

Australian Commercial Entertainment
Technology Association

Strategic Plan Guide

A Companion Workbook



Company Values

Why are they important?

Your company values act as a guide for all employees in establishing an organization's conduct as well as its relationship with its customers, suppliers and stakeholders. Your values, over time establish the company culture.

Choosing the company core values is a job for senior management. Once decided upon the values should be shared with all employees.

These values will be of assistance in:

- Making internal directional decisions.
- Hiring new staff
- Assist in determining how your company will pursue its vision.
- Choosing and structuring relationships with key suppliers.
- Managing staff.

In an ideal world, most of us want more from our jobs than just a pay check. We want things like:

- Work satisfaction.
- A connection to our co-workers.
- The opportunity to make a difference.
- Opportunities to grow both personally and professionally

What can give us the kind of feeling that makes work more than just ... work?

For many companies, the answer is values.

Choosing your company values.

Ask yourself the following questions.

- What kind of company culture would I be most happy/comfortable working in?
- Do I have any personal values that are important to me?

We have collated a list of values that will assist you in getting started. It is not a definitive list. Add any that you feel are missing and are important to you

The idea is to make 3 passes, prioritising them at each pass until you arrive with a maximum of 15 -20 values.

Write them down on the "Core Value" page then prioritise them again to arrive at 3- 5 core values.

Write them down in the blank lines on top of the page.

Last but not least in one sentence **define each of your 3-5 core values** that is; what does each core value mean to you. Each of the core values you select may

mean different things to different people. Your one-line definitions will remove any ambiguity.

The Process.

- First Pass.
 - Place a dot alongside any value that appeals to you
- Second Pass.
 - Underline those that you choose to have a higher priority
- Third Pass.
 - Circle those values (with dots and underlines) that have the highest priority.

You should aim to now have 15 -20 values (see above)

Prioritise them down to your core 3- 5 values (see above)

Add your one-line definitions. (See above)

S.W.O.R. Analysis

Keep your SWOR short and simple, it is helpful to include important details.

For example, if you think your staff are a strength, include specific details, such as individual staff and their specific skills and experience, as well as why they are a strength and how they can help you meet your business goals.

When you finish your SWOR analysis, prioritise the results by listing them in order of the most significant factors that affect your business to the least.

Get multiple perspectives on your business for your SWOR analysis. Ask for input from your employees, suppliers, customers and partners.

Identify Your Strengths. (Internal)

Before you start listing your strengths, let's define the parameters.

- Strengths are positive internal factors that are within your control.
- Think of the experience and resources that are available to your business.

Here are a few categories to think about:

- Financial resources. Revenue streams, investments, diversified income, and grants.
- Physical items. Buildings and equipment.
- Intellectual property. Patents, copyrights, and trademarks.
- Human resources. Employees, volunteers, mentors, and so on.
- Key players. Personnel that are vital to your business.
- Employee programs. Any programs that help your employees excel.
- Company workflow. Your work practices and how things get done.
- Company culture. The environment that your company has created.
- Company reputation. How your business has grown its reputation.
- Market position. How your business is poised in the marketplace.
- Growth potential. How your business is positioned for future growth.

Questions to ask to find your company's strengths:

- **Starter questions:**
- What do you do well?
- What do you do that your competition can't?
- Why do customers come to you?

Financial:

- What kind of financial resources do you have?
- Is your revenue diversified?
- What kind investments do you have for the future?

Physical:

- What kind of assets do you have?
- What are the benefits of your company's space and building?
- What kind of equipment do you own?

Intellectual:

- What kind of intellectual property do you have in your business? List trademarks, patents, etc.

Human resources:

- What kind of human resources do you have?
- Are there vital players in your company's hierarchy?
- What kind of programs do you have that improve your business and employees?

Company work flow:

- What kind of processes do you have in place that make your company efficient?

Company culture:

- What kind of working culture has your company created in the workplace?

Company reputation:

- How does your clientele or community view your company?
- How did you achieve your reputation?
- Is your revenue diversified?
- What kind investments do you have for the future?

Market position:

- Does your company have an edge in the marketplace that your competitor doesn't?
- What plans do you have in place to improve your market position?

Growth potential:

- What plans do you have for growth?
- Do you have potential to grow in certain sectors where your competitors don't?
- What's the main reason you're able to grow?

Tips to list your company's strengths:

1. Be truthful. It probably goes without saying, but if you're not truthful during this process, the entire analysis won't be effective.

2. Allow for feedback. As you're brainstorming strengths, make sure you and/or your employees are comfortable offering their feedback. You may not agree on some strengths, but it's best to talk them through.

