# Sample of a Strategic Plan



The sooner you plan, the quicker you will earn!<sup>TM</sup>

Developed using the *Instant Strategist* ® method for quick and easy strategic planning.

#### Disclaimer

This strategic plan was developed using the *Instant Strategist*® methodology for quick and easy strategic plans. *Instant Strategist*® name, methodology, approach, and tools are copyrighted, registered and trademarked. **Financial data was omitted to protect the privacy of the organization.** 

## **Executive Summary**

The Instant Strategist system helps small businesses stay in business by providing them with the tools and knowledge to develop a quick and easy business strategy.

According to the Small Business Administration (Office of Advocacy 2004), there were 589,837 small-business terminations in 2003. Scientific studies in the field of small-business success have demonstrated a strong relationship between business planning and the prospects for business success. Moreover, studies have shown that practicing strategic planning, which is the highest level of business planning, can have an even greater impact on the financial performance of small businesses. Yet, despite mounting evidence of the benefits of strategic and business planning, only one out of five (19%) small-business owners practices business planning on a regular basis.

The need for a simple, quick and easy model for developing a strategic business plan stems from the fact that most small businesses do not have a formal plan for their business. Many business owners and entrepreneurs shy away from <u>current models of strategic and business planning models because these models are so complex, cumbersome, and take too long to complete.</u>

The market for the Instant Strategist system is huge. Small companies are the backbone of the US economy. There are over 23 million small businesses in the US, and 80% of these businesses are not engaged in any type of planning,

The Instant Strategist system contains six products (software, book, audio, video, eBook and PowerPoint), which are sold on the Internet and through Chamber of Commerce, and Small Business Development Centers.

Gross sales for the first full year of operation (2006) is estimated at \$xx million with net operating profit (before tax) of \$xx. By the fifth full year of operation (2010), gross sales are estimated at \$xx million, and net operating revenues (before tax) of \$xx million.



#### Desire

#### Need

One small business fails every 60 seconds. Yet, only one out of five small-business owners practices any type of business planning regularly despite mounting evidence of the link between strategic planning and business success and failure.

The need for a simple and quick model for developing a strategic business plan stems from the fact that most small businesses do not have a formal plan for their business. Many business owners shy away from <u>current models of strategic and business planning models because these models are so complex, cumbersome, and take too long to complete.</u>

Instant Strategist is a system that allows business people to develop their strategic plan in the quickest and easiest way possible. The Instant Strategist system consists of six unique strategic planning tools: a book, software, eBook, PowerPoint presentation, audio seminar, and video presentation.

Instant Strategist allows business people to develop a valid strategic plan in a matter of days, compared to traditional strategic planning models that might take months to complete. Instant Strategist also satisfies a secondary need of business people, which is the desire for material gain. By developing a quick and simple strategic plan, business people increase the probability success, and, as a result, achieve greater material gain.

#### Value

The most valuable commodity in the new post-Internet economy is time. Time is more valuable than any other resource because it can't be reproduced or purchased. Therefore, any method that allows business people to complete a task in less time is highly valuable.

Instant Strategist's primary value is in the expediency in which it can be used to develop a strategic plan. For small business people, time is of the essence. And by

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<sup>&</sup>lt;sup>1</sup> Gerber, MJ. The E-Myth Revised, Harper Collins, 2001.

spending only a few days, rather than a few months, on developing a strategic plan, valuable time is saved.

A secondary value proposition of Instant Strategist is its price point. The entire system (book, software, eBook, PowerPoint, audio and video presentations) costs about \$200. A businessperson may purchase the entire system, or individual tools, and develop a strategic plan in a fraction of the time that it would otherwise take to hire a consultant to do the job, which could cost thousands of dollars.

#### Audience

The audience of Instant Strategist is small business owners, entrepreneurs, and people who are starting a business. The majority of the people who are in this group are "innovators and achievers," as defined by the VALS (value and lifestyle segmentation of Stanford Research Institute). The main characteristics of innovators and achievers are: success and sophistication; people who take charge and have high self-esteem; people who are highly motivated and goal oriented; and people who are always interested in time-saving devices.

#### **Drivers**

## **Connectivity**

Instant Strategist utilizes connectivity as a means to sell, communicate, and deliver products to its customers.

