



Strategic Business Plans For SME's

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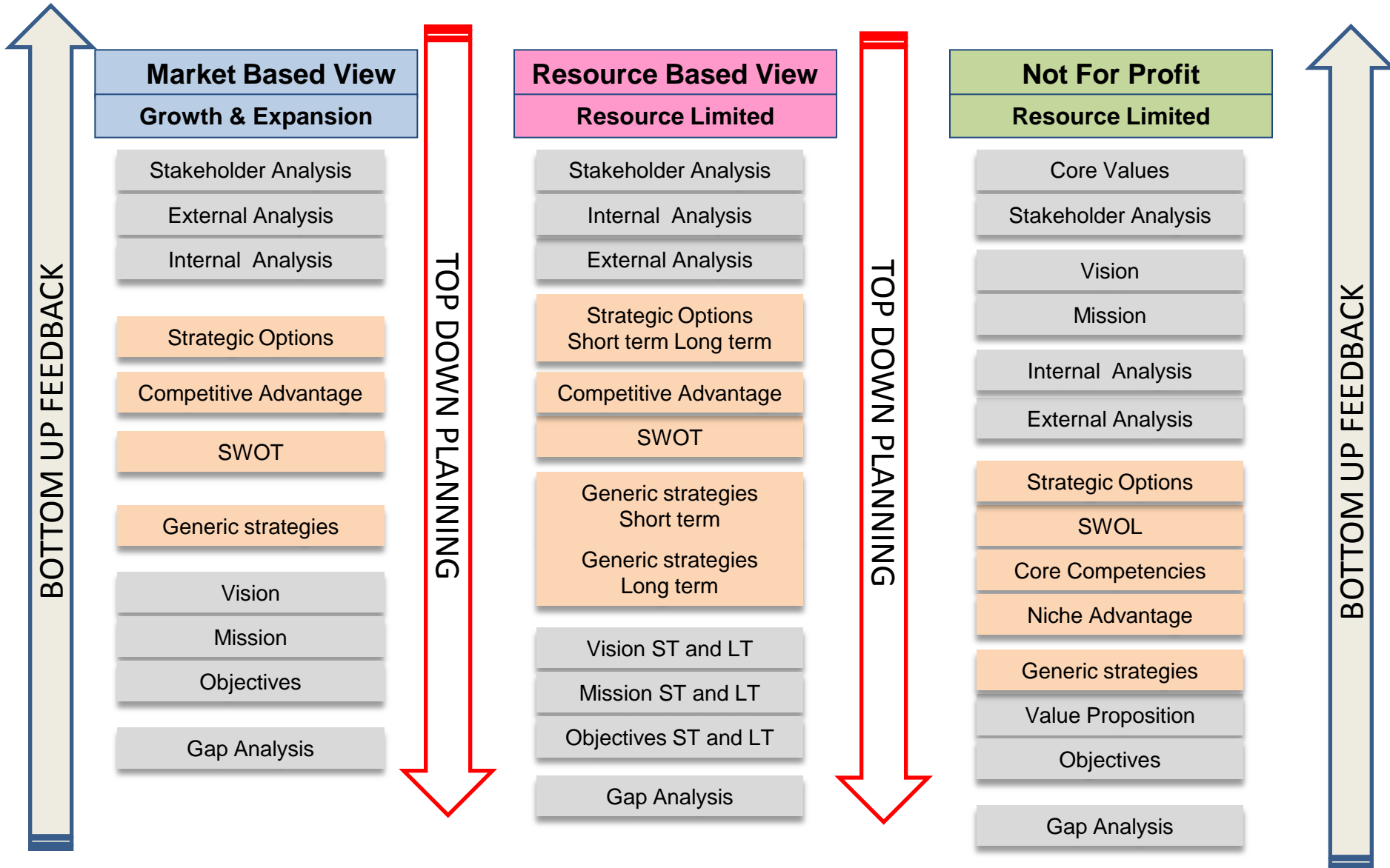
The Business Farm

A professional management consulting practice in
Australia and New Zealand.

We support companies undergoing high growth, at risk or in fierce competition by specialising in:

- Aligning vision, strategy and finance
- Incubating & commercialising new technology
- Designing 4th generation balanced scorecards
- Information Technology Portfolio Management
- Managing Risk and uncertainty
- Valuations of high risk high growth high tech companies
- Real Options Valuations
- Succession planning
- Joint ventures for small SME's with large players

1. Decide the approach to be used



2. Determine the strategic intent

Where Does the firm want to be ?

