HOW TO WRITE A STRATEGIC PLAN

EXTENDED GUIDE

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Summary

Writing a strategic plan can seem like a daunting task and the process can even strike dread into the heart of seasoned strategy professionals.

Purple Yak are here to guide you through the whole process in this document along with accompanying resources that we have created. Purple Yak can even help you on a 1 on 1 basis, all we need is for you to have an intimate knowledge of your business. Just get in touch, contact details are at the end of this document.

This specific guide will teach you how to write a strategic plan using a simple model that will help you to define precisely what you want to achieve and how you're going to get there.

Having a good, useable strategic plan all depends on the structure you use. There are literally hundreds of ways to structure a strategic plan ranging from extremely simple, to mind-bendingly complicated.

The trouble with most strategic models out there, is that they work reasonably well on-paper, but when it comes to reality, they don't actually walk you through exactly how to write a strategic plan or at least one that is truly meaningful.

Here's just a few examples of the issues our customers face when using other popular strategic models:

- **Not flexible.** They force people to add layers for the sake of layers.
- **Not scalable.** They work well for small organisations but fail when you try to extend them across multiple teams.
- **Too complicated.** People get lost in terminology rather than focusing on execution
- **Too vague.** They're great at stating outcomes, but lousy at helping you measure success.

Our guide will show you a simpler, more effective way to write a strategic plan that you can take actionable progress with.

We call it the Strategy Model.

Our model has elements which some of the most popular strategy models use but we've added in a couple of elements and simplified some of the steps.

We find that this approach to building and executing a strategic model is much simpler and more effective when it comes to executing your plan.

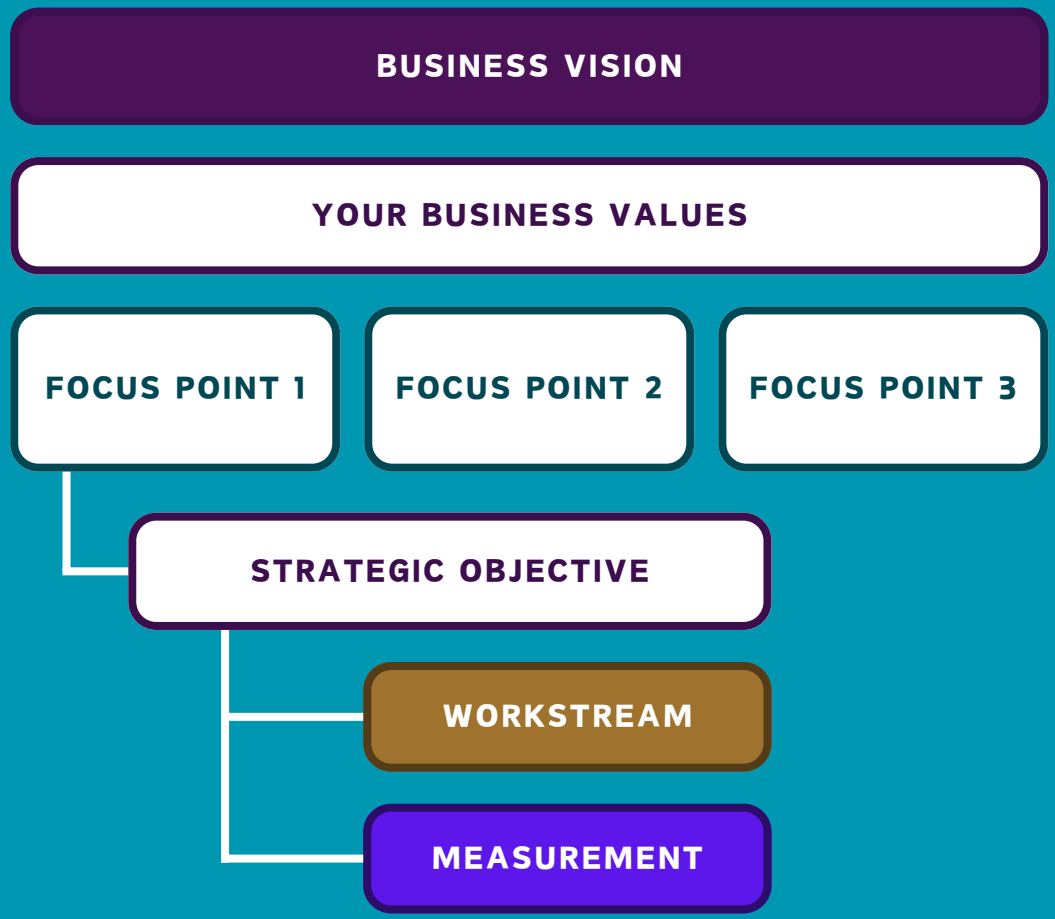
This model has been tried, tested and refined over the years after working with business leaders, entrepreneurs and executive boards to ensure the model remains relevant and highly functional for businesses to follow and execute.

