

Step-by-Step Guide to *Strategic Thinking and Planning*



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Strategic Thinking and Planning

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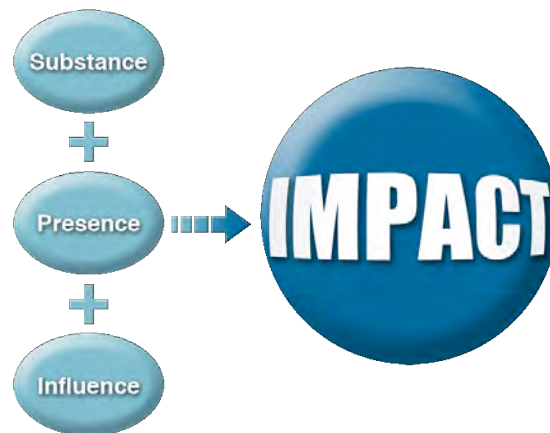
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Chapter I - Program Overview

Your professional impact depends on a combination of the substance you bring, your personal style, and your ability to influence. Our training and coaching curriculum includes a number of programs loaded with techniques, tools, and exercises that build the interdependent self-management and communication skills that enhance professional impact.



Substance is strong self-awareness, excellent habits of self-management, and delivering the right results.

Presence is the strong self-image you reflect through your sense of style and how you carry yourself.

Influence is your ability to deliver compelling and clear messages that inspire action.



In order to have an impact on others, you need to bring substance, you need to have presence, and you need to be able to influence.

The foundation of professional impact is substance. Who you are, how you think, and what you deliver to the organization need to reflect strength, integrity, and responsibility.

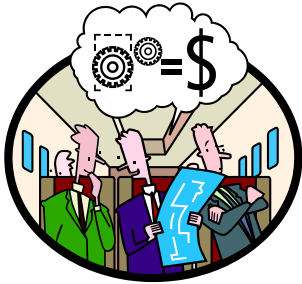
Your ability to think strategically and develop well thought-out plans is part of your substance and one way that you deliver value to your business.

In this program we provide an easy to follow step-by-step process for thinking and planning that you can apply to any strategic initiative or project.

How to Use This Guide

This guide was developed to accompany our workshops but has become popular as a stand-alone self-study guide. It teaches the Strategic Thinking and Planning model, includes principles of business planning, and shares examples of the information that will go into your plan. It also offers thought-provoking questions, exercises, tools, and space for taking notes.

Read through each chapter and complete the exercises as you go. Use it in the future as a reference guide.



Introduction to Strategic Thinking and Planning

A strategic plan is a complete description of a major business initiative. It describes the *goals, approach, and expected results*.

Plans may not only be needed to secure investment and resources, they can help guide an entire business, a segment, a product launch, or a big project.

A strategic plan is a reflection of aligned actions for achieving high impact, measurable results. Thoughtful strategic planning is an absolute. A plan allows you to:

- ★ **Prioritize** to focus your time and energy on the activities that are most likely to result in achieving the right goals;
- ★ **Allocate resources** appropriately;
- ★ Understand, anticipate, and **beat the competition**;
- ★ **Provide accountability** to you and your team;
- ★ **Monitor progress** so that you course correct quickly; and
- ★ **Measure performance** against expected results.

Good plans shape good decisions.

That's why good planning helps to make elusive dreams come true.

Lester R. Bittel, *The Nine Master Keys of Management*

What Goes Wrong?

Strategic planning is often approached with dread and, as a result, many plans are barely useful. Plans often get put on the shelf and forgotten about. Projects, and sometimes entire businesses get managed reactively rather than proactively and opportunities are missed.



We make planning harder than it needs to be when we treat it as an event instead of embracing it as an ongoing management activity.



How to Avoid Danger

A plan is not a powerpoint deck or a form and, in fact, starting with a template of any kind will get in the way of the creative process.

Planning begins with reflection, research, and free flowing writing. Because it's a process and not a task, it takes some time to evolve. Don't try to rush the process just to get it done, expect that your plan will develop and continue to change for as long as you're managing the business or project it supports. It's a living document. To avoid pitfalls make it thoughtful, write it in simple and straightforward language, and keep it current.

We'll show you how but first, please take this assessment.

Self-Assessment

How good are you at strategic thinking and planning? The assessment will help you focus on the skills and techniques you want to enhance.

1. What are the gaps between how well you think and plan now and where you want to be?
2. Do you regularly block time to think and plan?
3. How much effort and thought do you put into research?
4. How do you use the SWOT tool?
5. Do your plans keep you focused on highest priorities?
6. Do your plans help you achieve and exceed your goals?
7. What do you need to address to improve your planning skills and your plans?

Summary

In order to have an impact on others you need to bring substance, you need to have presence, and you need to be able to influence.

The foundation of professional impact is substance. Who you are, how you think, and what you deliver are your substance and demonstrate your strengths, integrity, and sense of responsibility. Strategic thinking and planning reflect your substance.

You can learn to be more strategic and to write and execute the kinds of plans that lead to successful outcomes. If you are already good at developing and executing plans, you can enhance your skills and fine-tune techniques that you can share with others.

In this program we target the gaps that most people identify in the self-assessment by sharing techniques that will increase your commitment to thinking and planning and the overall quality and usefulness of your plans.

