



The Foundations of Strategic Planning

A Guide for Entrepreneurs



Summary

1

Increase your chances of success

As an entrepreneur, you want to realize your goals. And you certainly want to know what could prevent you from attaining them within a specific timeframe.

A fully thought-out, well executed strategic plan is the ideal tool to get this information and maximize your chances of achieving your ambitions.

2

Assess your current situation

A rigorous strategic planning process begins by assessing the company's current capacities and reviewing its external environment.

The goal is to determine what could limit your business or give it an edge. Whether you are looking at your functions, with indicators such as financial performance or changes in sales, or at market opportunities, trends and threats, identifying and documenting the key elements affecting your business will allow you to make the best decisions.

3

Shape your company's future

The results of your assessment will allow you to confirm or review your goals and define your strategic priorities.

These major decisions will allow you to prioritize the most important, realistic and promising initiatives, which can then be translated into concrete actions by your team.

Your teams will create the detailed action plans and specify the required resources and budgets to achieve your objectives.

4

Realize your vision

A good plan is simply wishful thinking if there is no execution. The key steps identified by your teams must be structured in an implementation plan for a period of 12 to 24 months. A good plan contains clear objectives and performance measures to track its progress.

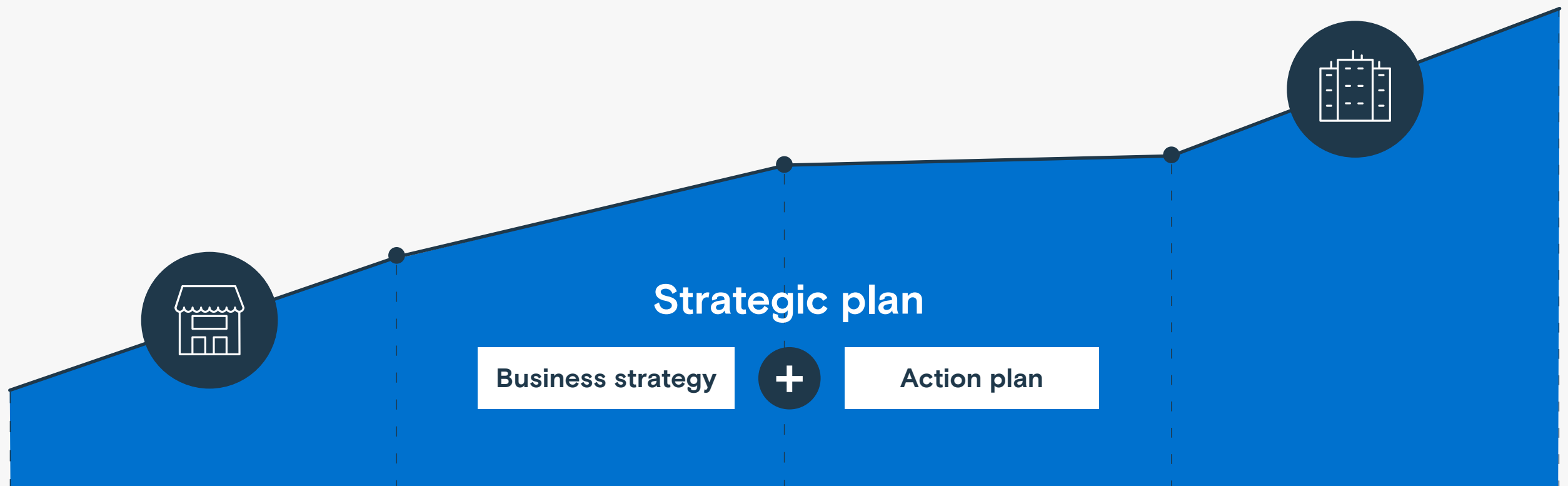
What is strategic planning?

A strategic plan is a management tool that outlines your company's future situation as well as the resources and strategies it will use to achieve its objectives. In other words, it describes a company's vision and the way forward to realize that vision while making sure to engage teams toward this common goal.

