



THE NUTS AND BOLTS FOR  
MAPPING YOUR BUSINESS'S  
FUTURE  
A Workbook

**ABSTRACT**

This document is for those who wish to develop a strategic plan for their business as well as for those who assist them.

**Richard P. Fontanie**

## **THE NUTS AND BOLTS OF STRATEGIC BUSINESS PLANNING Workbook**

This workbook gives you a path for developing your own strategic plan. It presupposes your business is already up and running but you haven’t yet prepared a strategic plan. You can also use it as guide to refresh your existing strategic plan.

All businesses and organizations need to develop a business plan. A business plan gives you and your employees direction, a point of reference and a way forward. After all, if you don’t know where you are going, how do you know you have arrived? Or, how do you measure your progress?

The Nuts and Bolts of Business Planning is the first of two documents about the planning process. The second document outlines the requirements for an Operational or Work Plan.

### **The Nuts and Bolts of Strategic Planning**

When we develop a strategic plan, we consider the past and the present only in so far as it helps us understand our future. A Strategic Plan is all about planning for the future. The planning process gives us the opportunity to dream, or to dream again and find a way to make that dream come true. It must, however, be tethered to reality otherwise it remains just a dream.

The primary components of a strategic plan include:

- An Environmental Scan
- A Vision Statement
- A Mission Statement
- Goal Statements
- Value Statements

If your business is large enough to include a management or leadership team, then this team should be involved in the development of the plan. If you are a small business with no management or leadership team, for example a small Mom and Pop operation, then the plan is usually developed by Mom and Pop.

One more thing, be careful about traps associated with strategic planning. The traps could include: starting from the present, allowing existing finances to confine you, preparing a workplan unconnected to your strategic plan, not following through with your plan, allowing your plan to sit on the shelf, failing to make necessary changes to achieve your strategic direction, and allowing others to plan for you (although a good Coach or Facilitator will help you keep on track, provide objective feedback, and help you clarify your thinking).

Let’s get started,



Richard P. Fontanie

## The Environmental Scan

The first step in the planning process is to complete an environmental scan. When we set sail for a new port, or one in which we have sailed towards many times, we need to keep an eye on the changing winds. Changing winds are known to push ships off course. This is an apt analogy for viewing the changes which may affect our business direction.

An environmental scan is nothing other than keeping our eye on those winds of change and adjusting our course accordingly. Like sailing, sometimes there is a major storm which causes a crisis for the business; and, like sailing we don't change our initial destination. We may need to sail to a safe harbor and when the storm passes or when the crisis is resolved we recalibrate our direction and sail onwards to our original destination.

During a strategic planning process, we complete an environmental scan to determine the push and pull of the winds buffering our business. We do this first by understanding that environmental scanning is a continual process, in other words, a process that doesn't happen just once but on-going throughout the year. This allows us to uncover a clear sense of what is going on in our marketplace that will affect our business in the coming one to five years. And, since it is an on-going process it may help us foresee a crisis and proactively avoid it.

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An Environmental Scan has two major elements: 1) A review of the business’s external environment; and 2) An assessment of the business’s internal environment.

### ***a) The External Environment***

The external environmental scan isolates *threats and opportunities* which reside outside of the owner’s or leadership team’s control but have an impact on the business. They are often expressed in economic, social, political, demographic, competitive and technological terms.

***Opportunities*** are those circumstances that are potentially favorable to you, but you have no control over them.

***Threats (challenges)*** are circumstances that are potentially unfavorable to you which exists or might reasonably exist over which you have no control.

Here are 12 ways to keep an eye on the winds of change within your marketplace.

- Listen to the daily news
- Bookmark websites that keep you informed about competitors
- Read e-newsletters
- Read local news papers

- Read books on market trends
- Join non-compete business associations
- Join professional associations
- Read trade magazines
- Keep abreast of legislative and regulatory changes affecting business
- Conduct customer and stakeholder focus groups
- Attend Chamber of Commerce Meetings
- Join community service organizations

## **b) The Internal Environment**

The internal environment scan is all about assessing the strengths and weaknesses of what goes on inside your business. These are elements that are in your control.

