

# **STRATEGIC PLANNING WORKSHOP**

# **STRATEGIC & BUSINESS PLANNING**

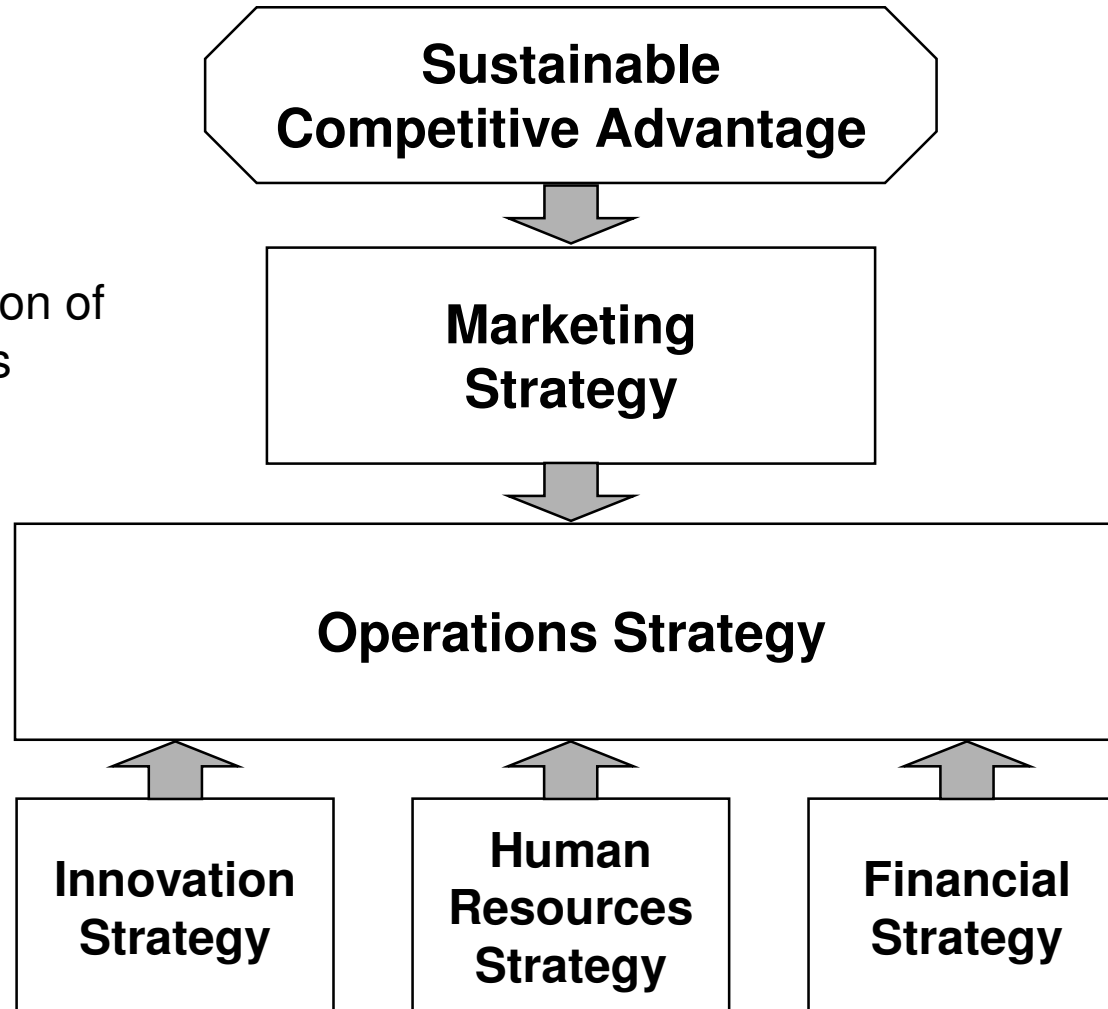
## Why Plan?

- Forces a critical review of key factors affecting business
- Provides overall direction for the company
- Provides a framework for decision-making
- Enables progress to be measured
- Builds a cohesive team

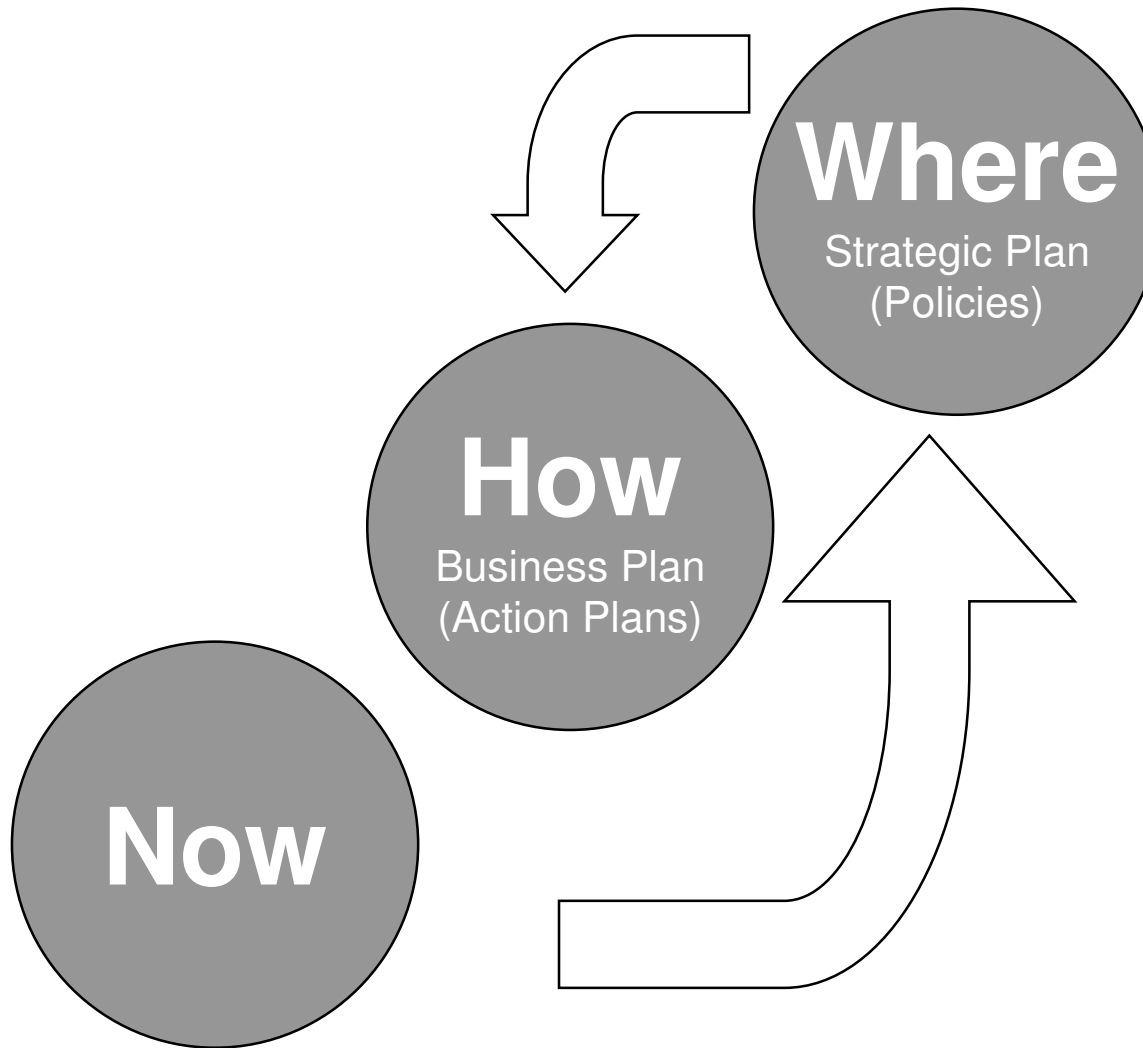
**THE PROCESS IS AS IMPORTANT AS THE OUTCOMES**