It is an excellent tool for generating growth or for realizing a major company transformation, mainly because it can ensure an entire organization is headed in the same direction.

A good strategic plan:

- clarifies the company's objectives and vision
- determines the company's priorities
- specifies or confirms the company's competitive position
- provides the tools needed to monitor operations
- provides the company with a concrete plan that considers all the variables that can affect it



Increase your chances of success

Review your internal capabilities

The first step to strategic planning consists of reviewing your internal capabilities. This review will cover all facets of your company and identify strengths, areas for improvement and challenges. This is often done during a team work session that is led by an expert who will help you objectively assess your company.



Human resources

Competencies

- Individual
- Corporate

Human resources

- Talent
- Retention and engagement

Structure and governance

- Authority and accountability
- Empowerment



Performance

Sales and marketing

- Past financial results
- Trends
- Marketing strategy

Financial performance

- Past financial results
- Trends

Systems, processes and operations

- Operational efficiency
- IT operations
- Risk management



Mission and vision

Culture

- Resistance to change
- Compatibility

Strategy

- Focus on products and market
- Control and monitoring

Common values

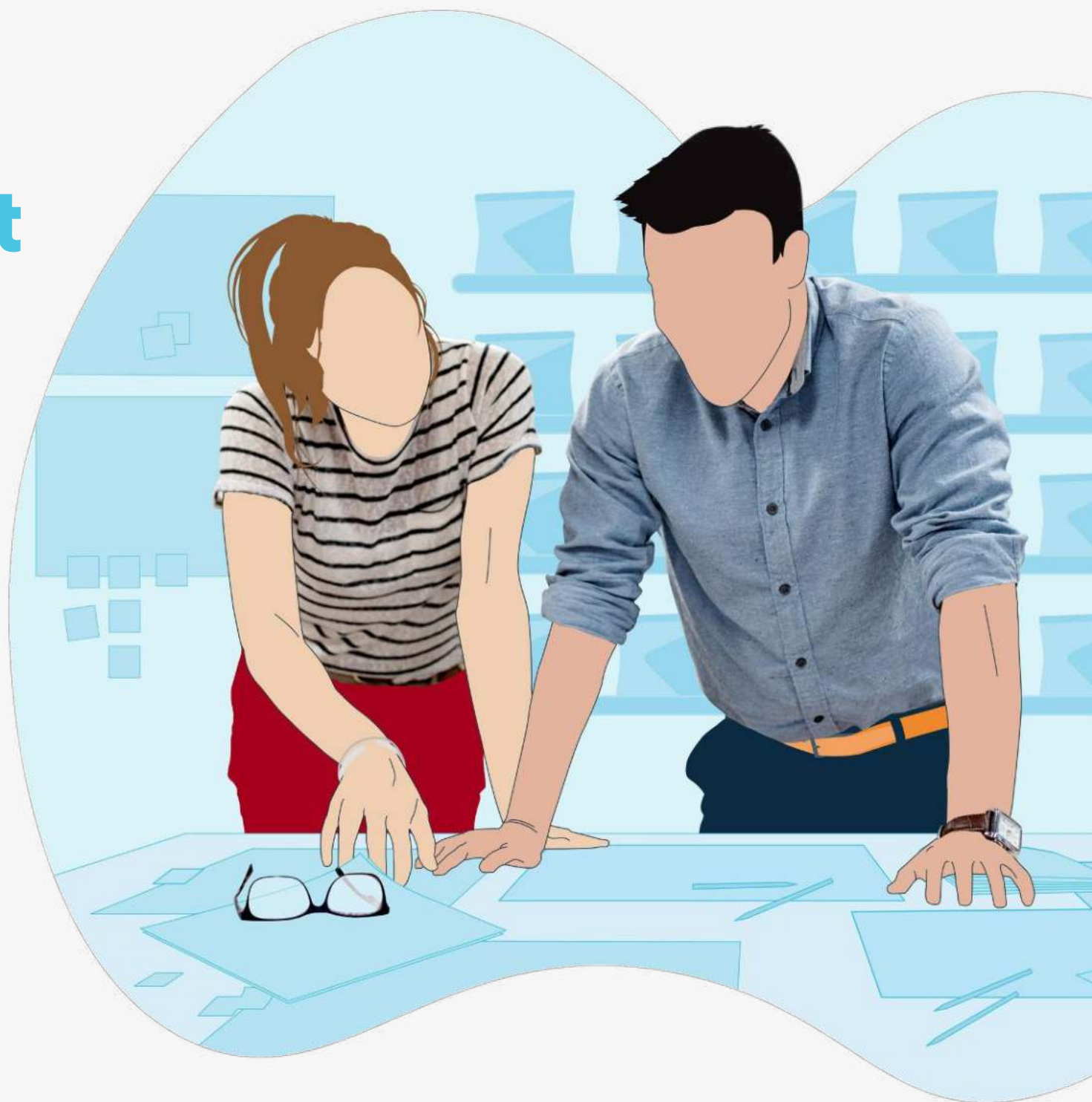
- Common values and objectives

Analyze the external environment

Your company does not operate in a vacuum, which is why you need to analyze your business environment. One of the objectives of this analysis is to confirm that the market will allow you to attain your objectives.

The external analysis will have to provide answers to the following questions, among others.

- What are the market trends in your industry?
- What is your market share?
- Who are your main competitors?
- How can you stand out in the market?
- How do clients perceive you?
