

# **Expedition Planning Guidebook**

## **– Strategy, Business Plans and Management Reporting**

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# 1. Overview

Essential to the success all business is the critical activity of strategic, business and operational planning. Strategic planning is also a key deliverable of the board in steering the management team in a direction that will fulfil the enterprise's promise.

In support of significantly improving the planning processes delivered by businesses, Sirdar has developed this guidebook to provide direction to both board directors and managing directors or chief executive officers. In addition, the companion strategic and business plan template and managing director's report template, have been tailored to the SME market and are easy to use. Sirdar's governance and business growth methodologies have also been integrated into this approach.

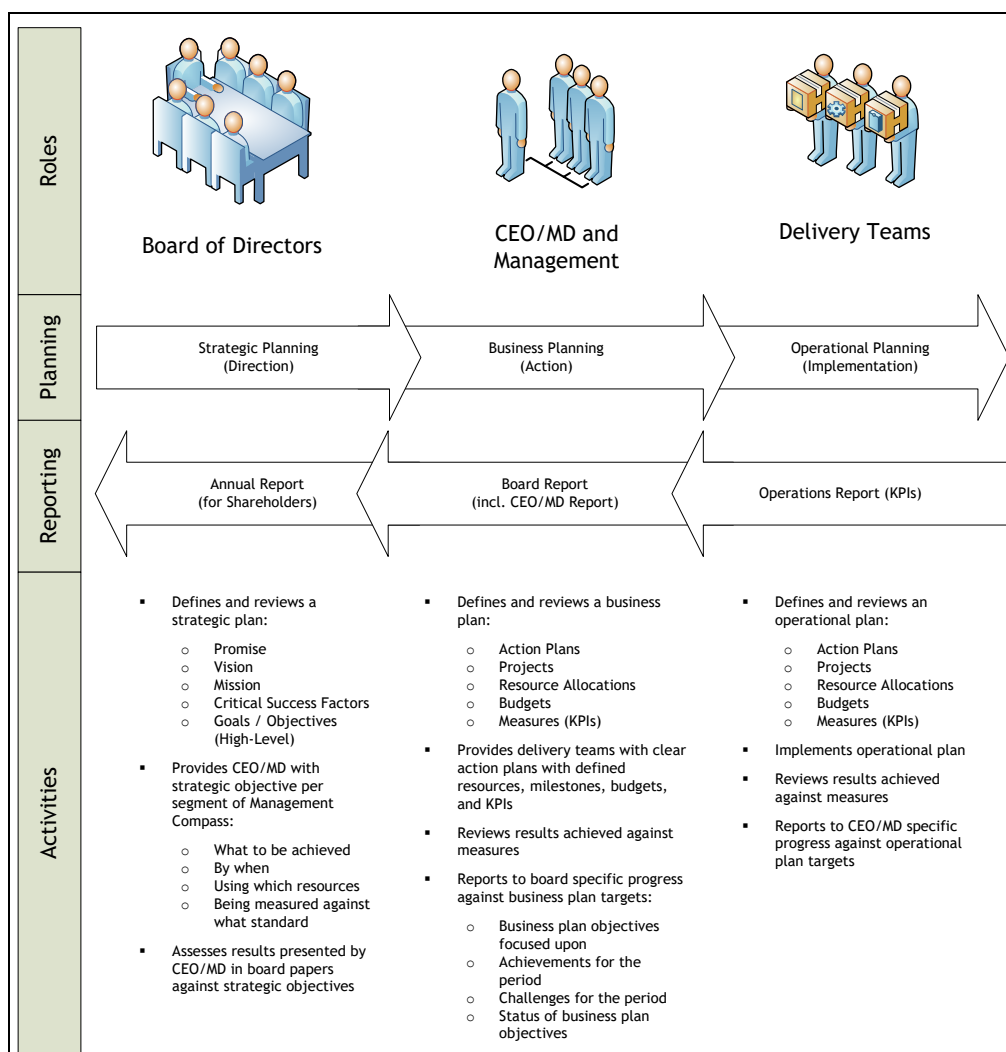


Figure 1: Strategic Planning Overview

## 2. Strategic Planning

A strategy (expedition strategy) is a series of manoeuvres designed to achieve a specific goal. Strategic planning refers to a process of mapping out the route required to successfully achieve strategic objectives as defined for a set period (usually more long term), moving the enterprise in the required direction while effectively utilising the resources available.