Identify your weaknesses. (internal)

Every owner wants to believe his or her business is running smoothly, so this part of the exercise might not be your favorite. However, it's vital information. You need to truthfully access the weaknesses within your business for this analysis to be effective.

Within a SWOR Analysis, weaknesses are internal factors that take away from your business or leave you at a disadvantage. The same categories that applied to your strengths column can be re-applied here.

The categories where you might find weaknesses include:

- Financial resources. This includes revenue streams, investments, diversified income, and grants.
- Physical items. Consider buildings and equipment that you rent or own.
- Intellectual property. Patents, copyrights, and trademarks fall into this area.
- Human resources. Your employees, volunteers, and mentors.
- Key players. Personnel who are vital to your business.
- Employee programs. Any programs that help your employees excel.
- Company workflow. This includes best work practices.
- Company culture. This is the environment that your employees work in.
- Company reputation. How your business has grown its reputation.
- Market position. You'll consider how your business fits in the overall market.
- Growth potential. How your business is positioned for future growth.

Questions to ask to find your company's weaknesses:

Starter questions:

- In what areas does your company struggle?
- Are there reasons that customers select competitors over you?
- Does something specific stop you from performing at your best?

Financial:

- Are financial resources holding you back? If so, how?
- Does your business get its revenue from one main stream? If so, is diversification a concern?
- Are you preparing for your financial future?

Physical:

- Are any of your physical assets creating a problem?
- What condition is your office in?
- What condition is your equipment in?

Intellectual property:

- Are any of your patents, trademarks, or copyrights in jeopardy?
- Is there any government red tape that's keeping a patent from moving forward?
- Does your company take too long to apply for patents, or similar?

Human resources:

What kind of human resources do you have?

- Are there any departments that are lacking or inefficient?
- Are employee programs in place to improve your business? Are they working?

Company work flow:

- What areas could be improved upon when it comes to work flow?

Company culture:

- Are you happy with the company culture that you've created? If not, why?

Company reputation:

- How does the public see your company? Are you happy with that image?

Market position:

- What kind of position does your business hold in the marketplace?

Growth potential:

- What plans do you have for growth?
- Are your competitors growing in ways that you can't?
- What keeps your business from growing?

Tips to list your company's weaknesses:

1. Be open-minded. As your employees suggest weaknesses, remain open-minded. It's likely that an employee will bring up a weakness that you hadn't thought of, or disagree with. When it happens, don't be judgmental.

2. Be critical of your business. Now isn't the time for rose-colored glasses, now is the time for pure honesty. Be prepared to look at your business inside and out critically.

3. Remember, every business has weaknesses. When you're finished talking about the negative aspects of your business, you might feel a bit deflated. Remember, every business has weaknesses. This exercise is just part of a larger process that will help you better understand your business.

Identify your Opportunities. (external)

Opportunities, as you might guess, are factors that can contribute to your growing success. These factors are typically outside of your control, which is why they are considered external factors.

Here are a few categories to consider when looking for business opportunities:

- Economic trends. Look at the economy in your area.
- Market trends. Your target market could be driving new trends that could open doors for your business.
- Funding changes. Donations, grants, or other shifting revenue streams that aren't within your control.
- Political support. Consider changes in political ties.
- Government regulations. Regulations that are changing that might afford you new opportunities.
- Changing relationships. Consider shifting relationships with vendors, partners, or suppliers.
- Target audience shift. Your target market might be expanding, aging, or shifting.

Questions to ask to find opportunities:

- To help you brainstorm possible opportunities, we've created a list of questions to help. The questions are broken up by the categories that we just went over. If a question doesn't apply to your business, simply move on to the next.

Economic trends:

- Is the economy in your area looking up?
- Will the economy enable your audience to make more purchases?
- Are economic shifts happening that impact your target audience?

Market trends:

- How is your market changing?
- What new trends could your company take advantage of?
- What kind of timeframe surrounds these new trends? Could it be a long-term opportunity?

Funding changes:

- Do you expect an increase in grant funding or donations this year?
- How will funding changes help your business?

Political support:

- Do you anticipate a shift in political support this year?
- What opportunities could be created with new political partnerships?

Government regulations:

- Are any regulations shifting that could lead to a positive change?

Changing relationships:

- Are there positive changes happening within any of your outside business relationships?
- Are vendors changing or expanding?
- Has your partner decided to move on, creating an opportunity to work with someone new?

Target audience shift:

- How is your demographic shifting?
- What opportunities can you think of that can move with these changing demographics?
- Is your audience expanding? If so, how can you capitalize on this increase?