# BASED ON THE WORLD COMPETITIVE MANUFACTURING PROCESS

“Top Down” Integration of  
Functional Strategies



# STRATEGY DEVELOPMENT SEQUENCE



# **KEY DRIVERS OF A BUSINESS STRATEGY**

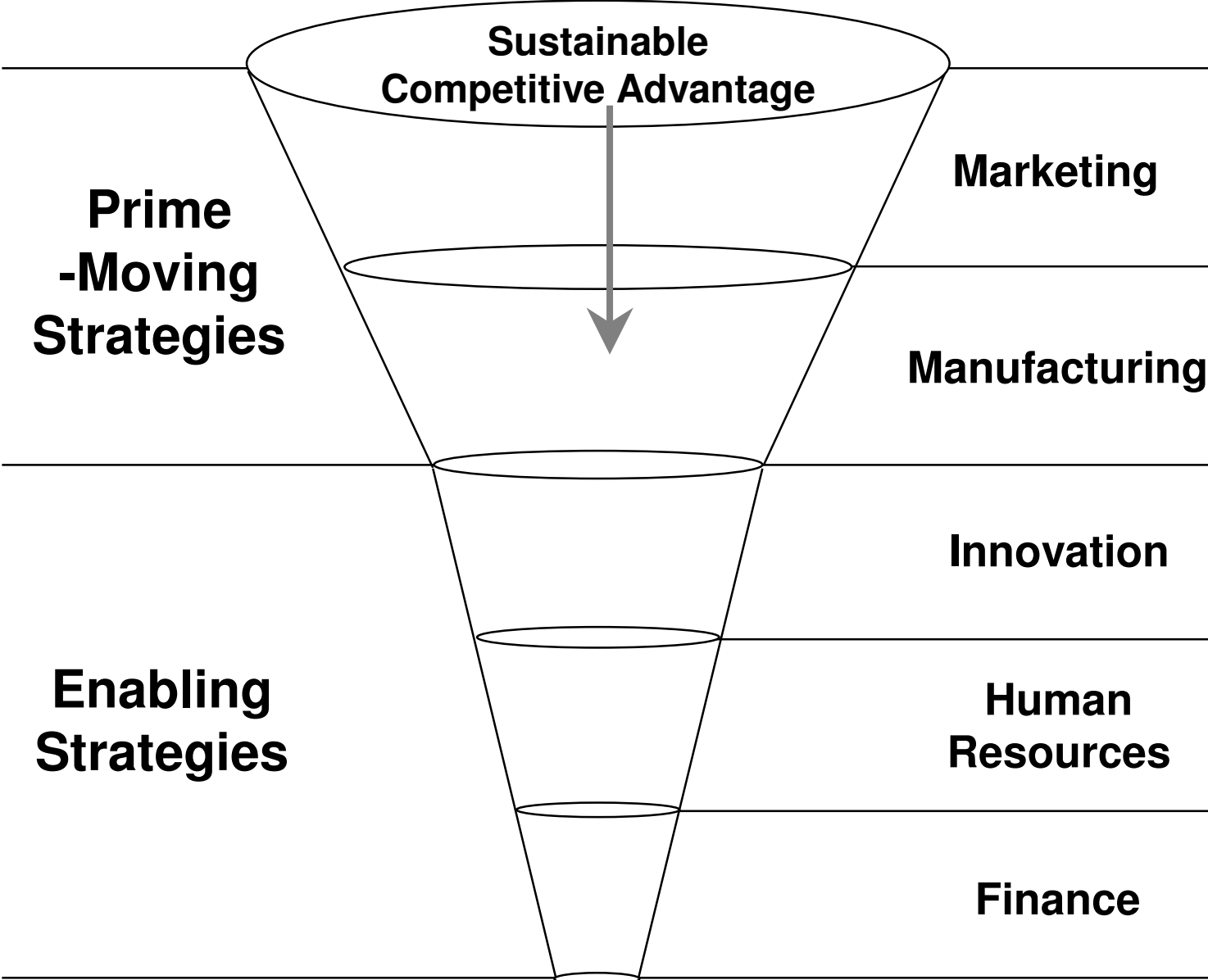
**Business Vision**

**Business Mission**

**Basis for Growth**

**Sustainable Competitive Advantage**

# THE FUNNEL ANALOGY

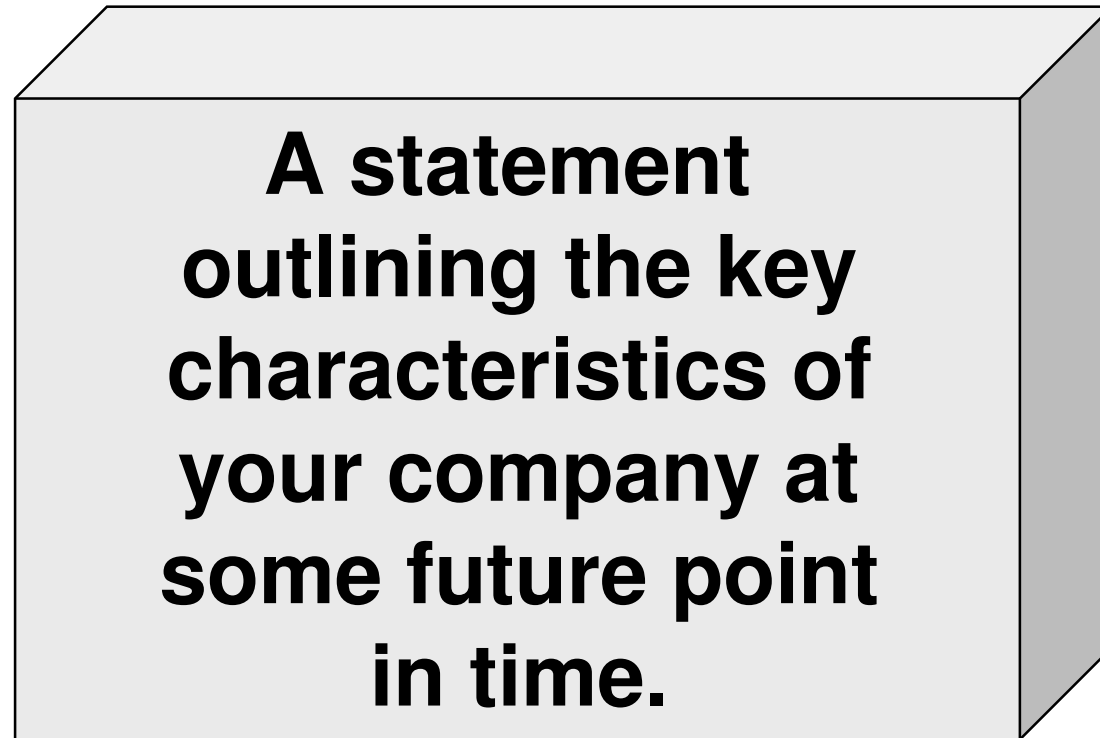


# BUSINESS VISION

Where would we like to be in 5 years time?

- What we 'Aspire' to not what we think might be
- Wish list of characteristics
- Driver for change
- Motivation and inspiration

# **BUSINESS VISION . . .**





# **SOME POSSIBLE DIMENSIONS OF BUSINESS VISION**

## **Size**

- Level of sales
- Number of employees
- Number of sales outlets
- Size of factory
- Competitive position

## **People**

- Value to the company
- Attitudes towards each other
- Level of skills
- Level of team work
- Level of involvement and commitment
- Health and safety
- Corporate relations