- What pitfalls and dangers await you?



SWOT analysis: A valuable tool

SWOT is an acronym for strengths, weaknesses, opportunities and threats. It's a tool that will allow you to quickly identify the internal and external issues that could potentially have a positive or negative impact on your business.

Begin by assessing your company's internal strengths and weaknesses, after which you can focus on external factors that could impact your company. Examples include your competitors' activities, sector-based or technological changes, or evolutions in your customers' preferences and cultural trends.



Set up a strategic retreat

Having completed a detailed profile of your current situation, you will be ready to sit down with your team and confirm your analysis. This process ideally takes place outside the usual work environment, at a strategic retreat, since it requires the participants' full attention.

After reviewing your current situation, participants will make decisions on the company's future direction. The idea is to set the main objectives and strategic priorities for the coming years.

7 key questions to answer at a strategic retreat

1. Do all members of management agree with the assessment of the current situation?
2. Should we revise our vision, mission and values?
3. How do we intend to stand out in the future?
4. What are our long-term business objectives?
5. What are our strategic priorities for the next 12 months?
6. What are our priority areas for growth?
7. What is our action plan?

Establish your strategic priorities

The data gathered during the evaluation stage of your strategic planning will enable you to specify the company's objectives for the next three to five years.

The strategic retreat will allow you to set concrete targets and agree on priorities by assessing the benefits and efforts required for the various activities being proposed.

Determine strategic priorities based on:

Required effort

- Required investments
- Risk level

Expected benefits

- Additional revenue in relation to current sales
- Profitability (% of sales)