Strategic Fit

Efficient Resource Allocation

The conventional approach

Usually mature companies

**Emphasis is on fit between
internal resources and external
opportunities**

Strategic Stretch

Efficient Resource Leverage

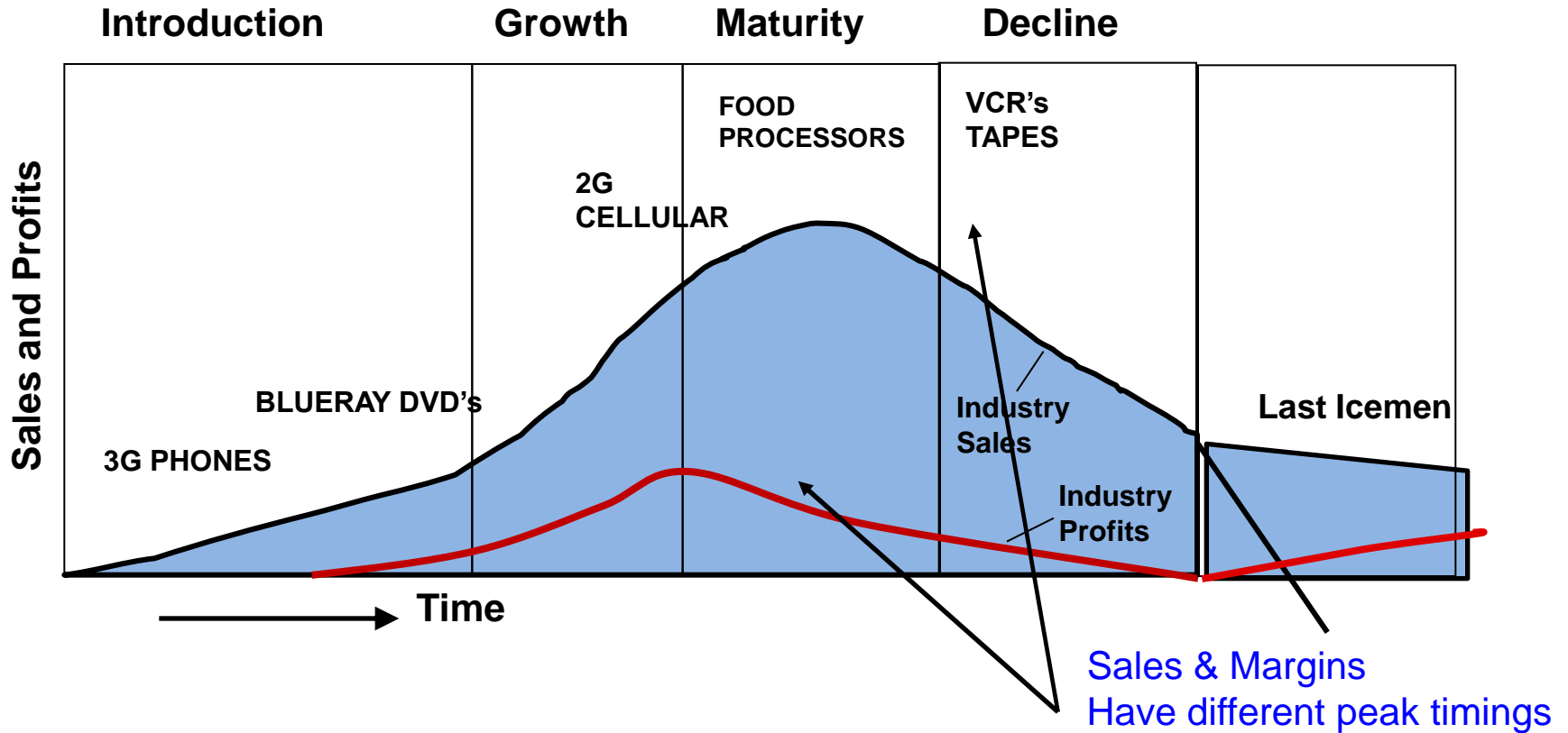
The un-conventional approach

Usually upstarts

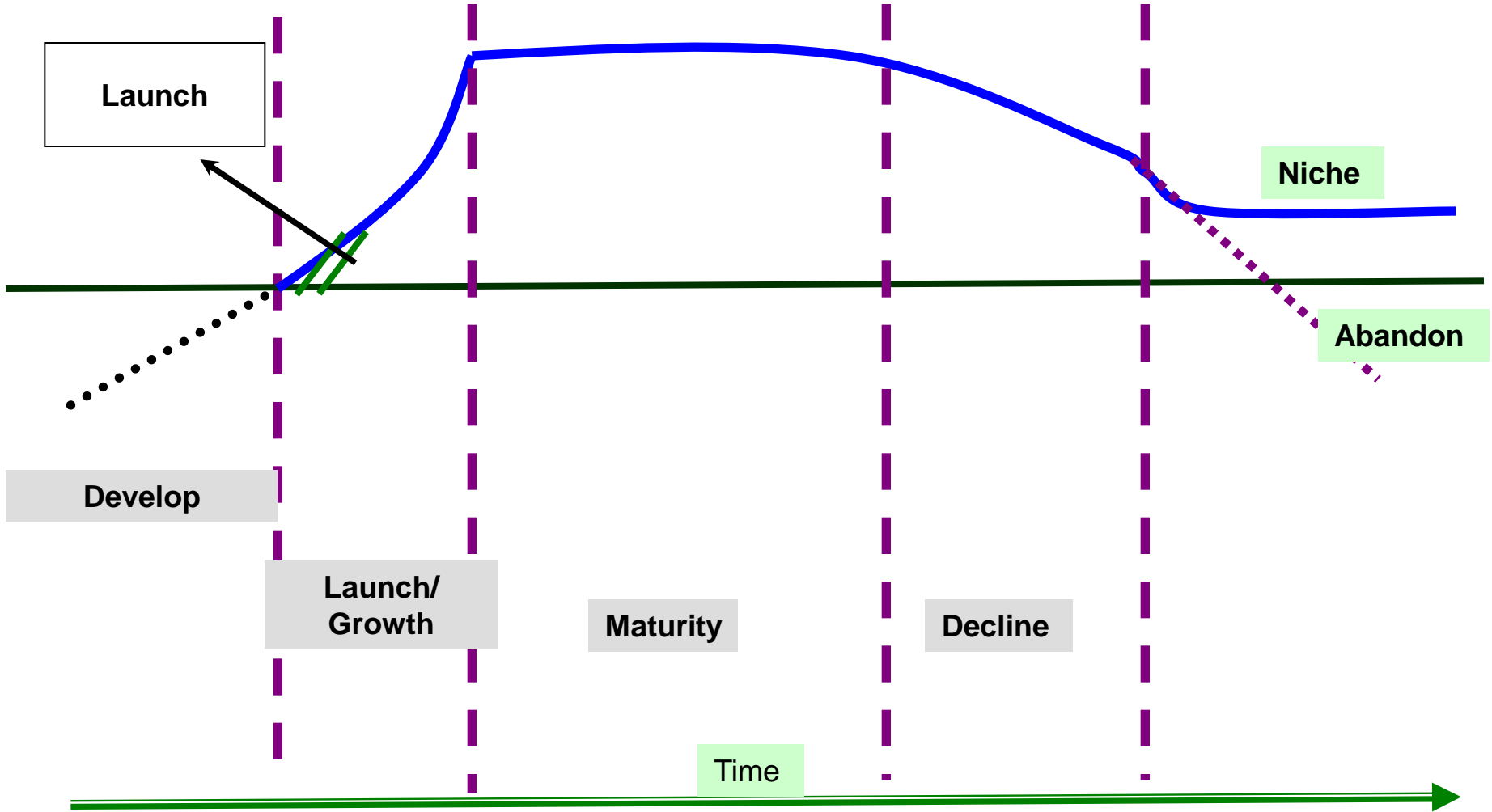
**Unreasonable ambition
becomes the driving force for
innovation risk taking &
quantum change in
improvement**