#### Marketing usage

Instant Strategist has a dedicated site to sale and market its system. The website, www.instantstrategist.com, features individual products, as well as four different packages which customers can choose from (including a complete system, a professional package, an educator package, and a starter kit). The website features pictures and samples from the book, PowerPoint, and software, as well as a sample of the video

presentation. Customers can review the different features of each product by looking at sample packages of the book, PowerPoint slides, and screen shots of the software. *Sales usage* 

The Instant Strategist website has a fully functioning shopping cart allowing customers to order complete packages or individual products. When ordering, the customer receives an auto-response email confirming his or her purchase. A copy of the purchase email goes to the company.

#### Delivery usage

When a customer opts to purchase the products in an electronic version, they receive an email pointing them to the download site and providing them with a username and password to download the products that they just purchased.

#### Communication usage

Customers can communicate with Instant Strategist by sending an email through the website or by using the toll free number provided on the site.

## **Interactivity**

The interactivity aspect of the Instant Strategist website consists of viewing demo pages of the book, software, and PowerPoint—as well as viewing a demo version of the video presentation. In addition, customers have the option of purchasing three products in electronic format (eBook, software, and/or PowerPoint) and downloading any or all of these products just as soon as their credit card clears the payment system.

### Speed

The Instant Strategist website allows customers the ability to download three products (eBook, software, and PowerPoint) within minutes after their order has been placed. If other products have been ordered, in addition to the downloadable products, these products are mailed to the customer via FedEx or Priority Mail.

## Landscape

#### Competition

Instant Strategist **does not have a direct competitor**. The concept of offering a combination of products, training, and licensing is new to the strategic planning discipline. Instant Strategist's competitive set consists of various companies offering different aspects of the business—such as training, software, and guides. However, none of these competitors offer a full suite of products and services. The competitive matrix (see below) lists the main competitors and evaluates each of them in terms of their products, services, features, and benefits.

#### **Analysis**

#### **Competitive Matrix**

Competitive Set	Interactivity	Connectivity	Speed	Simplicity	Range of	Price	Licensing
					products	point	program
Center for Simplified Strategic Planning (A)	no	no	no	no	no	high	no
CheckMate software (B)	no	yes	no	no	no	medium	no
Dialog software (C)	yes	yes	yes	no	no	medium	no
Mayrna Associates (D)	no	no	no	no	yes	low	no
Business Basics (E)	no	no	no	no	yes	medium	no
Instant Strategist	yes	yes	yea	yes	yes	low	yes

#### Notes

- (A) focus is primarily on training at seminars. The only product offered is a book. Very complex and lengthy model.
- (B) Offers a strategic planning software for \$500. Software is dont available for download.
- (C) Offers a strategic planning software for \$400. No other tools are available, no training or licensing services for consultants.
- (D) offers a range of books and tapes on strategic planning. No training and or licensing program for consultants.
- (E) Offers a strategic planning book, and audio DC's as a package for \$500. No training and licensing services.

#### Advantage

Instant Strategist has a few areas of competitive advantage that it can leverage to dominate the market of strategic planning resources, training, and licensing.

#### Speed

The primary <u>competitive advantage of Instant Strategist is speed.</u> No other company has a strategic planning model that provides the user with a quick and easy method to develop a strategic plan in a matter of days. The strategy planning models that are offered by the competitive set are all traditional, complex, and lengthy.

#### Simplicity

Each model offered by the competitive set is based on the old fashioned models of strategic planning. These old models are complex and not suitable for the new economy. An average businessperson should understand the Instant Strategist process within an hour or less after he or she has read the book or watched the video.

#### Interactivity

With the exception of one company (Dialog Software) only Instant Strategist offers customers the ability to download three products right away (software, book, and PowerPoint). Thus, customers can start working on their strategic plan within minutes of ordering the system online.



#### **Models**

#### **Business Model**

The business model consists of two main practices:

- 1) Interactive services
- 2) Professional services

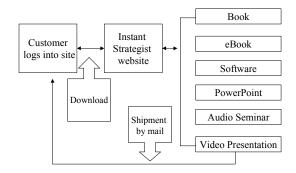
#### Interactive Services

Interactive services include the marketing and sales of products though the Instant Strategist website. Customers may log on to the website, review the different products, and order them online. In the case of the software, PowerPoint, and eBook, customers may download each of these products just as soon as their payment has been cleared.

