

Strategic Planning is not only for Big Businesses

By Terry H. Hill

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Strategic planning is by far the most important task of any management team. Unfortunately, far too many entrepreneurs believe that strategic planning is an exercise that is meant only for big businesses; when in fact, strategic planning is equally applicable and critical to small businesses.

Strategic planning is a way to identify and move your organization toward its desired future state. Strategic planning aligns the strengths of your business with the available opportunities. It is the process in which you develop a vision, set objectives, craft a strategy, implement and execute the strategy, and finally monitor and evaluate the desired outcome.

The benefits of planning are quite evident. An organization simply cannot know what it is currently doing, where it is going, or what it intends to do to get there, unless the organization periodically establishes and monitors its goals. Strategic planning enables people to influence the future by focusing on the important resources of time, talent, and money, while properly allocating these resources to provide the most benefits.

The very act of strategic planning implies a proactive style of management that anticipates future events before the events actually take place. Proactive management eliminates the possibility of being over-run by the event, and sets plans and procedures in place to cope with this type of event should it present itself. Your strategic planning process develops a frame of reference for your sales forecasts, [operational expense budgets](#), and capital requirements.

A [strategic business plan](#) is the end result of the strategic planning process and it becomes your "roadmap" to success. It is your strategic business plan that allows you to better articulate your vision while providing the necessary documentation to support your claims. Your stakeholders (lenders, customers, suppliers, and employees) gain a greater sense of security that evolves from a better understanding of the opportunities, the obstacles, and the ability that you and your company's have in order to adapt more effectively to an ever-changing business environment.

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