What our customers say

“ Straight forward, easy to follow model that my senior leadership team and I loved working with ”

Derek Smithton | CEO
LWS Supplies Ltd

Strategy Model



Our strategy model allows businesses to create a simple, clear and actionable plan for their business, employees, stakeholders and potentially customers to understand and follow.

On the left of this page is the model framework that will help your plan make sense and have a flow to it, this will allow your strategy to come to life whilst you and your business execute against it.

Think of your strategy as a flow chart that reads from top to bottom, with each step being mandatory before going down to the next level

Model Breakdown

The foundation of your strategy, it is critical this is done first. Your vision is key to making your strategy successful & long

BUSINESS VISION

Your values guide your business and staff on how to behave and provide purpose including boundaries

YOUR BUSINESS VALUES

Focus areas should allow staff to feel empowered to innovate & create ways to be successful

FOCUS POINT 1 | **FOCUS POINT 2** | **FOCUS POINT 3**

Objectives are the heart & soul of your plan, without them you have no plan

STRATEGIC OBJECTIVE

Workstream's are the tangible actions of the plan

WORKSTREAM

Measure your success and keep on track

MEASUREMENT

Business Vision

Your business vision is the glue that binds your strategy, everything else under your strategy hierarchy will flow back to your vision.

Where does your business want to get to? In your vision statement you need to define where you want to be in the future.

A great vision should be the anchor for your business, helping you to always be fixed to what you want to achieve with your business.

Writing an effective vision and strategy can be used to guide your business but equally it can help galvanise your employees, stakeholders and customers. A vision for your business can be the guiding light when days become tough and dark for you and your staff.

Here are some examples of the types of visions you can use:

To summarise

- This must be done first
- Be clear
- Be concise
- Be ambitious
- Don't focus on measurements

Your business vision should provide guidance & inspiration for your people & supporters

TO BECOME THE NO.1 MENTAL HEALTH CHARITY IN YORKSHIRE

A WORLD WITHOUT ALZHEIMER'S DISEASE

A COMPUTER ON EVERY DESK AND IN EVERY HOME

TO TEACH OTHERS TO BECOME SUCCESSFUL

HOW TO CREATE YOUR Business Vision

A business Vision is the anchor point of any strategic plan because it outlines what a business would like to ultimately achieve and gives it purpose to the organisation's existence. A great Business Vision should be short, simple, specific to your business, leave nothing open to interpretation and it should also have ambition.

