

Creating a Strategic Plan

Few business enterprises build on the solid foundation of a carefully articulated Strategic Plan. Even fewer private clubs build on a strategic foundation and – in so doing – most clubs lack reliable business strategic tools. This factor diminishes the effectiveness of most clubs in forward-planning and limits the array of strategic options on which the businesses can draw in changing and difficult business cycles.

Strategic Plans offer many formats and can vary in many things. However, disciplined and well-structured strategic plans share certain common characteristics:

- The best strategic plans are simple, straight-forward and recyclable.
- Make your Strategic Plan brief; it should not exceed twenty pages unless the business is highly advanced and complex in nature and/or scope.
- Bring balance and objectivity to the Plan – especially within the SWOT Analysis. Being realistic increases the credibility of the Plan.
- Highlight current market conditions and how the enterprise will benefit from these conditions.
- Understand that the Strategic Plan offers the Board of Directors and potential investor stakeholders significant insight into the capability and vision of the management team.

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Strengths/Weaknesses/Opportunities/Threats

Your SWOT Analysis is a simple and dispassionate evaluation of the current business status of the business. It is neither a promotional flier nor is it a documented 'gripe session'.

Bear in mind that Strengths and Weaknesses are internal elements of the business. Opportunities and Threats are external influences over which the business has very little control or influence.

The credibility of the entire strategic plan relies upon a candid and informed evaluation of the competitive position of the business at a specific point in time. This business-snapshot serves to describe the business succinctly.

The format for a SWOT Analysis is simple, as shown below:

Strengths	Weaknesses
Opportunities	Threats

Note that the advantages (positives) for the enterprise are shown within the left-most boxes and that the disadvantages (negatives) are shown with the right-most boxes. Understand that every business has a balance of each and that this analysis must be dispassionately critical and discerning. This discernment will serve the business well.

Mission

The Mission of the business tells readers what the business will be doing. The words that best describe the Mission of the business are very important and should be carefully chosen.

The best statements of mission reveal what the business does in terms of its primary products and services and for what customer audiences. The best businesses demonstrate here how well the target markets are identified and understood. The Mission Statement is a clear message regarding 'who we are' and 'what the market audience is'.

There is also room here to express why the business exists and what its competitive advantages and unique attributes are. The image, style and standards of the business should be articulated within the Mission Statement.

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Vision

What will the club be in three to five years' time? How will its members describe the club to their friends? How will the Board of Directors describe the activities of the club at the Annual General Meeting? How many members will be allowed in the club? What will make this business different than the many others like it?

The description should be short and crisp in presentation. Succinct and articulate. Every prospective member or investor should understand immediately the nature of the enterprise.

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Core Values

For what does your business stand? This brief statement of values describes the standards to which you hold yourself.

For businesses which revolve within or around the game of golf, there are several important topics to address:

1. Tradition – “Dedicated to the rich tradition of the game, our Club ...”
2. Environmentally Accountable – “As keepers of a valuable natural resource, our club maintains rigorous environmental standards in accordance with the highest and best expectations of ...”
3. Play by the Rules – “Honoring the deep-set values of the game of golf, the Club, its members and staff will be accountable in all actions and statements.”

The values of the business must be stated in simple and direct terms. Use short declarative statements to communicate values.

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Business Objectives

Business objectives which are called out within a strategic plan must be stated in the context of the business category. Make straight-forward statements which establish clear-cut intentions.

Examples of well-stated business objectives are as follow:

1. The long-term objective for the company is to separate itself from competitors through superior service programs which yield customer sustained member/customer satisfaction.
2. Our objective is to introduce innovative products and services which capture best-in-category market position.
3. The objective of the club is to attract and serve a small and discreet clientele of distinguished golfers.

Keep the statements of Business Objectives concise, crisp and current. Avoid slang and industry jargon. Articulate the objectives at the top of the stakeholder/audience range for understanding.

Think of President John Kennedy's stated objective, "We are going to put a man on the moon...not because it is easy but because it is hard."

A D V I S O R S

Major Goals

State the key targets and primary business objectives of business in measurable terms. Stakeholders and investors will rely on the statements and goal-setting. Be precise. Be accurate. And be simple.

Be specific about amounts of such factors as market penetration and absorption, membership sales, gross revenues, revenue growth, maintain profit margins, returns on investment. Describe goals for growth in terms of proportionality over prior year and/or key competitors.

Be specific regarding deadlines and timelines to which the enterprise must adhere.

Some examples of well-stated goals are:

1. Achieve sales of \$xx million by 201x
2. Generate annual profits of \$xx million by 201x
3. Secure xx% of market segment by 201x
4. Launch IPO by 201x

Do not equivocate in stating the Major Goals of the business.

Strategies

Describe the primary strategies of the business. State the strategies in simple form – no run-on sentences. These strategic statements serve as the baseline for Strategic Action Plan, which follows in the next section of the Strategic Plan. The Strategic Plan leads to the more detailed Tactical or Business Plan.

These strategic statements must address the over-arching and 'big picture' issues which influence the success or failure of the business venture. These concepts must be broad in scope in order to address the key factors in the success of the business; these concepts must be specific in terms of accountability for results and outcomes.

Some examples are well stated primary strategies are shown below:

1. Expand market reach in primary growth categories.
2. Increase retained profits from operations.
3. Raise \$xx million of venture capital to fund asset improvements.
4. Increase operational efficiencies through current/state-of-the-art technologies.
5. Expand Board of Directors to improve access to operating capital and technology expertise.

Strategic Action Plan

Strategic actions describe the Strategies which were stated in the previous section and assign direct accountability and expected outcomes. The Strategic Action Plan becomes the bridge from the conceptual Strategic Plan to the tactical Business Plan, which must follow.

The Strategic Action Plan can be shown in the following manner:

Strategic Action Plan

#	Action	Assigned to:	Due Date	Incremental Value	Required Actions
1	Expand market reach in primary growth categories.	CEO	1.1.201x	\$xx million	
2	Increase retained profits from operations.	CEO/CFO	12.31.201x	\$xx million	
3	Raise \$xx million in venture capital.	CFO	3.1.201x	\$xx million	
4	Increase operational efficiencies.	All	6.1.201x	\$xx million	
5	Expand Board to improve access to growth.	Board	6.1.201x	-	

The Required Actions column should be completed with all necessary actions per strategic action within the plan. These required actions are the start of the Tactical/Business Plan, which comes next.

Summary

Re-state the key components of the business in a brief and definitive paragraph in which the key understandings of the business can be summarized. Focus on mission, vision and goals to establish the purpose and concept of the venture. Describe the goals and strategic actions to indicate direct accountability for results and the commitment to meet or exceed the specifically stated goals and objectives.