Tips to list your opportunities:

- Do your research. Finding answers to some of these questions might require some digging. Don't be afraid to make some calls, set up meetings, and do market research to gauge upcoming changes.
- Be creative. To find an opportunity where your competitors are lacking skill and creativity. Don't be afraid to think outside the box when you're listing possible opportunities.

Identify your Risks. (external)

- A risk to your company is an external factor, something that you can't control, that could negatively impact your business. You may be thinking, if risk are outside of my control, why should I spend time identifying them? By knowing your risks, you might be able to find a strategy to minimize them, or at least, come up with a plan to handle them in a way that won't shut down your business.
- Identifying risks are all about being prepared and taking proactive steps to minimize the hurt. Coming up with a list of risks can be difficult. These issues don't spring to mind as easily as your strengths, but there are certain categories that most external risks fall into.

You can use these categories to brainstorm possible risks to your business:

- Economic trends. Examine the economic conditions that impact your business.
 - Market trends. Think about changing or shrinking market trends.
 - Funding changes. Donations, grants, your overdraft, or other shifting revenue streams that aren't within your control.
 - Political support. If political support is shifting, you'll want to analyze its impact.
 - Government regulations. Regulations that are changing that might impact your business.
 - Changing relationships. Consider shifting relationships with vendors, partners, or suppliers.
 - Target audience shift. Your target market might be shrinking, aging, or shifting.
- **Questions to ask to find risks:**

Economic trends:

- Is the economy in your area in a recession?
- Will the economy negatively impact your customers' ability to make purchases?
- Are economic shifts happening that impact your target audience?

Market trends:

- How is your market changing?
- What new trends could hurt your company?
- Is there more competition in your market that's pushing you out?

Funding changes:

- Do you expect a decrease in your overdraft, grant funding or donations this year?
- Will funding changes hurt your business? If so, how?

Political support:

- Do you anticipate a shift in political support this year?
- Is there reason to be concerned over political shifts?
- What does your business stand to lose because of political changes?

Government regulations:

- Are any regulations shifting that could cost more money or hurt production?
- What kind of damage could new regulations have?

Changing relationships:

- Are any outside business relationships changing?
- Is there any turmoil with partners or vendors?

Target audience shift:

- How is your demographic shifting?
- What risks accompany these changing demographics?
- Is your audience changing in a way that you can't accommodate?

Tips to find risks:

- Do market research. As you're looking into possible threats, you'll want to conduct market research to see how your target audience is shifting. This can be as easy as talking to your customers, bank manager and colleagues in other businesses.
- If you think of a threat, list it. Even if that threat has consequences that won't be felt immediately, it's still better to have it on your radar.
- Risks and threats exists, don't panic. Listing them may cause some anxiety, but remember that all businesses have risks. It's better to know about risks than it is to turn a blind eye to them. Once you've listed your risks, your SWOT template should be filled in.

Developing Your U.S.P.

Very few products or services these days are truly new – most are more like reinventions of something that exists already, but with a different approach, focus or spin. Your USP will define that “something”

Your competitive advantage(s)

Your competitive advantage (you may have more than one) will assist you in developing your USP.

Your competitive advantage is what sets your business apart from your competition. It highlights the benefits a customer receives when they do business with you. To differentiate yourself in the marketplace you need to be doing something “different”. It could be your products, service, reputation, or even your location. For example, do you offer home delivery, a money back guarantee, a 2-hour call-out service or childcare facilities?

How to identify your competitive advantage

To identify your competitive advantage, you need to understand your competitors and your customers. Ask yourself:

- Why do customers buy from us?
- Why do customers buy from our competitors and not us?
- Why do some potential customers not buy at all?

Market research will help you to answer these questions. Good market research will reveal how your business is different from your competitors, and what you have to offer that appeals to your customers. Market research does not need to be expensive. Ask your current customers why they buy from you? Their answers will help you identify your customers' needs and increase your competitive edge.

Customers buy benefits

When customers buy your product or service, they are buying the benefit that it gives them. It may be that your product makes their life simpler, or your service helps them to feel better about themselves. Think about how your competitive advantage benefits your customers.

For example, the competitive advantage for a sandwich shop may be: *We use fresh, local ingredients to make-to-order the highest quality gourmet sandwiches in the local area.*

Different customers may see different benefits:

- Customers with allergies or particular dislikes will enjoy the convenience of ordering a sandwich with their preferred ingredients

- Customers who want to treat themselves will be attracted by the fresh, high-quality ingredients, and the fact that the sandwiches are gourmet
- customers who want to support local businesses will appreciate that you use only local ingredients.