Here's a quick reminder of what we need to achieve when writing a good Business Vision:

- Create the foundation of your plan that will guide every significant action you do going forward
- Deliver a memorable and inspirational statement that describes your reason for existence as a business - one that will help to motivate employees
- A concise statement about what your organisation is trying to achieve to help your customers and/or stakeholders
- A statement that can be used as an 'enforcer' that helps you to rule out certain opportunities which do not ultimately contribute to our Business Vision

A few guidelines to follow when writing any great Business Vision Statement:

- Do not use words that are open to interpretation, be specific and to the point. This will remove any ambiguity and give employees laser focus vision on what you're looking to achieve
- Short and concise - two sentences at an absolute maximum. Specifically, for your strategy document, it needs to be punchy and easy to get. It's fine to expand in more detail, but you need a version that is punchy and easily memorable
- Be specific to your business and describe a unique outcome that only you can provide. Generic vision statements that could apply to any organisation won't cut it
- Keep it simple for people from inside and outside your business to understand. No jargon, no metaphors, and no business lingo, this is super important!
- Business Values must align with your Business Vision and vice versa so ensure you have this in mind when creating your Business Vision. How your people act will drive your business towards your Vision, so this is crucial to the momentum and success of your strategy
- Be ambitious enough for it to be exciting but not too ambitious that it seems unachievable

These guidelines, if followed properly, will give you the best start to creating your Business Vision.

HOW TO CREATE YOUR Business Vision

Before we start formulating your own Business Vision, we wanted to share some real-life Business Vision examples to get some ideas flowing.

"TO HAVE A MICROSOFT COMPUTER IN EVERY HOME"

"TO BE REMEMBERED AS THE COMPANY THAT BROUGHT SCIENCE TO THE ART OF MARKETING"

"TO BE THE MOST PASSIONATELY REFERRED AGENCY IN THE ADVERTISING INDUSTRY"

Here are 4 steps to follow to construct a deep and meaningful Business Vision.

Step One: What's your Why?
Step Two: What's your USP?
Step Three: Quantifiable
Step Four: Real & Relatable

Step One: What's your Why

To start the drafting of your Business Vision we first need to look at your most basic reason for existence. This sounds obvious and very simple but so many businesses overlook this, so their vision isn't relatable to them. For example: A consulting business gives advice, therefore the why for that business is the success of others based on that advice.

Step Two: What's your USP when delivering your Why?

A lot of services/businesses/products aren't unique especially these days with so many business reinventing or adding twists to existing businesses.

Why would customers choose you over your competition?

Continuing our consulting business example. Our vision statement is looking generic, along the lines of customers listening to our advice but why will they succeed with our advice MORE than the advice from than our competitors?

Is it because we have 20 years' experience? Or could it be how well we understand their business like it was our own? Whatever your unique selling point is - let it shine through in your vision statement

Step Three: Make it quantifiable

Don't become too visionary with no possible end in sight.

On the flip side don't be too specific or apply specific metrics at this stage because these will come later in the planning process.

HOW TO CREATE YOUR Business Vision

Following our consulting example - we might want to refine our target audience to ‘every customer who consumes our content’

Step Four: Make it real and relatable

Your vision statement is now coming along and should be getting pretty close to finished.

The final step you need to apply to make your statement even more memorable is to add a real-life aspect. Doing this will allow people to connect with your Business Vision.

Let’s look at an example - which of the following statements is likely to be more memorable:

a) To have every working person in the world using Microsoft product.

b) A Microsoft powered computer on every desk.

(b) is more memorable because you can actually visualise a computer sitting on a desk in a room.

Don’t get us wrong there isn’t anything wrong with (a) but it is highly conceptual and therefore difficult to transform into a mental picture.

Bringing it altogether

Time now to link all your steps and elements together so let’s finish off our example with a look at what a completed good vision statement could look like for our consultancy business.

A consulting business gives advice, therefore the why for that business is the success of others based on that advice.

Provide SMB’s with world class, dedicated support by utilising our experience and ability to integrate into their world, helping them to deliver life changing growth and success.

If we deconstruct this into our various steps, we can see each at work as follows:

Step One: What’s your Why?
Provide SMB’s with world class, dedicated support

Step Two: What’s your USP?
Utilising our experience and ability to integrate into their world

Step Three & Four: Quantifiable, Real & Relatable
Helping them to deliver life changing growth and success.

This is our guide and process, but we can’t emphasis enough that there are other ways to write a good vision statement.

