

## Ask Irene

### Advice for the Entrepreneur



by Irene Hurst

• Director  
USF Small Business Development Center  
[www.sbdc.usf.edu](http://www.sbdc.usf.edu)  
[hurst@coba.usf.edu](mailto:hurst@coba.usf.edu)

#### **Q.** Why is strategic planning necessary?

**A.** Last month we discussed business planning, which is your road map for getting where you want to go with your business. The strategic plan is broader in scope and less detailed; it is more qualitative compared to your business plan. The business plan consists of marketing, operational and financial plans. The strategic plan involves looking into the future, usually for a five-year period. It is not short term. It will help you focus your energy on what you do best and provide broad direction for your short-term company goals. In developing your strategic plan, you conduct an internal and external analysis.

Internal analysis includes surveying your current situation, from every facet of the business operation, including marketing and financing components. Examining your business strengths and weaknesses will be the main thrust of your internal analysis. The results of the internal analysis will become the springboard for your strategic plan. These are measurements of where you are now, from which your business journey to the future will start. During the internal analysis, you should find the answer to the who, what, how, where and why questions about your business. It is very helpful to know the mission in your business life.

External analysis examines outside factors that affect your business directly or indirectly. These factors are global and national economic, social, political and market conditions. Think about threats and opportunities for your business in conducting your external analysis. How would those factors affect your business?

After the internal and external analyses are done, the next step is to determine where you want to go as a business. Vision statements usually reflect the answer to this target destination question. In addition, you develop a timeline to get to your destination.

With the vision and mission statements, you then can develop strategies to get to the target destination. Implementation is critical to a successful strategic plan; therefore, it is imperative to include all levels of your staff in the process. You need to ensure buy-in from your employees. The plan needs to be reviewed at least every year to ensure that all factors that affect your business are still on the right course. Continue to get feedback from all of your stakeholders to verify that you are going the right way to your destination. Your stakeholders include employees, customers, suppliers, regulatory agencies and your competitors. 🗣️

*For more information, here are several Web sites:*

[www.planware.org/strategy.htm](http://www.planware.org/strategy.htm)

[www.managementhelp.org/plan\\_dec/str\\_plan/str\\_plan.htm](http://www.managementhelp.org/plan_dec/str_plan/str_plan.htm)

[www.netmba.com/strategy/process/](http://www.netmba.com/strategy/process/)