**Strengths** are those assets within your internal business environment over which you have an element of control.

**Weaknesses** are those liabilities within your internal business environment over which you have an element of control.

Strengths and weaknesses are often determined by reviewing the scope and functions of your business, the human resource capacity, infrastructure needs, technological requirements and fiscal needs. When you scan your internal environment, you explore:

- How your business carries out the vision, mission and values
- How you assess the knowledge, skills, abilities of employees
- How continuous training and learning is practiced
- How others might perceive your business
- How you relate to customers
- How you describe your internal culture
- How you treat your employees and how they treat each other
- How you describe your internal processes
- How you view your overall productivity
- How you use measurements
- How well you have developed your policies and procedures
- How you assess performance

This type of SWOT analysis (**S**trengths, **W**eaknesses, **O**pportunity, **T**hreats) helps owners and managers keep abreast of the changes which occur outside of their business which may impact it; and to keep their internal environment running smoothly and effectively. The analysis provides them with information that may lead them to adjust their Vision, Mission, Values, Goals, Work Plans.

How would you describe your external and internal environment?

<b>External Environment</b> (What is going on your marketplace where you have little, if any control. Consider: the economy, competitors, technological changes, government policy, and social-societal changes.	
<b>Challenges - Threats</b>	<b>Opportunities</b>

<b>Internal Environment</b> (Those assets and liabilities where you have control)	
<b>Strengths</b>	<b>Weaknesses</b>

## Creating A Vision – Getting to Why



The first business related question we ask is: Why? Why are we doing this? Why should we do this? Why do we want to do this? Why? Why? Why?

The question about why is fundamental because it gets to the root of motivation, passion and the primary reason for the business. All great leaders have figured this out. They have a clear vision of where they want to go and inspire others to follow them. Successful businesses have clear vision statements - they have answered the question "why" - and employees understand that their work contributes to that end. Employees who do not understand where the business is going have difficulty aligning themselves with it; consequently, their motivation and passion for their work is dulled and overall productivity is diminished.

For many business people answering the question why is 'fuzzy business'. They have difficulty getting their heads around the concept. Maybe it's because business literature often confuses vision (the "Why" of the business) with the mission (the "Big What" of the business).

A Vision is the ultimate end, a state with no action. It just exists. The mission has action. It moves the company towards the vision. Mission is the rational statement of purpose for the business. It usually begins with an action verb like provide, lead, deliver, and serve.

Here is a way to distinguish a Vision Statement (Why) and Mission Statement (the Big What). I base it on a quote from Aristotle, "A soul never thinks without a picture."

Close your eyes, take two or three deep breaths and let them out slowly. Picture yourself as healthy and content and in touch with the Spirit within you. You are relaxed and feeling fully satisfied without any negative stress.

After a bit of time, open your eyes. Look around. Perhaps you see distractions, work piling up, tasks you need to do before the end of the day. Try to capture what you were feeling when you closed your eyes and write a short statement that captures the essence of your picture. It may read something like: "Being in a state of harmonious personhood" or \_\_\_\_\_ .

When you reach that state, you know you have arrived; until then it is just a vision, a dream.

You have just painted a picture of a vision in your mind's eye - where you would like to be or the end state you would like to experience. It has nothing to do with a rational "what." It has all to do with feeling, emotion and spirit. If you really want to be in that state it will excite and motivate you to do something to get there - and this something becomes your "Big What." You can then begin to define your mission.

Now let's create a Vision for your business. A Vision Statement is:

- Written in the present state yet projects what the business or organization strives to become
- A brief description of the ideal state, using clear and concise language and is easily understood.
- Not bound by time and place
- Inspiring, challenging, meaningful and memorable
- Belongs to the business
- Answers the question "why"

*Here are some examples to get you started. In my mind's eye, I see:*

- *"Businesses with empowered and skilled employees"*
- *"Air without pollution"*
- *"Homes with healthy living environments"*

What is your business's Vision Statement?

