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Strategic Business Planning Simplified

Many differing terms, definitions, and expectations can limit the success of a Strategic Business Planning exercise. I always like to begin by clarifying terms and expectations with my clients and suggest any organization do the same. I utilize the following definitions for clarity:

Strategic Planning—Development of the strategic positioning of an organization or division focused on what needs/wants the business plans to meet along with the financial requirements of the stakeholders. Branding, customers, products, and channels of distribution strategies are all included and are informed by current business trends and market data. This is a crucial step for any organization to take and it pays big benefits. The risk is that without good follow through and implementation plans it may simply sit on the shelf.

Vision—Usually before or in combination with the Mission Statement. The Vision describes the desired future state. Often the Vision is stated in a couple of succinct sentences and informs the Mission.

Mission—This is usually in the form of a Mission Statement which succinctly states why an organization exists, what it is doing and how, along with its competitive advantage. This is a wonderful decision making tool that can be utilized daily in any organization as long as it doesn't simply become a word smithing exercise!

Strategic Initiatives—These come out of Strategic Planning and are a list of key initiatives the organization needs/wants to focus on in order to achieve its Strategic Plan or positioning. It's important to not have too many, to make sure they are not too tactical in nature, and of course that they are communicated well within the organization.

Business Planning—A comprehensive business plan that addresses the plan for sales, margin, expenses, and infrastructure usually out for 3–5 years. I usually suggest 3 only. This plan is qualitative as well as quantitative and includes what the organization wants/needs to accomplish along with how they are going to achieve it. It's important that the qualitative has as much or more focus than the quantitative and that they are both connected well within the organization.

Operations Planning—This is the plan for areas such as facilities and logistics that support the overall strategic business plan.

Annual Budgets—The annual budgets developed to support the business plan for a one year cycle. This includes sales, margin, expenses, and inventory.

In my practice, I focus on Strategic Business Planning which really combines Strategic Planning and Business Planning from above. It includes:

- Strategic Planning or positioning.
- Quantitative-Financial Plans (P&L, Balance Sheet and Cash Flow) out three years only.
- Qualitative—How will the plans will be achieved?

There are several reasons to develop a Strategic Business Plan and prior to beginning it's important to understand the purpose and the audience for the Plan. These include:

- Funding is needed either for a start up or growth. Potential investors are the audience.
- Alignment is needed to manage internally. Internal management team is the audience.
- Buy off is needed for direction and/or financials. Board of Directors is the audience.

The following outline is a useful tool when developing a Strategic Business Plan for any Retail or Wholesale business (sections are usually edited or re-arranged depending on purpose, audience, and stage of growth):

- **The Vision**
 - Desired future state
- **The Mission**
 - What wants/needs will/do you fill for your customers that are unique?
 - What does your Brand represent?
 - Who is the customer?
 - Demographics and psychographics
 - Who is the competition?
 - What do they provide and how?
 - What are the past, present and expected future industry trends?

- What makes your business different than your competitors?
- What products will you offer at what price? How will they be assorted?
- What channels of distribution will you use and how?
 - Brick and Mortar
 - Web
 - Catalog
 - Wholesale
- How will you market?
How will you get and retain customers?
- Operational and Financial Execution Plan
 - People
What are the current organizational issues and how will they be addressed?
 - Processes
What processes need to be implemented or evolved?

- Systems
What systems need to be implemented or evolved?
- Facilities
 - What facilities are needed or need to be improved or expanded?
 - Financials and Financing
- P&L, Cash Flow, Balance Sheet
- Potential risks and contingencies

Developing a solid business plan driven by good strategies is only the beginning. Communicating the plan, getting buy in and developing a successful way to implement and achieve the plan are all critical. Please see [“Productivity and Profitability—The Cross-Functional Way”](#) and [“Key Metrics”](#) and/or contact me at Janice@JLSearsConsulting.com or 206.369.3726. I’d love to hear about your business needs.

More about us



ABOUT THE AUTHOR | Janice Sears has served as **Principal** of JL Sears Consulting, Inc. based in Seattle, since 2004. She is also a Principal of **Tag Team Business Solutions**.

Janice brings more than 20 years of **broad multichannel retail and wholesale experience** in merchandising, planning, marketing, finance, and operations to her clients. She is a Certified Management Consultant (CMC), and received her **MBA in Finance** from the University of Colorado.

As a former **Vice President at Eddie Bauer**, she was accountable for \$1.6 billion in annual sales, which included 400+ stores in the US and Canada, catalog and internet sales, along with margin and profit. Janice directed strategic business planning, merchandise planning, inventory and margin management, and led the cross-functional business teams by channel to manage the P&L. She also drove system and business process improvement projects and was integral to marketing, assortment planning and organizational development initiatives.

She served on the **Board of Directors for Big Brothers Big Sisters of Puget Sound** for more than 10 years while being a Big Sister herself. Janice continues to serve on a variety of professional and non-profit boards and is currently a University of Washington Business School Mentor.

Janice is an avid skier and cyclist who writes a [travel blog](#) about her quest to visit all 58 National Parks. She enjoys northwest urban living and time with family and friends from her Seattle home.

ABOUT J.L. SEARS | JL Sears Consulting, Inc helps organizations and business teams boost profitability and productivity through strategic business planning, development of merchandise strategy and implementation of key execution tools.

We specialize in working with multi-channel retail and wholesale clients to craft a roadmap to success in an ever-changing business environment.

Clients include: Belkin, Branders, Charlotte Russe, Crosstown Traders, evo, Griot's Garage, Lucy, Nasty Gal, Outdoor Research, and Sur La Table.

JL Sears Consulting, Inc. is a former member of 1% for the Planet and continues to focus its one percent donation on saving Puget Sound and supporting our National Parks.

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