# SOME POSSIBLE DIMENSIONS OF BUSINESS VISION

## **Products and Markets**

- Market segments
- Product types
- Product characteristics
- Market developments
- Research and development

## **Quality Philosophy**

- Continuous improvement
- Productivity
- Profitability
- Customer satisfaction
- Reputation
- Market position
- Management of variation and change
- Involvement of all people

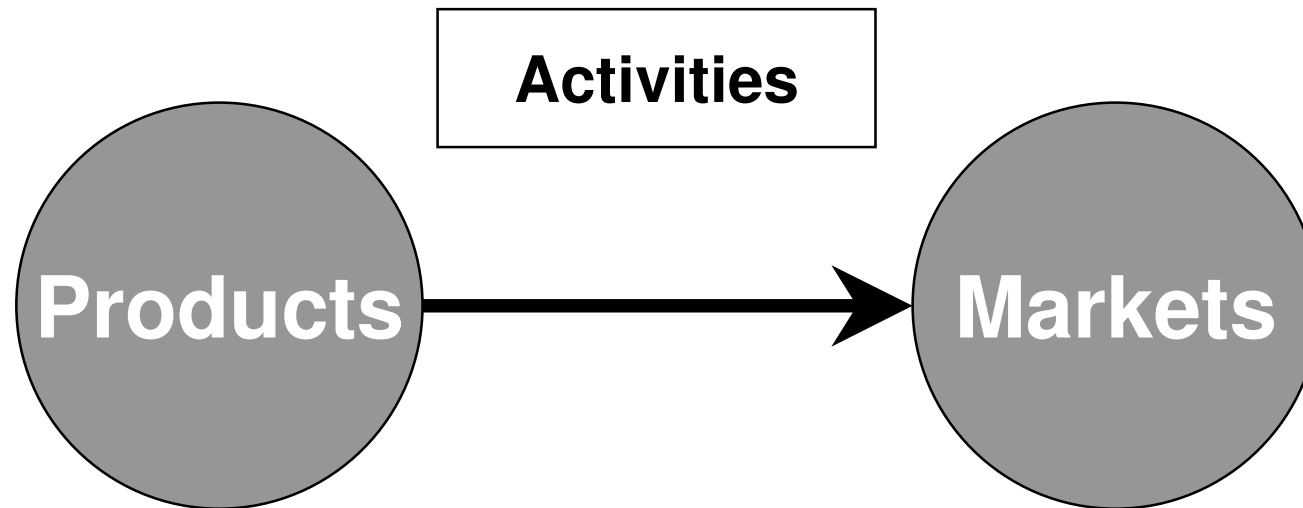
# BUSINESS VISION

What will be the key characteristics of your company in the future?



# **BUSINESS MISSION . . .**

**A clear statement of  
the business you are in**



# **BUSINESS MISSION**

The products (and services) we provide

The activities we undertake

The markets we serve

# MISSION STATEMENT

## Example

**We design,  
manufacture  
and repair longer life, high  
value added submerged  
pump products for the  
Australian  
construction  
industry**

# SWOT Analysis

## Internal Factors (Under our Control)

*Strengths*      What are we particularly good at compared to competitors?