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## The Mission Statement



Now comes the question, "What is your business about?" Or what is the "Big What." The Mission Statement is a brief and understandable statement that ***identifies the purpose of the business. It stands the passage of time, but changes to meet new marketplace realities.*** It is written in a way that:

- Concisely identifies the services and products the business delivers to a target market within a geographic area.
- Defines what the business does with whom and where
- Provides continuity both inside and outside the business
- Explains in simple language what the business does

Simply stated a Mission Statement answers five basic questions:

- What is the name of the business?
- What are the core products/services of the business?
- How does it link with the vision?
- Who are the customers?
- Where are the services or products delivered?

Examples of a Mission Statement linked with the Vision Statements above.

*FACSI (name of company) delivers quality plumbing and heating products and services (core products) for maintaining healthy home environments (why) to residential and small business customers (Who) within the city of Regina and the surrounding area (where).*

*FACSI (name of company) promotes self-sustaining solar panels (core products) which contribute to improving air quality (why) to home builders and the public (who) throughout Saskatchewan (where).*

*FCSI (name of company) designs and delivers world class training programs (core products) that empower employees and develop their skills (why) to private, public and not-for-profit organizations(who) within Saskatchewan (where).*

*FACSI (company) is dedicated to improving healthy living environments (why) by customizing and installing quality plumbing and heating products (what) to meet residential and small business needs (who) within Regina (where)*

### Your Company's Mission:

\_\_\_\_\_ (name of company) delivers, designs, promotes etc.  
\_\_\_\_\_, (core products and services) \_\_\_\_\_ (why)  
\_\_\_\_\_ (who) \_\_\_\_\_ (where).

## Strategic Goals and More Goals

### A) Strategic Goals

#### GOAL SETTING



The "Big What" doesn't stand alone, it has other "Whats" following it. We call these *Strategic Goals*. Strategic Goals are general statements of desired ends to be achieved over time. They chart the direction relating to *key areas* that are required to meet the business's Vision and Mission. They are often referred to as company-wide or organizational goals, in that they provide direction for each functional unit within the company or organization. They are often aspirational but tethered to reality in that they are achievable in the long run.

### B) Goal Areas

The *key areas* referred to above are the anchors on which the Strategic Goals hang and are called **Goal Areas**. Goal Areas are usually stated in one or two words, for example, Financial Stability, Administration, Customer Service, Human Resources, Strategic Partnerships and so on.



Here are some examples of Goal Areas and Strategic Goals -

*Examples of Goal Area and Strategic Goals*

**Goal Area:** *Work Culture*

*Strategic Goal: To have a work environment where everyone is happy, healthy and inspired to be the best they can be.*

**Goal Area:** *Profits*

*Strategic Goal: To manage all our resources so that the company grows, and everyone profits.*

**Goal Area:** *Productivity*

*Strategic Goal: To consistently achieve the best possible outcome in everything we do.*

**Goal Area:** *Growth*

*Strategic Goal: To aggressively pursue opportunities to deliver a consistent package of diversified products within our marketplace.*

**Goal Area:** *Portfolio*

*Strategic Goal: To bring to our market place a range of unique, dependable and eco-friendly products and services the surpass expectations*

Clearly write out your company's Goal Areas and Strategic Goals

**Goal Area:** \_\_\_\_\_

**Strategic Goal:**

\_\_\_\_\_

**Goal Area:** \_\_\_\_\_

**Strategic Goal:**

\_\_\_\_\_

**Goal Area:** \_\_\_\_\_

**Strategic Goal:**

\_\_\_\_\_

**Goal Area:** \_\_\_\_\_

**Strategic Goal:**

\_\_\_\_\_

### C) Key Results

It is also good practice to identify what the goal would look like when it is achieved. We call these *Key Results*. Key Results answer the question "what do we need to have in place to fulfill the goal" or to put it another way: "In order for the goal to be fulfilled we need these results in place."

