 97%. Although setting goals will not guarantee success, you are far more likely to succeed if your goals are clearly identified and serve as a focus.



THE BDH & CO Approach to planning

A plan is not a document but a process – think strategically about the business, chart a course (which will be changed as conditions develop but it remains as an overall strategy), implement the action plan and then monitor the business plan.

You know your business but have you stepped back and taken a critical look at its operations and performance?

STEP 1 – Conduct a Strategy Session

A strategy session is basically a workshop that is facilitated by BDH & Co staff. The workshop is an interactive session with key members of your firm in attendance. The session begins with an analysis of the current situation moving through an analysis of where the business wants to be and concludes with the strategies and action plans of how the business will move from the now to the where.

A typical session will involve the following:

1. Situation Analysis

- review historical results
- review benchmarks/best practice results
- describe the market you are operating in including the trends and outlooks for your market
- review your position in the market
- review your competition in terms of size, quality, pricing, innovation etc.
- review your human resources, technology, plant and equipment, premises, suppliers, customers and financial health.

2. Identify Core Values

- personal
- business.

3. Develop Mission Statement

- state the purpose and future direction of the company with specific objectives.

4. Strategic Audit

- S.W.O.T. analysis
- basis for growth, for example greater penetration of existing markets with existing products, development of new markets and new products etc
- what is our sustainable competitive advantage that clearly sets us apart.



5. Key Strategies

- develop a list of the critical success factors needed to achieve the mission/vision
- internal analysis and assessment of your current performance of key strategies
- staff survey review
- prioritise key strategies.

6. Action Plan

- implement an action plan detailing who, when, what and how the strategies will be implemented.

The strategy session is complete, the key strategic direction of the business has been identified and the action plan to implement those strategies has been formulated.

STEP 2 – Business Planning

Following on from the strategy session the business now has a sound basis for the development of the Business Plan.

The Business Plan (document) is required in order to maintain the process – it is not an end but a starting point for the ongoing improvement process.

The Business Plan will document performance, detail the marketing, production and financial strategies and project expected results.

STEP 3 – Review

- follow up key strategies action plan and review results
- evaluate operating performance against projections
- adjust business plan in response to changing circumstances.



BDH & Co specialises in consulting to medium sized businesses. If you would like more information or a quote for our strategic planning services please contact our Messrs Brad Hodge, Tas Demos or Gede Barone.

Phone 02 9869 3300

Facsimile 02 9869 3200

Email bhodge@bdhco.com.au

Designed, produced and printed by Group Momentum – Contact David Minnett on **02 9955 0661**.

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