



BUYERS NEED A

STRATEGIC PLAN

By Brendon Falk

Now that settlement of the business sale has occurred, it is time for you to take over the reins. As such, we like to keep in touch with the buyers to ensure they are afforded every opportunity to maximise the potential of their investment. Because you are now in full control of your financial future, it is time to exploit this opportunity by leveraging existing resources to create sustainable competitive advantages. As a small business owner, you will need to grow the business to realise its full potential. Much like large organisations, small business entrepreneurs now see the importance of having a long term strategic plan and implementing it !!!

What is a Strategic Plan? A strategic plan can be both a short or long term set of strategies based on the analysis of your business. These strategies can allow your business to innovate and take advantage of its strengths and opportunities in a competitive marketplace in order to overcome weaknesses and mitigate threats. If correctly identified and implemented, a strategic plan can add to considerable value of your recent purchase by providing direction and focus through the development of strategic objectives.

Strategic objectives are the foundation of any strategic plan. Accordingly, they originate from identifying the critical success factors (CSFs) or mission critical objectives. Simply put, the CSFs determine what the business must get right in order to survive and flourish. In order to maintain alignment and enhance these objectives, the next step in the strategic plan is to commence a systematic analysis of the business using theoretical frameworks. This process is not all that indifferent to the function that a systems analyst performs.

This begins with a Situation Analysis to look at the internal, external and customer environment. When integrated into the SWOT analysis, this adds a whole new dimension to strategic planning. Once objectives have been identified, the SWOT analysis can systematically highlight the current and future situation of the business. When SWOT is combined in the TOWS matrix, internal strengths and external opportunities can offset external threats and internal weaknesses. This essentially leads to competitive advantages and a clear strategic focus for the firm. From here strategies and implementation plans are formulated and the strategic plan begins to take shape.

Other frameworks we utilise include 'Porter's (1980) Competitive Forces' analysis which identifies a company's ability to create competitive advantage or gain competitive intelligence. A 'Dimensions of Competence' analysis looks at where the business can enhance competence (ie Product, Service or Operational Excellence) while the Balanced Scorecard analysis looks at the situation from a number of key business perspectives. This includes financial, internal processes, customer intimacy and innovation. The 'Strategic Group Map' analysis also helps to identify your market position and size relative to your competitors. This will allow you to differentiate your product or service into the best possible market position given the position of your close rivals.

As an MBA, I am trained in undertaking this analysis on your business well beyond the capability of what a typical consultant can offer. However, it will involve cost as it requires a significant research and analysis which takes time. If you are looking to take your business to the next level, I recommend looking into the feasibility of having a strategic plan written for your business.

Should you require any further information or assistance on this topic, I invite you to contact me on my landline (07) 4124 4677, my mobile 0412 311 803 or by email bfalk@foresightbusiness.com.au.

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