<i>Goal Areas</i>	<i>Goals</i>	<i>Key Results / We will have</i>
<i>Work Culture</i>	<i>To have a work environment where people are happy, healthy and inspired to be the best they can be.</i>	<ul style="list-style-type: none"> <li>• <i>Strong motivational leadership</i></li> <li>• <i>Trained and skilled employees</i></li> <li>• <i>A well-balanced work place</i></li> <li>• <i>Fair performance management processes</i></li> <li>• <i>A learning organization</i></li> </ul>
<i>Profits</i>	<i>To manage so that the company grows, and everyone profits.</i>	<ul style="list-style-type: none"> <li>• <i>An efficient and effective inventory control system</i></li> <li>• <i>A lean financial system and processes</i></li> </ul>
<i>Productivity</i>	<i>To consistently achieve the best possible outcome in everything that we do.</i>	<ul style="list-style-type: none"> <li>• <i>Current Job descriptions</i></li> <li>• <i>Trained and skill employees</i></li> <li>• <i>Current documentation and operational procedures</i></li> <li>• <i>Employees with a sense of ownership</i></li> <li>• <i>A hiring process that attracts the right people at the right time</i></li> <li>• <i>A fair and equitable performance management process</i></li> <li>• <i>Efficient work processes</i></li> </ul>
<i>Growth</i>	<i>To pursue opportunities for growth and diversification within our marketplace.</i>	<ul style="list-style-type: none"> <li>• <i>Fully trained sales and delivery staff</i></li> <li>• <i>Effective marketing strategy</i></li> <li>• <i>Effective referral process</i></li> </ul>

#### Your Company's

<b>Goal Area</b>	<b>Goals</b>	<b>Key Results</b>

## D) Overarching Goals

An overarching goal attempts to encompass the vision, mission, and values of the business in a simple statement that becomes a rallying cry for employees and often projects a marketing slogan. Here are some examples

- *Delighting customers, one customer at a time*
- *Always breathe fresh air*
- *We do it right the first time*

Your Company's Overarching Goal:

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## E) Far-Reaching Goals

Far Reaching Goals are ends the owners or leadership team wishes to achieve in the long term such as:

- *By (year) we will have reached 10 million dollars in sales*
- *By (year) we will have saturated our market and have franchised our company to 20 other locations within Canada*

Your Far-Reaching Goals:

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## Values



Values are the precepts or principles that have intrinsic worth and guide everyone within the business. They define how the business will conduct itself in both its internal and external operations.

To state the obvious: people drive values. They are like yeast in a loaf of bread. An organization driven by people acting out positive values rise above the ordinary and bring the organization’s vision and mission to life. Poorly lived values deflate an organization and it operates like a flat pancake.

All organizations have values, whether they are expressed or not. Many organizations have gone through a values clarification process and have framed and hung them on the wall for

everyone to see. The ultimate test for a value driven organization is whether the behaviour of those within the organization reflect the expressed values. If they do not, there is a great disconnect between what is said and what is done resulting in cynicism and mistrust among those who work within it.

Do values have to be written and framed on the wall? Not necessarily, as mentioned, all organizations have values whether they are expressed or not. There are organizations where people exhibit positive unwritten values, for example, a strong positive culture where individuals respect each other, have positive relationships with customers and take pride in what they do. What is significant about these organizations is that the leadership team championed the unwritten values and kept the culture humming like a well-oiled machine. However, most leadership teams know the importance of posting the values for all to see as positive reminders of expected behaviours.

There are several ways in which the culture of an organization goes flat like a pancake:

- When the leadership team define the values for the organization without the involvement of staff and then don’t share the values with them
- When the leadership team define the values, and tell the staff what the values are
- When values are expressed in writing and pinned to the wall, but the leadership team doesn’t abide by them
- When values are known throughout the organization but there is no consequence when someone doesn’t follow them.

Here are some points to remember when writing values:

- They drive action and decision making
- They are the last things people will give up
- People react strongly when they are violated
- They influence how the business organizes, manages resources, makes choices, manages change and deals with customers
- They may be written as one word, several words or in sentences with headings.