Notes

What are your insights so far? How do you feel about strategic planning and writing a plan? Are you willing to try a new approach?

Chapter II – Our Model and Step 1 – Reflect



Our model is our process and it reflects a skill set that includes:

Reflection. Taking time to think deeply about your business or your project and viewing it from different perspectives;

Strategizing. Collecting the relevant information and evaluating it;

Organizing. Pulling together your ideas and strategies into a comprehensive, easy to follow roadmap; and

Execution. Keeping the plan simple enough and current so that you actually implement it and use it on a daily basis to guide your actions and measure your results.



We describe the model as a step-by-step process but it's not linear; it's ongoing, fluid, and flexible and combines both creativity and structure. Once you've learned the process, you will easily move in and out of each activity to design and update inspiring and actionable plans.

Let's take a deeper look at where it begins, **reflection**. Strategic Thinking and Planning starts with you.





Quiet reflection is the start of planning. We have the capacity to dream, to formulate ideas, and to see the interconnections between ideas and actions. Our biggest obstacle to thinking is time, so we need to block time to think.

Before you jump into your research or worse, begin to edit a previously written plan, just think! Reflect on your project or business initiative. Don't just think; think and write. Start with a blank page and use free-flowing writing. **Here are several ways to support your reflection:**



Schedule Time. Some of your best ideas may come to you in the shower or on a long walk, but you still need time to think about them. Many of the most successful business people in the world suggest taking full days for strategic thinking several times a year, hours each week, and take at least 30 minutes each day.



Find a Place. Get away from the day to day. Ideally, choose a different and inspiring environment that helps you think well. At the minimum, be in a pleasant and comfortable space with no clutter and no distractions.

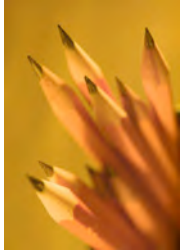


Read. Take time every week to read thought provoking articles and books including business best sellers and books on goal setting and planning. You will find at least a couple of gems in most books. Reading good fiction also expands your thinking.



Ask Questions. Keep track of questions for your thinking time. Good questions will always jump-start your thinking. Here are some questions that will get you started:

- ★ What do I want to accomplish?
- ★ What do I know about this (business, market, project)?
- ★ What don't I know?
- ★ What products and/or services do I provide?
- ★ Who are my customers?
- ★ What do my customers need?
- ★ What is the potential for success?
- ★ What obstacles do I face?
- ★ What resources do I have?
- ★ What do I do (does my team do) best?
- ★ What specific goals do I/we need to achieve?
- ★ How will I know I/we've succeeded?
- ★ What are the immediate actions I will take?



Write. We're not talking about writing your plan document - we mean write in free flow. Keep a journal or an ideas book and make writing a habit because **writing is strategic thinking**. The process of writing actually makes you more creative. Each sentence you write will fuel more ideas; ideas that you want to keep track of. Write (or type) in long hand and not bulleted lists.

If you haven't actually answered the questions on the previous page, take time now. Go back and re-read the tips and then think about a current, real business initiative or project you are undertaking and answer the questions above before moving on.

Vision, Mission, Goals

An important part of strategic thinking involves *clarifying your vision, mission and goals*. Continue to write as you think about why your business initiative is important to your company and to all the stakeholders, including you and your team.



What's Your Vision?

What's the big goal? As the leader of this business or project, you need to have the vision of a better future.

Your vision needs to be strong and compelling so that it draws you and your team toward it. Ask yourself:

- ★ If my business results are perfect, what will the business look like two years from today?
- ★ What will others be saying about the business?
- ★ What value will we bring to our partners and stakeholders?
- ★ What will keep the business sustainable in the long term?

Allow at least 30 minutes for this exercise. Write a description of your vision in just one sentence:

By (date) we are (specific description of what has been attained – huge success)...

It will take several attempts to describe an exciting vision. Share it with your team and make sure it is understood and embraced.



What's Your Mission?

Vision is about the future; mission is about now and it's about purpose. Vision changes; mission doesn't. Your mission is why your project or business exists beyond making money. It reflects the value you bring and the values you have. These questions can guide a dialogue with your team:

- ★ Who do we bring value to?
- ★ How are others' lives changed by our contributions?
- ★ What impact do we have on society?
- ★ What keeps this initiative sustainable for the long term?
- ★ What are my core values as they relate to this project or business?

Draft your mission statement here:

I/we (do this or bring this value) to (whom) who experience this (what benefit, feeling, or emotion):

It will take some rewriting to craft a mission statement that resonates with your vision and values.

What are your Goals?



Goals support your mission and drive toward your vision. They need to be specific, measurable, achievable, realistic, and time bound.

- ★ What three to five objectives must we achieve?
- ★ Why are they important?
- ★ How will I/we know that the goals have been met?
- ★ How will we measure our success?
- ★ What will happen if we don't achieve each of these goals?

Push yourself to **stretch goals** so big and inspiring that they challenge you and pull you forward. Make sure each goal answers the question “so what?” because that's where the real goal lies.

Once you've drafted your top goals, prioritize them so that you focus on the most important goals first. Here's a simple worksheet summarizing the highlights of your vision, mission, and goals.