3. Determine the product lifecycle stage

Stages in the Product Life Cycle

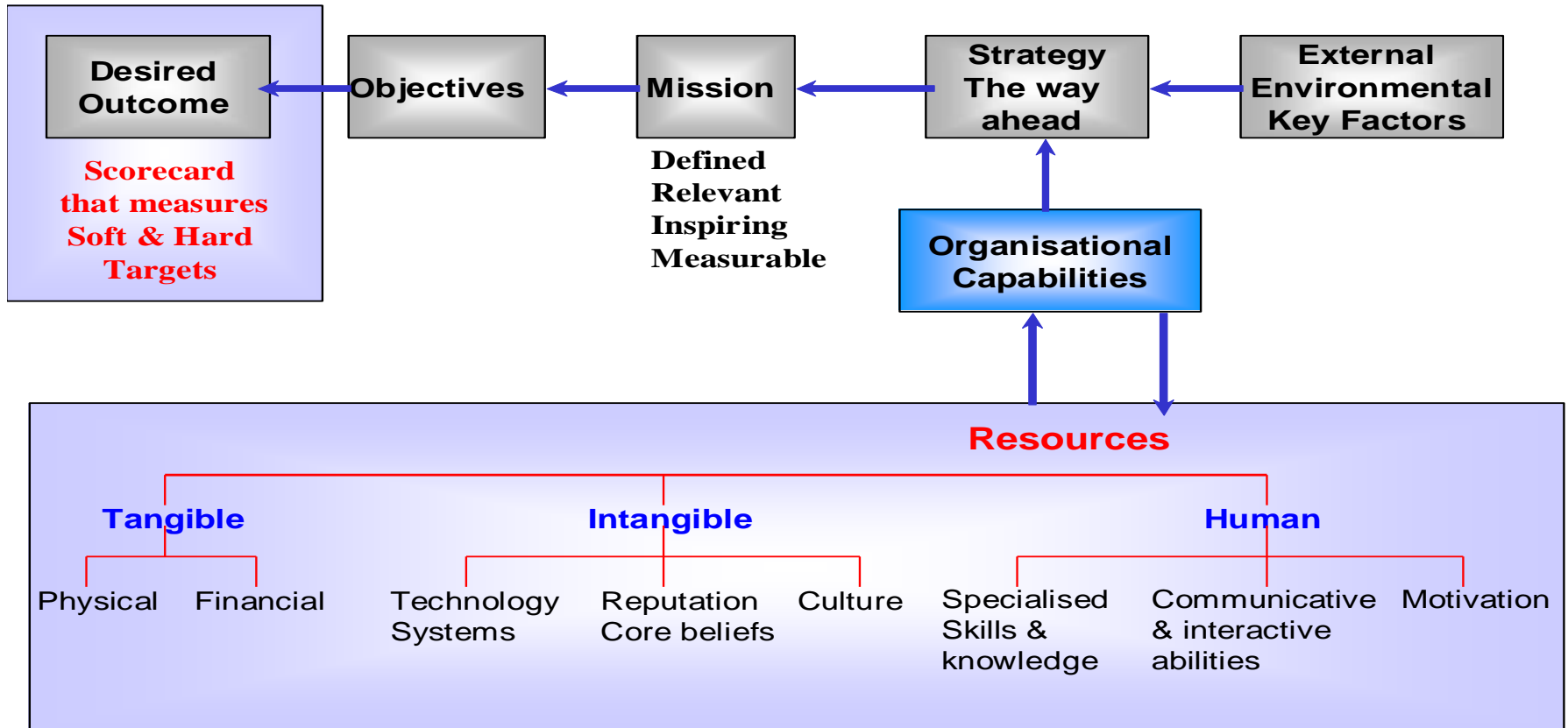


4. Determine the lifecycle position of the firm



5. The Resource based view

The Resource Based View



6. What are the distinctive capabilities of the firm

Kay's distinctive capabilities

Reputation

Architecture

Innovation

Strategic Assets

7. What are the resources of the firm

Grant's Resources of the Firm

