

STRATEGIC PLANNING DONE RIGHT

Essential Elements for Success



**CATHEDRAL
CONSULTING**

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One of the leading causes of business failure is not having any type of strategic plan. Many businesses have the vision to grow but don't really understand where they should grow and which areas to focus on to gain a better position in the market. If a business has the vision to grow but has little idea of the destination, it's doomed to wander aimlessly, wastefully, and constantly changing its priorities – spinning its wheels into mediocrity, or worse, failure.

Having a strategic plan is crucial towards gauging the right direction for the company. Yet most business don't treat it that way. Many business leaders don't invest a sufficient amount of time and resources to strategic planning, often reserving just a portion of an annual offsite company retreat to hammer it out. These leaders typically end up with a half-baked plan that falls apart mid-year (or sooner). They leave the retreat with a binder that sits on the shelf and collects dust for the rest of year. That's *not* effective strategic planning.

Our advisors at Cathedral Consulting have helped leaders create and implement strategic plans that have generated hundreds of millions of dollars. Based on our experience, we know strategic planning done right is an intentional, ongoing, and iterative process that, when properly resourced, can exponentially increase the success of any business.

We created this guide to share some of the most essential elements of strategic planning so that you don't repeat the same mistakes that many failed businesses have made in the past. The tried and true information we've included will put you in a better position to lead your company and build your value.

What is strategic planning?

Let's start with a definition. Strategic planning is the process of determining which strategic priorities are most important for your business and then allocating the resources to pursue them. It is the practical, actionable plan that establishes a clear understanding of where your business is today, and sets your vision for its ideal state in 3 years. When done right, your plan will be your roadmap to success.



Understand current reality

How does your business stand today? One of the critical elements in strategic planning is an understanding of the current reality of the business. In order to determine the best route to get to where you want to go tomorrow, you need to know where you are today. We like to refer to this as your “jumping off point”.

So how do you measure the current state of your business? The metrics used differ from company to company depending on many factors. Businesses that sell products will be different than those selling services. And those selling helicopters will be different than others selling software. You get the picture. In general, the key performance indicators (KPIs), or the metrics, that you might look at would include things like profitability, cost of goods sold, revenue by quarter, by product line by region, customer acquisition costs, talent retention, inventory turns, quality, market share, product vitality, Net Promoter Score, SEO rankings, the list goes on and on!

Here are a few actions you should take to help you gain clarity into the current state of your business.

Determine key metrics

Determine which are the 8 – 10 metrics that paint the most accurate picture of your current reality relative to your goals.

Looking for assistance? Schedule your complimentary discovery call at [CathedralConsulting.com](https://www.cathedralconsulting.com)

Identify internal issues

Internal issues come in different forms. You might find that you have a talent gap or are weak in certain geographic areas. You should be able to dissect different parts of your company such as workforce, community, cultural, and social aspects and identify the problems that will serve as your jumping-off point to create solutions.

Know your current market position

A critical piece of assessing your current state is knowing your position in the market. It's not about how you see your brand but rather, how customers perceive your brand. This helps to create the right message that will deliver the intended results.

Identify strengths and weaknesses

Know what you do well and what needs improvement. Take a look at your business model. Where are you crushing it? Where are you falling short?



Know the market

As a business owner, it can be challenging to step outside of your perspective and consider how others are viewing your company. However, a crucial element of strategic planning done right is becoming aware of your market.

Knowing the market is all about learning what your customer wants, how they perceive your company, products, and services. Why do they choose certain suppliers?

Business leaders often fail to properly segment the market, which is a way to focus on what specific customers are looking for and delivering the right products. Unfortunately, without this information, it is hard to position products and decide which arguments you should use to keep their business. Business is a never-ending quest for improvement. With dynamic market conditions and new emerging products, you should always know the voice of your customers. Do they still like your product? What features do other products have that attract more customers than you do? What outcomes are your customers seeking? The more you know about your customers, the more effective your sales and marketing efforts will be. On the next page you'll find actions you can take to gain market awareness and know whether your business is heading in the right direction.

Conduct a survey

One way to assess customer satisfaction is to ask for feedback or conduct a survey. Customer satisfaction surveys give you insights on where you need to make improvements as well as how you can deliver even more value and turn them into advocates who actively promote your brand.

Research your competitors

You should not only know what customers think about your products, but also what your competitors offer compared to your products and services. If your internal resources are tapped, another option is to hire independent outside consultants who can research markets and get answers to questions that you can turn into actionable insights to make better decisions for your business.

“Unless you’re really close to your customers, you may not realize where you are at risk.”

Identify the market drivers

Market drivers are underlying forces that compel customers to make a purchase. They are like a rising tide that lifts all ships. As an example, if you’re in the telecom sector and AT&T and Verizon and T-Mobile are all spending heavily to deploy a new technology, that’s a market driver, it’s going to benefit everybody. You can use these market drivers as guiding stars to create an action plan for your business.

Identify the market headwinds

Market headwinds are market conditions that slow everyone down together. An example is falling prices, or a pandemic like COVID-19. You can use this to assess the relative attractiveness of specific market segments, understand how it will affect your business, and craft a better plan to combat these changes.