Worksheet

Vision:			
Mission:			
Goals	Importance	Completion Date	Measures
#1 Goal			
#2 Goal			
#3 Goal			

Additional Reflective Tools



Here are two "bonus tools" to help you increase your creative thinking:

- ★ **Brainstorming.** Get together with some other people and pose a problem or goal. Ask everyone to call out ideas and solutions and record them on a flip chart. Don't evaluate and move quickly. Don't stop until you have 100 different ideas listed for future evaluation and ranking.



Brainstorming Process

1. Record every idea on a flip chart, number them as you go
2. Piggy back on ideas wherever possible
3. Move quickly
4. Don't evaluate (during this meeting)
5. Go for quantity over quality
6. Schedule a follow up meeting to evaluate
 - identify criteria
 - eliminate those ideas that don't qualify
 - rank the others
 - pick 1-3 and move forward to develop a prototype

- ★ **Mind Mapping.** This is brainstorming alone. Start with a blank page and write your problem, idea, or goal in the center. As thoughts, solutions, and strategies come to mind, write them on the page, connecting them to the center key word and to one another with tentacles.

The exercise helps pull ideas from your subconscious, so keep at it until you fill the page or until you've exhausted ideas. Take a break before evaluating ideas and choosing the ones you want to pursue.



Summary

We covered a lot so far including our model which also reflects both a skill set and a process for strategic thinking and planning:

Reflection. Taking time to think deeply about your business or your project and viewing it from different perspectives;

Strategizing. Collecting the relevant information and evaluating it;

Organizing. Pulling together your ideas and strategies into a comprehensive, easy to follow strategic plan; and

Execution. Keeping the plan simple enough and current so that you actually use it on a daily basis to guide your actions and measure your results.

We then got into some detail about reflection and suggested that you set yourself up for success by making time, creating space, and using questions and tools to expand your creative thinking.

Please take time to review this chapter to practice using the tools for formulating your vision, mission, and goals. This is to prepare you to choose the best strategies and tactics to achieve your goals.

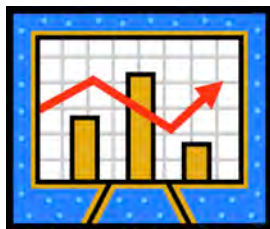
Chapter III – Strategize



This chapter focuses on step 2 of our model: Strategize. Strategizing encompasses collecting and evaluating facts, data, and opinions to guide you in developing strategies that support your mission, help you to achieve your goals, and make your vision a reality.

Let's start by talking about the research you'll need to do to understand your business, the overall market, and your competition.

First, Assess Your Current Performance:



Research starts with looking inward. Where are you now? How is your business doing? The questions you ask will be tailored to the type of initiative you're undertaking, e.g. developing a complete business plan or developing a project plan for a large initiative. Here are a few examples:

- ★ What is the current situation?
- ★ Are we on target?
- ★ How would we assess our overall performance relative to this initiative?
- ★ What are our current sales and profits (overall and by product/service)?
- ★ Are sales and expenses on target? If not, why not?
- ★ What about other performance measures (e.g. customer satisfaction, employee morale, distribution, etc.); how are we doing?
- ★ Do we have the right team in place?
- ★ Do we have adequate resources?
- ★ Based on current performance, are our goals realistic?

Ask Others



Talk to your customers and other key stakeholders to get feedback and to better understand their challenges and goals. Seek input from customers, colleagues inside your company, and from external experts. If you use surveys, supplement them with interviews. Come up with your own list of questions. Here are some examples:

- ★ What is your perception of our performance?
- ★ Why do you (or customers) do business with us?
- ★ Why do you (or customers) do business with our competitors?
- ★ What is our biggest competitive advantage and how can we leverage it more?
- ★ What do we need to improve on?
- ★ What challenges do you currently face?
- ★ How can I best support you and your goals?
- ★ What trends are you seeing?
- ★ How do you think we should respond to these trends?
- ★ May I have your input on my initial thinking about my top priorities?
- ★ What other suggestions do you have for me?

Summarize and analyze the opinions and information you collect.



Remember to look both within and beyond your industry for ideas and opportunities that may not be immediately obvious.

- ★ What other industries provide relevant information?
- ★ What creative things are other industries doing that might have application to your business?



Attend Formal Learning Events. On an on-going basis, get outside your environment to find out what's going on in the world. Attend meetings, seminars, and other events and show up with a purpose and a plan. Your time and your brainpower are valuable so don't attend any meeting unless you are sure it will yield a high return on your investment.

Supplement Your Direct Research with Secondary Sources



Develop a library of useful sources for understanding the dynamics of the industry and market, the financial economy, the legal environment, national and global political influences, changes in technology, and other key market indicators that affect your business. Ask your manager, mentors, colleagues, and others in your network to help you identify the best resources.

Which information and opinion resources will you tap into regularly?

Resource	How You Use It

Using Your Research



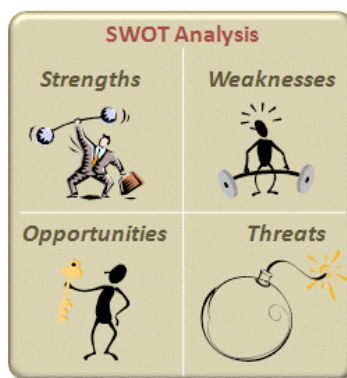
You may start to feel a bit overwhelmed by the amount of information available to you. Obviously you need to sift through it and choose what's most relevant and important.