According to the Sirdar Business Summit Guidebook, planning an expedition strategy entails:

- Identifying the best expedition route to reach the summit
- Having the clarity required to climb with pace and reach the key milestones
- Defining the goals and rules to ensure the expedition is a success
- Being clear on the standards that the expedition party has set to ensure that they reach the summit

The guidebook further outlines the key components of the strategic planning process as follows (also refer to Chapter 10 *Law of Vision* in *The Laws of Extreme Business Success*):

- Promise – Why are we doing what we are doing?
- Vision – What are we trying to achieve?
- Mission – How do our products and services enable us to deliver on our promise?
- Critical Success Factors – What are the activities we must undertake to achieve our vision and mission?
- Goals - What are the specific targets or outcomes we need to achieve in order to move towards our critical success factors?

It is recommended that the strategic plan is holistic in nature and considers all aspects of the enterprise, with each area having at least one defined strategic objective (what is to be achieved, by when, and how it will be measured) relating to the “Goals” aspect of the strategic planning process. Sirdar recommends the Sirdar Management Compass for this purpose, which includes:

- Identifying the Market – Market Research, Innovation, Customer Segmentation
- Getting the Message to the Market – Branding, Marketing, Sales
- Building Effective Teams – Recruitment, Performance Enhancement, Cultural Integration

- Leveraging through Market Connections – Business Networking, Market Partner Negotiation, Stakeholder Engagement
- Delivering to Expectations – Market Development, Operations Management, Customer Retention
- Managing Risk and Compliance – Product and Service Quality, Risk Mitigation, External and Internal Compliance
- Optimising Financial Results – Capital Structuring, Financial Performance, Investment Activities
- Perfecting the System – Knowledge Management, Business Modelling, Information Technology

The expedition strategy is developed by the board, although management will do the groundwork for the board of directors to review, discuss and approve. Management, through the chief executive officer or managing director, hereafter referred to as the lead executive, develops the business plan of how the day-to-day activities of the business will support the delivery of the strategic view.

### **3. Business Planning**

A business plan can refer to a plan formed to present a new business idea or one for expansion to external parties looking to invest, be that through equity or loans. It could also be a plan for how the business is going to realise its strategic objectives on a day-to-day basis. Sirdar refers to the latter when referring to business planning – on-going, annual, planning for the realisation of business goals.

The benefits of using business plans are as follows:

- Focuses business activity on growth that is directly linked to strategic direction (strategic plan)
- Supports the management of priorities when it comes to business value and the best of use of resources available (e.g. people, equipment, funds)
- Allocates resources and therefore actions organisational responsibilities
- Tracks the progress of on-going activity against the drivers and objectives defined
- Supports the management of cash flow due to effective planning

## **4. Using the Strategic and Business Plan Template**

Sirdar provides you with one template that aims to simplify and support both the strategic and business planning processes. Should you use existing templates of your own for these then discuss with your board whether you need to make adjustments to your templates or whether it would be more appropriate to utilise the one Sirdar provides.

The same template is then used in both planning phases – the strategic plan as developed by the board, and the resulting business plan as developed by management who is informed by the board's strategic view.

Sirdar recommends that you review your strategic plan annually, and then update your business plan accordingly for the following annual reporting period, be that for a calendar or budgetary year period. An agreed annual business plan supports the development of an effective budget that will be required to deliver on the business goals set. Sirdar further recommends that you include this document with updated status information as a board paper at least once per quarter.

