

# Four Step Strategic Planning

## A Simple Path for Small Businesses



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# Strategic Planning is vital for all Businesses

## – Large & Small

- Big Businesses spend months and vast dollars on annual planning
- Small businesses lack the budgets and have time constraints, leading to no/minimal planning time
  - “Learning on the fly”
    - Let’s try it and see what happens
    - It might work, (\_\_\_\_\_) did it, we should try it
    - **Tactics without strategy**
  - Lack of measurement systems
    - Little/No method to analyze results & gauge success (dashboard)
      - “I think that worked” – not sure why, it ‘felt’ good
      - “I don’t think that worked” – not sure why (did it support a viable objective?)
  - I’m too busy to do this, it sounds great, but I don’t have time
  - How do you even get started?

# Four Step Planning for Small Business

- First – Review your current business
  - Ideally you previously set goals, so measure the results against objectives
  - If not, no sweat. Simply define your current strengths (marketing assets) and weaknesses (marketing liabilities)
- Strengths – idea starters
  - What problem so we solve for our customers? (reason for being)
  - What do we do better than our competition? (strategic advantage)
  - What is our core competency? (helps find your focus)
  - What do we make the most money from? (maximize profits)
  - What are positive feedback comments from our customers? (customer satisfaction/experience)
  - What makes us happy? (love what you do)
- Weaknesses – idea starters
  - We did this, and it really sucked... (learn from the past)
  - The biggest mistake from this year was ...
  - Traffic/transactions are down – what was cause (analysis)
  - We can't compete in this area .....(define) (avoid clutter, wasted spending)
  - Our product sales mix has shifted (marketplace changes, adapt)
  - Wish we had more (parking? advertising? better selection? (invest based on ROI)
  - People rate our customer service as \_\_\_\_\_
  - I wonder how customers rate our selling experience?

# Rules

## Be Honest

### Objective analysis

- As much as possible, use actual measurements, not just assumptions
  - POS data, Quickbooks or other software
  - Gross profit margin analysis
  - Rolling 12 month averages
  - Industry averages (some vendors may have data to share)
  - Local chamber, etc.

### Subjective analysis

- If you are not sure, find a way to confirm hypothesis
  - Ask others (employees, customers, vendors, associates)
  - Great if you have customer feedback data, but many small businesses don't
  - Develop a customer feedback loop



# Revise / Identify Goals for Next Year (& beyond)

- The world moves quickly, innovate, adapt or die
- What positive assets can you leverage and build to create/enhance your competitive advantage?
- Build your most profitable sales items, consider jettisoning underperformers
- Focus on enhancing your customer experience in every type of transaction
- Try to use “blue ocean” thinking. Look at your business from a customer’s viewpoint
- Review and revise your goals EVERY YEAR. Change happens quickly
  
- Key on how you solve your customers problem and then ways to simply deliver and communicate the message

# Goals > Strategy > Tactics

## Start with your goals

- Focus on two to three impactful & achievable objectives – too many create confusion/lack of focus
- Use measurable goals that reinforce your long term vision and profitability
- Develop strategies to achieve the goals
- Create tactical initiatives that are based on the strategy and support the objectives

## Example:

### Strategies

- Engage more directly with customers
  - Tactics
    - Send out weekly newsletter, host a business after hours, after party at trade show
- Gain longer term revenue stream
  - Tactics
    - Develop and sell subscription packages for ongoing sales, monitor customer satisfaction with feedback tools
- Grow average ticket income
  - Tactics
    - Bundle offerings/items and merchandise the combo price
    - Merchandise impulse items at check out (bricks & mortar or online)
- These are just idea starters, get creative for your businesses needs

# Objective:

- Strategy
  - 
  - 
  - 
  - Tactics
    - 
    - 
    - 
    - 
    -
- How measurement is gained:



# Create a simple measurement Dashboard

- List your objectives
  - Track results on timely (weekly/monthly) basis
  - Review and revise tactics based on successes/misses
- Conduct quarterly review
  - Schedule or it may pass without an alert
- Celebrate your success!
  - With your team!

# Next Steps

- Use the tools in this document, or create what works for you
- Need assistance? Free one hour consultation is available
- More help? **BOOST** is available to help set up the process or ongoing consulting as needed.

“Failing to Plan is Planning to Fail”