Sort your information. It may be helpful to start with broad categories such as:

- ★ Facts
- ★ Opinions
- ★ Numbers
- ★ Assumptions
- ★ Trends

Then, within these categories, group individual bits of information into themes or patterns.

Analyze the information. With your information sorted, you're now ready to evaluate it, draw your conclusions, and develop strategies. A useful tool that many people use for analysis is the SWOT. SWOT is pretty simple yet it really works as both an analytical tool and as a way to communicate your analysis.



S stands for **strengths**, W for **weaknesses**, O for **opportunities**, and T for **threats**. Strengths and weaknesses focus only on what's going on *inside* your organization and only those that are important and unique. Opportunities and threats are *outside*. Include only significant issues, information, and events that directly affect your business.

For each item you put in the SWOT, be able to answer these questions:

- ★ Is this immediately relevant or something that will be important in the future?
- ★ Is it real, (i.e. likely to occur)?
- ★ Why is it important?
- ★ Is it under our control?

SWOT

S (Strengths)	W (Weaknesses)
<p>1. List only those <i>internal</i> strengths that are truly unique advantages:</p> <ul style="list-style-type: none"> ★ X ★ X <p>2. Then label each:</p> <ul style="list-style-type: none"> ★ Fact, opinion, or assumption (F, O, or A) ★ High or low <u>importance</u> (HI or LI) ★ Important <u>now or future</u> (N or F) ★ <u>In our control</u> to leverage <u>or not</u> (IC or OC) ★ <u>Strategy needed or not</u> (S or NS) 	<p>1. List only those <i>internal</i> gaps that limit your ability to succeed:</p> <ul style="list-style-type: none"> ★ X ★ X <p>2. Then label each:</p> <ul style="list-style-type: none"> ★ Fact, opinion, or assumption (F, O, or A) ★ High or low <u>importance</u> (HI or LI) ★ Important <u>now or future</u> (N or F) ★ <u>In our control</u> to leverage <u>or not</u> (IC or OC) ★ <u>Strategy needed or not</u> (S or NS)
O (Opportunities)	T (Threats)
<p>1. List <i>external</i> factors that provide you with unique advantages</p> <ul style="list-style-type: none"> ★ X ★ X <p>2. Then label each:</p> <ul style="list-style-type: none"> ★ Fact, opinion, or assumption (F, O, or A) ★ High or low <u>importance</u> (HI or LI) ★ Important <u>now or future</u> (N or F) ★ <u>In our control</u> to leverage <u>or not</u> (IC or OC) ★ <u>Strategy needed or not</u> (S or NS) 	<p>1. <i>External</i> factors that limit your ability to succeed</p> <ul style="list-style-type: none"> ★ X ★ X <p>2. Then label each:</p> <ul style="list-style-type: none"> ★ Fact, opinion, or assumption (F, O, or A) ★ High or low <u>importance</u> (HI or LI) ★ Important <u>now or future</u> (N or F) ★ <u>In our control</u> to leverage <u>or not</u> (IC or OC) ★ <u>Strategy needed or not</u> (S or NS)

Strategies



With your SWOT completed and each item labeled, you are ready to develop strategies for those strengths, weaknesses, opportunities, and threats that are of high and immediate importance now within your control.

Each major strategy should fall under a specific broader goal and typically a goal will have three to five key strategies. Here's an example:

Goal - Improve customer satisfaction ratings from 75% to 95% .

Strategies - Reduce customer call waiting time from 30 seconds to 10 seconds, improve delivery time by two days, and provide hassle-free returns.

Under strategies fall tactics. These are very specific and discrete action steps that you take in sequential order. We'll talk more about tactics in the next chapter.

SUMMARY

Although gut feelings often guide good decisions, they are usually supported by a lot of knowledge and experience. When it comes to making business decisions, facts, data, and opinions will support your gut.

Chapter IV – Organize



Your initial reflection, strategic thinking, and research have been great preparation for drilling down to the tactics and for organizing all your thinking into a useful plan document.

Organizing Your Plan

Organizing is writing and we suggest a flexible word format rather than a fill in form or a powerpoint. Templates are good for communicating your plan, but if you start with structure you will stifle your creativity. Free flowing writing is strategic thinking.



Once you have your plan drafted in detail, edit it down and organize it into sections. There are many ways you can lay out the plan, but all plans pretty much cover the same topics. Business and project plans often follow this outline:

Section 1 – Executive Summary

Section 2 – Vision, Mission, and Goals

Section 3 – Strategies

Section 4 – Supporting Research and Analyses

Section 5 – Tactics

Section 6 – Additional Background Information

Let's quickly review each section:

Section 1 – Executive Summary



It's called an executive summary because it's intended to tell your entire story in a short synopsis that the busiest senior executives can read quickly. Some experts recommend writing this section last, but there is a benefit to actually writing it first. Writing it first increases creativity and inspiration.

The executive summary should be an interesting story. Make it vivid, compelling, and logical in describing the big problem your business solves, who has this problem, and how you go about solving it.

It should be easy to understand what you do, how you do it, how it benefits others, why you do it better than others, how much money you make doing it, and what the potential is.