## Strategic Plan

For the Strategic Plan section of this template, Sirdar recommends you use the following process:

| No. | Step      | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Templates | <ul style="list-style-type: none"> <li>Use the Sirdar strategic and business plan template provided.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 2   | Scope     | <ul style="list-style-type: none"> <li>Set the Scope of the strategic plan in terms of time frame and which divisions are included as part of the plan.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 3   | Promise   | <ul style="list-style-type: none"> <li>Define your Promise in a short and powerful statement.</li> <li>In addition, provide a few paragraphs explaining your Promise – why it is important to your enterprise and what it means for your team.</li> <li>Remember that your Promise describes why you are in the business you are in and is not about the products and services you sell.</li> <li>A bigger Promise creates a bigger business. As your Promise is the “bigger reason”, it should not change from strategic planning period to period. Instead, it should be the foundation upon which your enterprise expands itself year on year.</li> <li>As an example, Sirdar’s promise is “empowering communities through sustainable enterprise”.</li> <li>Refer to Chapter 10 “The Law of Vision” in The Laws of Extreme Business Success for further insight.</li> </ul>                                                                                                                                                                                                                                                                                             |
| 4   | Vision    | <ul style="list-style-type: none"> <li>Document your Vision as a concise and clear summary of what you want your enterprise to achieve.</li> <li>There are many ways to present a Vision (e.g. poster, booklet, written summary, audio explanation) as it is a description of what the enterprise is aiming to focus on in order to honour the Promise in the time period set in the Strategic Plan. It is your choice on how best to present your Vision to the team in a way that drives commitment and energy to achieve it.</li> <li>For the purposes of this strategic plan, it is recommended that you provide at least a couple of paragraphs to explain your Vision in more detail, using powerful, emotive and clear language. As a guideline, you could focus on the following areas: products and services you need to develop, refine or expand; types of customers and relationships with them that should be created; what is required from the team and how your enterprise will reward the team for achieving the Vision; partnerships and external stakeholders required; rewards envisioned for shareholders; social responsibility; extent of</li> </ul> |

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|---|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |                          | operational and organisational expansion and delivery; financial results.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 5 | Mission                  | <ul style="list-style-type: none"> <li>Describe your Mission.</li> <li>Your Mission answers the question of how your products and services will support your Vision for the period defined.</li> <li>As a guideline, list all the key product and service areas you currently offer, as well as the ones planned and in development, and for each, describe their impact on the Vision for the planning period. In this way, products and services are directly linked to the Vision and the team can understand the role they play in making the Vision a reality. This will also ensure that product and service development is in line with what your enterprise is trying to achieve.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6 | Critical Success Factors | <ul style="list-style-type: none"> <li>List your Critical Success Factors (CSFs).</li> <li>CSFs are key elements your enterprise needs to focus on to support your Vision and Mission and are directly related to your strategic focus.</li> <li>They will differ for each enterprise and for each Vision and require continued focus throughout the planning period. They are the criteria you identify which will drive the high performance of your enterprise and team.</li> <li>They can be both specific and more general, depending on what your enterprise requires for success, although they should always focus on the end goal you want to achieve and not the state of change to get you there.</li> <li>Aim for approximately 9 to 12 CSFs.</li> <li>Some examples include: industry leaders in product innovation, nationally recognised brand, a culture of excellence, effective leadership and management, retention of key staff and scarce skills, effective governance, financial sustainability, customer retention, integrated supplier network, clearly defined and planned capital objectives, business activity leveraged through technology.</li> <li>You can also evaluate potential CSFs against the following categories: specific industry and competitive factors; environmental considerations including economic climate, competitors, and technological advancements; requirements arising from specific strategy chosen; challenges and influences inherent in the enterprise itself, or its internal needs.</li> <li>Ideally, you should be able to quantify a CSF with a measure to ascertain the extent to which that CSF was reached.</li> </ul> |
| 7 | Strategic Objectives     | <ul style="list-style-type: none"> <li>Using the Strategic Plan as a guide, identify at least one strategic objective from each segment (e.g. Identifying the</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|   |               |                                                                                                                                                                                                                                                                                   |
|---|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |               | <p>Market) of the Management Compass and insert into the Business Plan section of the template under "Strategic Objective".</p> <ul style="list-style-type: none"> <li>▪ If there is a strategic objective per sub-segment (e.g. Innovation) then include accordingly.</li> </ul> |
| 8 | Business Plan | <ul style="list-style-type: none"> <li>▪ The strategic plan is now ready to be supported by the development of the business plan.</li> </ul>                                                                                                                                      |