Strategy prioritization matrix



Create your **action plan**

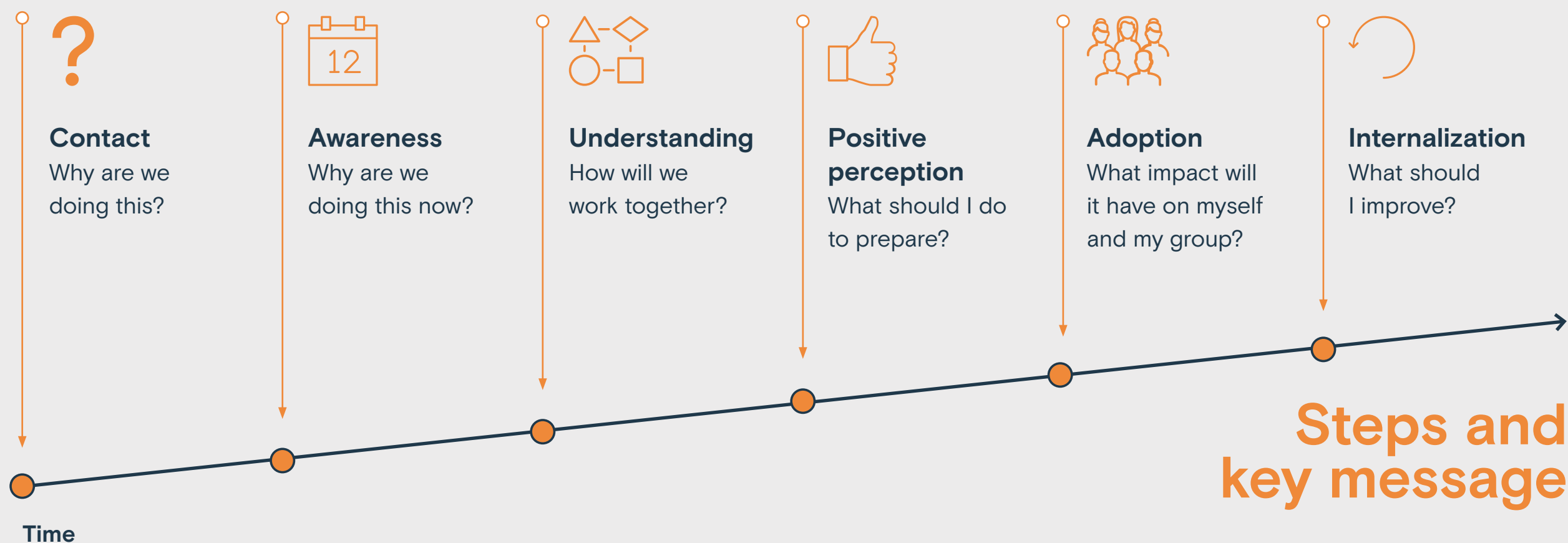
Work on your business strategy should result in a limited number of strategic priorities that you would like to implement over the next 12 months. These priorities will form the basis of your action plan.

The key components of an action plan

Which objectives must be achieved?	Which actions have been prioritized?	Who is accountable for the results?	What is the timeline?	What do we need?	How do we know if we have succeeded?
Objectives and strategies	Actions	Lead	Timetable	Required resources	Monitoring indicators
Objective 1					
Strategy A					
Strategy B					
Objective 2					
Strategy A					
Strategy B					

Communicate the **strategic plan**

Managing the human facets of your strategy, often called “change management,” is crucial to realizing your vision. Continuous engagement is required for personnel to be willing to make a change. Start by standardizing how you communicate your company’s objectives in order to engage key players, followed by all employees.



Realize your vision

7 tips for implementing your strategic plan

① Be open to innovation

Doing the same thing will give you the same results. Success requires a new way of thinking, so be open to new ideas.