Thinking about how your business can benefit your customers will help you to pinpoint your competitive advantage. A strong competitive advantage:

- Reflects the competitive strength of your business (e.g. quality of service)
- Is preferably, but not necessarily, unique
- Is clear and simple
- May change over time as competitors try to cash in on your idea
- Must be supported by honest and ongoing market research
- Must highlight the benefits to customers rather than boast of your business itself.

After you have highlighted your competitive advantage, the best way to tell your customers about it is to create your Unique Selling Proposition

Create your Unique Selling Proposition

Your unique selling proposition (USP) is the marketing statement you use to sell your products and services to prospective customers. Unless your target market understands your USP, they may never know why yours is the business they should buy from. Clever design and copywriting in your advertising campaign will incorporate your USP to entice customers to buy from you.

How to develop your USP

To develop your USP, review your work on your competitive advantage and consider:

- What do I do that no one else does?
- What is unique about my business?
- What is my unique story? (e.g. product selection, service standards, staff training)
- How can this be made different from my competitors?

Then consider your customers:

- What does the customer want?
- What need or want are they really trying to satisfy?
- What is the main reason my customers buy from me?
- What can I do to match or exceed those expectations?

- What can I do to make sure the customer gets what they want?

Answering these questions will help you to establish your USP - the edge you have over your competition.

One way of using your USP to convey your competitive advantage to your customers is to develop a sales slogan or tag line for your logo. For example:

A floral delivery service may have as its competitive advantage:

- *Fastest local delivery at affordable prices.*
- *We deliver on service, on price and on time.*
- *Fresh flowers delivered fast.*
- *Time left over to smell the roses.*

The catchier your sales slogan the better, because you want your customers to remember it the next time they want to buy what you have to sell. However it should accurately reflect your Unique Selling Proposition. Your USP should be focused on your customers' needs and wants, so tell them:

- The main benefit they get from doing business with you
- How what you offer is different from what your competitors offer.

Your USP will define that something!

Review your USP

It is important to review your USP on a regular basis. Just because you've developed a USP and used it to advertise your business doesn't mean it will work forever. Your marketplace may change, your competitors may catch up with you, or your customers' wants and needs may be different in the future. Reviewing your USP, and adjusting it if necessary, will help you to keep your advertising fresh and viable. However do not make changes for changes sake, (maybe you become "bored" with your USP statement.) If your USP remains valid, continue you to use it. An USP that truly reflects your competitive advantage and also stands the test of time will be a real benefit to your business growth

DEVELOPING YOUR VISION STATEMENT.

A **vision statement** is an essential part of a company's strategic plan. It indicates what the company wants to become clearly and concisely and drives the accompanying Strategic Essentials and their Goals, Tasks and Responsibilities. It serves as a tool for strategic decision making across the company.

Your vision statement should reflect the work you have completed on your Values your USP and your SWOR analysis.

A vision statement, no matter how big or small the company, should serve as a description of the company's overarching aspirations, it encompasses the big picture and envisions where the company is heading long term. These statements also provide a powerful way to motivate and guide employees.

Should you have partners or significant stakeholders in your business, co-opt them into helping you develop the company's vision statement.

Points for discussion:

- Are you all of one mind of one mind?
- What are the differences?
- Is there a collective picture of the organization's vision?
- If not, can one be agreed?

A vision statement should also be concise. It may be a sentence or a few paragraphs. You want your entire team and organization to be able to quickly repeat it back and more importantly understand it. A vision statement should be more than a catchy tagline.

Revisit your work on your core values of the organization when drafting your vision statement. Ensure your vision statement is in line with your company values.

Next revisit your SWOR analysis and your USP. Ask yourself:

- What does your company hope to achieve?
- Who is your target customer base?
- What do you want to do for them?

Based on your responses to these questions, ask yourself what success will look like if you accomplish those things.

Your completed vision statement will give employees a clear idea of your company's path forward. Then it's up to you to nurture and support that vision and to inspire your employees to do the same.

Don't be afraid to think big from the beginning, as the vision statement can set you on your overarching path to success. You will (should) review your vision statement and the accompanying Goals Tasks and Responsibilities that support your Strategic Essentials on a regular basis to ensure that they all are still valid, you are on track, and if not, and make the appropriate changes.

The only constant in business is change.

Your Vision should have the ability to be measured in some way, in order to review your progress and ultimately know when you have achieved it.

Some examples of a Vision Statement.