Business Values

Values are your moral code of conduct, representing how you will behave as a business whilst working towards your business vision.

Your values should provide purpose and intent on how your behaviours will help you achieve your business vision.

Outcomes matter and It can be easy to become over-focused on them but if the way in which you go about achieving them is wrong, the outcomes themselves risk becoming irrelevant.

Not only that but organisations are ultimately nothing more than the sum of the people within them.

Below are some examples of values that some of the UK's most successful businesses live by:

To summarise

- Highlight how your staff will act
- Make sure your business will follow them
- They should provide boundaries
- They should strengthen your integrity

Your business values should truely underpin your business culture. These should not be for show but lived every day

OPEN

PASSIONATE

INNOVATE

ACCOUNTABLE

CAMPASSIONATE

TRUSTED

CLEAR

SHAPING YOUR Business Values

Know your People & Culture

We are going to examine the art of creating Business Values that are both powerful and relevant. Business Values should unlock the potential and passion of your people whilst bringing your Business Vision and ultimately your strategic plan to life.

Business Values are sometimes viewed as the nice fluffy stuff that employees and customers alike dismiss as mere marketing gimmicks.

This is the wrong way to look at them.

If you look at the most successful companies across the world that have dedicated customers, high employee retention rates and attract the best talent around, they all have strong values that go throughout their businesses. The biggest reason for their success is that their values go right to the heart of the most important ingredient of their strategy - your people.

Let's get into it.

Firstly, take a look into your business and the people around you - those who the businesses success truly relies upon. Ask yourself, what made me decide to work with them.

This should allow you to identify shared and consistent values among those people, include yourself in that too. Your shared values help to create synergy - and a team of people working in cooperation with together will always be stronger than a group of disconnected individuals.

If you go through this exercise and still find it hard to tease out common themes then don't worry, there's another way of looking at things that should get you to the same result.

Start thinking about your next employee role, what are you going to be looking for when it comes to interviewing for that position?

Here are some examples

- Passionate
- Inclusive
- Integrity
- Compassionate
- Creativity
- Bold
- Open
- Clear
- Trusted
- Inspiring

This is just a select of a few and these are really dependent on your business, the market you're in and the people who work in your organisation.

Focus Points

This is where you need to concentrate your businesses focus. High level focus areas will highlight where your effort will be placed in order to help you strive towards your business vision.

Your focus areas should have tighter definitions than your business vision but not to the level of having metrics or deadlines.

You should have more than 6 and no fewer than 3 with 4 being the sweetspot to deliver change to your business. Less than 3 can make your strategy too vague and more than 6 can make your strategy too complex and heavy with workloads.

Remember your business plan should be in existence to drive your business and people, make sure it doesn't become a pain point by being too heavy. Below are a few examples:

To summarise

- Don't attach deadlines or metrics
- Must be relevant to your vision
- No fewer than 3 focus areas
- No more than 6 focus areas
- If you have more than 6, write them all down and prioritise them and then pick the key focus areas that will deliver the most impact towards your vision

Focus areas should allow staff to feel empowered to innovate & create ways to be successful

GROWTH IN DONATIONS

COMMUNITY WORKING

HIGHSTANDRDS OF CARE

EXPANSION OF SERVICES

DEFINING YOUR Focus Points

Guidelines for Creating Focus Areas

No jargon
Avoid ambiguous terms like ‘maximise’ or ‘succeed’, instead state what you are trying to achieve as an outcome, not how you are going to do it.

No metrics
It might be tempting to add specific targets or metrics to your focus areas but avoid this because we will drill down into that later in the plan.

Not convoluted
Long winded focus areas are an oxymoron - if your focus is not concise and not explained in less than 10 words then keep refining it until you can - it needs to be simple and memorable.

Not expansive
Don’t cheat by creating focus areas that are too broad, like ‘Be profitable’ and ‘survive’ because this defeats the point of the exercise and doesn’t help you to focus at all!

Let’s get into it.