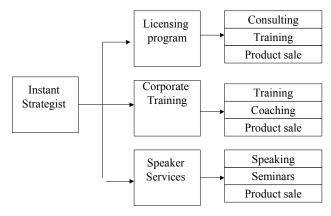
## Professional Services

Professional services include speaking, training, and licensing programs. These programs will be promoted and featured on the website, but will be sold and followed-up through phone conversations, literature, and personal appointments

## Business Model Interactive Services



## Business Model Professional Services



#### Revenue Model

The revenue model of Instant Strategist consists of four major revenue streams:

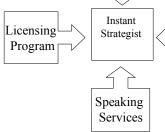
- Product sales—includes the sale
   of products on the website or
   though any other distribution
   channel such as Amazon.com or
   Kinko's.
- 2) Licensing program—includes the sign up fee as well as the annual licensing fees paid by the licensees.

Product sale

Training

Services

Revenue Model



- 3) Speaking services—includes the revenues generated from public speaking
- 4) Corporate Training—includes revenues generated from training activities.

## **Operating Model**

Function/Subject	Responsibilities/Functions
Location	Corporate office and Business Planning Center for training (450 sq. ft.) in San Rafael, California.
Top Management	Dan Geller, President, Julie Brown, VP Marketing, Mike Level, Director of Sales, Jessica May, VP Technology.
Finance	Finance, accounting and taxation is handled by Irving Bernstein, CPA.
Technology	Website enhancement and software modifications are subcontracted to the DJ Wizard company in San Rafael, California. Hosting of the Instant Strategist website is done by Interland and broadband Internet connection provided by Vista Broadband services.
Sales	Sales is headed by Mike Level. Two additional sales people are currently under consideration.
Equipment	The office consists of a PC (HP), printer, fax, phone, and office furniture. The Business Planning Center has four Dell computers, a digital projector, and a HP laptop.
Logistics	Hard copies of the products are stored in the office and are shipped to customers via regular mail or FedEx, based on the customer's request.

#### **Markets**

#### Size

The primary market for Instant Strategist products and services is the "small business" market as defined by the Small Business Administration. Small businesses in the US employ about half of the private sector. In 2004, there were 23 million small businesses in the US. Out of this figure, about 18.4 million are self-proprietorships (single doctor or lawyer). The overall market of Instant Strategist is the 23 million small businesses.

#### Selection

The overall market contains two major segments:

- 1) Employment firms—small companies that have employees working for them. In 2002, there were about 5.5 million such businesses.
- **2) Self-employment**—individuals that are in business for themselves and are not likely to have other employees working for them. In 2004 there were about 9.5 such individuals. Both of these markets are considered primary market segments for the Instant Strategist products and services.

## **Targeting**

The selected market target for the interactive services—selling products online—are small businesses that have access to the Internet. It is not clear how many small businesses do have access to the Internet, but we can assume that this group behaves the same way as the general population. Therefore, we can apply the figure of 50 percent to the number of small businesses. Thus, we can assume that there are about 11 million small businesses with access to the Internet. The selected market for the professional services include companies that might require training and or consulting services as well as independent business consultants who might be interested in licensing the Instant Strategist system to consult and train their customers.

## **Marketing**

## **Positioning**

**Instant Strategist** 

The Instant Strategist website has been optimized and positioned to attract its target market. The website has been optimized and contains all three meta tags (title, description, and keywords) as well as image title. The website have been listed in major search engines and directories by using the "submit it" service of Microsoft.

#### **Posting**

Search Engine/Directory	Type of Posting	Description	Key Words/Phrases
Google	Bids on keywords	Quick and easy strategic planning.	Strategic planning, strategic plans, business strategy.
Yahoo/Overture	Bids on keywords	Quick and easy strategic planning.	Strategic planning, strategic plans, business strategy.

#### **Programs**

Market Target	Media	Promotions
Small business market segment	Pay per click	Bids on key words on Google and Yahoo/Overture.
Small business market segment	Print advertising	Classified ad in Inc. Magazine and Small Business Success (SBA publication)



## **Priorities**

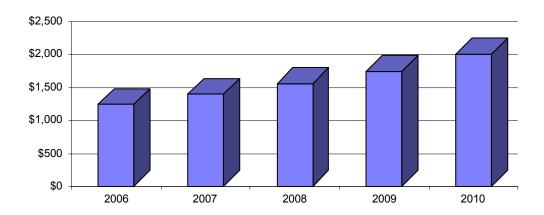
Priority/Stages/Cost Table					
Category	Stage/Priority	Activity	<b>Estimated Cost</b>		
Technical	В	Ongoing maintenance and improvement of the website.	xxx/year.		
Marketing	A	Place classified ads in business publications. If successful, change to display ads.	xxx/year		
Financial	A	Quarterly tax estimates and payment of commissions.	xxx/year		
Marketing	В	Continue advertising on Google and Yahoo/Overture.	xxx/year		

