

## Strategic Planning and Small Business

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Some of my colleagues who are presidents and CEOs of small businesses would have you believe that it is not important to have a *strategic plan*. Another myth floating around on this topic is since we live in a highly competitive, budget-oriented society, strategic planning is a requirement for a large firm to stay competitive. The reason they would tell you this is because you are a small business and should not get wrapped around this concept when it probably will not affect your bottom line. This is so far from the truth! If you are to compete against large corporations, you need to learn their game plans - and strategic planning is a major part of any successful, large business.

Strategic planning involves setting up a strategy that your organization/business is going to follow over a defined time period. It can be for a specific part of the business, like planning a marketing strategy, or for the business as a whole. Carter McNamara stated it quite clearly: "Strategic planning determines where an organization is going over the next year or more; how it's going to get there; and how it'll know if it got there or not." The focus of a **strategic plan** is usually on the entire organization, while the focus of a **business plan** is usually on a particular product, service, or program.

All businesses, regardless of size, must have a strategic plan. How you map out the future of your organization depends on this plan. There are a variety of perspectives, models, and approaches used in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture of the organization, complexity of the organization's environment, size of the organization, and expertise of planners (McNamara). On the flip side, by **not** doing a strategic plan businesses will never know where they are going—much less know if they ever get there.

One popular method used today is the SWOT analysis. SWOT stands for strengths, weaknesses, opportunities and threats. To conduct this type of analysis, one assesses each of these factors for not only your business, but also for your competitors and the industry as a whole. Do not get frustrated because of the timeliness of doing this. The information gained is very useful. If this is your first strategic planning venture, perhaps a good goal would be to conduct a SWOT over the course of the next year. Once you have it developed, it is available for future planning efforts with minor updates. ([Click here](#) to view an example of a SWOT analysis and get a free template.)

Finally, an important concept of strategic planning is an understanding that in order for the organization to flourish, every employee needs to work to ensure the goals are met.

Yes, **every** employee plays a major role in the success of the organization achieving these goals. As organizations build and grow to reach the milestones outlined in the strategic plan, it is imperative that the employees can articulate these goals and know

their role in achieving them. You cannot have success if you do not include the employees in this process.