After working with hundreds of clients over the years we can group focus areas into one of the following categories.

If you’re struggling for inspiration, think about which of the following categories you want your business to focus on and start from there:

Revenue / Cost / Margin
- Increase sales
- Increase fundraising

Customer Satisfaction
- Drive repeat business from customers

Employee Happiness
- Improve employee job satisfaction
- Low staff attrition rates

Expansion / Growth
- Move into new markets
- Increase market share

Compliance
- Zero regulatory issues
- Maintain high levels of care

Innovation
- Launch new product lines
- Increase business efficiency

Always sanity check

Throughout the focus area element of your plan you should always validate them against your Business Vision. There is no point having a focus area that doesn’t work towards you achieving your Business Vision.

If you find that you have focus area’s that aren’t linked to your vision, then you have three options.

1. Remove the focus area because it isn’t relevant to the plan.
2. Change your focus area to align with the vision, make it relatable.
3. Consider if your vision and/or values are right or if you have something missing.

Don’t be afraid to realign your vision or values if you truly feel the focus area is key to your businesses success.

Strategic Objectives

Strategic Objectives are what you want to accomplish as a business. They should be reasonably high level but still have a deadline and/or a target.

Your Strategic Objectives need to align to one or more of your Focus Areas. Ideally, you'll have between 3-5 objectives for each focus area.

Now, is the first time in our planning journey that we need to start being a bit more specific.

Here are a few examples of objectives a business may chose in their plan:

- Increase revenue by 20% in 2020
- Generate enough funding to trade for another 2 years by 2020
- Be market leader by 2023

Objectives will guide your projects & actions to ensure you don't rush and miss opportunities or lose your way to your business vision.

To summarise

- Keep high level
- Deadline and/or target included
- Align objectives with one or more focus area
- Ideally keep to 3-5 objectives for each focus area

Strategic objectives are the heart & soul of the plan, without them - you don't have a plan

HOW TO WRITE Strategic Objectives

What are Strategic Objectives?

Strategic Objectives are high level statements that outline exactly what you want to achieve, with a clear deadline.

Your Strategic Objectives should flow nicely from your Focus Area and cover more detail such as:

- What you want to achieve
- When you want to achieve this by

Your Strategic Objectives need to be tangible and achievable whilst attaching/contributing to at least 1 Focus Area.

To the right we have a working example that came from a workshop we had with a charity partner. This is only one of their Strategic Objectives (more below) but we have included this to show you how it all comes together.

How do you structure objectives?

Keep it simple and clear. You need to have an action, detail and deadline. Using the example to the right...

FOCUS POINT	DRIVE GROWTH IN DONATIONS & FUNDRAISING
STRATEGIC OBJECTIVE	INCREASE LOCAL BUSINESS DONATIONS BY 31ST DEC 2023
WORKSTREAM	START ENGAGING POSITIVELY WITH LOCAL BUSINESSES, CLUBS, NEIGHTBOURHOODS, ETC
KPI	BUILD RELATIONSHIPS WITH 30 LOCAL BUSINESSES BY 31ST DEC 2023
KPI	ATTAIN ANNUAL SPONSORSHIPS FROM BUSINESSES TOTALLING £50,000 BY 31ST DEC 2023

Action	Detail	Deadline
INCREASE	LOCAL BUSINESS DONATIONS	BY 31ST DEC 2023

Workstreams

Workstreams are your activities and projects that you will work on to accomplish your objectives.

This level of your plan requires you to become extremely specific and should including deadlines.

Workstreams are your opportunity to clearly articulate your actions that will help you achieve your strategic objectives. At the same time, you need to describe how you will achieve success in your workstreams

This element of your plan gives you directions that your business and workers can follow to execute your plan. This means you need to write your plan clearly and concisely so that your team can follow the plan.

Using the objective...

INCREASE REVENUE BY 20% IN 2020

A great workstream would be...