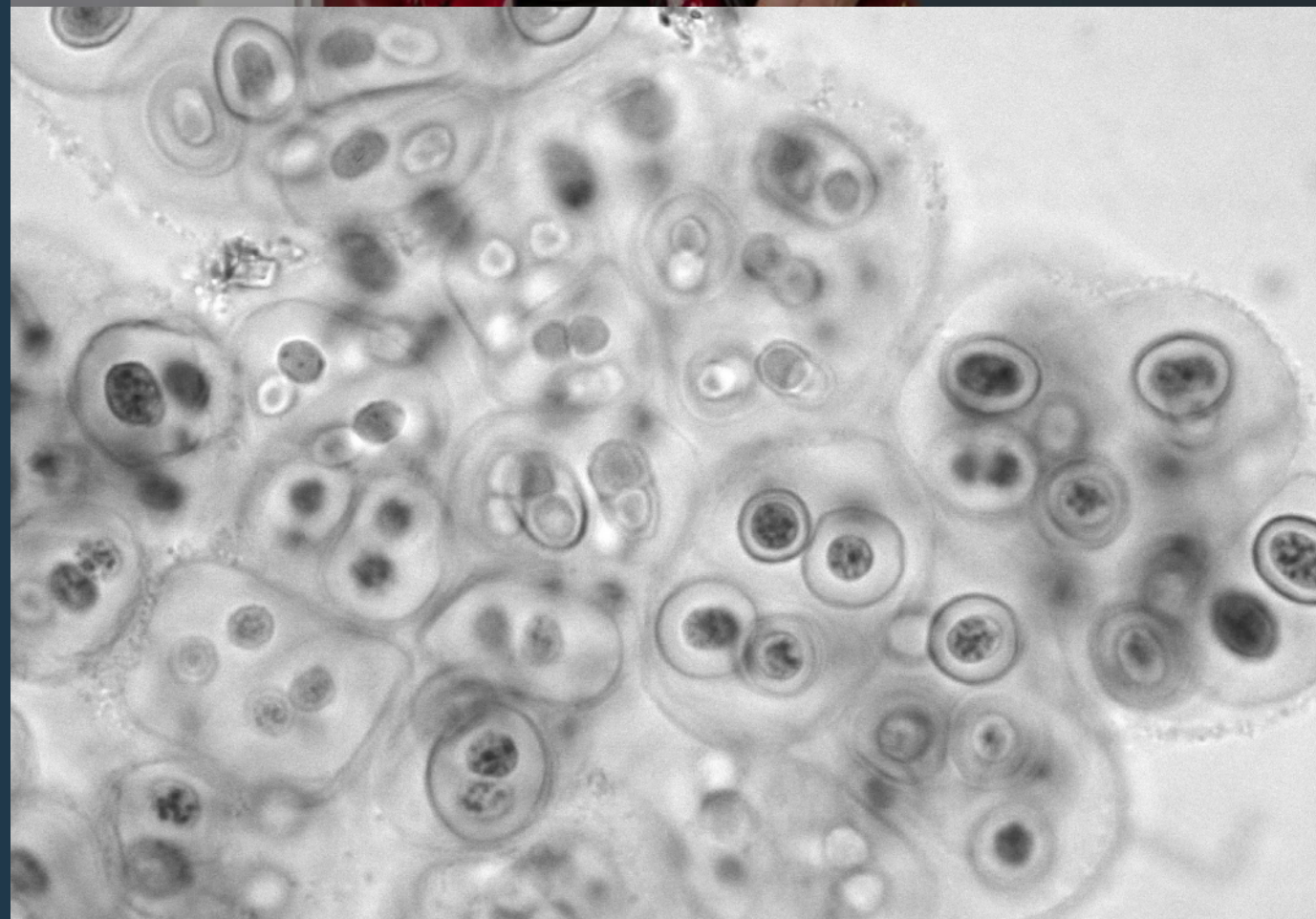
② Listen

Great ideas can come from anyone. Listen and ask the right questions. Be humble: You don't know everything. Ask others to share their ideas and show your appreciation when they do (this will encourage them to share more ideas).

③ Work as a team

You won't get things done by yourself, so work as a team. The purpose of a company is to bring together a group of special individuals looking to realize a common future that will benefit customers.

Phyllis Day Chief, owner,
Advanced Water Technologies
[Read her story](#)



“

**We can't just coast along.
If we have a sales growth
target, what is our strategy
to get there?”**

Phyllis Day Chief, owner,
Advanced Water Technologies

- ④ **Become an implementation champion**
You are responsible for the success of your business strategy and must do everything you can to make sure it is implemented. For instance, you need to acquire the necessary resources, coach the team—especially when a problem arises—appease the political climate and protect the implementation process, if needed.
- ⑤ **Favour progressive implementation**
Some strategies may require more than a year to be implemented or an overly large investment for the time being. In such a case, consider having the implementation done in two or three smaller stages. Such a progressive implementation is easier to monitor, plan and even understand. The small stages also mitigate the risks associated with long implementation times.
- ⑥ **Do regular follow-ups**
It is important to set up a project follow-up mechanism with actions such as weekly meetings with your team in order to immediately identify problematic situations and address them.
- ⑦ **Keep updating your strategy**
The markets, your company and trends in your industry are constantly changing. This is why it is recommended that you revise your strategic plan each year as well as completely update it every three to five years.



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