Intellectual Capital

Brand equity
Intellectual
Property
Licenses

Human Capital

Attract Staff
Retain
expertise

Financial capital

Equity
financing
Debt
Financing
Other

Core - Competencies

What do you do best
with the capital you
have

Social Capital

Extension of
family
Triple bottom
line
Outbound prog
High ethic

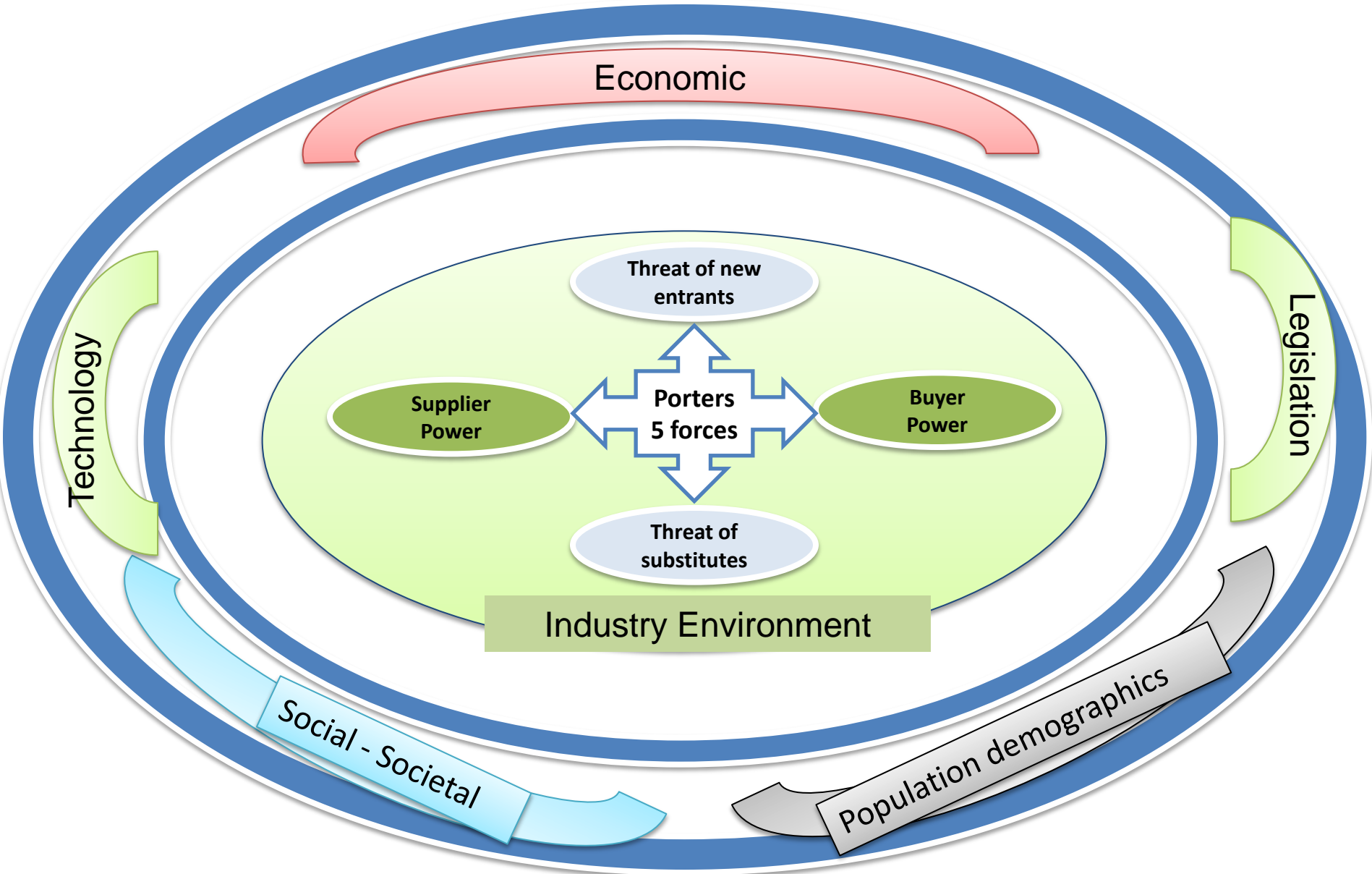
Physical Capital

Infrastructure
Access to good/cheap
labour