EXPAND SERVICES INTO BUSINESS 2 BUSINESS MARKET BY 30TH JUNE 2023

Workstreams are the tangible actions of the plan.

To summarise

- Extremely specific
- Must contain deadlines
- Clearly articulate the actions needed
- Align to at least 1 objective
- Describe how you will achieve this

DESIGNING EFFECTIVE Workstreams

So, what are Workflows?

Workflow describe what you will do to accomplish your objectives. It is at this point in your strategic planning process that you will start to scope out exactly what actions you will take in order to achieve your objectives.

This section will walk you through how to create an effective workflow that will allow you to achieve the strategic objectives.

What Should A Workflow Include?

Your workflows must be specific, with actions you will take to achieve a certain strategic objective. A workflow must include a clear articulation of your actions and a deadline.

Your workstreams can also include...

- Tasks
- Milestones
- Dependencies
- Duration & Dates
- Risks or Issues

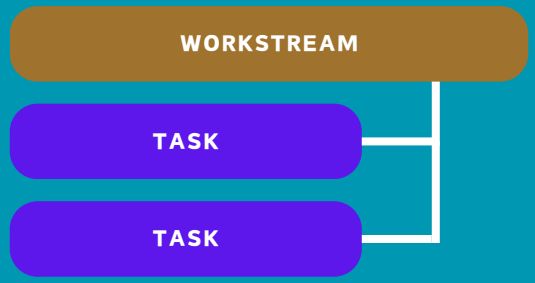
How to define a workstream

There are two ways you can go about creating a workstream.

#1 Workstream, multiple tasks

Option One is ideal for a smaller workstream that don't require too many individual actions. Once you have written the description of the workstream, you'll need to break up the different activities with individual tasks. Each task must have its own deadline and an owner to ensure accountability and a timely completion.

This option is great for simple workstreams.

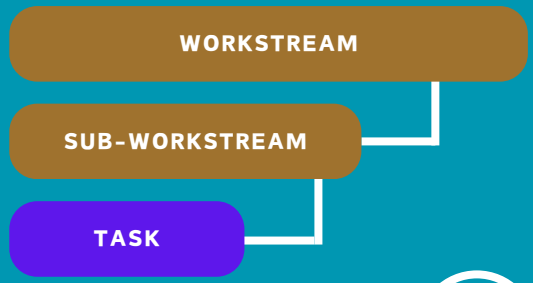


#2 Workstream, multiple subworkstreams with multiple tasks

Option Two is for larger and more complex workstreams, where you need to break it out with sub-workstreams sitting underneath your main workstream, otherwise you will end up with a list of tasks that are difficult to manage.

Your sub-workstreams should also have tasks attached to further break up the actions required.

- Sub-workstreams have stages of completion because they have different elements and layers
- Tasks have either a completed or not completed status



Measurements

Measurements cover your key performance indicators (KPI's) and these are used to measure progress of your objectives and workstreams.

Measurements are a form of communication in an organisation, they allow you to determine whether you're behind, on track, ahead, or have achieved your objectives. KPI's inform business leaders of their organisation's progress towards reaching key business objectives.

Measurements provide critical information for your business because they're actually tracking the most important performance measures, which can be taken together to represent how successful you are in achieving your objectives.

Below are some examples for you...

- Maintain churn under 10%
- Increase conversion rate to 22%
- Achieve 10% growth Year on Year

When setting measurements, you'll ideally want to include a mixture of both leading and lagging KPI's for each of your objectives.

To summarise

- Specific to measuring/achieving goals & objectives
- The more KPI's, the better you can measure success
- Mix your KPI's with leading & lagging KPI's

LAGGING

Output measure such as:

- Growth in annual revenue
- Increase margin across products

LEADING

Estimate measure such as:

- Number of new customers
- Social media followers

CRAFTING KPI Measurements

KPIs (Key Performance Indicators) are a necessary component of managing any business because KPIs allow you to determine whether you're on track, behind or ahead of your strategic objectives.

Why do I need KPI's?

