

The 7 Benefits of Strategic Planning

by Helen M. Mitchell

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If you don't know where you are going, then any road will take you there.

For some, "Strategy" and "Strategic Planning" is something that is done once a year which results in a report. Others think it is market position, operational effectiveness or an idea or business model.

Strategy is choosing to perform different activities that can be preserved and that will provide a sustainable competitive advantage. It is a mental exercise. It is a way of thinking about the world and approaching business. Strategic planning is a process to produce innovative and creative ideas which serve as the core framework for the company and designing its' future.

Strategic planning can have an immediate influence on your company and organization.

1. Make your future happen don't let it happen to you

It is the difference between being proactive or reactive. Be on the defensive or the offensive. Be a victim of circumstances or be victorious in the fight. Not every situation can be foreseen but you can make decisions and react to changing market conditions with the end in mind.

2. Establish direction

Clearly defines the purpose of the organization and establishes realistic goals and objectives consistent with the mission which can be clearly communicated to constituents. Provides a base from which progress can be measured, employees compensated and boundaries established for effective decision making.

3. Make wise business decisions

How do you distinguish between a good idea and a great idea? Without a clear vision of what you want to achieve, and mission or purpose for doing it, everything seems like a good idea. What project do you invest in? How should you and your staff invest your time? Having clarity about what you want to do, who you need and how to get there will focus limited financial and people resources.

4. Create longevity of the business

The world market and industries are changing faster than ever and those companies who do not have a solid foundation and have relied on luck or opportunity most likely will not be around for the future. Data reflects that one out of every three companies at the top of their industry will not make it in five years. Focus is powerful. Scientists focus light so intently that it becomes a laser which is used for surgery or able to cut through glass and metal.

5. Increased profitability and market share

Focused planning and strategic thinking will uncover the customer segments, market conditions, and product and service offerings that are in the best interest of your firm. An intentful and targeted approach to markets and opportunities which guide your sales and marketing efforts, distribution and other business decisions which ultimately mean more profit to the bottom line and a stronger market position.

6. Unique differentiation: avoid “competitive convergence”

Companies have gotten so used to looking at their competitors and their best practices and then trying to duplicate them that it becomes harder to tell the companies apart. They all start to look the same with less distinction in unique value. Strategy means having a unique differentiation that sets you apart from your competitors.

7. Increased job satisfaction –meaningful and full of purpose

Consistently one of the top reason for leaving a firm is the lack of job satisfaction. People need to have a motivation to come to work and feel like part of the team. It has been proven that employees are the greatest source for innovative ideas. If your employees were in essence bricklayers, would they say that they are building a wall with each brick they lay each day or building a cathedral? The purpose and meaning of work gives a new focus and reason to show up each day.