*Weaknesses*      What do we need to improve?

## External Factors (Cannot Control)

*Opportunities*      Where will we find growth and increased profit?

*Threats*      What could harm us?

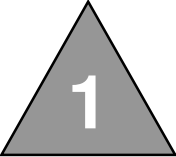

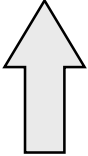


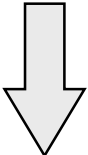


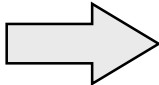

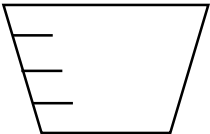
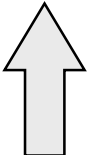

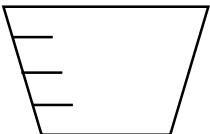
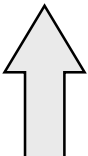
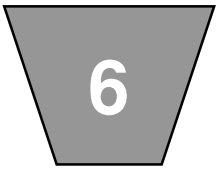
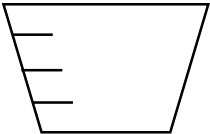
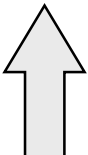
# SWOT Analysis

	Strengths	Weaknesses	Opportunities	Threats
Products				
Prices				
Place				
Promotion				

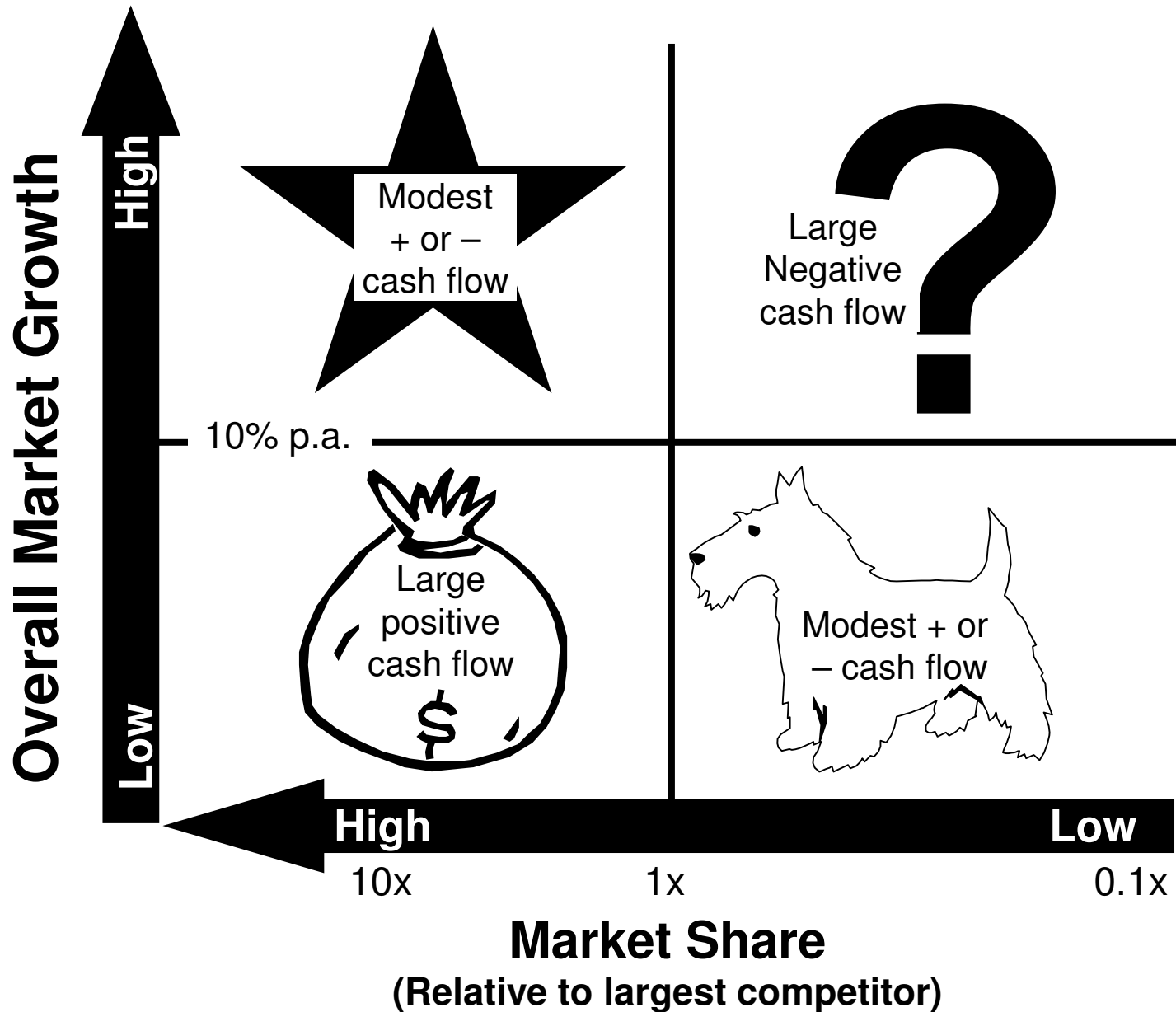


	<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
<b>People</b>				
<b>Processes</b>				
<b>Physicals</b>				
<b>Partnerships</b>				