KPIs should be developed to contribute to achieving a specific strategic objective. If they're not developed with a specific strategic objective in mind, they run the risk of stealing attention, time, and money from KPIs that actually help to achieve strategic objectives.

As the old business saying goes...

"If you're not measuring it, then you can't manage it."

Writing your KPI's

Follow this three-stage approach to enough you have relevant and effective KPI's for your strategy objectives.

Stage 1: Define what success looks like

Firstly, you'll need to start thinking about what the success of your strategic objective looks like.

If we use the previous example of a strategic objective...

"**Increase local business donations by 31st March 2020"**

If our objective is to increase local business donations, the success of this objective means increasing the number of local businesses that we have relationships with and increasing the number donations from these businesses.

By defining what success looks like, deciding how you will measure the success of your objective becomes a lot easier.

Stage 2: Decide on measurement

Next, you'll need to decide how you will actually measure success. Going back to our example once again, we've identified that the success of our objective means increasing the number of local businesses that we have relationships with and increasing the number donations from these businesses.

continued...

CRAFTING KPI Measurements

Stage 2: Continued

Let's start with the first part of this - Increasing the number of local businesses that we have relationships with. Local business relationships are formed from contact with businesses in your area, if you're performing charitable acts in your local area to improve the community then each of you has an interest in the same thing. These interactions are started by proactive engagement usually and can be monitored using CRM (Customer Relationship Management) tools.

Now the second part - increasing the number donations from these businesses. A baseline can be set by using the current level of local donations you receive and from how many local businesses. From this information you firstly have the starting point and an average of donation that each local business brings to your organisation.

Stage 3: Writing your KPI

It's now time to bring it altogether and start writing your KPIs.

The first piece of advice is to keep things simple. KPIs should be easily understood by anyone so avoid jargon and keep them to one sentence long.

Below is a handy formula that many strategic planning methods use:

Action > Detail > Value > Deadline

If we use this to shape our KPI's, it would go something along the lines of...

KPI 1 Breakdown

Action: Build
Detail: Relationships with local businesses
Value: 30
Deadline: 31st Dec 2020

This is then formed into a sentence that will represent your KPI.

KPI 1: Build relationships with 30 local businesses by 31st Dec 2020

KPI 2 Breakdown

Action: Attain
Detail: Annual sponsorships from local businesses
Value: £50,000
Deadline: 31st Dec 2020

This is then formed into a sentence that will represent your KPI.

KPI 2: Attain annual sponsorships from local businesses totalling £50,000 by 31st Dec 2020

The most important element of KPI's is that they're measured and managed throughout your plan.

What's the point in having a plan if you're not going to make sure you get to where you want to go?

One Final Gift

Purple Yak have prepared some additional documents for you to use, measure and present to your business and key stakeholders to show your progress and maintain momentum behind your plans.

You'll receive the following templates: A presentation deck, a spreadsheet for data management and a mid-year report that can be shared internally within your business.

If you would like support at any point please get in touch.

Your additional Gift Pack will arrive 2 days after you download this Strategy Planning Tool.

Gift Pack Contents

- Presentation Deck: This can be used to present your strategic plan to employees or investors
- Data Management Tool: This document will help you record, manage, track and update to make sure you're following the plan so you can pivot or adjust if you hit hurdles
- Mid-year report: This report will help you keep your business staff or investors up to date with where you are in executing the strategic plan.

Now it's Your Turn

Let us know what you think about our method of forging a strategic plan.

PURPLEYAKCOMMUNITY

PURPLEYAKCOMMUNITY

PURPLEYAK

Want more detail?

Extended Version

Do you need support creating your plan?

Strategic planning is an important part of future success however it's actually only the beginning. Execution is the next step on your journey and we're not going to sugar coat it, this is the difficult part and most organisations struggle with it.

That's why Purple Yak have created a series of resources to support UK businesses and it doesn't stop there.

If you need a hand implementing your strategy, please get in touch.

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