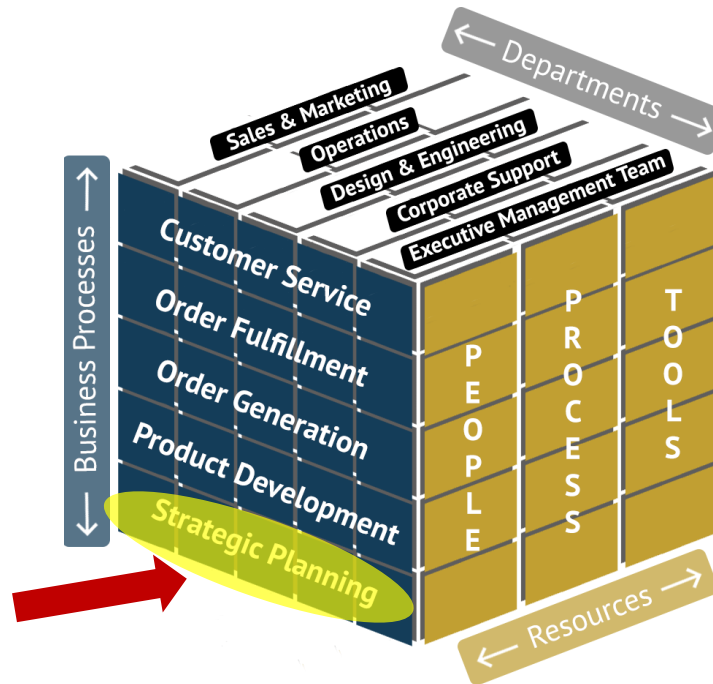


Strategic planning is a key ingredient for an effective **Business Management System**





- Strategic Planning is an organization's process of defining its purpose and long-term direction, overarching strategy, and priorities. The strategic plan drives the business plan, annual operating plan and corporate decision-making processes
- The board of directors are responsible for ensuring the strategic planning process is defined and the strategic plan is developed and kept current
- The strategic planning process is a continuous process
 - The first step is to define the strategic plan
 - Once completed and approved, the strategic plan should be reviewed annually, or more frequently if major changes or shifts in direction occur
 - Metrics are critically important to measure progress and performance and feed into the annual operating process
- A strategic plan consists of:
 - A Mission Statement and a Vision Statement
 - Corporate Guiding Principles or Values
 - Strategic Goals
 - Objectives to support and refine the strategic goals
 - Strategies and metrics to support the objectives



- The **strategic plan** consists of a mission, vision, values, strategic goals, objectives, strategies and metrics. This plan drives all corporate planning processes.
- The **business plan** provides more detailed information on the business structure, market, competitors, products and services, operations, and financials.
- The **annual operating plan** sets the goals for the upcoming fiscal year – it consists of a detailed sales forecast, gross profit, operating expenses and net operating income target. This target becomes the budget to compare to versus actuals on a monthly basis.
- **Projects and activities** range from 1 month to several months and are designed to meet the annual operating objectives

