

Stu's View

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Strategic Planning: It's Not Just for Your Competitors

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Strategic planning has always been a key ingredient of any successful business operation, but its focus has drastically changed in recent years. Long-range plans were traditionally developed for 5 or even 10 years, but with today's market demands a much more fluid time limit of 1 to 3 years is more realistic. Flexibility is a key ingredient in these shorter term plans in order for businesses to react quickly to changing market conditions and technological innovations. The more a strategic plan takes into account how to handle future changes, the longer the strategic plan will be viable.

The Core Team

- The most effective strategic plans are developed and implemented using a core team selected by the owner.
- The job responsibilities of team members vary based on company culture, but the core team members are usually key people with the combination of abilities, commitment and personality traits to work together to plan and implement your common goals.
- A minimum of 3 or 4 people works well to provide a range of perspectives, while a maximum of 6 keeps the process from getting bogged down with too many different input sources.
- In addition to the internal core team, including an outside (or neutral inside) facilitator to help manage the process can be key to its success.
- The facilitator's role is to bring together disparate individuals, to create buy in to the plan by all parties, to track the plan's action items and target dates, and help move the plan to its full and successful implementation.

Mission & Objectives

- A Missions statement is a brief description of the company's fundamental purpose and why it exists. It should be developed to include the company's core values and visionary goals.
- The team should develop or review this statement to ensure it reflects the company's current focus and goals.

The Process

- The core team process begins with the completion of a **SWOT** form by each team member to identify Internal Strengths and Weaknesses, and External Opportunities and Threats to the company.
- Individual SWOT comments are combined (usually by the neutral facilitator) for the initial core team discussion. We recommend that this initial session take place off site, away from daily work distractions, and last no more than 1 ½ days.
- Formation of a Strategic Plan outline is the next step in the process to identify an outline of 5-10 achievable company goals.
- It should also be noted that company financial information needs to be shared at some level with the core team so informed recommendations may be made. For example, if the core team recommends a \$2M technology upgrade, they need to know how that fits within the company resources, and what the best timing would be for the purchase so they can effectively plan.

The Action Plan

- Once you have a consensus in the core team about your goals, each goal should be subdivided into measurable action steps, with target timelines for completion and assignment of responsibility for each action item.
- The initial action item compilation may be completed by a single core team member or the facilitator, then reviewed and adopted by the core team so everyone agrees on the timelines and responsibilities.
- It is helpful if items requiring significant investment also list projected costs for planning and budgeting purposes.
- The goals and action items that comprise the strategic plan then need to be communicated downward at appropriate levels through the whole organization.

Monitoring Progress

- One caution here – Strategic plans tend to start out with great enthusiasm and accomplishment, but can get off track over time unless they are constantly monitored and updated. This again is where a facilitator is helpful in following up on target dates and action items.
- The core team should also commit to regular ongoing meetings to monitor Strategic Planning processes, and to make changes as needed.

Strategic planning is an integral part of achieving a company's vision. The process considers the strengths and weaknesses of the company and external factors, sets goals accordingly, identifies the logistical steps needed to reach those goals, and assigns responsibility to personnel for specific action items. Done correctly, strategic planning can support a strong company culture in which everyone, right down to the entry level staff person, understands what the company is trying to accomplish and how their job function supports that goal. It is a powerful motivator and an excellent management tool to keep everyone moving positively in the same direction for maximum company success.

Stu's View is contributed by Stuart Margolis, CPA and Partner of MargolisBecker LLC to provide information that helps firms operate profitably. More information can be found at www.margolisbecker.com.

About MargolisBecker

MargolisBecker has long been recognized as the financial expert for the printing and allied graphic communications industry, assisting thousands of companies with strategic and financial management, valuation, mergers/acquisitions, accounting, audit and tax services. The firm is noted for its expertise in enabling printing companies to optimize profits. Proudly, it is the purveyor of the industry's *Cash is King*, and *Value-Added Principles of Management*, and compiles the annual Printing Industries of America Ratios, the industry's premier financial benchmarking tool.

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