Systems & Technology

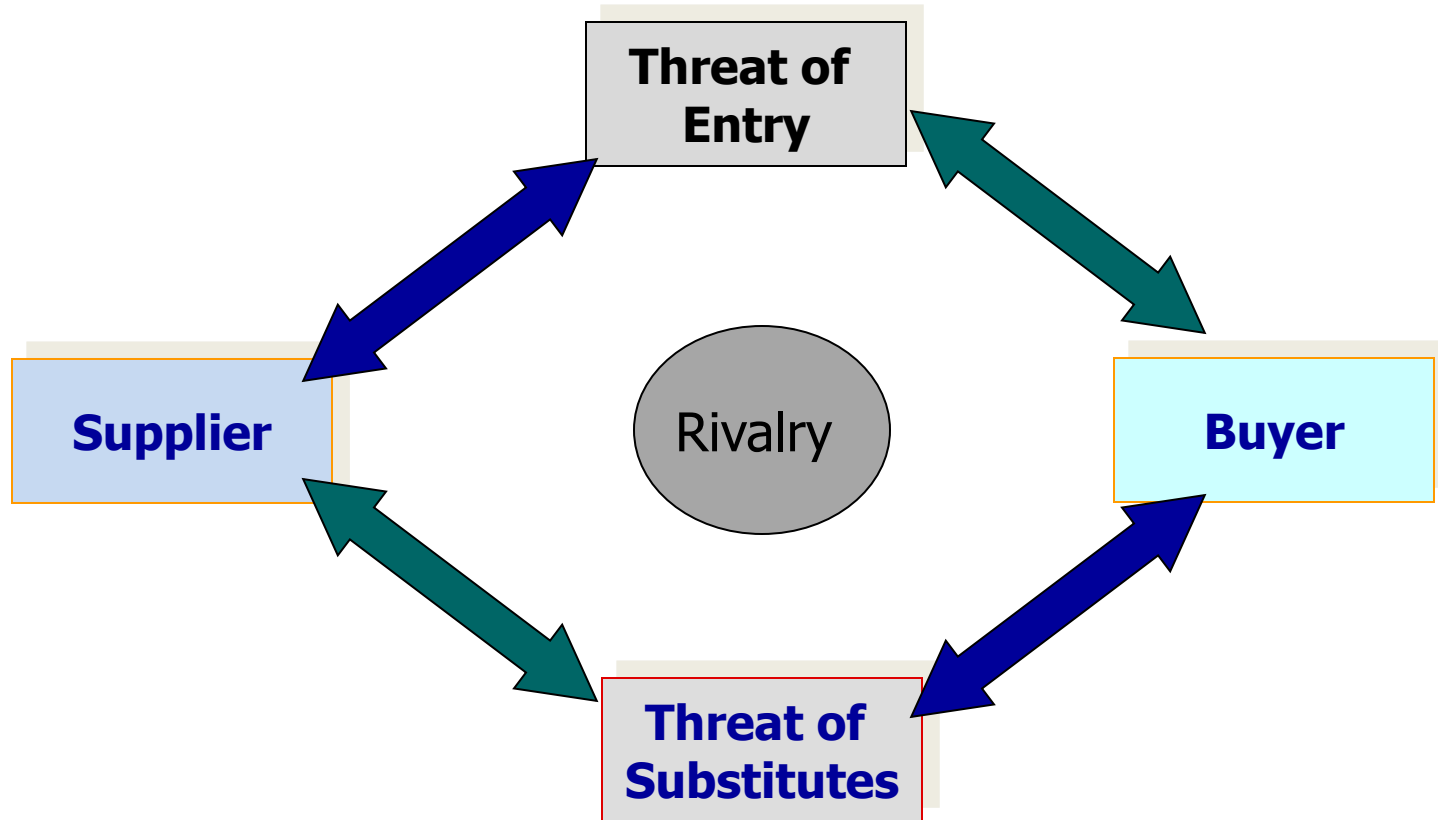
Customer Capital

What do you
customers like about
you
What is your value
proposition

8. Examine the external environment

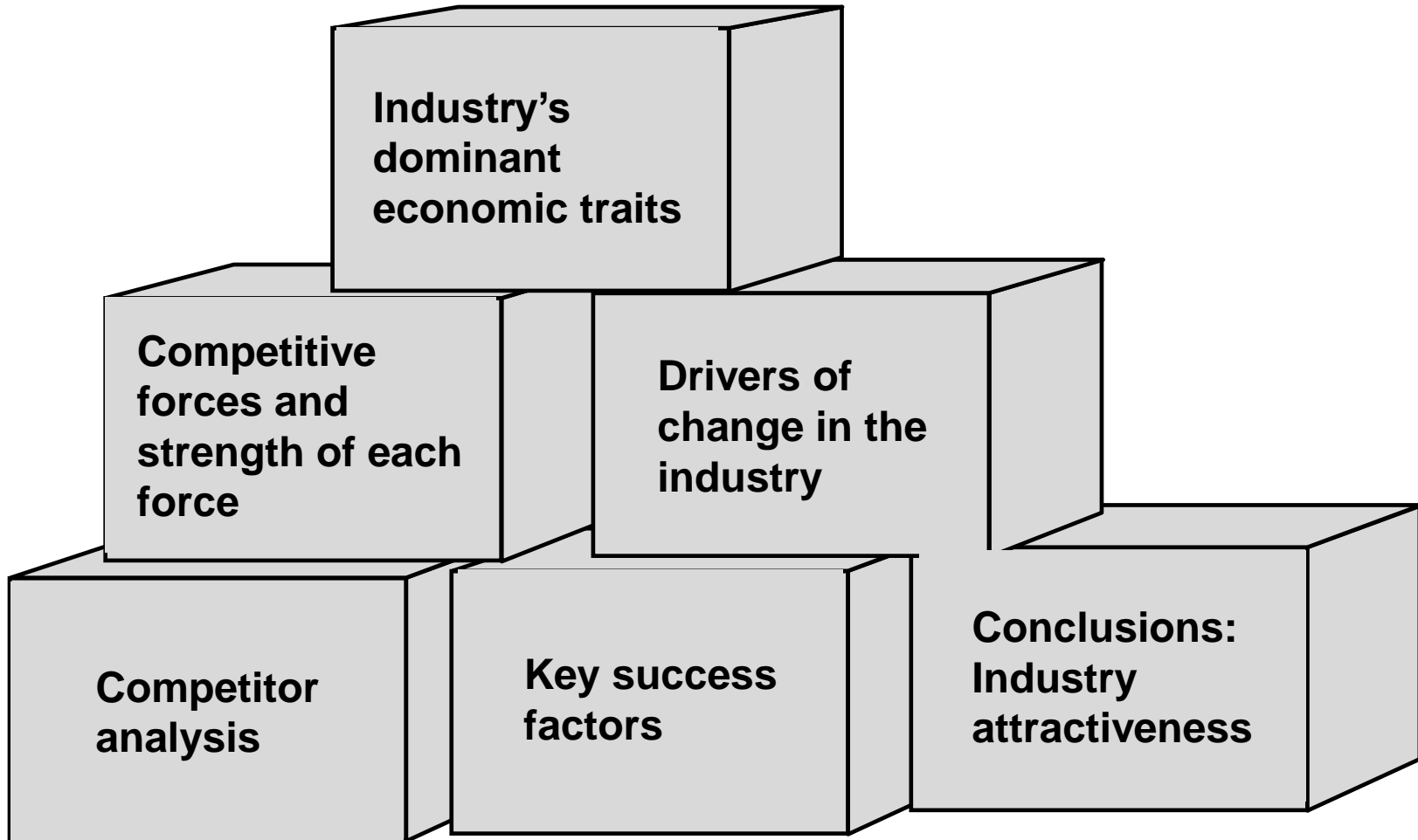


8a.Porters five forces

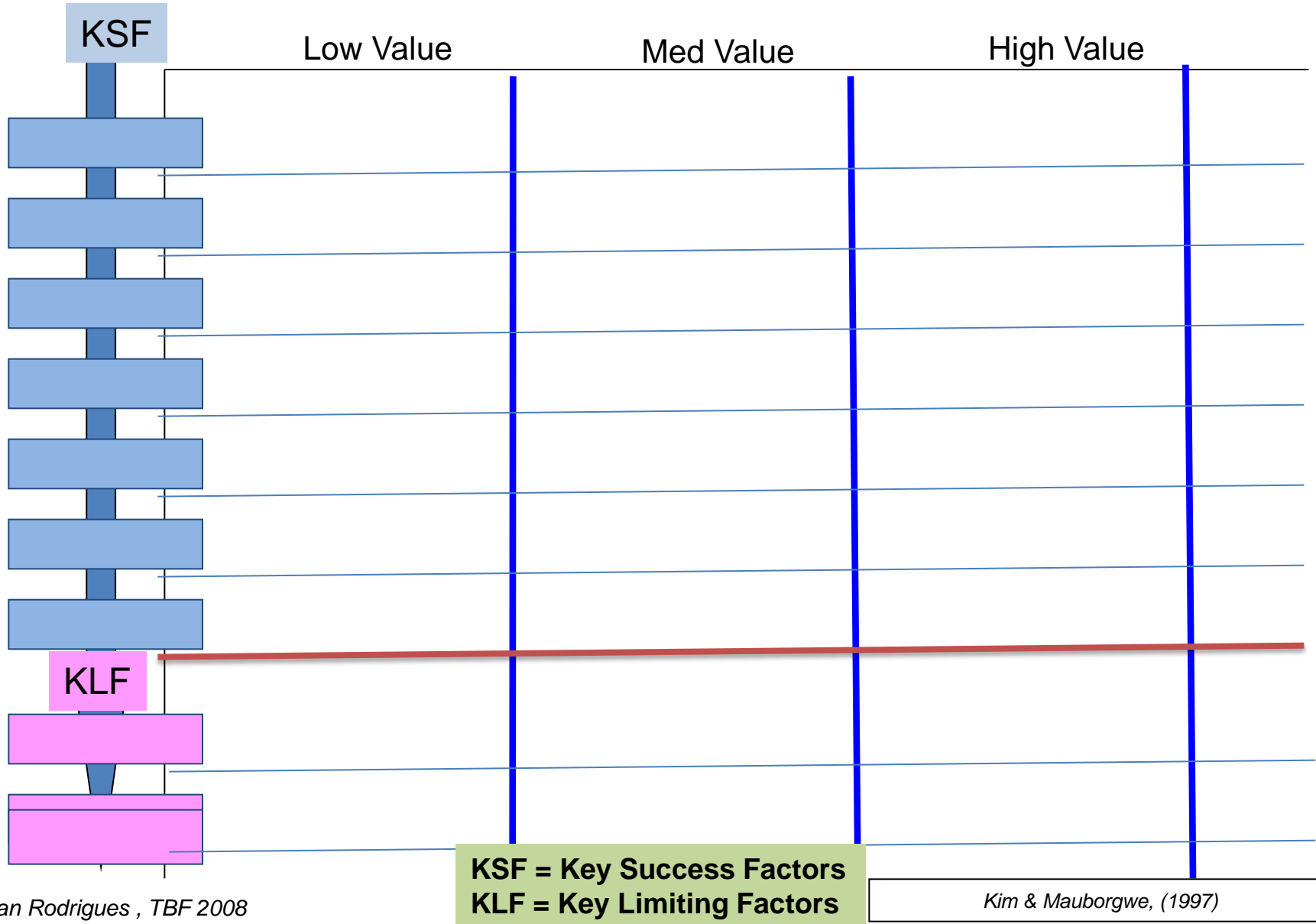


**Who has the power - the buyer or the supplier ?
What is the degree of rivalry?
What is the strategy of the buyer and the supplier?**