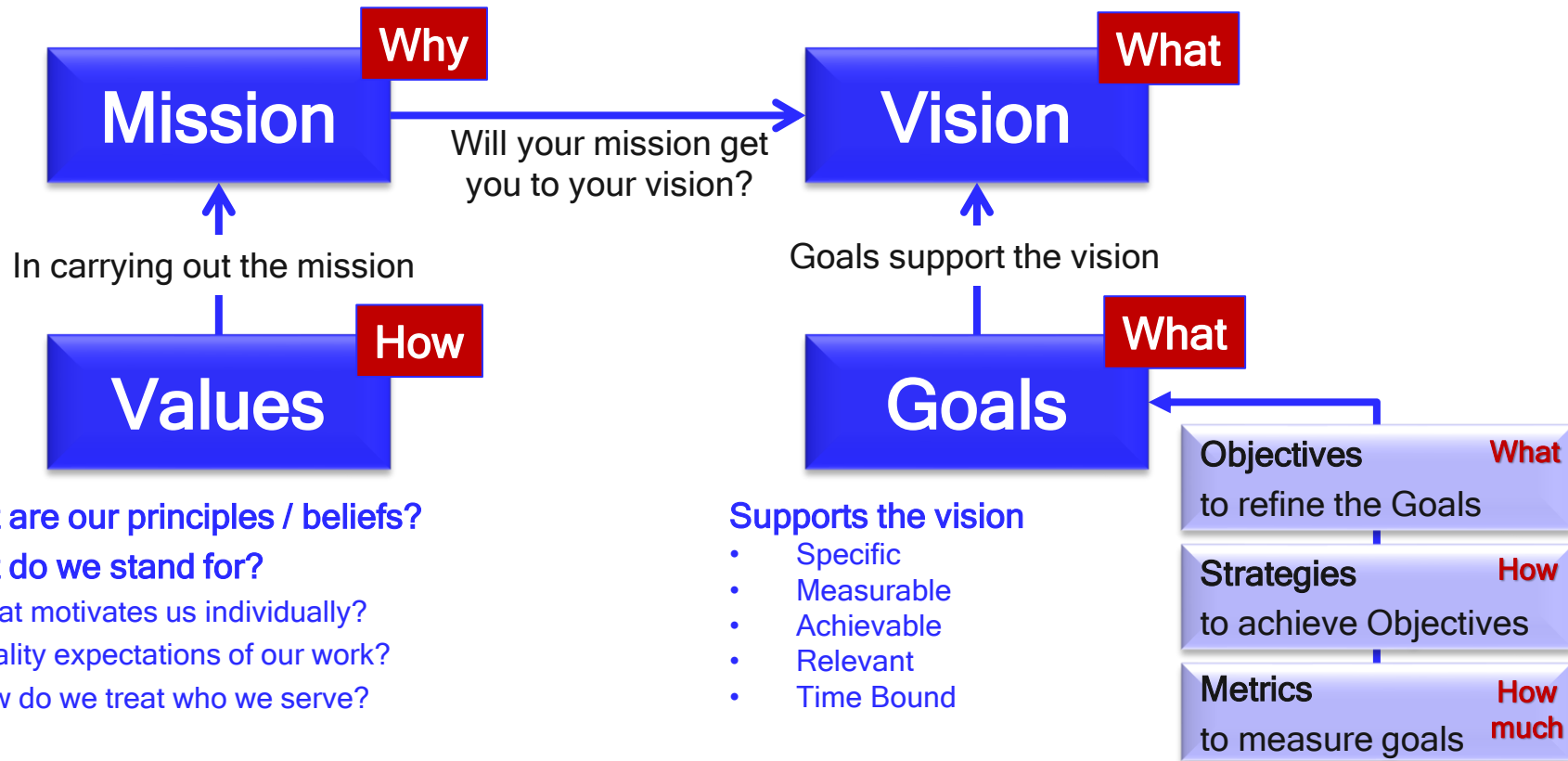


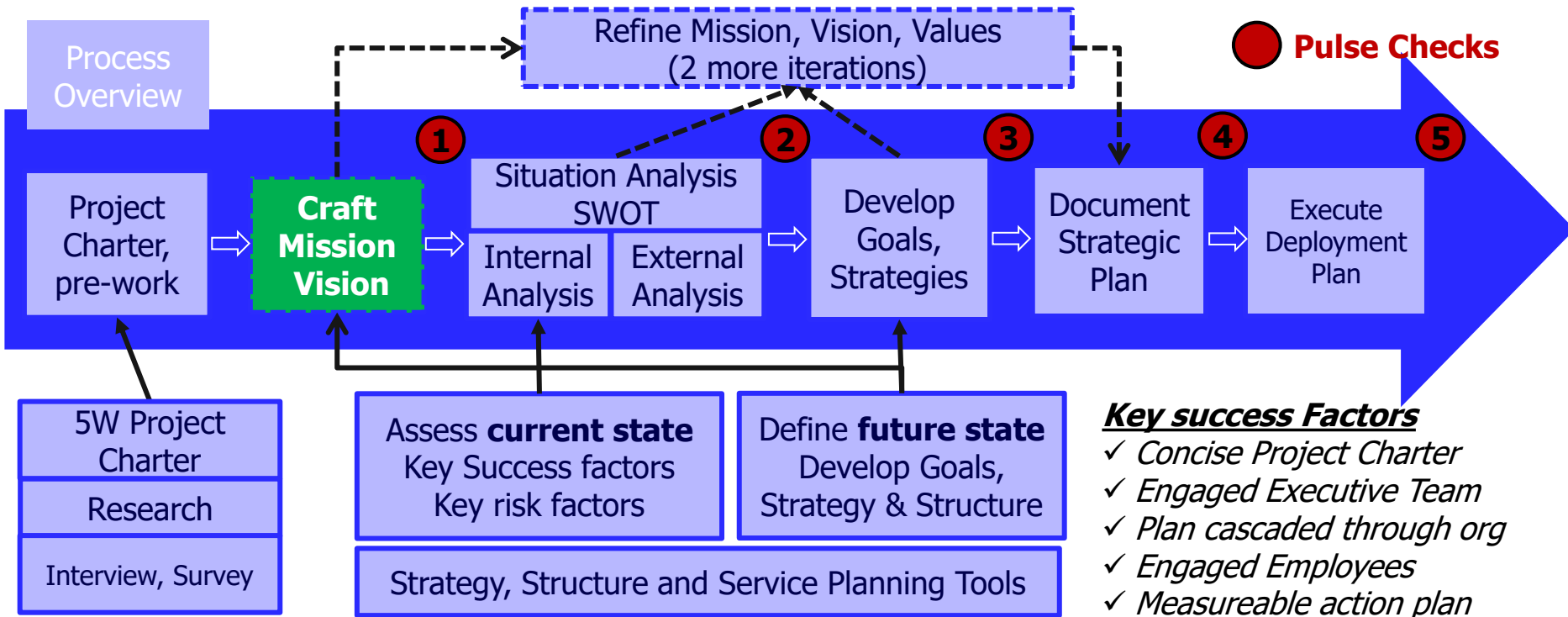
Why do we exist?