Examples of one-word values

*We believe in*

- *Integrity*
- *Accountability*
- *Honesty*

*Examples of one-word values and what is meant by the word*

- *Integrity: We are open, honest, ethical and transparent in our conduct.*

- *Accountability: We are committed to responsible, answerable, consistent and dependable action*
- *Teamwork: We believe in the strength of collaborative effort*
- *Respect: We treat each other, customers and all those we encounter with respect.*

### **Your Value Statements**

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### **STRATEGIC INITIATIVES**

The last piece of work to firm out your strategic plan is to prepare Strategic Initiatives. These are broad directional indicators through which your Vision, Mission, Goals and Values are put into action. They give over-all direction to your next piece of work, ***your Operational or Work Plan***. Strategic Initiatives are often stated finite terms, arise from the Environmental Scan and give over-all direction to your next piece of the planning puzzle – your Operational or Work Plan.

*Example of Strategic Initiatives.*

*Let’s use the FACSI Plumbing and Heating Company we mentioned earlier. Its vision is about people living in healthy home environments; its mission is to provide products and customized services to fulfill that end; and, its goals are in the areas of work culture, profits, production and growth, and the company has stated values of integrity, teamwork and respect. The company wants to keep these strategic elements in place, however, the SWOT analysis tells the leadership team that there are two major challenges that will impact their goals: a) an increase in mortgage rates, which will slow down its work within the residential sector, and, b) a general slow down in the economy due to a fall off in commodity prices. For this company two Strategic Initiatives could be:*

- *Develop diversified products that will offset an expected slowdown in the plumbing industry*
- *Expand the residential and commercial service side of the business*

What are your strategic initiatives for the next one to three years?

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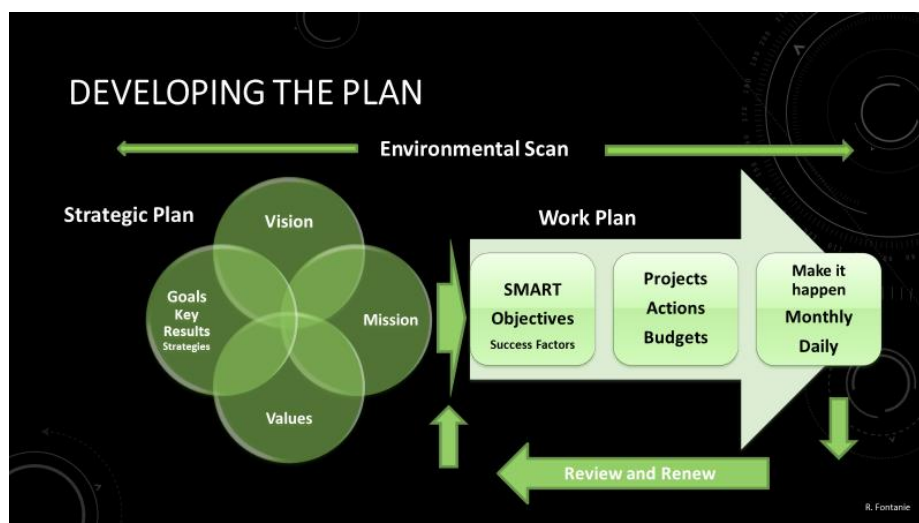
## YOUR STRATEGIC PLANNING BOARD

Now you can complete your Strategic Plan on a Strategic Planning Board, found on the next page.

### What Comes Next?

The next level of planning entails the **Work Plan**. The Work Plan is a document that fleshes out what you will do to achieve the strategic plan in more specific detail. It describes proactive measures about what you will do considering your **SWOT** analysis and what you will specifically do to fulfill your goals. The Work Plan isolates **SMART** (Specific, Measurable, Attainable, Relevant, Trackable) objectives, projects and actions to achieve the objectives. Once you know where you want to go, you then develop your financial requirements in support your direction.

The Strategic Plan gives direction to the Operational Plan or Work Plan; together it looks like the illustration below.



More about this in the next Paper – THE NUTS AND BOLTS OF OPERATIONAL (Work) PLANNING

**STRATEGIC PLANNING BOARD** **DATE:**

Vision	Mission	Values	Goal Areas and Goals	Key Results	Strategic Initiatives
			Goal Area: Goal:		
			Goal Area: Goal:		
			Goal Area: Goal:		
			Goal Area: Goal		

**Over Arching Goal:**

**Far Reaching Goals:**