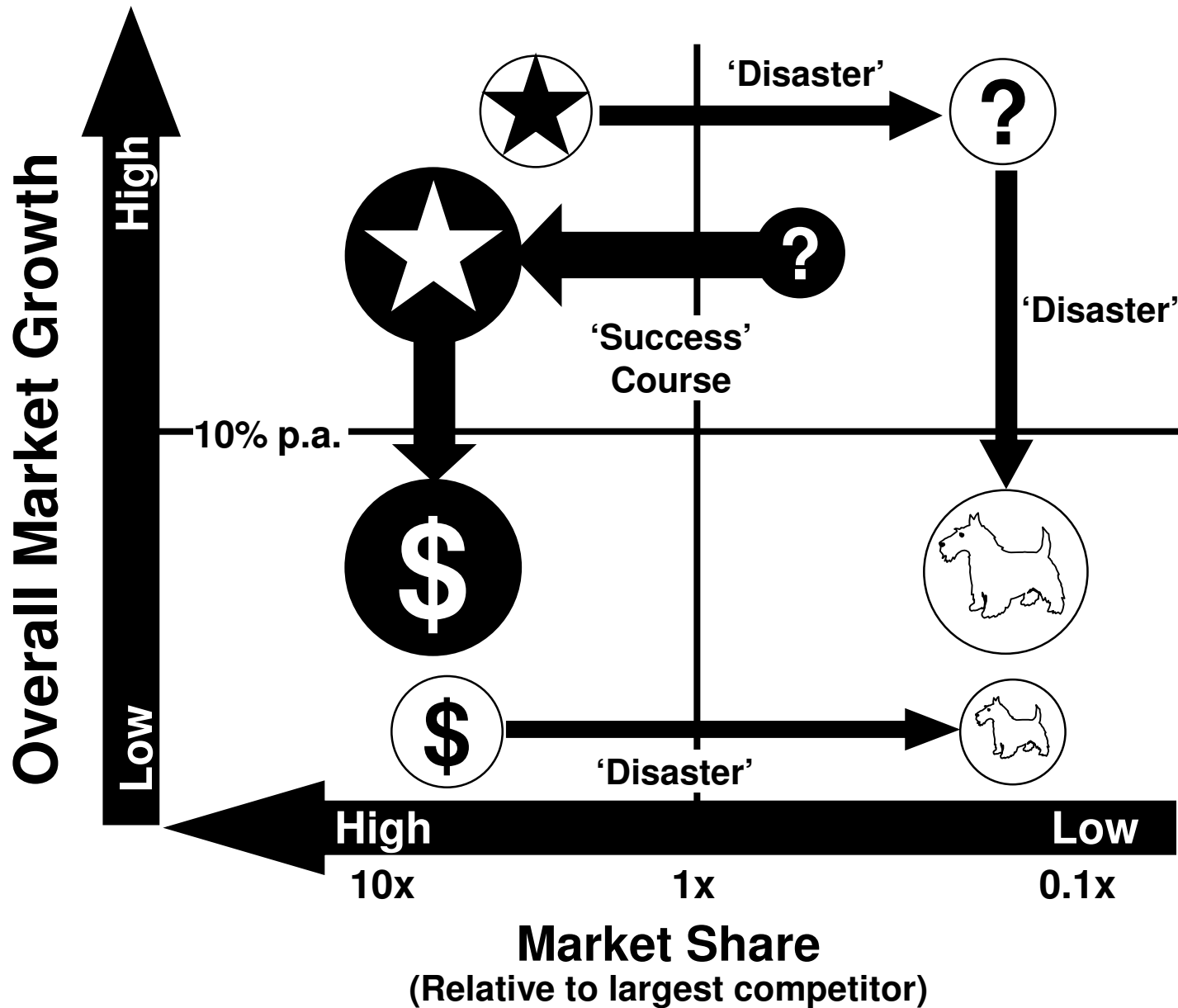
# WHICH PRODUCTS AND MARKETS?

	Product	Market Share	Market Growth
Existing Product & Market			
Existing Product & Market			
Existing Product & Market			
Existing Product & Market			
Existing Product & Market			
Existing Product & Market			