## Business Plan

For the Business Plan section of this template, Sirdar recommends you use the following process:

| No. | Step                     | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Templates                | <ul style="list-style-type: none"> <li>Use the Sirdar strategic and business plan template provided.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                   |
| 2   | Strategic Objectives     | <ul style="list-style-type: none"> <li>As a result of the strategic planning process, there will already be at least one strategic objective defined in the template for each segment (e.g. Identifying the Market) in the "Strategic Objective" column.</li> </ul>                                                                                                                                                                                                                               |
| 3   | Key Goals                | <ul style="list-style-type: none"> <li>For each sub-segment, describe the specific key goals for that area that will be focused on over the twelve months of the plan.</li> <li>Ensure that each action is SMART (specific, measurable, achievable, relevant, time-bound).</li> </ul>                                                                                                                                                                                                             |
| 4   | Rank                     | <ul style="list-style-type: none"> <li>Rank each goal according to an overall rating of the goal's difficulty, size and complexity.</li> <li>This helps to differentiate quick wins from longer term projects with more intensive resource requirements.</li> <li>Rank from 1 (being the lowest in size/complexity/difficulty) to 10 (being the highest).</li> </ul>                                                                                                                              |
| 5   | Priority                 | <ul style="list-style-type: none"> <li>Prioritise each goal as H / High (must have), M / Medium (would add value), L / Low (desired, but not essential).</li> <li>This helps to keep the highest priorities top of mind, especially when changing resource available results in certain activities being put on hold.</li> </ul>                                                                                                                                                                  |
| 6   | Milestones and Resources | <ul style="list-style-type: none"> <li>In the Milestones and Resources column, specify what the deliverables dates are and the people and budget required to deliver on the goal.</li> </ul>                                                                                                                                                                                                                                                                                                      |
| 7   | Status                   | <ul style="list-style-type: none"> <li>The Status column is designed to support the business plan becoming a regular review and management tool, as opposed to a document that is looked at once a year.</li> <li>This column is only updated when reporting to the board or as a way of the manager(s) monitoring progress throughout the year.</li> <li>The following statuses are recommended: Not Started / On Target / Achieved / Unlikely to be Achieved / Will not be Achieved.</li> </ul> |



## 5. Using the Managing Director's Report Template

The managing director's report is an important communication tool in the monthly board papers. It summarises the key results achieved by the lead executive and his/her team across all areas of the business, and it flags key issues that present risks or obstacles for that segment that management need the board to be aware of or where support from the board is required.

The objective of this report is to keep the board fully informed of the performance of the business across all areas, thereby supporting the board to provide its value through effective discussion and debate. This report is therefore not a management report, but a board-specific report aimed at keeping the board up-to-date and calling them to action where necessary. The strategic and business plan is a key reference point for the lead executive in completing this report.

For each sub-segment of the Sirdar Management Compass, report on the achievements and challenges over the reporting period, in other words, those for the previous month. Achievements represent any general or specific achievements to be reported to the board per segment, and Challenges are focused on highlighting any key issues that present risks or obstacles for that segment that management need the board to be aware of or where support from the board is required.