
Piecing it all Together

Strategy Formulation

By: Aaron Dyer

After you have conducted the assessment phase of strategic planning, it is time to move forward into strategy formulation. This phase will help you develop a cohesive strategic vision that is in line with your organization's Mission Statement. If you're eyebrows shot up at the term Mission Statement, due to your lack one, take a deep breath and approach the creation of such a statement with a clear head. This phase of the process will also help you to develop the goals, objectives and strategies that will be used to move your company forward.

When creating your Mission Statement, it is important to be clear, concise, and to ultimately showcase what you and your organization stand for. This statement sets the tone for the type of company you are running and its function. It should give a clear and coherent description of the type of business you are in as well as the type of client it seeks to serve. In addition, it is an integral part of the daily functions of your company as it serves as a guide for daily business practices and sets the foundation for future plans. Take the time to develop a statement that truly outlines who you are and what your company seeks to do. It is one of the first links between you and the customer, and projects the company image to the public.

Some questions to assist you in writing your Mission Statement are as follows:

- *What is your business?*

- *What are you trying to accomplish for your clients?*
- *What is your company's purpose or reason for existing?*

You want your statement to showcase who you are, as well as a way to stand out from your competitors. Try to prioritize the goals or values that your company represents in order to give an overall sense of order to your employees and to those viewing the statement.



In addition to your Mission Statement, you need to clearly outline the goals and objectives you have in mind for your company in order to create the best strategy. Your goals are defined as the areas of emphasis within the organization. Some examples of organizational goals might include increasing sales revenue, reducing costs, or improving company image, etc. In order to make your message clear and

concise, choose about 3 to 5 goals that you want to achieve. Catalog those goals and continue to develop objectives that will ensure you achieve them. Goals usually encompass four functional areas: financial, customer, operational, and people.

Using the SWOT analysis can be extremely beneficial in this task. You will be able to identify issues that need to be addressed, collect information on the internal workings, and create an open forum wherein your employees have a voice. Having such a forum will increase creativity and brainstorming which then translates into fresh ideas that can be applied to improving your company.

Now you are ready to develop objectives. Objectives convert the strategic goals you identified into specific performance targets. Objectives are selected to be timely and indicative of progress toward goals. They compel your organization into action, are milestones along the way as you implement your strategies and should directly support your goals. Objectives need to be:

- *Specific* - Specific objectives let people know exactly what's expected of them with no room for misinterpretation.
- *Measurable* - When setting objectives, you must also set specific criteria for measuring progress against those objectives. This gives your employees a way to stay on track, aim for target dates, and reach milestones that will serve as ongoing motivation.
- *Attainable* - Setting overly lofty goals and objectives that are truly unattainable serve to demotivate, rather than motivate

your employees. By setting ambitious, yet realistic goals and objectives, you will inspire your employees to fully leverage their talents and all available opportunities in order to achieve them.

- *Relevant* - Employees must be able to see how a specific objective is relevant to them and the work they perform every day. Plus by keeping objectives relevant, you will help employees better understand their connection to your company's goals and strategic importance of their individual objectives.
- *Timely* - To be most effective, objectives must be constructed around a specific timeframe to provide a sense of urgency. This serves to motivate individuals to begin working on their objectives as soon as possible.

Strategies are the methods or processes required to achieve your goals and objectives. Strategies establish a way to match your organization's strengths with market opportunities so that your organization comes to mind when your customer has a need. Ultimately, selected strategies will enable you to achieve the key goals and objectives you have specified.

Reduce strategy possibilities to a few specific options for each goal and objective. Evaluate your options using the following criteria to develop pros and cons for each:

- issues addressed by the option
- relevant company strengths and constraints with respect to the option

- resources required
- competitive impact and reaction
- risk
- known barriers to execution

Don't forget to consider current strategies in the context of the goals you have identified. Strategic planning is not aimed at developing all new strategies. Existing strategies that should be continued should also be included. On a goal-by-goal basis, identify potential strategies that best meet the criteria for your organization. Discuss each suggested strategy and aim to narrow, through consensus, the number of strategy options.

It is necessary, when creating, planning, and executing your strategy that you remember the basics. Use the valuable

resources already within your grasp, namely your employees. Drawing them into this process creates a more personal investment for them and demonstrates that you value their input. In addition, exercise your communication skills, as they will be extremely helpful during this process. Being clear and concise with your words will actually greatly benefit your bottom line, as it increases understanding of the goals as well as motivation to achieve those goals. Lastly, you should develop your goals and objectives in order to move your strategy into action. Now that addressing issues and determining goals is complete, it is time to take a more active and participatory role in implementing steps to ensure a successful future.

About the Author:

Aaron Dyer is President of Dyer Consulting Group, a small business consulting firm that advises business owners on ways to grow their revenues and increase profitability through better strategic planning and financial management. For more information, and also to sign up for Aaron's future articles, visit www.DyerConsultingGroup.com