# PRODUCT PORTFOLIO ANALYSIS

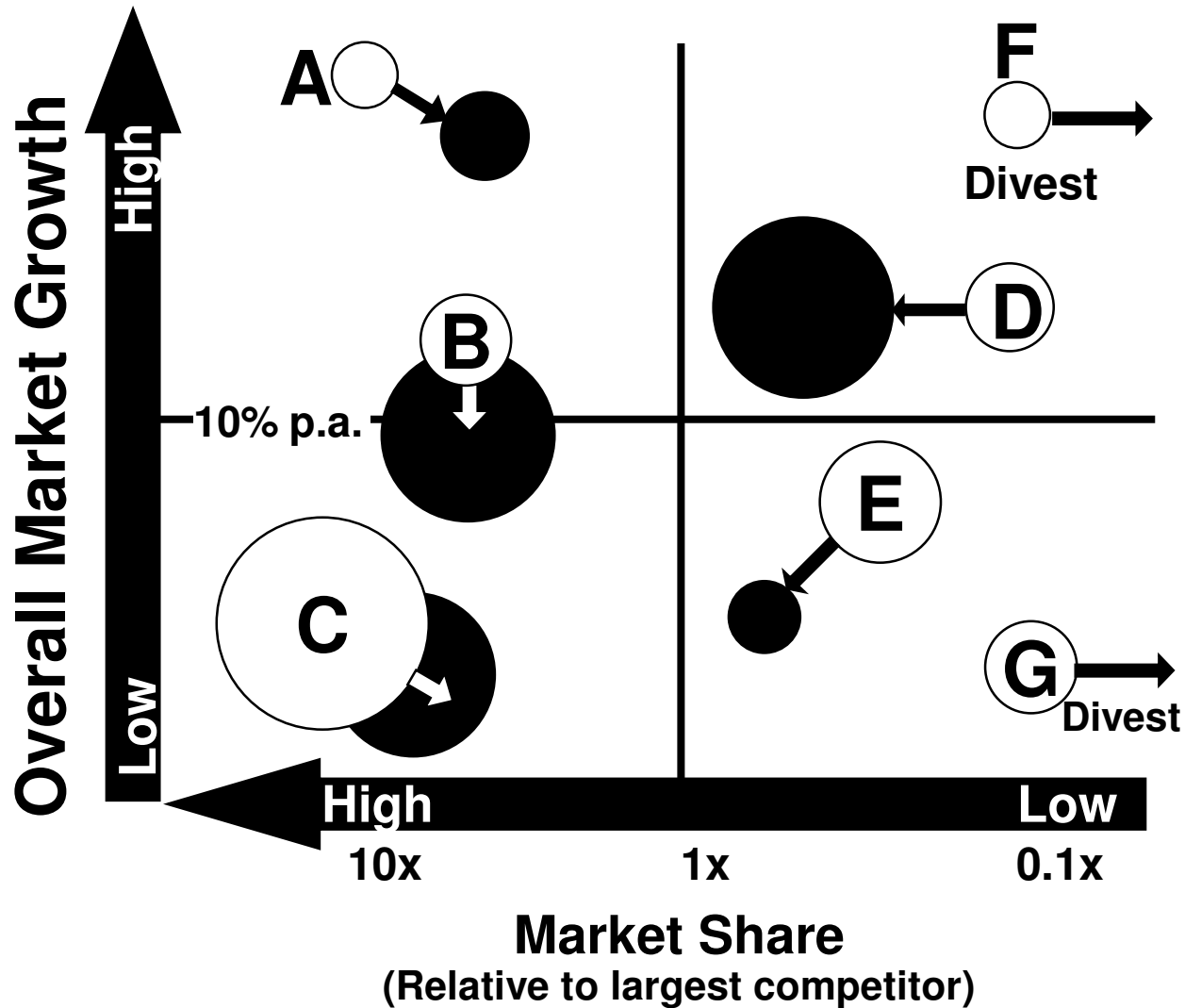


# PRODUCT PORTFOLIO ANALYSIS



Note: Circle areas proportional to product sales

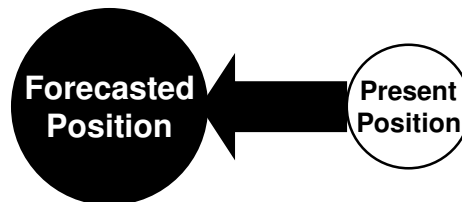
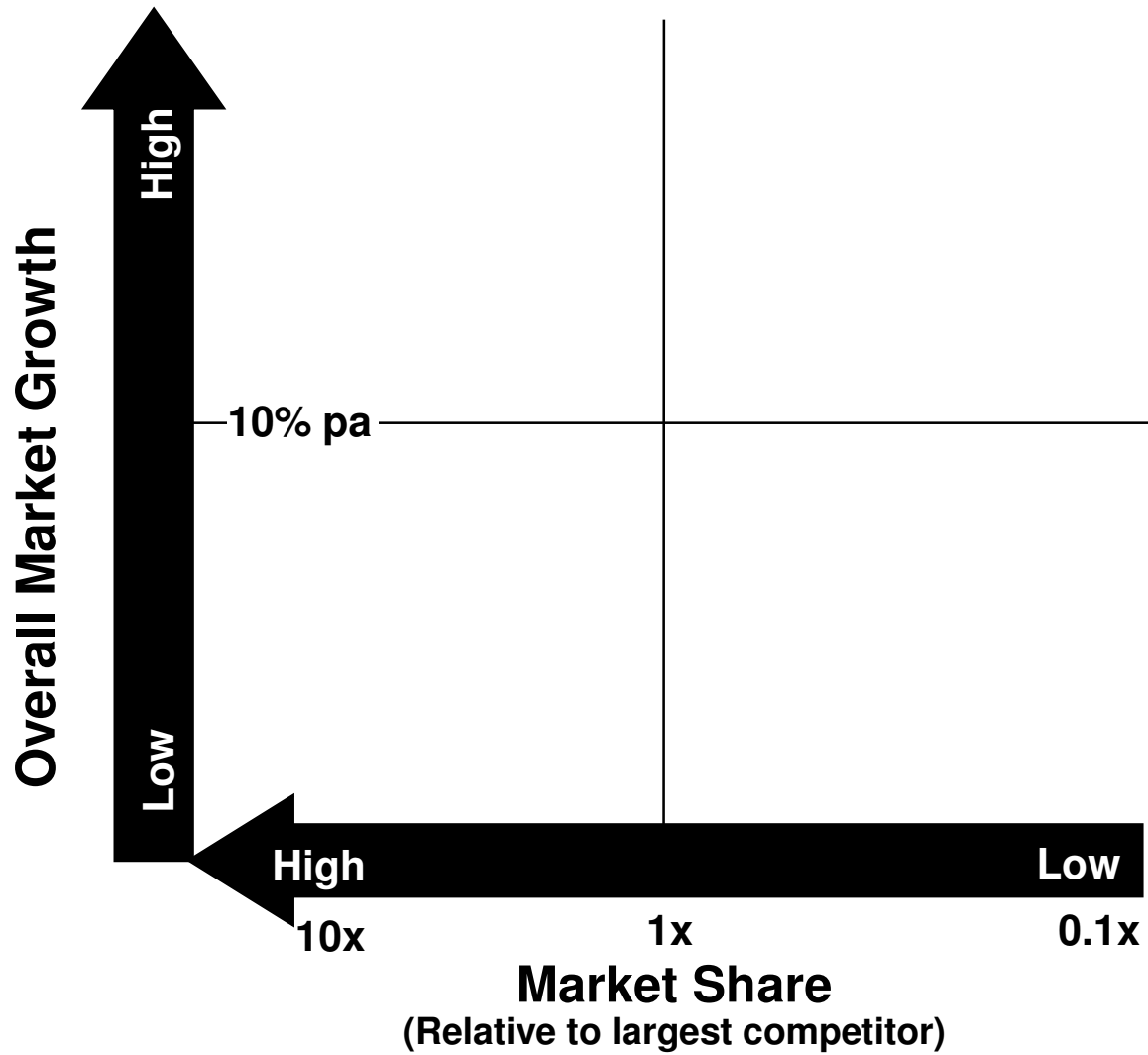
# EXAMPLE OF FORECAST PORTFOLIO