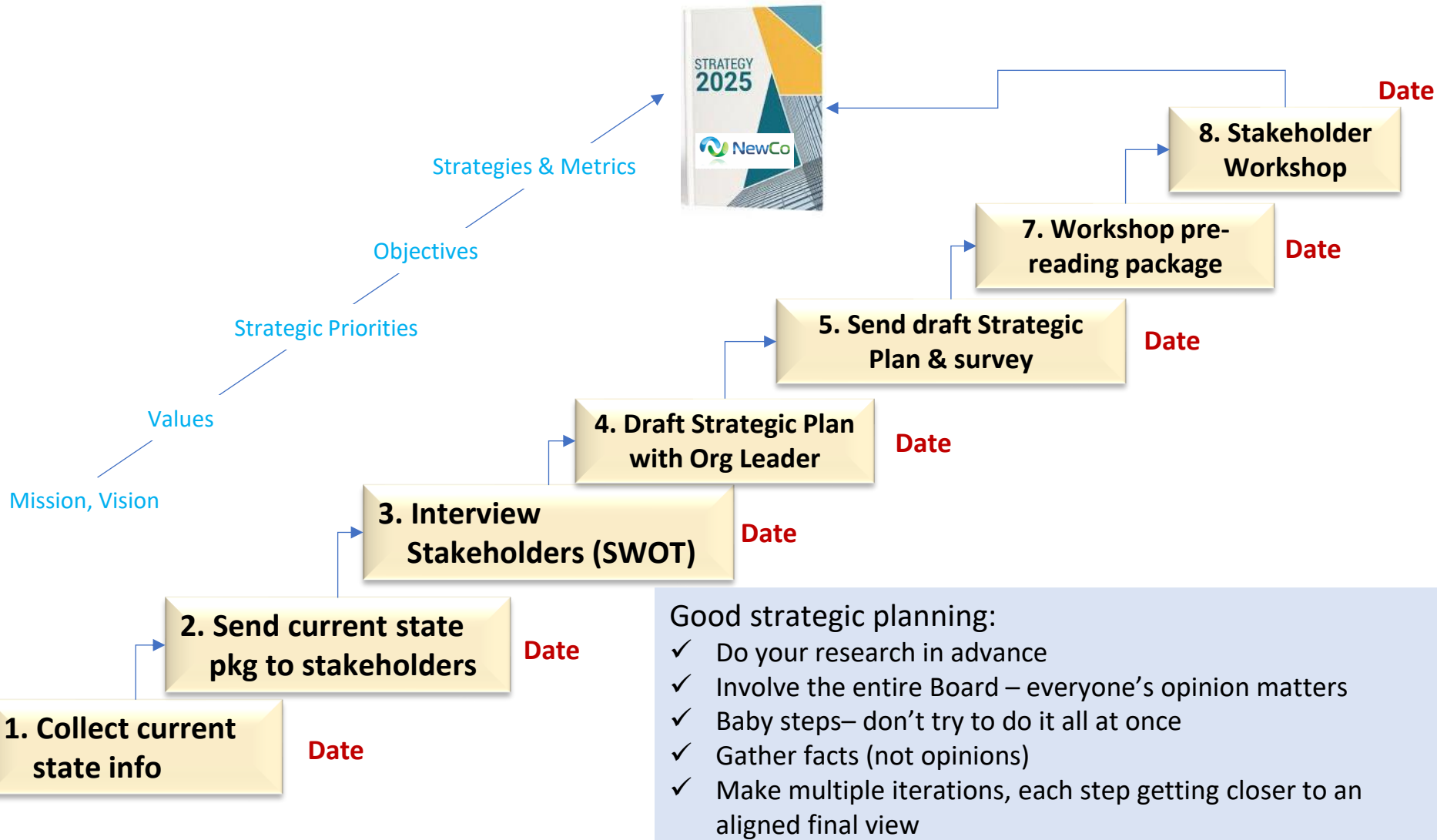
- a) For whom do we exist? (customers)
- b) What value do we provide to them? (benefits)
- c) How do we provide value? (products, services)

What is the desirable future state?

