



Synchrony Connect



CHANGING WHAT'S POSSIBLE™

## STRATEGIC PLANNING



# FOR YOUR SMALL BUSINESS

Strategic planning is not just for large companies. Successful small- to medium-sized businesses usually have a plan that drives their business goals, too – both short term and well into the future. To be the most useful, your plan needs to be specific – with a well-defined purpose that guides the decisions you make for your small business.

### **Why you should have a strategic plan**

Your strategic plan is your success roadmap. Going through the strategic planning process can help you assess your business strengths, weaknesses and potential opportunities. It can also give you:

- Insight into past, current and future direction
- A clearer understanding of your goals
- Tools for budgeting, forecasting and financial wellness
- A framework to help define and measure your results
- A better ability to identify, monitor and manage risks

### **A good strategy can drive you toward success**

Your strategic plan should be specific and focused. It helps determine what kind of company you are – and what you want to be. For example, you could be (or want to be in the future) the exclusive dealer of a specific product. You could offer the fastest service. You could provide an innovative product and/or service that your competition only dreams about. Your strategic plan gives clarity to who you are as a business.

## Strategic planning basics

Let's begin with the basics. A strategic plan defines what your business is and what you want it to be. The plan states your business mission, your vision, your values and your short- and long-term goals. Once you've established those key elements, you can create action items to help you achieve your goals. Think of it this way: your strategic plan is the what, and the action items are the how. Once you've finalized your strategic plan, share it with your partners in success, especially your employees. This creates a shared understanding about where the company is headed, and how everyone can contribute to a more successful future.

### 1 **START WITH AN HONEST ASSESSMENT**

The first step is to take an honest look at your business and your competitors. Here are some considerations to get you started:

- Your company mission, vision, and values
- What you sell and why
- The unique value your company offers customers (products, services, "extras" they won't find anywhere else)
- How you acquire and sell to new customers (marketing, advertising, referrals, etc.)
- How you retain current customers (events, discounts, VIP or exclusive offers)
- How you measure up against the competition (product/service selection, price, value, location, etc.)
- Your company goals (revenue, growth percentage, store and/or website traffic, employees, and intangibles like branding and community standing)

### 2 **DEFINE THE ELEMENTS OF YOUR PLAN**

A strategic plan provides an accurate picture of the present state of your business and a roadmap into the future. To be most effective, your plan needs to be driven by realistic goals – both ambitious and achievable. Here are some things to think about when designing your plan:

**Your internal baseline.** Consider the current state of your business. Use as many measurements/key indicators as you can. A wide variety will give you a more accurate picture. Some of these include revenue, ROI, number of employees, store/website traffic, location, product/service offerings, etc.

**Your external baseline.** Consider the current marketplace, economy, competitors and customer trends. Think about how customers perceive your business (a simple customer survey can give you this data). Review the effectiveness and awareness of your brand. Reflect on your standing and level of engagement in your community.

Once you've established the current state of your business, think about where you want to go – and which goals can help you get there. See the next section for how to get started.



Your strategic plan illustrates your key strengths and your vision for the future. It serves as a roadmap for your growth, by offering clear direction and rationale for your decisions.

### 3 CREATE THE PLAN

Most strategic plans contain several similar elements. These include:

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**MISSION OR PURPOSE STATEMENT.** This is your current basic purpose. Keep it short, clear and direct. For example, your mission statement could be something like: “We strive to provide the best selection of riding lawnmowers in the Anytown, USA area.” Or, this: “We work to be the low-price sofa leader in Anytown, USA.” Or, “To be the on-time handyman service in Anytown, USA.” Or finally, “To bring anxiety-free dentistry to patients in the Tri-State Area.”
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**VISION STATEMENT.** This section helps define where you want to go in the future and what that future could look like. For example, “By providing the largest selection of riding lawnmowers and a personalized tutorial to every customer, we will increase our market share to 48% by 2023.” Or, “Every patient will leave their appointment with a smile on their face.” Or, “95% on-time appointments.”
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**VALUES STATEMENT.** Your values statement focuses on the benefits to your customers. It lays out the principles and beliefs that guide your business. These could be things like: “Provide exceptional customer service,” “Be an engaged member of the community,” “Promote accountability by all team members,” or “Create a culture of belonging for employees and customers.”
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**MARKETING AND ADVERTISING SUMMARY.** This section clarifies how you are acquiring (and retaining) customers, increasing brand awareness and driving sales – now and into the future.
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**BUSINESS AND FINANCIAL OBJECTIVES.** Here is where you define your goals for market share, sales targets and earnings growth. Make these goals measurable to help you better evaluate your performance. For example, instead of “Increase sofa sales,” be more specific: “Increase sofa sales by 9% in 2022.”
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**KEY INITIATIVES.** This is where you put your vision and mission statements to work by turning your goals into specific action areas. For example, your key initiatives may include testing new products in specific categories or training your team in areas like upselling.
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**RESOURCE REQUIREMENTS.** Think about the resources you need to achieve your goals. Consider requirements like increasing your staff, technology needs, working capital and others.
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**PLAN OF ACTION.** Finally, your plan of action is where the rubber meets the road. It outlines the specific steps you need to take to achieve your goals within a specified timeframe.

Your strategic plan is about more than generic, big-picture ideas. It's a well-defined tool that guides the decisions you make for your organization, now and in the future.





## 4 EVALUATE YOUR PLAN AND ADJUST AS NEEDED

Your strategic plan is a living document that can help guide your business success. Refer to it often, and because things change, adjust it and evolve as necessary. Compare your business results against your plan, learn from the results and keep fine-tuning.



### Take charge of your company's future

A strategic plan is well worth the time and effort. It gives you and your team an inspiring vision of the future and a roadmap to help you get there. Here are some final points to remember:

- **Know your business.** Leverage your strengths and evolve to provide value in the marketplace.
- **Set your course.** Create meaningful goals to help fuel your company's growth.
- **Think big, but be realistic.** Be specific, and consider what you can reasonably achieve within a given time frame.
- **Get everyone on board.** Include key stakeholders and employees, so you can execute the plan as a team.
- **Review your results and adjust.** Continually evaluate your plan and make changes as needed.

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For more information or to connect with an expert, contact us at [synchronyconnect@synchrony.com](mailto:synchronyconnect@synchrony.com).

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