URGENT

In the executive summary, make your product or service sound so important that others will believe that it's something that must be done.

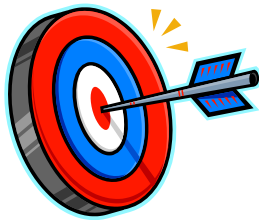
Include a brief explanation of how your product or service gets from you to the ultimate user to demonstrate that you fully know your business development and delivery process and all the players in the channel.

Section 2 – Vision, Mission, and Goals

Your plan starts with your big and long term vision, your purpose for existing, and your high priority measurable goals. A vision statement should be exciting, inspiring, and specific. For example: *By 2011 we will grow our sales by 50% and will contribute \$5M of profit to the organization.*

Your mission statement reflects in very few words the value you bring as well as your own personal values and those of your team. Here are some examples:

- ★ *To preserve and improve human life. Merck*
- ★ *To give unlimited opportunity to women. Mary Kay*
- ★ *To experience the joy of advancing and applying technology for the benefit of the public. Sony*
- ★ *To give ordinary folk the chance to buy the same things as rich people. WalMart*
- ★ *To make people happy. Disney*
- ★ *To do for collision repair what Home Depot did for hardware. Sterling Autobody*



When it comes to goals, they should be a short list of high priorities and written in the **SMART** formula (specific, measurable, achievable, realistic, time-defined). A good goal statement looks like this: *By September 2010, finalize contract with largest customer (XYZ) with terms that will lock in price increase of 2% on increased sales of 10%.*

Section 3 – Strategies

Each goal will have three to five strategies. They sound like projects. Here's an example: *Reduce administrative costs by 25% (related to profit goal) by establishing single source contracts for computers and other electronic equipment.*

Section 4 – Supporting Research and Analyses



Distill the facts, data, and opinions you've collected to highlight what's most important. *Include your assumptions and conclusions.*



Financial Analysis – This includes a description of your current situation along with a comparison of where you want to be. It usually explains how revenue is created, sales dollars, expenses, and profitability.



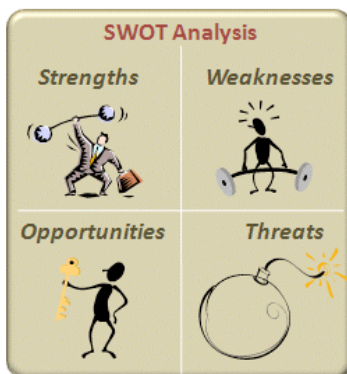
Market and Customer Analysis – Explain the market you are in, the current customers, and the potential customers. *“Customers buy this product and service because they have this need (their pain) and our research shows that their needs aren’t fully satisfied because of (X) which provides an opportunity for us to (do what).”*

Competitive Environment – Explain who the other players are in the market and how they’re performing. *“We do a better job of meeting customer needs by (what) and continue to do a better job than the competition by doing (X) as reflected in our strategies.”*



Political and Legal Environment – Explain what is going on affecting your business in the areas of political opinion, consumer opinion, regulation, and legislation. Also explain how you're monitoring them and addressing them.

You should consider supplementing this section on data and information with a SWOT to focus on the unique strengths your business brings, the weaknesses to address, the market opportunities, and the threats.



Remember to focus on priorities and factors that are unique (not a laundry list), showing your evaluation of each factor (importance, likeliness of occurring, your ability to control, and whether or not you are acting on it). Any SWOT item that you are acting on should be mirrored in the Strategies section of your plan document.

Section 5 – Tactical Plan



Tactics represent your step by step road map for getting from point A to point B. Tactics are very discrete tasks, things like *presenting your business plan or calling a key customer to ask for opinions about a product or service*. Each action should be prioritized, scheduled, and assigned to a specific person.

Tactical Plan

Activity	Name and Title of Person Responsible	Target Date	Status

Some tactical plans also describe the team by providing an organization chart.



Section 6 – Additional Information

Sometimes called an addendum or appendix, you may want to include *reports, original research data sources, charts, and other background information* that led you to the conclusions in your plan.

Sample Plan – Not a Template

Business Plan for Perfect Medical Imaging Company Quarterly Update to Investors

Section 1 – Executive Summary

Medical Imaging is a growing outpatient business throughout the country including our Paradise Valley Market. Hospitals who previously owned this service find it more cost effective and administratively easier to outsource it to providers with expertise in the technology as well as in working with insurance providers, the primary payers of these services. This strategic business plan clearly describes our vision, mission, goals, and strategies, which are supported by research and analysis and strong leadership.

Since the 2008 launch of our first of seven sites, Perfect Medical Imaging has achieved sales and profitability targets while executing a rational expansion plan that supports our focus and future excellence.

Most imaging providers in our area are relatively small operations with inadequate funding to stay current with the rapid improvements in expensive equipment, the medical talent required to understand the latest technology, and the dynamic and complex world of insurance and reimbursement. We offer radiology-based medical scanning using the latest technology, a highly qualified staff of physicians who interpret the findings and provide advice to physicians and patients, and business professionals who understand the field of reimbursement. Our advantage in the market comes from ample financial investment, location choices based on sound research, employee benefit programs (including equity in the business) that provide us with the ability to recruit top talent, and a commitment to using the latest technology and providing the best service in the business.

