



You Have Survived, Grown, or Are Launching—
Time to Dust Off and Update Your Business Plan

Many organizations, both large and small had been in survival mode for a while. I have seen many that have stabilized and are looking ahead to grow and/or re-position. Other organizations—especially in the e-commerce space—are on a fast paced growth curve. Many have new ownership. Some entrepreneurs are ready to launch their new businesses. All managers in these stages can benefit from a well thought out Strategic Business Plan that incorporates the qualitative and quantitative aspects, in order to move their organizations forward.

There are several reasons to develop a Strategic Business Plan. Prior to beginning development it's important to understand the purpose and the audience for each kind of plan. Here are some examples:

- **Funding** is needed either for a startup or growth. Potential investors are the audience.
- **Alignment** is needed to manage internally. The internal management team is the audience.
- **Buy off** is needed for direction and/or financials. Boards of Directors or new owners are the audience in this situation.

Whatever the reason and whoever the audience the time horizon for planning has shortened. The traditional “five year long range plan” does not seem relevant any longer. But it does seem prudent to use the current year—with a realistic

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forecast—as a basis. Next year can be added to that and then the following year can be based on that forecast. So business plans become three year plans which seem very realistic. Many of us have experienced years four and five being pipe dreams which were never achieved. Focusing on the current year and the next two is much more manageable and achievable.

From my perspective insuring that the quantitative is supported by the qualitative is crucial. Too many of us have been involved with business plans that are driven solely by financial goals with no plans as to how to achieve them. All the different functions—merchandising (product development, design, sourcing), marketing and branding, and channels of distribution—must develop solid qualitative plans. The pieces of the puzzle need to fit together. The Strategic Business Plan must also include the people, processes, and systems which are needed to execute the plan. Finally the financials need to be a summary of all the plans and what is needed to execute them.

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**
What is the ideal future state of the organization?
- **The Mission**
What wants/needs will/do you fill for your customers that are unique?
- The Competitive Advantage
 - What does your brand represent?
 - Who is the customer? Incorporate demographics and psychographics in this determination.
 - Who is the competition?
What do they provide and how do they do it?
 - What are the past, present and expected future industry trends?
 - What makes your business different than your competitors?
- The Strategic Business Plan
 - The Plan addresses how you will fulfill the Mission from above.
- What products or services will you offer at what price?
How will they be assorted?

- What channels of distribution will you use and how?
 - Brick and Mortar
 - E-commerce
 - Catalog
 - Wholesale
 - Big box, chains, specialty
- How will you market? How will you get and retain customers?
- Operational and Financial Execution Plan
 - People
 - What are the current organizational issues?
 - 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
 - Financial Statements—P&L, cash flow, balance sheet
 - What financing is needed?
- Potential risks and contingencies
 - Risks must be included and realistically addressed, but often they are not!
 - Solid contingency plans with dates need to be included.

Timing is also a critical factor when developing a Strategic Business Plan. There needs to be ample time given to develop the plan so that next year's budgets are supported and thought through via this plan. The timing on the plan and annual budget must also take into account lead times on things such as product development, marketing activities, and real estate plans. The Strategic Business Plan and annual budgets should both be in place prior to any major commitments being made.

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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 key next steps. "Profitability and Productivity—The Cross-Functional Way" and "Key Metrics" articles are helpful at this stage.

I'd love to hear about your Strategic Business Planning successes and needs. I can be reached at Janice@JLSearsConsulting.com or at 206.369.3726.

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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