- a) What do we look like in 3-5 years?
- b) Who/what is changing?
- c) What measures do we use to describe ourselves?
(how do we know when we are there?)







NEWCO

NEWCO STRATEGIC PLAN

2023 - 2027

Newco Tag line



February 4, 2023

Newco Strategic Plan 2023 - 27 (Draft)

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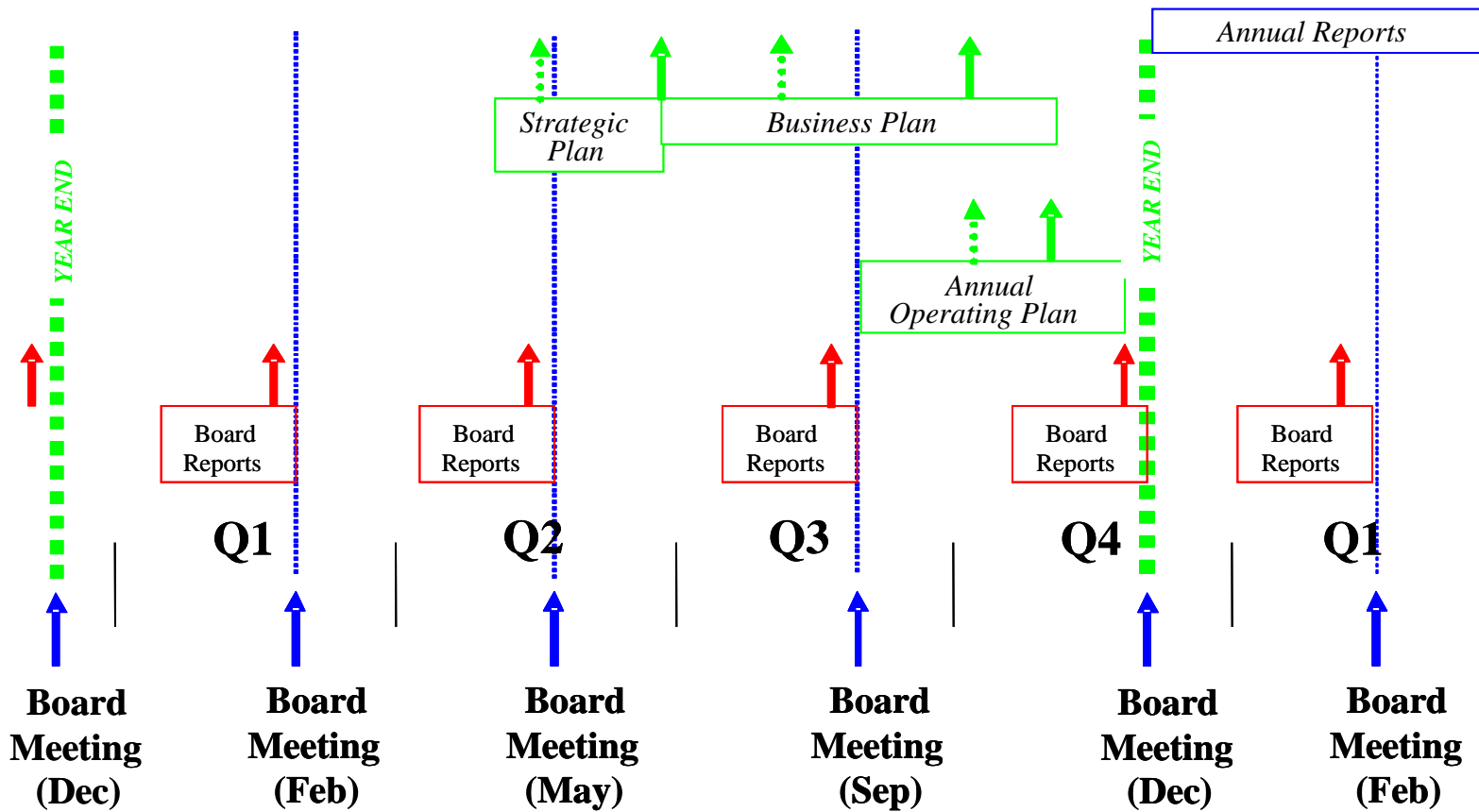
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Business Planning Process

