

# Proper planning

How to grow your business through strategic planning

**S**trong business skills alone are not enough for business owners who want to grow their businesses. They must implement strategic plans to help them meet that goal. Sometimes owners get so focused on day-to-day operations, though, that they let the future take a back seat to the present — and what lies in between.

As hard as it may be to find the time to plan, they should develop measurable short-, mid- and long-term goals, link short-term goals with long-term outcomes, develop realistic budgets and financial forecasts, tie objectives to measurable actions and establish road maps for their strategic growth. That is strategic planning, the process of developing a methodology and making it the company's way of life. How do they do that?

*Smart Business* spoke with Kenneth M. Haffey, CPA, CVA, a partner with Skoda Minotti, about strategic planning and how it can enhance a business's chances of success, durability and growth.

## Why is strategic planning important?

It gives business owners an idea of what they want the company to look like in the future and how they are going to get there in the most efficient, effective way. If they don't engage in the process, they might find themselves losing ground to their competitors who do. They may not be nimble enough or quick enough to make changes within the organization or to match their competitors' strategies as the market changes around them. They are left on the outside looking in as opportunities arise — and pass them by.

## Is it an ongoing process?

Yes. One of the key things to remember about strategic planning is that it is a very fluid process. It provides a sanity check for owners to make sure that things are moving forward, rather than stagnating.

Business conditions change; owners have to change with them. If they don't have a plan in place that can be executed quickly to help them adapt to changes, they will be ill prepared to function in a competitive market, let alone survive or



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grow. Owners have to establish regular touch points in their strategic plans to make sure that things happen in a timely fashion and that change can follow.

## Does strategic planning involve both long- and short-term goals?

Definitely. Plans should go out for at least 24 to 36 months to address the fluidity in business cycles. They should also contain components that address the next six to 12 months. In any case, they should reduce the impact surprises can have on businesses when changes occur. After all, eliminating the adverse impact of surprises is one of the purposes of strategic planning.

## Does it follow specific formats?

Not at all. It can be as simple as writing notes on a napkin or as formal as sitting with partners, managers and other key people to brainstorm, write down ideas and feed them to a software package designed specifically to create a strategic plan. The important thing is not how strategic planning is done; rather, it is that the process is performed on an ongoing basis with the company's future in mind.

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## How do companies benefit from it?

In addition to growth, it results in improved operations, expanded market share and increased company value and it enhances the ability to take advantage of opportunities as they come along. A match between being strategic and opportunistic is the best place for business owners to be when running a company. The same holds true for managers of divisions, departments and other units within the company. And, it is important to note that strategic and opportunistic must complement each other.

Some people get caught up in the opportunistic part but don't have strategies in place to take advantage of opportunities when they arise.

Opportunists without plans find themselves reacting rather than 'proacting.' That is not where they want to be. Strategic planning also enhances a company's competitive position. The organizations with the best strategic plans tend to be those that react most quickly and most efficiently to market changes. They also tend to be the ones with leaders who focus on everyday operations and future opportunities simultaneously. Strategic planning allows them to do both.

## Who should be involved in it?

The primary person is whoever is responsible for the operation of the business. Depending on the type of organization, others who should be involved include financial, operations, marketing and sales. Some companies might benefit from working with consultants to gain an external view of market forces and how they fit in to the overall competitive picture.

In short, the process should include the business leaders of the different departments and areas throughout the organization. The inclusion of these leaders enhances the chances that the result will be the organization's plan, not the boss's plan. In fact, that should be one of the goals of strategic planning. <<