When looking for the best examples of vision statements, consider these statements made by some of the world's most innovative and successful companies:

PepsiCo

"Our vision is put into action through programs and a focus on environmental stewardship, activities to benefit society, and a commitment to build shareholder value by making PepsiCo a truly sustainable company. At PepsiCo, we're committed to achieving business and financial success while leaving a positive imprint on society – delivering what we call Performance with Purpose." (Quoted from PepsiCo.)

Measurement:

- What percentage of programs put into play had an environmental component?
- Share holder value. Has the share price increased?

Amazon

"Our vision is to be earth's most customer centric company; to build a place where people can come to find and discover anything they might want to buy online." (Quoted from Amazon.com)

Measurement:

- Amazon has the resources to do large customer relationship surveys
- What percentage of programs executed by Amazon reflected "customer centric" words and actions in their program plans?
- What product categories do we currently not represent and what are our plans to represent them?
- What are our customers asking for that we cannot supply?

Vision statements don't have to be as grand as those above. Small local companies might simply aspire to have the friendliest customer service in town or offer the freshest, locally grown produce. Often your vision can be summed up in one or two sentences.

To have our product in every home in Australia

- (*Grand but measurable*. Unit sales as a % of population)

To help people enjoy life, by offering an affordable solution to health care.

- *Define affordable by logging competitive pricing and be priced somewhere in the bottom 50%*

To provide delicious, seasonal food and a fun atmosphere that will bring customers back again and again.

- *Request custom feedback on completion of their meal. Did they enjoy it? Why?*
 - *Develop a loyalty card program and measure it as a percentage of your total customers.*

To grow into a company operating on a local (or regional or national or international) basis generating sales of \$10M per annum.

- *Very easily measurable.*

My three-year vision is to be capable of developing enough revenue and income to enable me to surf 4 days per week.

- *Ascertain the level of income required to sustain the desired lifestyle.*

We intend to provide our customers with the best online shopping experience from beginning to end, with a smart, searchable website, (*measurable*) easy-to-follow instructions, (*Measurable*) clear and secure payment methods, (*measurable*) and fast, quality delivery." (*Measurable*)

Writing a Good Vision Statement

Looking at these different vision statement examples should give you a good jumping off point for knowing what a vision statement is and how to write one. Vision statements can be a challenge for many people because they aren't sure what form the statement is supposed to take, so let's recap:

- A typical vision statement is brief and succinct and contains measurable components. It will say a lot in just a few words, so those words must be very carefully chosen.

Understanding your goals and being able to state them clearly is the first step toward making them happen.

- Project three to five years in the future.
- Dream big and focus on success.
- Ensure you can measure your progress and eventual success.
- Use the present tense.

- Use clear, concise language.
- Paint a graphic mental picture of the business you want.
- Have a plan to communicate your vision statement to your employees.
- Be prepared to commit time and resources to the vision you establish.
- Be careful to remain 'output focused' rather than 'input focused'.

Producing a vision statement requires some hard thinking, however if you have done the work earlier (Values, USP, SWOT) you will get there.

Once you have it, all the major decisions you make should be measured against
"If we do this, will it move us towards our company vision"

Strategic Essentials.

Strategic Essentials are the initiatives/actions that are absolutely vital to achieving your vision. Think of them in the context of;

Should I not achieve any one of these I will not realize my vision!

Note all your ideas in the blank area of the *Our Strategic Essentials* page in your workbook. Prioritize them until you have the 3-5 Essentials that you believe are the most important in achieving your vision.

Write each one individually on the 5 sheets allocated in your workbook. Your initiatives should relate solely to accomplishing your vision and should reflect the thinking in your core values, SWOR analysis and USP,

Once you have established your initiatives, then break each of them down into the Goals, Tasks and who is responsible for each. (As per the worksheet) The work on your strategic initiatives and the goals and tasks to achieve them form the road map to achieve your vision for your company.

Congratulations! You now have a picture of where your company is now, a stated long term (3-5 years) vision for your company and a set of steps that form a roadmap for you to achieve it. A Strategic Plan.

So What now?

The biggest mistake you can make is to put all the work into developing your plan, then parking it in the bottom drawer.

The goals and tasks identified that will realize your strategic initiatives should be reviewed on a monthly basis. Each person responsible for the goals should deliver a brief update on progress. Consistent monitoring will not allow these important steps to be forgotten and overlooked in the day-to-day hustle and bustle of business.

All the elements of your strategic plan should be reviewed regularly. At least once a year. Check to see if they are still valid, or do changes have to be made. Your plan is a living-breathing document and requires constant attention.

- Is the vision still good?
- Have company values changed? Why?
- Does your SWOR analysis still hold up?

- Does your USP require work?
- Have you achieved one or more Strategic Initiatives and need to add more?

Remember: The only thing constant is change.