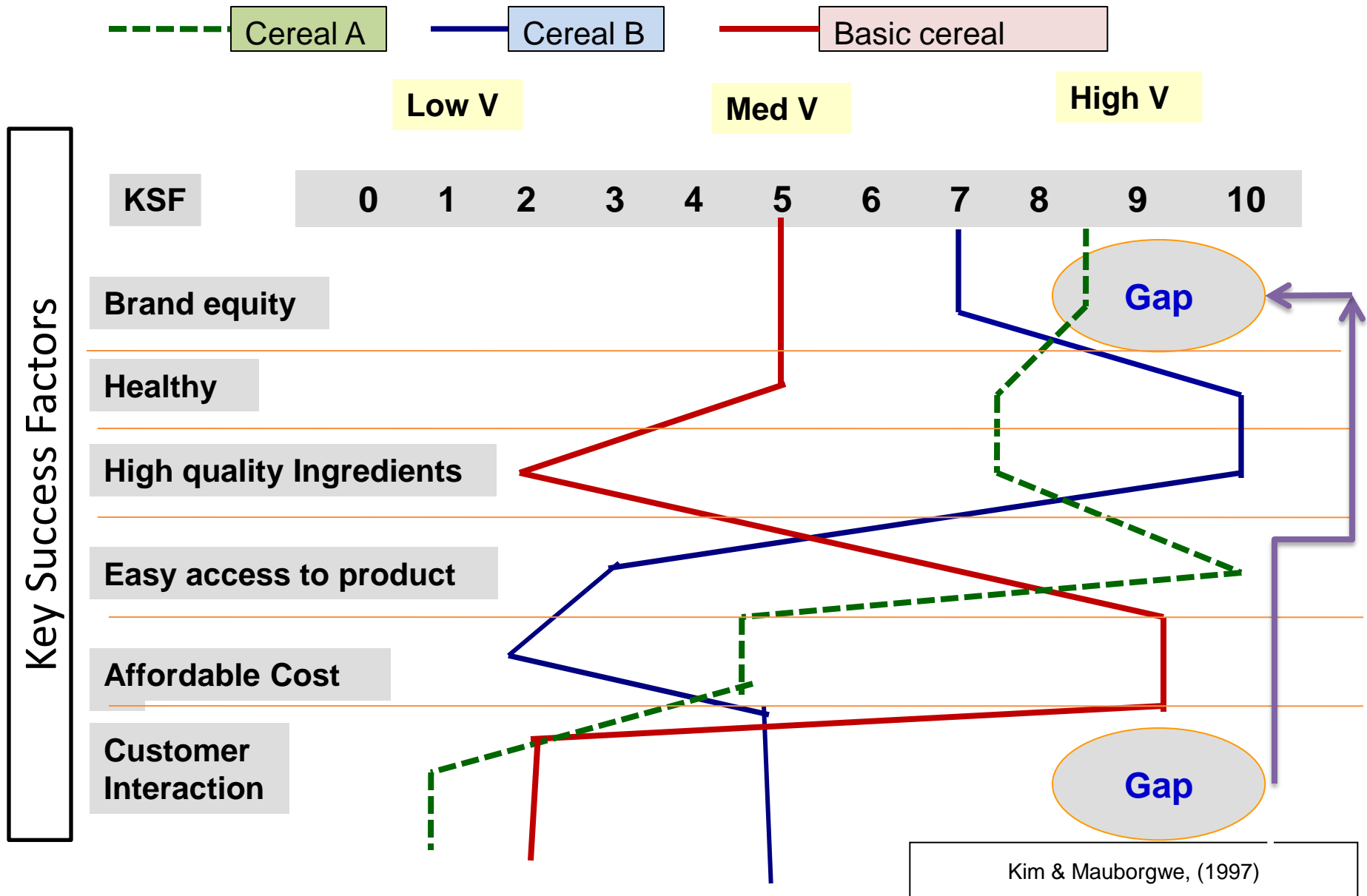
8b. Industry environment



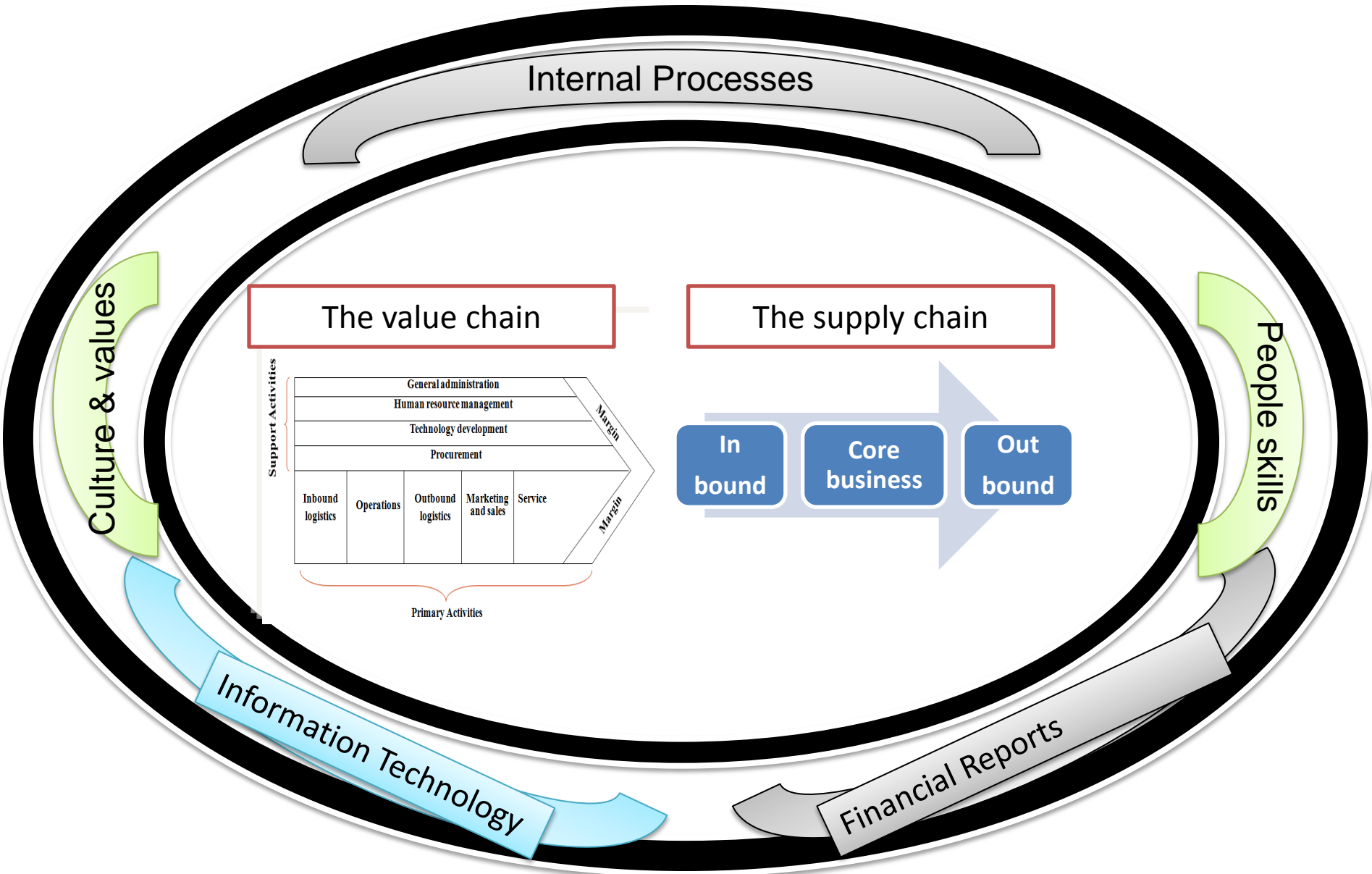
8c. Build value innovation graphs