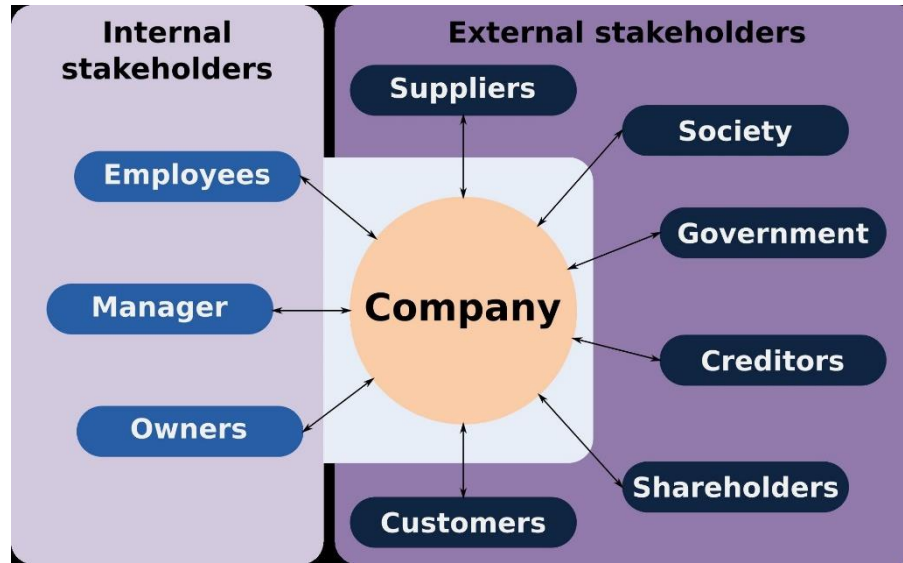




Strategic Planning Tools

Examples

A stakeholder map helps organizations identify, analyze, and prioritize their stakeholders.



A stakeholder map is a vital tool for managing relationships and ensuring the success of projects or initiatives by keeping stakeholders' needs and influence in focus.

BENEFITS OF A STAKEHOLDER MAP

- **Clear Understanding of Stakeholders:** It visually represents all the individuals, groups, or organizations that can impact or be impacted by a project, decision, or business activity. This clarity is essential for recognizing who holds influence and interest.
- **Prioritization:** Not all stakeholders have the same level of influence or interest. A stakeholder map helps prioritize those who require the most attention, ensuring efficient resource allocation and communication efforts.
- **Communication:** By identifying key stakeholders and their needs, a stakeholder map helps tailor communication strategies, ensuring that the right messages are delivered to the right people at the right time.
- **Risk Management:** Understanding stakeholders' positions and influence helps anticipate potential conflicts or resistance. A stakeholder map allows organizations to address concerns early, reducing the likelihood of problems later on.
- **Better Decision Making:** With a clear view of who is involved and how they may be affected, organizations can make more informed decisions that consider the interests of various parties, leading to more successful outcomes.
- **Alignment of Interests:** It helps ensure that projects align with the needs and expectations of key stakeholders, increasing the likelihood of buy-in and long-term support.





The Business Model Canvas

Designed for:

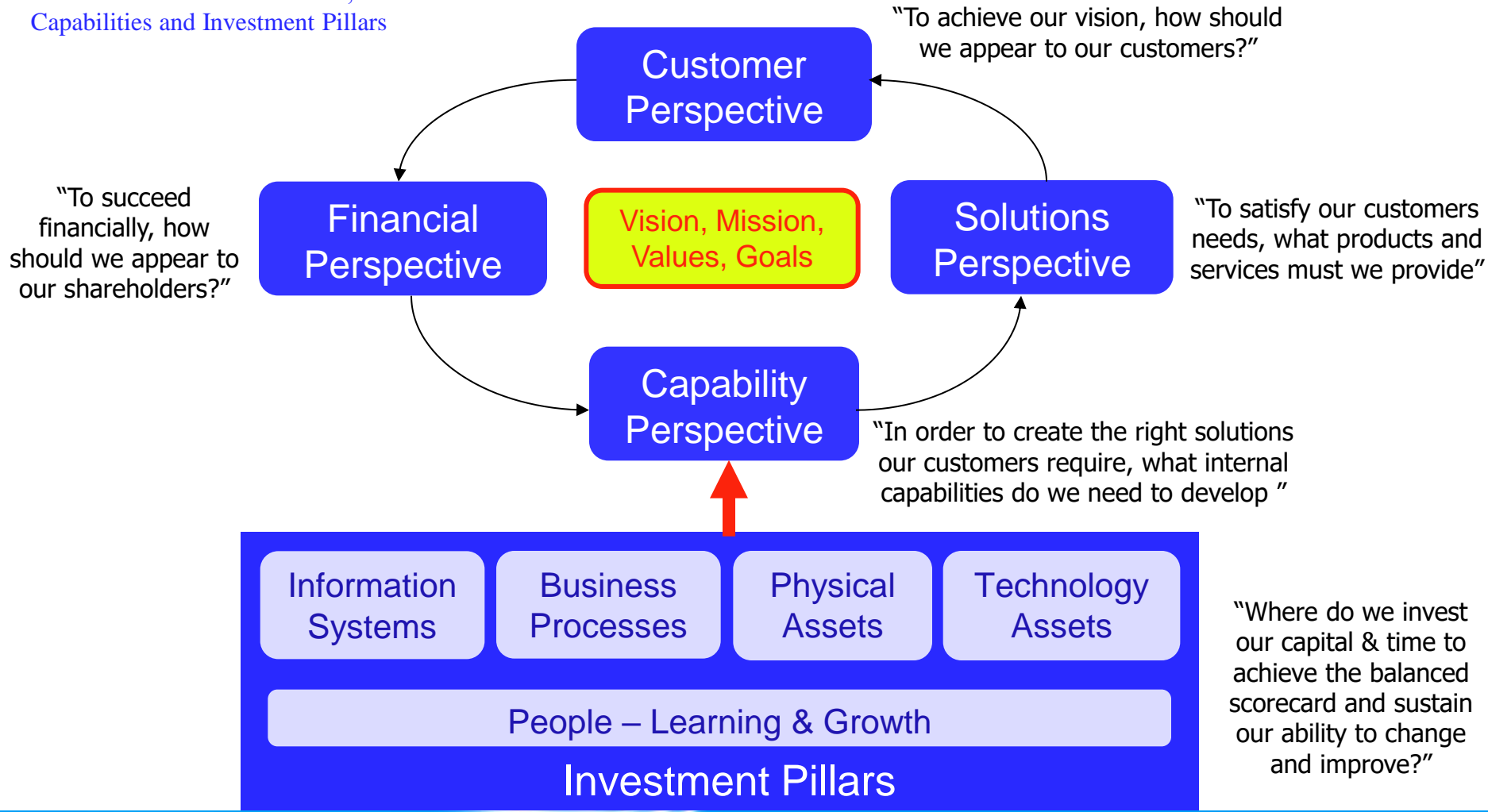
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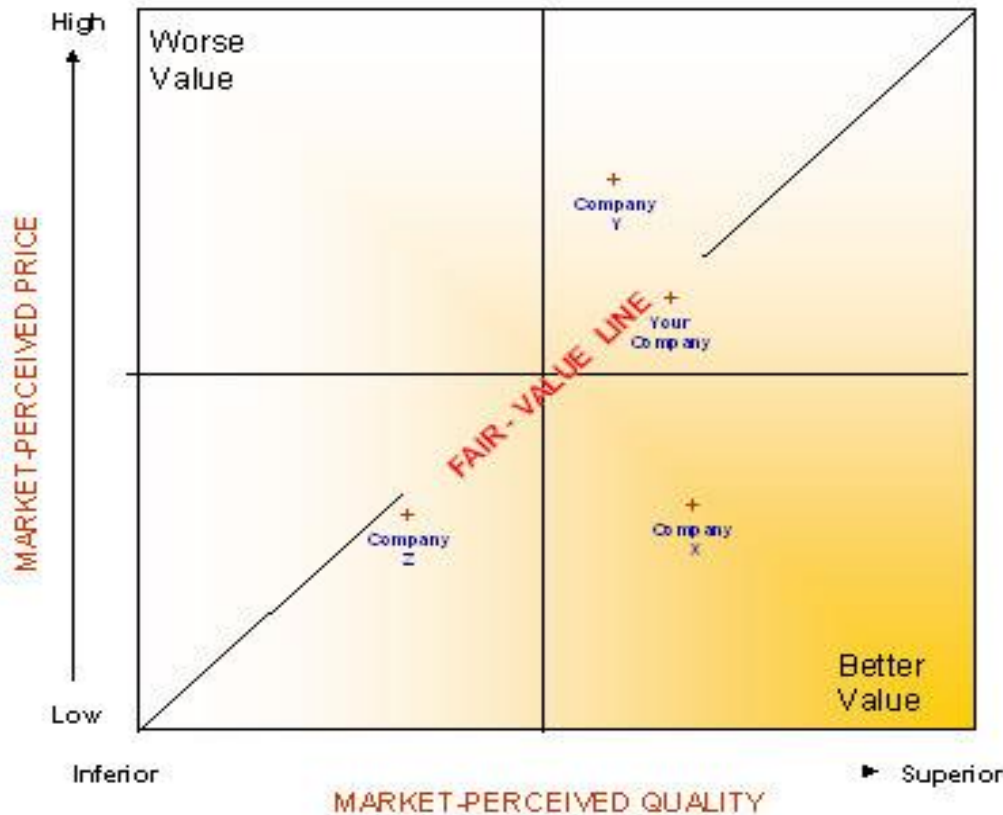
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<h3>Key Partners</h3> <p>What resources do we lack? Which resources do we need? Which Key Partners are we depending on? Which Key Activities do our partners perform?</p> <p>Key Partnerships: Distribution Manufacturing Procurement Research and Development Logistics</p>	<h3>Key Activities</h3> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>Key Activities: Production Platform Development Infrastructure</p>	<h3>Value Propositions</h3> <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? Which bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p>Value Propositions: Newness Performance Customization Convenience Cost Risk Reduction Accessibility Integration Compatibility</p>	<h3>Customer Relationships</h3> <p>What types of relationships does each of our Customer Segments expect us to establish and maintain with them? Which one do we establish? How are they integrated with the rest of our business model? How costly are they?</p> <p>Customer Relationships: Personal Assistance Self-Service Automated Services Co-creation Communities Concierge In-person</p>	<h3>Customer Segments</h3> <p>For whom are we creating value? Who are our most important customers?</p> <p>Customer Segments: Mass Niche Segment Community Individual</p>
<h3>Key Resources</h3> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>Key Resources: Human Financial Physical Intellectual Social Channels</p>				<h3>Channels</h3> <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How can we Channels improve? Which one are best? Which one are most cost-effective? How are we integrating them with customer relationship?</p> <p>Channels: Direct Indirect Partners Retailers Distributors Agents Dealers Salespeople Sales Force Sales Partners Sales Channels Sales Networks Sales Teams Sales Offices Sales Centers Sales Hubs Sales Points Sales Locations Sales Territories Sales Regions Sales Countries Sales Continents Sales Globes</p>