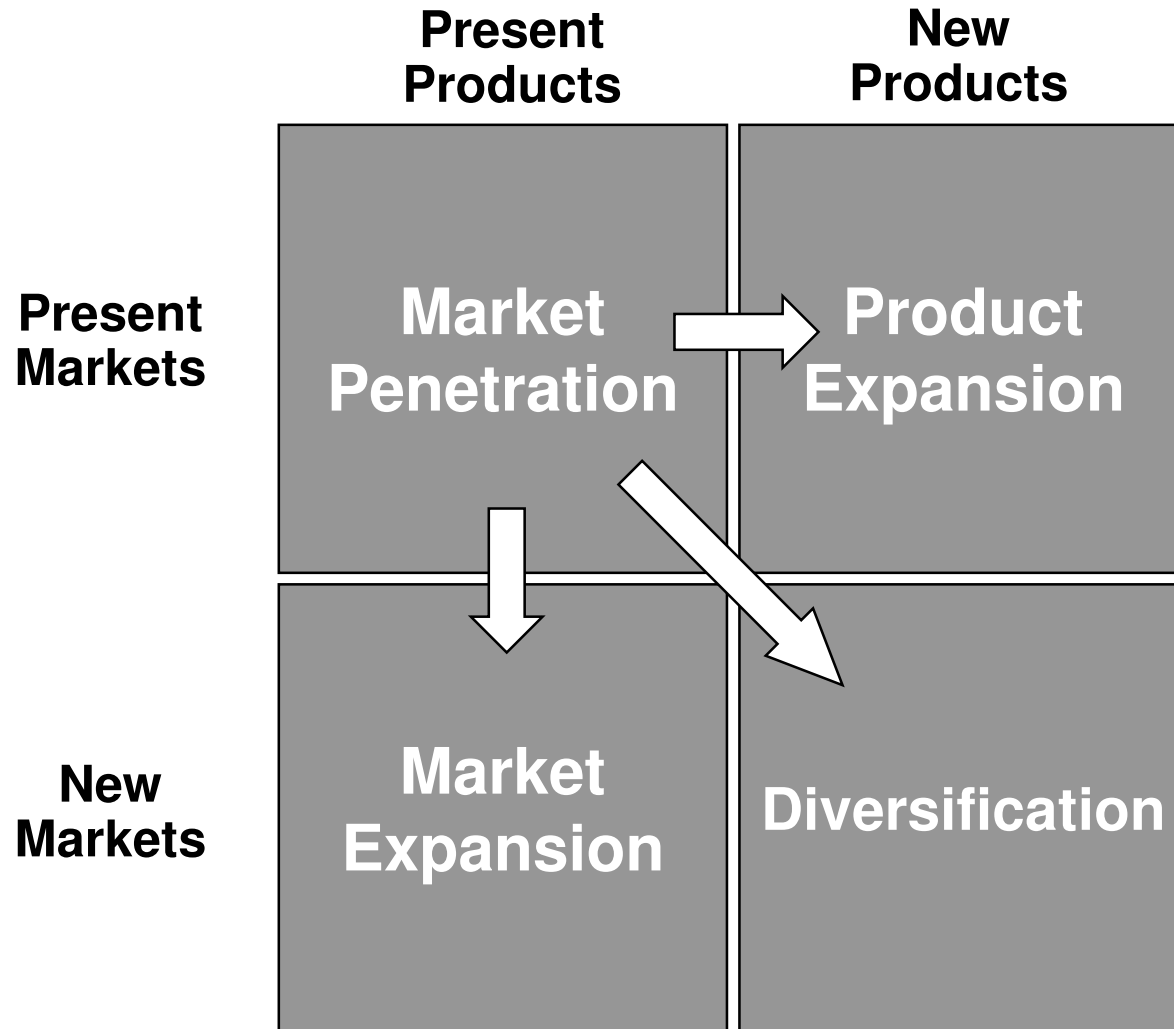
# CURRENT PRODUCTS AND MARKETS

Product Group	Market Segment	Current Annual Sales \$	Proportion of Total Annual Sales	Market Share Relative to Largest Competitor	Estimated Overall Market Growth (% pa)
TOTAL					

# FORECAST PORTFOLIO



# BASIS FOR GROWTH





# **BASIS FOR GROWTH**

## **Market Penetration – Present Products and Markets**

- Expand customer base
- Attract competitors' consumers
- Concentrate resources on most profitable segment

## **Product Expansion – New Products in Present Markets**

- Develop new product features
- Develop quality variations
- Develop additional models and sizes
- Develop totally new products

