

## Strategic Business Planning

### Business plan basics

A Business Plan precisely defines your business, identifies your goals, and serves as your firm's resume. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Providing specific and organized information about your company, a good business plan is a crucial element to have when engaging and interacting externally, such as in the loan application process. Additionally, it is essential internally, as it informs sales personnel, suppliers and others about your operations and goals.

### Why prepare a business plan?

The Business Plan is a written summary of what you hope to accomplish by being in business, and how you intend to organize your resources to meet your goals. It is the road map for operating your business and measuring progress along the way. It serves the following purposes:

1. The Business Plan serves as a blueprint for the direction and management of your business; acting as a framework for strategic planning.
2. It helps you to identify your customers, your market area, your pricing strategy and the competitive conditions under which you must operate to succeed. This process often leads to the discovery of a competitive advantage or new opportunity, as well as identification of any deficiencies in your plan.
3. The Business Plan identifies the levels of financing or investment required, and methods by which to attain it.
4. A well-organized plan is essential, when presenting to a lender or investor, to assess both your financing proposal and you as a business manager.
5. It encourages realism and commitment among your personnel.
6. Shows the potential strengths and weaknesses, and identifies ways to overcome obstacles and reach your goals.
7. By committing your plans to paper, your overall ability to manage the business will improve.



### Plan your work

The importance of a comprehensive, thoughtful business plan cannot be overemphasized. Many essential business components are dependant on it:

- **Outside funding credit from suppliers**
- **Management of your operation and finance**
- **Promotion and marketing of your business**
- **As well as achievement of your goals and objectives**

Despite the critical importance of a business plan, many entrepreneurs drag their feet when it comes to preparing a written document. They argue that their marketplace changes too fast for a business plan to be useful, or that they just do not have enough time. Just as a builder will not begin construction without a blueprint, eager business owners should not rush into new ventures without first laying out a business plan.

**“ Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible and time-consuming projects that go in the wrong direction or nowhere at all. ”**

- Bob Guccione

## Strategic objectives

The first objective of the business plan is to develop and communicate a plan of action that will achieve the company's strategic objectives. In addition, it should provide a means of monitoring progress towards that objective, and of stimulating alternative action if the objective is unlikely to be met by the original plan.

The company's strategic objectives cannot be achieved unless the plan defines the strategic objectives and includes benchmarks or performance measures at key stages during the year.

The business plan will offer a framework from which to conduct the strategic plan; its defined objectives lay out the priorities of the company and enable consistent decision making when implementing strategic action.

## Create competitive advantage

Each company is unique, and faces different challenges and market conditions. To enable optimum business performance, it is essential to devise your strategy, incorporate it in the business plan, and implement the plan to achieve its objectives.

The development of a business plan allows a company to be proactive instead of reactive to its environment (both internal and external). Being clear, as a whole, on the objectives and overall business plan allows you as a company to have all your efforts drive towards these objectives efficiently and effectively, minimizing the potential for divergence later in implementation.

Taking the time to recognize the specifics of your company, and its business plan, provides you the opportunity to look at your position within the market and identify your respective strengths and weaknesses, and how you can then optimize these to refine your competitive advantage- setting yourself apart from the competition.



## The planning process

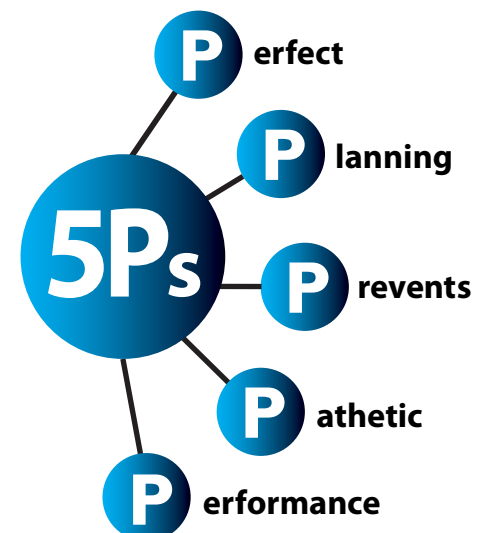
The planning process is a valuable and exciting exercise that can be a major contributor to team building and a means of developing ownership and commitment to the plan. Involve people, it should end up as "our plan" not "their plan imposed on us".