<h3>Cost Structure</h3> <p>What are the most important costs incurred in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>Cost Structure: Fixed Costs Variable Costs Semi-variable Costs One-time Costs Recurring Costs Start-up Costs Operating Costs Maintenance Costs Renewal Costs Replacement Costs Repair Costs Upgrade Costs Expansion Costs Growth Costs Research and Development Costs Marketing Costs Sales Costs Distribution Costs Logistics Costs Production Costs Manufacturing Costs Procurement Costs Research and Development Costs Legal Costs Compliance Costs Insurance Costs Taxes Interest Debt Service Dividends Salaries Wages Benefits Rent Utilities Supplies Materials Equipment Software Hardware Services Consulting Advertising Publicity Promotion Events Travel Transportation Communication Information Technology Telecommunications Energy Water Waste Recycling Security Safety Health Environment Social Ethical Legal Regulatory Political Economic Financial Market Industry Sector Global Local Regional National International Cross-border Multi-national Trans-national Extra-national Supra-national Meta-national Hyper-national Ultra-national Super-national Sub-national Sub-regional Sub-local Sub-city Sub-town Sub-village Sub-neighborhood Sub-ward Sub-district Sub-county Sub-municipality Sub-province Sub-state Sub-federal Sub-national Sub-continental Sub-global Sub-universal</p>			<h3>Revenue Streams</h3> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>Revenue Streams: Transaction Fees Subscription Fees Licensing Fees Advertising Fees Commissions Referral Fees Royalties Patent Fees Trademark Fees Copyright Fees Service Fees Consulting Fees Training Fees Support Fees Maintenance Fees Upgrade Fees Replacement Fees Repair Fees Replacement Parts Fees Replacement Services Fees Replacement Products Fees Replacement Systems Fees Replacement Networks Fees Replacement Communities Fees Replacement Groups Fees Replacement Organizations Fees Replacement Institutions Fees Replacement Governments Fees Replacement Societies Fees Replacement Clubs Fees Replacement Associations Fees Replacement Unions Fees Replacement Guilds Fees Replacement Orders Fees Replacement Chapters Fees Replacement Branches Fees Replacement Divisions Fees Replacement Regions Fees Replacement Territories Fees Replacement Countries Fees Replacement Continents Fees Replacement Globes Fees</p>	