“What differentiates Cathedral? You know, I’d say it’s that willingness to really dig in and customize to your very specific needs. We were doing a lot of strategic planning, and I started getting challenged on some things where people were like, well, “Where is the data behind this?” That’s when I reached out. Cathedral helped us hone in on the markets, and that made all the difference in the world.”

Eric Toenjes

National Market Manager of Wireless Solutions at Graybar

Define “winning”

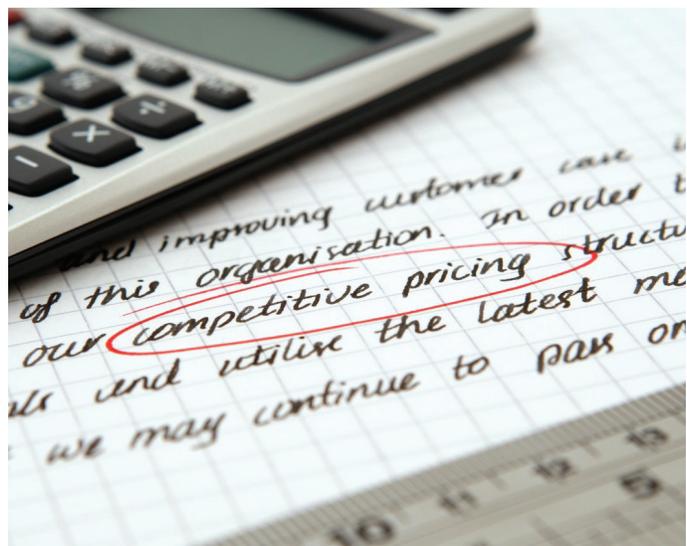
After doing a lot of foundational work researching the market, competition, and your own company, you should have a clearer view of reality.

This brings you to another essential element of strategic planning done right; defining what winning looks like and what it will take to get there. Here are a few action steps you can take to help with this:

Identify key areas to focus on

Using the data you have gathered, you should now have a clear, honest understanding of your current position in the market, competitive strengths and weaknesses, and what metrics are most important to define a winning position in the market. There will typically be a gap between your current position and that of a ‘winner’ in the market. For example, you might determine that a winning, market-leading firm in your market would have a net profit > 25%. If your current net profit is 15%, you have defined a clear, measurable gap between your current position and that of a winner. Relative to a ‘winning’ position in each of the key 8-10 metrics, you could score yourself as red, yellow or green.

The next move is to assess what actions to take. How do you move the red to yellow, and then yellow to green? What if you have three red areas, which one do you need to prioritize? Perhaps it would require a new process to turn red to yellow. Or maybe you need to add new talent, invest more money, or whatever it might be to address the critical areas in your business that need improvement. With this data, you can allocate your financial resources wisely, set clear and actionable objectives, and move the critical areas in your business in the direction of “winning”.



Create an action plan

In order to launch your objectives and achieve your goals, you will need to create an action plan. A good plan includes concrete, measurable, and attainable steps needed to attain each goal – usually covering the whole year. It must have a timetable for each task and a description of who will do what. This means, aside from designating resources, you should also delegate tasks to the right people and involve your best team in tackling those tasks.

Establish a follow-up and measurement process

To track your progress and measure success, you must establish a follow-up and measurement process. This includes internal reporting and regular meetings to check whether the action plan is carried out. How do you cope with issues you encounter along the way? What can we do to keep momentum? You should be able to track milestones, including completion of certain tasks and other quantifiable measures such as revenue or market share. And when you occasionally fall short you will need to find the root cause and deploy countermeasures to get back on track.

Conclusion

If you want your business to succeed, strategic planning is key. To really do it right, and get the best results, you will need to dedicate sufficient attention and resources to the process. Spending half a day during a company retreat with your top level executives to kick out a plan for the coming year won't cut it. Strategic planning done right is an intentional, ongoing, iterative process that yields returns many times over. It drives prioritization across the company and gives you a competitive advantage.

Strategic planning can be a heavy lift, but you don't need to go it alone. Our senior advisors at Cathedral Consulting have walked alongside business leaders just like you, helping them craft strategic plans that have resulted in exponential growth. We've helped leaders build, scale, and sell companies worth hundreds of millions of dollars. And we can help you.

Schedule a no cost, no obligation discovery call at CathedralConsulting.com or send an email to info@cathedralconsulting.com. We'll jump on the phone with you to answer your questions, learn more about your business and help you take the next step. At Cathedral, it's our privilege to walk alongside business leaders and connect them with the ideas, resources, and people they need to grow value in their business, and make a lasting impact. We look forward to hearing from you.

There were some growing pains we were experiencing that people from the Cathedral team really filled in the holes on - from detailed budgeting to forecasting - and just took what was a small mom and pop type shop and said: How do we get more sophisticated in the way that we do business, period? A lot of strategic planning that got all the disciplines covered.

Each step of the way, they provide a resource and they work with your team. They work with me directly as a CEO, but also the key people within the company to help coach them along. They're advisors that at this point we lean on immensely and really help guide us as we go through some pretty explosive growth.

Kenny Blakeslee
President and CEO of Apex Solutions and Pulse Signal Solutions