Although our primary target customers are the insurance carriers who award annual contracts through a bidding process, we also target the needs of physicians who refer patients to specific centers. We cater to patients who may defer to their physicians' recommendations and choose centers covered by their insurance, but they also influence the referring physicians as well as the community with their opinions on the quality of their experience.

We've learned from our research that insurers decide based on price; while doctors and patients are influenced by a number of factors including where insurance is accepted, geographic location, co-pay charge, ease in scheduling, and service. Our several-pronged marketing strategy addresses the needs of the three customer groups.

The business is led by CEO, Denise Wagner, M.D., who trained in radiology at the University of Pennsylvania where she also completed her residency. She has practiced radiology at a large clinic in the Philadelphia area for the past 10 years. Her Medical team is comprised of 9 radiologists, 14 technicians, and 12 administrative and reimbursement experts based at our 7 sites in the Paradise Valley.

Section 2 – Vision, Mission, Goals

Vision – By 2012, Perfect Imaging produces \$20MM in revenue, and is rated #1 for service by all customers.

Mission – The perfect choice for medical scans.

Goals

1. Consistently win 90% of bids that meet our criteria for profit and ideal customer relationships.
2. Capture 70% of "best" local physicians' business within two years.
3. Increase profitability by: achieving \$1.8M in sales and 25% profit margins, while positioning business for sustaining 10% growth in sales and profits each year.

Section 3 – Strategies

We will continue to leverage our competitive edge by growing strong relationships with insurance companies; however the key strategy with insurers is to be on top of the bidding process and well informed so that we are presenting competitive and profitable bids in a timely fashion.

Physicians respond well to our messages about having the most advanced equipment with a seasoned, nationally recognized staff. We will continue to communicate our state of the art technology and medical analysis as we focus on converting qualified doctors into referring doctors.

In addition to adding dedicated sales personnel to call on physicians, we will continue to improve our website and the strategies that drive physicians to it. In addition, we will continue with medical journal and local media as well as the targeted distribution of circulars. Since a high percentage of referrals are made based on personal and professional contacts, Dr. Wagner and our entire team will remain active in the numerous professional organizations,

committees, and community groups that bring them into contact with physicians.

Goal #1 – Win 90% of bids

- Improve awareness of upcoming bids
- Reduce response time in bidding by following reliable process
- Build relationships with decision makers in large insurance companies

Goal #2 – Capture 70% of business

- Ensure that resources are adequate to support strategies (+\$150K now for unanticipated spending in sales recruiting, hiring and training)
- Identify all qualified large practice physicians who are qualified by insurer
- Develop campaigns (including direct sales) that target high volume practices
- Maintain involvement in organizations that provide networking access to doctors

Goal #3 – Increase profitability

- Manage efficient growth
- Offer new services to existing customer base; maximize use of equipment
- Employ financial controls to help manage costs

Section 4 – Supporting Research and Analyses

Annual Sales and Profits

Year	Bids Won	Physicians in Network	# Of Sites	Sales	Profit Margin
2008	%	%	1	\$X	%
2009	%	%	3	\$X	%
2010	%	%	7	\$X	%
2011	%	%	10	\$X	%
2012	%	%	12	\$X	%

Next Year Quarterly Sales Projections by Revenue Stream

Revenue Stream	Q1	Q2	Q3	Q4
X-ray	\$X	\$X	\$X	\$X
Ultrasound	\$X	\$X	\$X	\$X
CAT scan	\$X	\$X	\$X	\$X
MRI	\$X	\$X	\$X	\$X

Budget Requirements

Expense Category	Q1	Q2	Q3	Q4	Next year annual projection
Salary and Benefits	\$X	\$X	\$X	\$X	\$X
Real estate and Site Maintenance	\$X	\$X	\$X	\$X	\$X
Marketing	\$X	\$X	\$X	\$X	\$X
Administrative	\$X	\$X	\$X	\$X	\$X

Distribution Channel



Research Highlights

Customers – We've focused on three customer segments: medical insurance carriers, physicians, and patients, however marketing to patients will be limited as most patients use the insurance company mandates of who can provide scanning services. The largest insurance carriers provide the bulk of our revenue and will do so over the next few years. Aetna, Cigna, and United have gone well and we have contracts in place through 2012. We will also target a short list of additional large companies for bid submissions in 2011. A long list of smaller companies has been identified and will be targeted in 2012.

While the insurance company will mandate what labs are acceptable for their insurance plan, it is the doctor's choice where they recommend their patients go. Site location is a critical factor and our locations near large physician practices and some within the same medical compounds is a clear advantage. We are increasing our marketing efforts with physicians in order to enhance our standing with this customer group. Sales experts to be on board and trained by the end of this year, will greatly improve our ability to connect with the physician segment.

Competition – The medical imaging industry operates under two models: a large clinic or practice that purchases the equipment for the use of their physicians, and outside service providers. Only large clinics and practices can justify buying their own scanning equipment. For a small clinic or practice, the high equipment cost with low use rate makes cost per use expensive. Our competitors offer their services to all physicians and accept a wide range of insurance plans. These competitors rarely offer services beyond medical imaging tests and radiologist analysis. The medical scanning industry can be profitable if there is not over capacity of the scanning machines in the area. Our largest competitor in the area is the Radiologist Group. They have 10 facilities and offer the full menu of scans, but have a reputation of not being service oriented and factory-like in design.