Source: Kaplan and Norton
 • Modified to include “Solutions, Capabilities and Investment Pillars

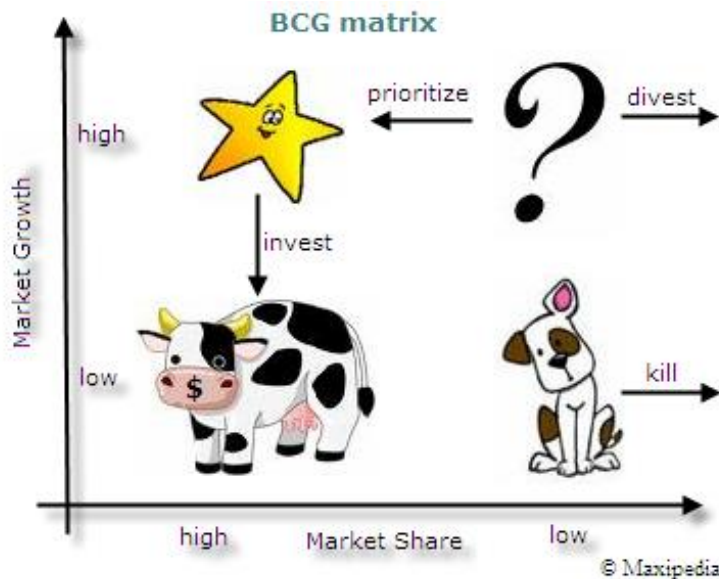




For a given set of known product offerings, at specific points in time, customers are likely to internalize, a perspective as what constitutes a fair value.

This relationship can be conceptualized as a fair value line with each point on the line representing a specific combination of benefits and price that is considered a fair value by the market.

The Growth / Share matrix (aka BCG-matrix) helps corporations analyze their business units or product lines and allocate resources. It has two controlling aspect namely relative market share (meaning relative to your competition) and market growth. You would look at each individual product in your range (or portfolio) and place it onto the matrix. You would do this for every product in the range. You can then plot the products of your rivals to give relative market share.



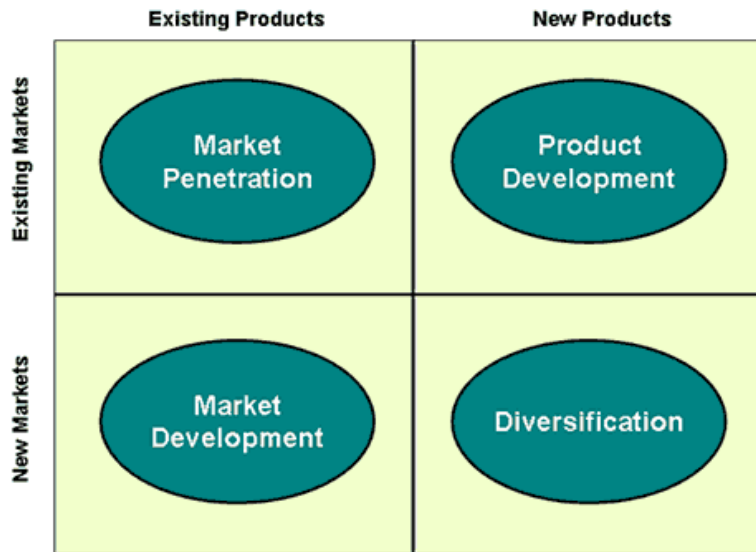
Dogs. Products with low share, low growth. They do not generate cash for the company, they tend to absorb it. Kill.

Cash Cows. Products with high share, low growth. Cash Cows generate more than is invested in them. Keep.

? Problem Children. Products with low share, high growth. They consume resources and generate little in return.

Stars. Products that are high growth markets with a relatively high share of that market. Stars tend to generate high amounts of income. Keep and build your stars.

The Ansoff Product-Market Growth Matrix is a marketing tool which helps businesses consider ways to grow via existing and/or new products, in existing and/or new markets – there are four possible product/market combinations.



Market Penetration – takes existing customers share (red bloody ocean, organic growth). Lowest risk, lowest reward.

Product Development – new products onto existing market. Example McDonalds “burger of the month”. Strategy – attract new customers and pull through.

Market Development – existing products into new markets. Example would be “go out of province” to acquire an insurance company.

Diversification – entering new markets with new products. Example - Virgin Group to leverage their brand. High risk / cost , potential high reward.