## **Market Expansion – Present Products in New Markets**

- Pursue new geographic market segments
- Attack other market segments

## **Diversification – New Products in New Markets**

- Combine product and market expansion initiatives

# BASIS FOR GROWTH

	Present Products	New Products
Present Markets		
New Markets		

# HOW MUCH GROWTH?

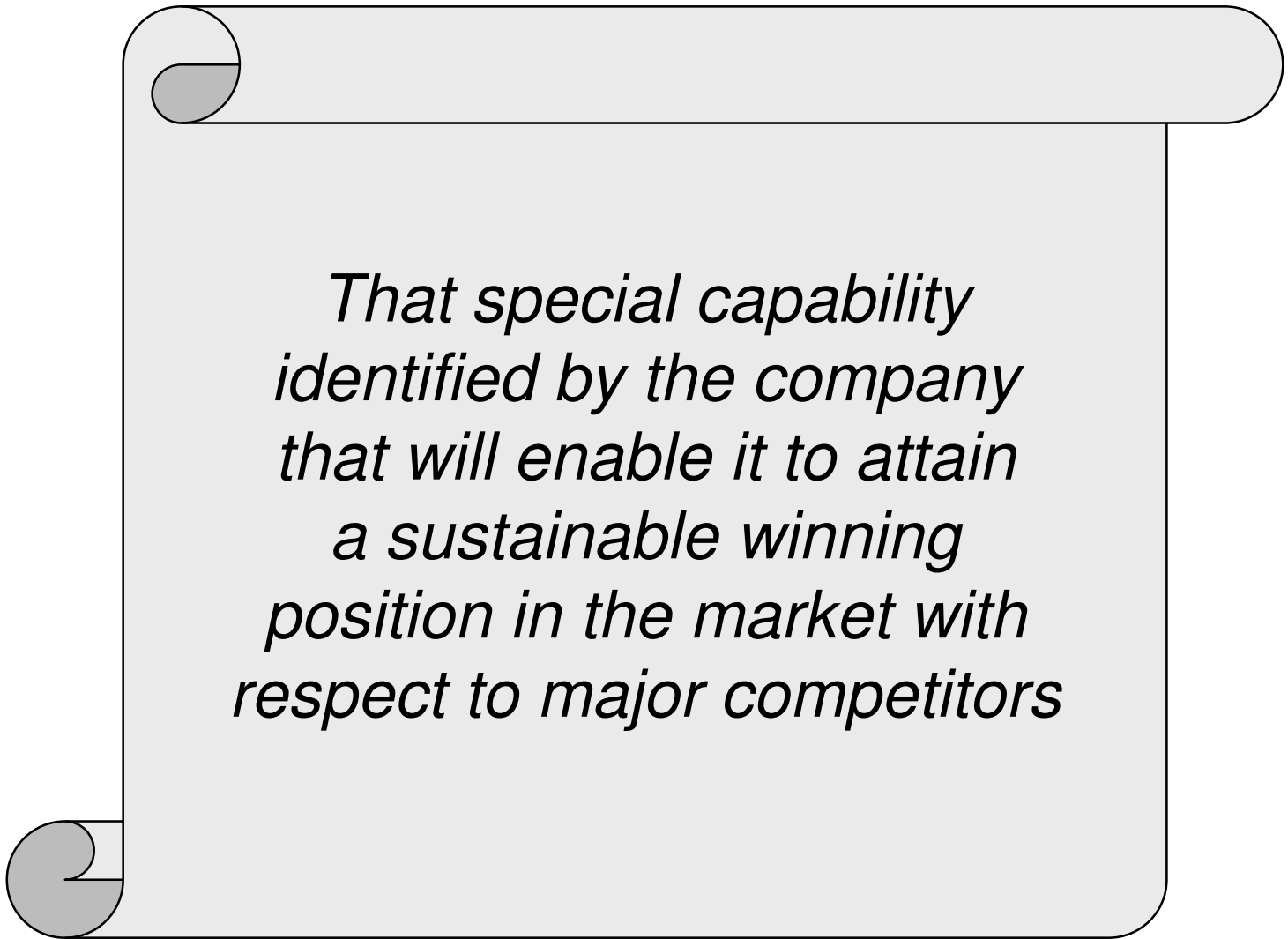
## Current Dollar Values

Dollars (\$)	Now		Where			

0                    1                    2                    3                    4                    5

Year

# SUSTAINABLE COMPETITIVE ADVANTAGE . . .



*That special capability  
identified by the company  
that will enable it to attain  
a sustainable winning  
position in the market with  
respect to major competitors*

# THE SUSTAINABLE COMPETITIVE ADVANTAGE STATEMENT

## Characteristics

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- Captures the essence of the company's competitive strength
- Creates superior customer value
- Simple and clear
- Persuasive in its influence on individual behaviour

# IDENTIFYING CRITICAL SUCCESS FACTORS

## Some Starter Questions

- What are we good at now?
- What do we have to be good at to succeed in this industry?
- Why do our customers buy our goods and services?
- What goods and services characteristics must we provide to meet our customers expectations?
- Have we developed any unique resources or capabilities not readily available to our competitors?
- What culture must we develop to gain a competitive advantage?

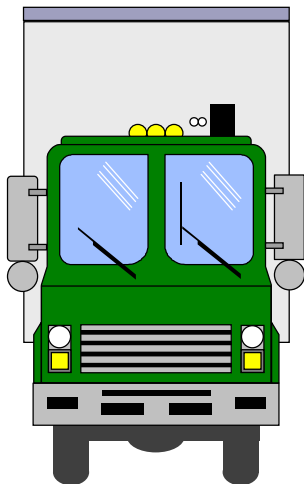
# SUSTAINABLE COMPETITIVE ADVANTAGE

## Examples



**We will win by meeting exactly the buying needs of the key buyer for a major distribution network**

**As measured:  
The number of expressed product requirements actually met**



**We will win by being the most reliable deliverer in the industry**

**As measured by:  
% on time deliveries  
Total lead time**

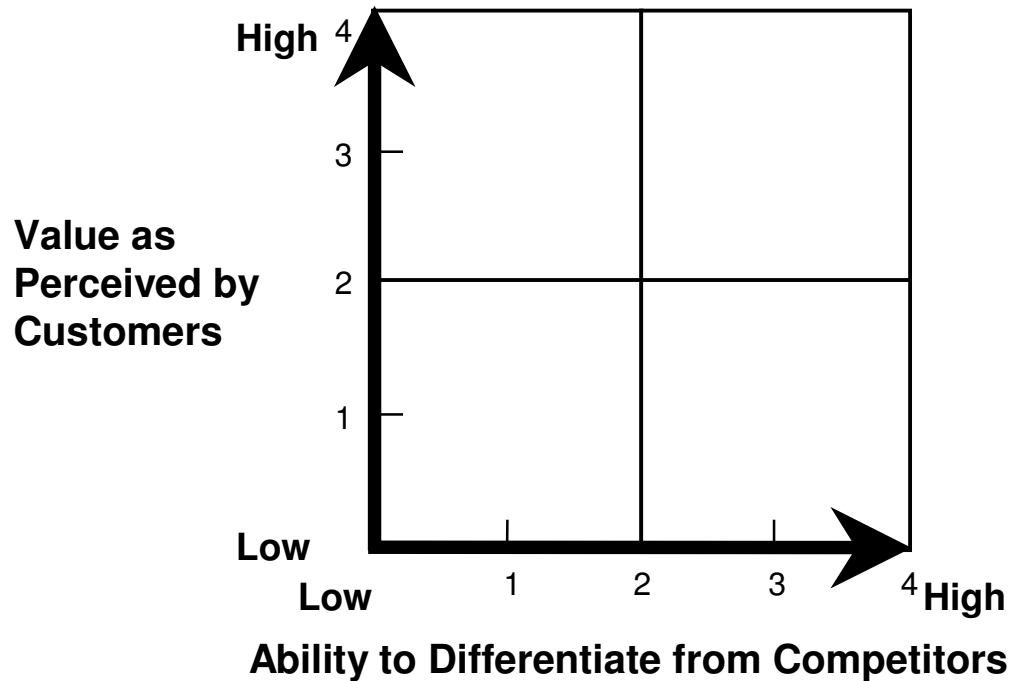
# CRITICAL SUCCESS FACTORS

1		11	
2		12	
3		13	
4		14	
5		15	
6		16	
7		17	
8		18	
9		19	
10		20	



# RATING OF CRITICAL SUCCESS FACTORS

1		6	
2		7	
3		8	
4		9	
5		10	



Highlight those Critical Success Factors (in upper right quadrant)  
with high pervasive impact on internal behaviour

# SUSTAINABLE COMPETITIVE ADVANTAGE

**We will win by:**

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**As measured by:**

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