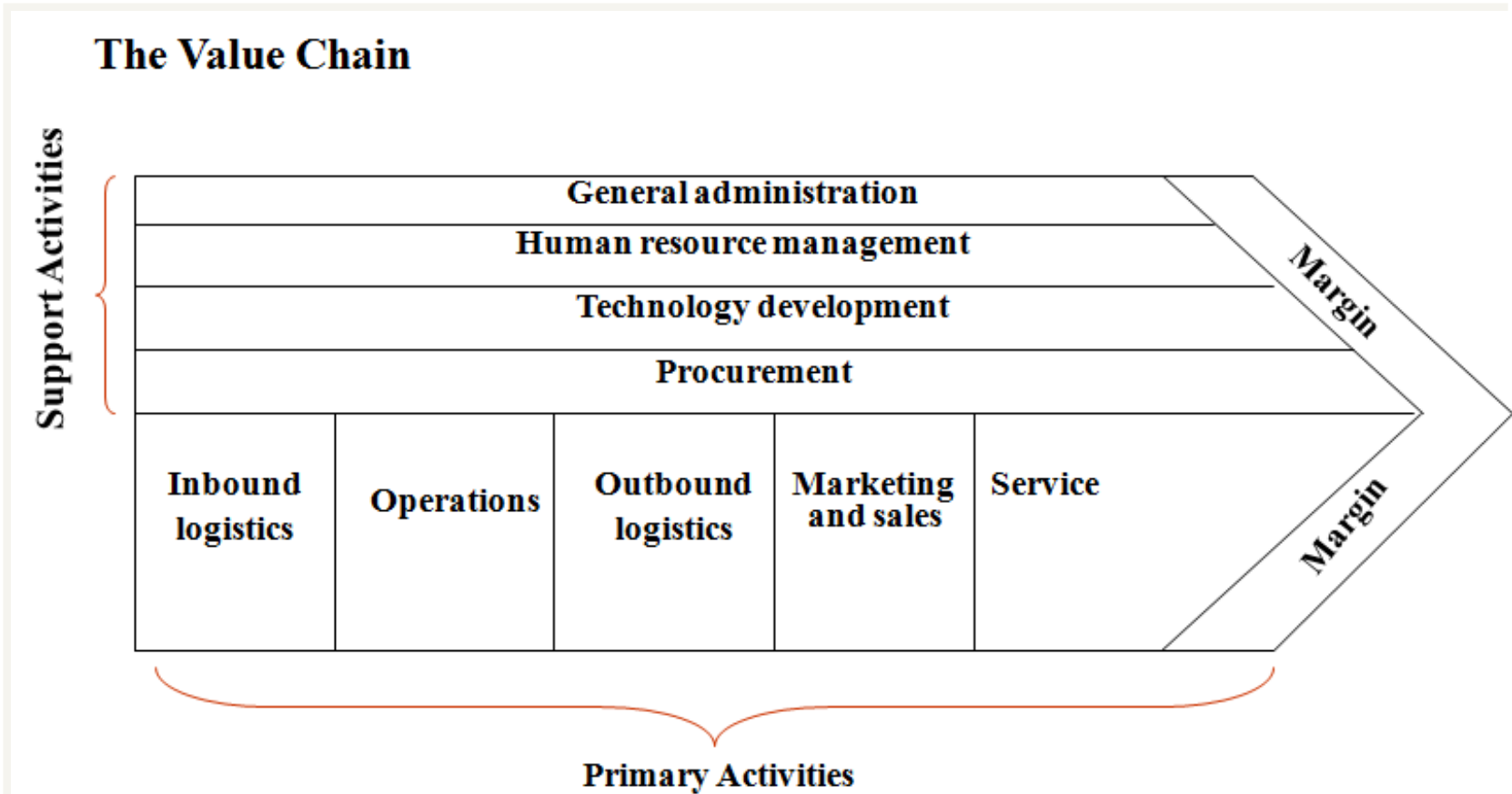
8d. Build Value innovation Graphs example breakfast cereal industry



