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# Business

## How to develop a strategic plan, then make it work

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Small business owners know there's only one thing tougher than developing a sensible strategic plan: Making the plan work.

Yet Rich Horwath says building a strategic plan and keeping it relevant doesn't have to be so imposing. The process, he says, starts with a good diagnosis, produces a two-page strategy print and includes "a monthly tuneup, maybe a two-hour lunch where just one question is asked: What has changed (that might impact our plan and our business)?"

As you should expect from someone who is president of the Strategic Thinking Institute in Barrington Hills, Horwath is into this strategy thing. What's helpful is that he seems to have a good feel for the planning and implementation issues small and mid-size businesses face.

The process begins with goals and objectives, then moves to strategy. "Strategy is the path that will get us there," Horwath says. First, however, comes a diagnosis, part of the goals-and-objectives progression.

In fact, Horwath puts significant emphasis on the diagnostic process. In the medical world, he explains, a prescription (or strategy) without a diagnosis (for us, the introspection that analyzes the business, its marketplace and its competition) leads to malpractice.

It's not much of a stretch to extend that example to the business world.

"We don't take enough time to diagnose our businesses today," Horwath says. "We need to take the pulse of the business. Use our competitive intelligence. Do some research. We have to think about the business differently.

"How can we approach things differently? What can we add that will add value to our customers' experience? What is our differentiated value?"

Differentiated value could be customer service. One of Horwath's favorite examples is Enterprise Rent-A-Car, which differentiates itself from Hertz, Avis and everyone else in a crowded sector by picking up its customers.

Differentiation for customers "isn't doing the same thing everyone else does a little faster. It is different activities than the competition," Horwath

says. "We must find and focus on that differentiation."

With the diagnostics in place, goal setting becomes easier - though Horwath suggests "one, two or three goals at the most."

Then comes strategy development, the building of the path from Point A to Point B.

"It's best to go off-site for a day or two and challenge (the company) thinking," Horwath says. "Dive into new ideas and new insights."

The result should be the strategic plan and what Horwath calls "a strategy print, a two-page blueprint, or summary, that helps keep everyone focused so we're not distracted by each day's e-mails."

An everyday resource that connects the research, diagnostics and thinking that went into the company's strategic plan with resulting actionable activities, Horwath's strategy print is intended to keep the plan alive rather than gathering dust on the shelf.

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