There are various exercises that can be helpful in the planning process, to generate feedback and stimulate further input and discussion; ultimately seeking to produce a plan that will stretch and challenge your company to its full potential with all members on board.



## The blueprint

The key points of a business plan vary widely depending on a broad range of factors. However, there are some standard components that are essential to be addressed within a formal business plan, outlined by the following categories:



# Plan for long-term success

A business plan is a living document that should be continuously reviewed in light of the environment and actual observed results. This enables the directors to oversee all aspects of business performance and manage it more effectively.

The dynamic external conditions of the environment in which your company is positioned, as well as those of your internal environment, should prompt a review of your company's strengths and weaknesses. This is done formally through a SWOT analysis, integrated both at the beginning of the business plan, as well as on a continual basis for monitoring and modifications.

## Strategic Planning:



## As a First Step...

When starting the business plan, the SWOT analysis is an essential element to facilitate its use as a framework for strategic action.

A SWOT analysis identifies the company's strengths, weaknesses, opportunities and threats, with the aim of utilizing strengths to take advantage of opportunities and avoid or reduce the impact of threats; recognizing weaknesses enables the company to capitalize on opportunities to improve their weaknesses, and use defensive tactics to subsequently avoid external threats.



## The Big Picture:

- S Strength**  
specific to your company
- W Weakness**  
internal to your company
- O Opportunities**  
provided by your particular market and external environment
- T Threats**  
posed to your company as a result of your external environment



## Breaking it down:

The SWOT analysis can be broken down into two components, the internal and external environment. Both require a complete review to facilitate a comprehensive business plan.

### Internal Environment

A full review of the internal environment will require gathering information from seven key areas:

- **Management**
- **Marketing**
- **Finance / accounting**
- **Production / operations**
- **Research and development**
- **The product / service(s) offered**
- **Management information systems**

An audit of the internal environment will identify your strengths and weaknesses within the functional areas of your company.

### External Environment

A full review of the external environment will be comprised of five main categories:

- **Economic forces**
- **Social, cultural, demographic and environmental forces**
- **Political, governmental and legal forces**
- **Technological forces**
- **Competitive forces**

An audit of the external environment will produce a list of opportunities that could benefit your company, and threats that should be avoided.

“The buck stops here.”  
- Theodore Roosevelt

## Next steps

The internal and external environments of your company are perpetually changing and shifting. To retain the competitive advantage gained through your business plan, it is essential to review your SWOT analysis for long term viability.

Subsequently, questions should be asked to ascertain the continued effectiveness of your business plan; such as:

- Are our strengths still strengths?
- Do we have any new strengths?
- Are our weaknesses still weaknesses?
- Do we have any new weaknesses?
- Have we maintained our competitive advantage?
- How can our competitive advantage change/improve?
- How is this driving us towards our strategic objectives?

Whether you are currently starting your business planning process, just now recognizing the necessity to develop one, or would just like to learn more about how our team at Firstbase can help you, you can contact us whatever your business planning needs. Let us enable you to start a process of planning towards long-term viability. The choice is yours to make.

*“ Before everything else, getting ready is the secret of success. ”*

- Henry Ford

*“ ...it is a tool for managing and monitoring the development of the business. It is not a static document but a dynamic “map”. Reviewed and regularly updated, the plan helps ensure the business is responsive to market conditions and remains on track... ”*

- Author Unknown

## What our clients are saying:

*“ We now have an excellent business plan and road map to implement and make it happen. ”*

*“ Their ability to think outside the box is exciting and we are now working on the next stage of our business growth. ”*



## Mission Statement:

*Firstbase is committed to partnering with clients to foster long term relationships and successful business growth.*



[www.firstbase.ca](http://www.firstbase.ca)

## Is your business ready for sale?

### Firstbase can help by providing:

- ✓ A business analysis
- ✓ Market research
- ✓ Marketing strategies
- ✓ Business planning
- ✓ Business consulting services
- ✓ Exit Strategies

## Time is money



## Move to the next level

As your partner in helping your business move to the next level, Firstbase stands ready to assist our partners and customers to achieve their business goals. We work closely with you to plan and implement your strategy and achieve measurable results.

## Contact us

Call us today at **1.800.758.2922** for a preliminary **no obligation discussion** to explore the opportunities.

