

# 5 Steps to Strategic Planning

By June Campbell

Where do you want your business to be a year from now? Five years?

The process of identifying where you want to be and deciding what you must do to get there is known as **strategic planning**. And it's as important for small business operators as it is for large corporations. Without a clear picture of where you want to be, your path will be fraught with indecisiveness, second thoughts and forays off into directions that you don't want to pursue.

The process is a simple one, although each step requires considerable thought and analyses. Here are the five steps to strategic planning. For best results, write or type your responses to each step, rather than trying to keep everything sorted out in your mind.

**Step One:** Look to the past and examine your business' history. Where have you been? What successes has your business enjoyed in the past? What challenges did it face and how did it handle those challenges? What have you learned through these experiences?

**Step Two:** Look to the present. Where are you now? Perform a SWOT analyses on your present operations. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Analyze your business and your products/services according to the four SWOT categories. And please, be realistic. There is no such thing as a business without weaknesses or a business without threats from outside sources.

**Step Three:** Look to the future. What vision do you have for your business in one year? Five years? Drawing on the data and knowledge you have obtained from steps one and two, create a picture of how you want your business to be. Do you want to be home based? In a downtown office? Do you want employees? Do you want a new product or a different product? What revenues do you want to generate? Who will your customers be? What role do you want to play personally and what do you want to see others doing? At this point, don't worry about how you will move from where you are to where you want to be. You will analyze that step later. For now, just create a realistic vision and write it into a Vision Statement. When you are finished, move on to the next step.

**Step Four:** Draw up your goals. Using your Vision Statement as a guide, develop a list of goals for your business. For example, if your vision included "Being the biggest supplier of widgets in the Pacific Northwest", then ask yourself what you will need to do to accomplish that vision. The things you will need to do are your goals. For example, perhaps one of your goals would be to establish a branch office in Seattle or Vancouver. Create goals for each aspect of your vision. When your goals are drawn up, move along to Step Five.

**Step Five:** Identify your Objectives. Your objectives are the action steps you will take to meet your goals. Include the dates by which you want to have completed each objective. In the example above, if your goal is to establish a branch office in Seattle by 2003, your objectives could be something like the following:

- a. Make list of desired features in new office. Identify which are critical and which are expendable. To be completed by -
- b. Contact real estate agent in Seattle. Date of completion -
- c. Arrange lease of office space. Date of completion -
- d. Acquire furnishings and office supplies. Date of completion -
- e. Recruit employees for new branch office. Date of completion -
- f. Open branch office. Date of completion -

You get the idea. Your strategic plan gives you a step by step plan of action that will move you systematically to the place you want to be.

Please remember that strategic planning is an **ongoing activity**. The most successful corporations and organizations consider this type of planning to be vital to their ongoing success. In an ever changing business environment, our strategic plans need ongoing attention.

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