## **Financials**

5 Year Sales Forecast (all numbers in \$000)						
	`		,			
Revenue Category	2006	2007	2008	2009	2010	
Online product sales (a)	\$0	\$0	\$0	\$0	\$0	
Product wholesale (b)	0	0	0	0	0	
Licensing program (c)	0	0	0	0	0	
Speaking services (d)	0	0	0	0	0	
Training services (e)	0	0	0	0	0	
. ,	0	0	0	0	0	
	0	0	0	0	0	
	0	0	0	0	0	
Total Sales	\$0	\$0	\$0	\$0	\$0	

## **5 Year Sales Forecast**

(all numbers in \$000)



Annual sales growth is projected at xx percent per year.

- a) Assumes an average sale of xx, at an estimated volume of xx sales per day.
- b) Assumes xx products a day through retail and promotional (Chamber of Commerce etc.) sales channels at an average wholesale prices of xx per product.
- c) Assumes xx licensing agreements per year (first year), which includes a xx sign-up fee and a xx yearly licensing fee.
- d) Assumes one public speaking event per months at an average of xx per event.
- e) Assumes one cooperate training session per month at an average of xx per session.

<b>Estimated Sta</b>	rt-Up	Capital	
	Monthly	Cash Needed	% of
	Expenses	to Start	Total
MONTHLY COSTS			
xecutive payroll (a)	\$0	\$0	0.0%
Staff payroll (b)	0	0	0.0%
dvertising (c)	0	0	0.0%
Vebsite hosting and maintenance (d)	0	0	0.0%
Marketing communication (e)	0	0	0.0%
ravel	0	0	0.0%
egal and accounting	0	0	0.0%
	0	0	#N/A
	0 _	0	#N/A
Subtotal		\$0	#N/A
ONE-TIME COSTS			
wo new computers		\$0	#N/A
egal and administration		0	#N/A
			#N/A
Subtotal		\$0	#N/A
TOTAL ESTIMATED START-UP CAPITAI	ı	\$0	

a) Compensation for

**Instant Strategist** 

- b) Compensation for sales person who will call on consultants to sell licensing agreements.
- c) Advertising, includes Internet and print advertising.
- d) Hosting and maintenance of all the websites, including payment systems and monthly fees.
- e) Preparation of marketing and product literature.

## **Income Statement**

For the Years 2006 through 2010 (all numbers in \$000)

REVENUE	2006	2007	2008	2009	2010
Gross sales	\$0	\$0	\$0	\$0	\$0
Less sales returns and allowances	0	0	0	0	0
Net Sales	\$0	\$0	\$0	\$0	\$0
COST OF SALES					
Total Cost of Goods Sold	\$0	\$0	\$0	\$0	\$0
Gross Profit (Loss)	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES					
Selling					
Salaries and wages	\$0	\$0	\$0	\$0	\$0
Commissions	0	0	0	0	0
Advertising	0	0	0	0	0
Depreciation	0	0	0	0	0
Travel	0	0	0	0	0
Total Selling Expenses	\$0	\$0	\$0	\$0	\$0
General/Administrative					
Salaries and wages	\$0	\$0	\$0	\$0	\$0
Employee benefits	0	0	0	0	0
Payroll taxes	0	0	0	0	0
Insurance	0	0	0	0	0
Rent	0	0	0	0	0
Utilities	0	0	0	0	0
Depreciation & amortization	0	0	0	0	0
Office supplies	0	0	0	0	0
Travel & entertainment	0	0	0	0	0
Postage	0	0	0	0	0
Equipment maintenance & rental	3	4	5	6	7
Interest	0	0	0	0	0
Furniture & equipment	0	0	0	0	0
Total General/Administrative Expenses	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0
Net Income Before Taxes	\$0	\$0	\$0	\$0	\$0
Taxes on income	0	0	0	0	0
Net Income After Taxes	\$0	\$0	\$0	\$0	\$0
Extraordinary gain or loss					
Income tax on extraordinary gain					