Political and Legal Environment – The healthcare industry, including the imaging sector, is highly regulated. Compliance guidelines are public and companies are audited on a scheduled basis. Our record is perfect. Healthcare reform presents a challenge to all sectors in the industry, including imaging, and we are subject to the increase in discounts recently mandated. Over half of our patient customers participate in medically funded insurance programs. The discounted fees have been factored into our projections and strategies.

SWOT

Strengths	Weaknesses
<p>Location – High importance and in our control; leveraging in promotion to all customers and maintaining facilities</p> <p>Team – High importance; leveraging in promotion, networking and recruiting - retention critical to success and in our control with equity provided and attention to employee programs</p>	<p>Sales Skills – High importance and in our control to address with aggressive recruiting effort</p>
Opportunities	Threats
<p>Investors – High importance and within our control to maintain competitive advantage; must provide high return on investment</p> <p>New technology – High importance but not in our control; proactively preparing for purchase for both new facilities and replacement as equipment becomes obsolete</p>	<p>Competition for future location sites - High importance and somewhat within our control; proactively developing relationship with real estate community</p> <p>Healthcare reform – High importance but not in our control; but may be able to join others to influence - proactively approaching lobbying groups</p>

Section 5 – Tactical Plan

Activity	Name/Title of Person Responsible	Target Date	Status
Secure additional 2010 budget funds	Denise Wagner, Team Lead	Today	Waiting approval
Prepare calendar of current contract expiration dates and bidding cycles	John Riley, Project Manager	Completed	Shared with team; updated quarterly
Evaluate and suggest improvements to current bidding process	John Riley, Contracting Lead	7/15	On target for 7/15 LT presentation
Define role, responsibilities, targets for new sales positions	Karen Adams, HR Lead	7/15	Description drafted
Recruit and hire 2 sales people	Karen Adams, HR Lead	7/15	Recruiter identified

Section 6 – Additional Information included in Appendices

- ★ Employee Bios
- ★ Annual Report
- ★ Top 5 Customers – Profiles
- ★ Top 5 Competitors – Profiles
- ★ Customer Survey with Summary
- ★ Paradise Valley Business Report from Chamber of Commerce

Summary

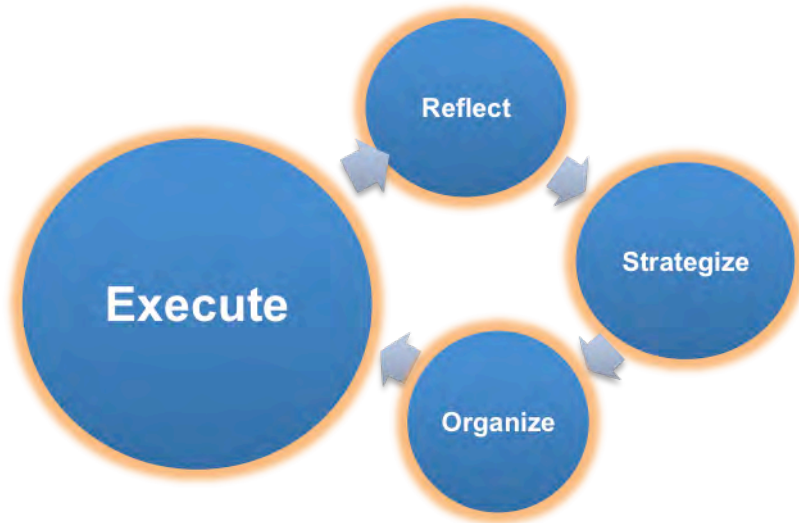
The sample plan provided in this section is just that, a sample and not a template. You should follow an outline, but do it in your own way or in keeping with the preferences of your organization when it comes to the level of detail and specific content that's required.

Writing a detailed plan document strengthens your strategic thinking process. It results in you knowing your business inside and out and in having goals and strategies that are focused on the right priorities. When developing your plan, involve your team, partners, and stakeholders to benefit from their input and to secure their buy in.

Notes

What do you want to remember most and follow up on from this section?

Chapter V – Execute



Business plans work only when you use them. Use your plan daily to manage decision making, problem solving, and action. Also use it to communicate where you are going, why, and how.

Refer to your plan constantly and keep it current. Hold yourself and others accountable to each commitment and measure progress frequently to understand what's working and what's not, and course correct as needed. Too many plans sit on shelves collecting dust because of these things you can avoid.



Boredom - Breathe life into your plan with exciting, compelling language. Liven it up writing on it, talking about it. Keep it in site and use it.

Weak Boundaries - Once you've set goals, developed strategies, and laid out tactics in an action plan - stay focused. Say no to lower priority new requests and interesting ideas that come along. Respect the boundaries of your plan.



Conflicting With Someone Else's Plan - One contributor to plan failure is lack of alignment. You may be competing for resources, team time, and leadership interest with other initiatives so be sure that your plans are in line with interdependent groups, and with your team members' responsibilities.



Getting Stuck in the Weeds - Strategic planning and execution are time-intensive and complex. You need to be into the details but not stuck in the weeds. If you feel frustrated, stressed, or like you're not accomplishing much – you're stuck. Step back and reflect on where you are and where you're going to keep on track.



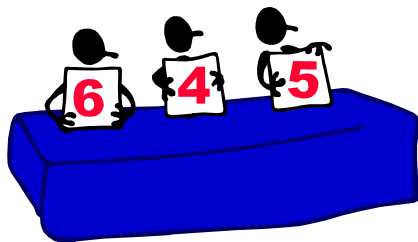
Not Managing - Plans aren't executed well when the person "in charge" doesn't manage. It may be a question of a skills deficiency, overload, lack of commitment, or fear. If you find yourself being more reactive than proactive, avoiding what needs to be done, or falling behind in any way – figure out what's causing it and address it.

There are software programs to help with project management, but they won't make you a good project manager if you don't have the skills you need:

- ★ *The ability to stay organized*
- ★ *Administrative skills*
- ★ *Resourcefulness*
- ★ *Focus*
- ★ *Flexibility to handle change*
- ★ *Decisiveness*
- ★ *Drive for results*
- ★ *Willingness to hold yourself and others accountable*
- ★ *Communication skills*

Training is available in the form of books, programs, and mentoring – so develop the skills and confidence you need to manage large projects well. If it's discipline you lack, try to set yourself up for success with new habits, committing to even 10 minutes a day to project manage, and reminders and cues so that things don't fall through the cracks.

If you have trouble holding your team members accountable, talk about it with a mentor and with your team. Responsibility without direct authority requires the ability to influence those who don't report to us. Managing your project by holding yourself and others accountable is a service to you, your team, and your business.



Not Keeping Score - If you're not keeping score, you're not really in the game. Honestly assess what's working and what's not working. Mistakes and corrections are part of the path to success.

Know what to measure. Most businesses try to measure too many things. Identify a very short list of metrics and pay attention to those to avoid missing your targets. Celebrate your wins, learn from your failures, and don't repeat the same mistakes. Keep your plan current based on your assessments and capture best practices for the future.



Inadequate Communication - You could be doing everything right but if your stakeholders don't know it, what you're doing doesn't matter to them. Your plan requires strategic communication. Be very deliberate about what you communicate, when, and to whom. Pay attention to how to communicate.

Sometimes, you'll provide the information in writing, sometimes you'll be called on to formally present, and often you'll need to respond to off-the-cuff questions about your business.

Follow the rule of "no surprises." When something of importance happens, you need to let key stakeholders know promptly. By something of importance, we mean anything that you would not want your boss or other key stakeholders to hear from someone other than you.

Summary

When people say that the devil is in the details, they mean that small things overlooked can cause serious problems.



Excellent execution requires excellent project management skills and communication. It requires daily attention, and the willingness to hold yourself and others accountable for commitments. It also requires follow-up and follow-through and a willingness to enforce boundaries.

The critical success factor around execution is keeping your plan alive. Don't put it on the shelf. After all the work you did to create it, make it work for you by keeping it current, relevant, and useful. Manage it closely because it won't manage itself and keep all stakeholders informed regularly so that there are no surprises and lots of recognition for you and your team.

Chapter VI – Program Summary

We've covered a lot in this guide in order to help make a complex task easier with a process, suggestions, and examples.

One of our objectives has been to convey to you that a solid strategic plan is simply a clear description of what you want to accomplish, how you are going to do it, and why it makes sense. We've emphasized business plans, but we know this process also works for a specific account plan and for any type of business change initiative.



The process of writing your plan is just as valuable, maybe even more so, than the final document itself because the process focuses your thinking and challenges you to reflect and develop insights that will answer some fundamental questions about your business. Having a clear plan helps everyone stay aligned in carrying out what needs to be done, *driving the right action to achieve the right results.*

On the *next page*, you'll find a template for writing your *action plan*. Use it to capture goals and strategies for improving your thinking and planning skills and developing strong plans.

Development Action Plan

AREAS OF FOCUS	STRATEGIES/TIMETABLE	RESOURCES NEEDED

On the last page of the guide you'll find a form for providing us with feedback. Please take just a few minutes to complete it and tear it out of the guide to fax it to us. If it's easier for you to just send an Email with your comments on the program, that's fine too.

Thank you very much for your participation. For similar workshops or guides on other business and skills building topics, contact: Information@catherineodonnellandassociates.com
Also, visit our website www.catherineodonnellandassociates.com



Participant's Feedback - Strategic Thinking and Planning

Check your response to the items below and please be candid. We want to do what it takes to improve this program to exceed expectations of clients like you. Rate content and facilitation of the program on a 1 to 5 scale:

- 1 = Didn't meet any of my expectations and was a waste of my time
- 2 = Below my expectations, but I got value
- 3 = Good and met some of my needs and expectations
- 4 = Very good and met my needs and expectations
- 5 = Exceeded my needs and expectations

	1	2	3	4	5
CONTENT (Self-Study and Workshop)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					
	1	2	3	4	5
FACILITATION (Workshop Participants Only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments:					

What was most valuable?

What was least valuable?

What improvements should we make?

Participant Name (optional): _____

Thank you for taking the time to provide your feedback. Please return completed form to your workshop facilitator or send to:
catherine@catherineodonnellandassociates.com or fax (866) 352-3143