9. Examine the internal environment



9a. The value chain: primary and support activities



10. Obtain the SWOT

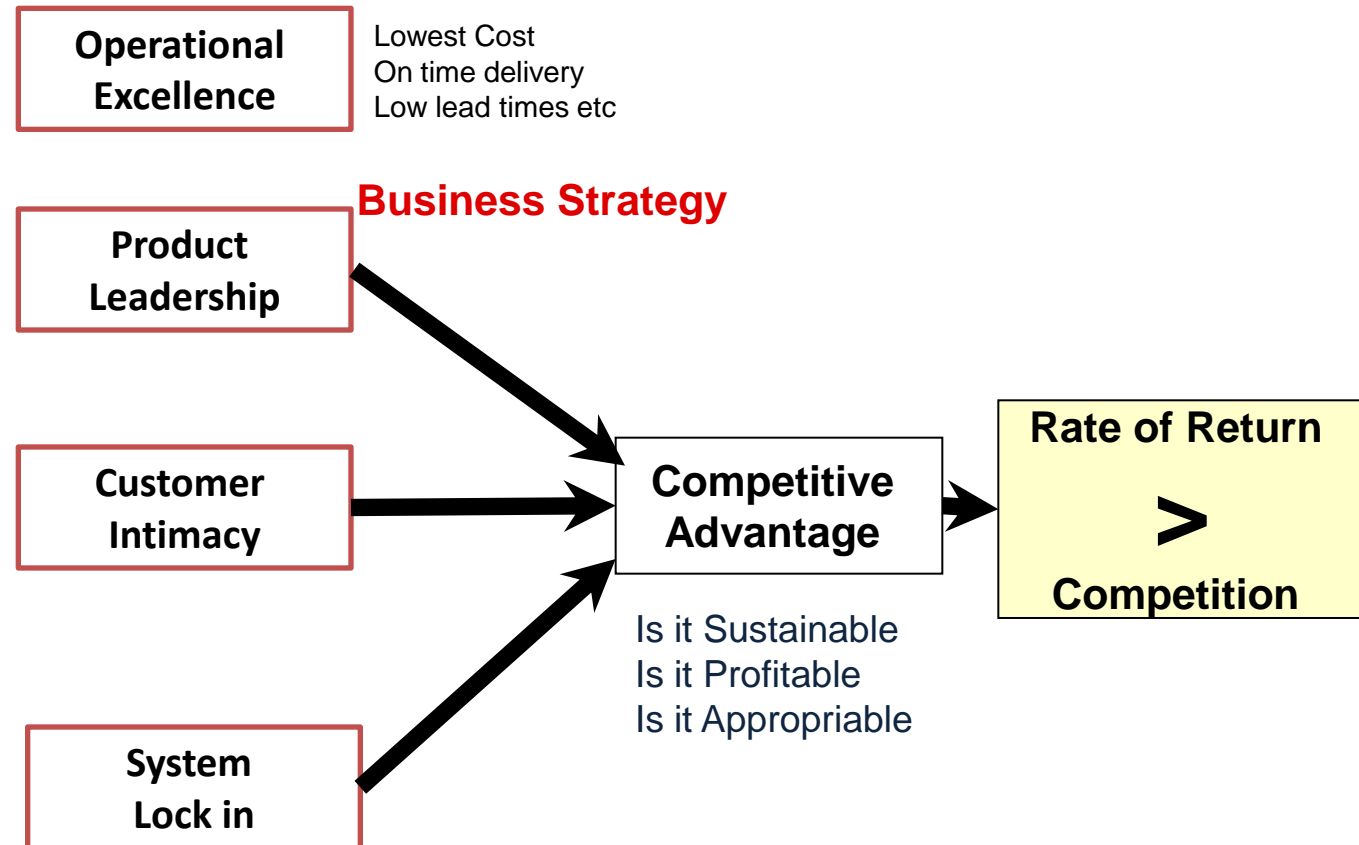
Strengths

Weaknesses

Opportunities

Threats

11. Decide the competitive advantage



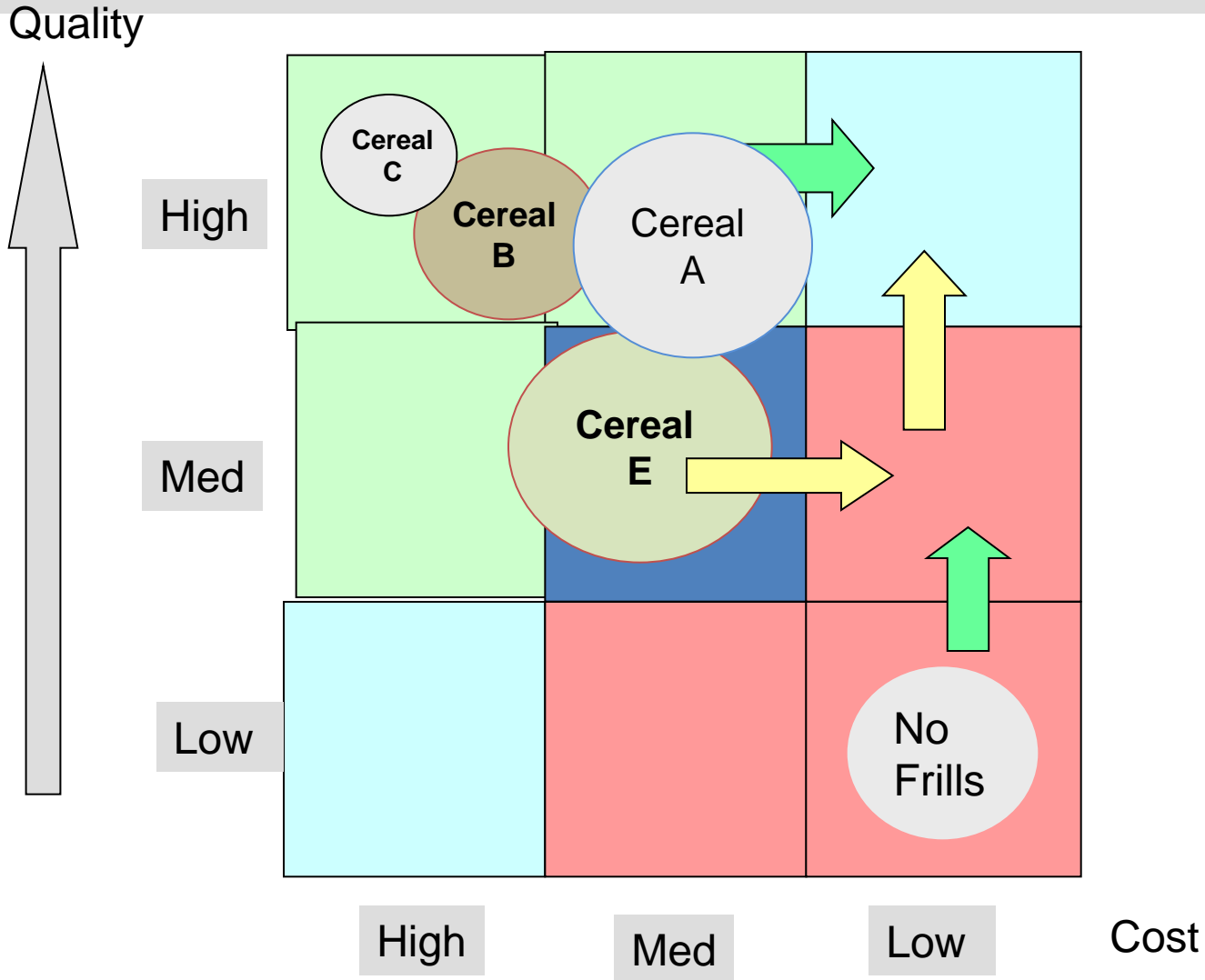
Note the difference:

Differentiation is concerned with how the firm competes

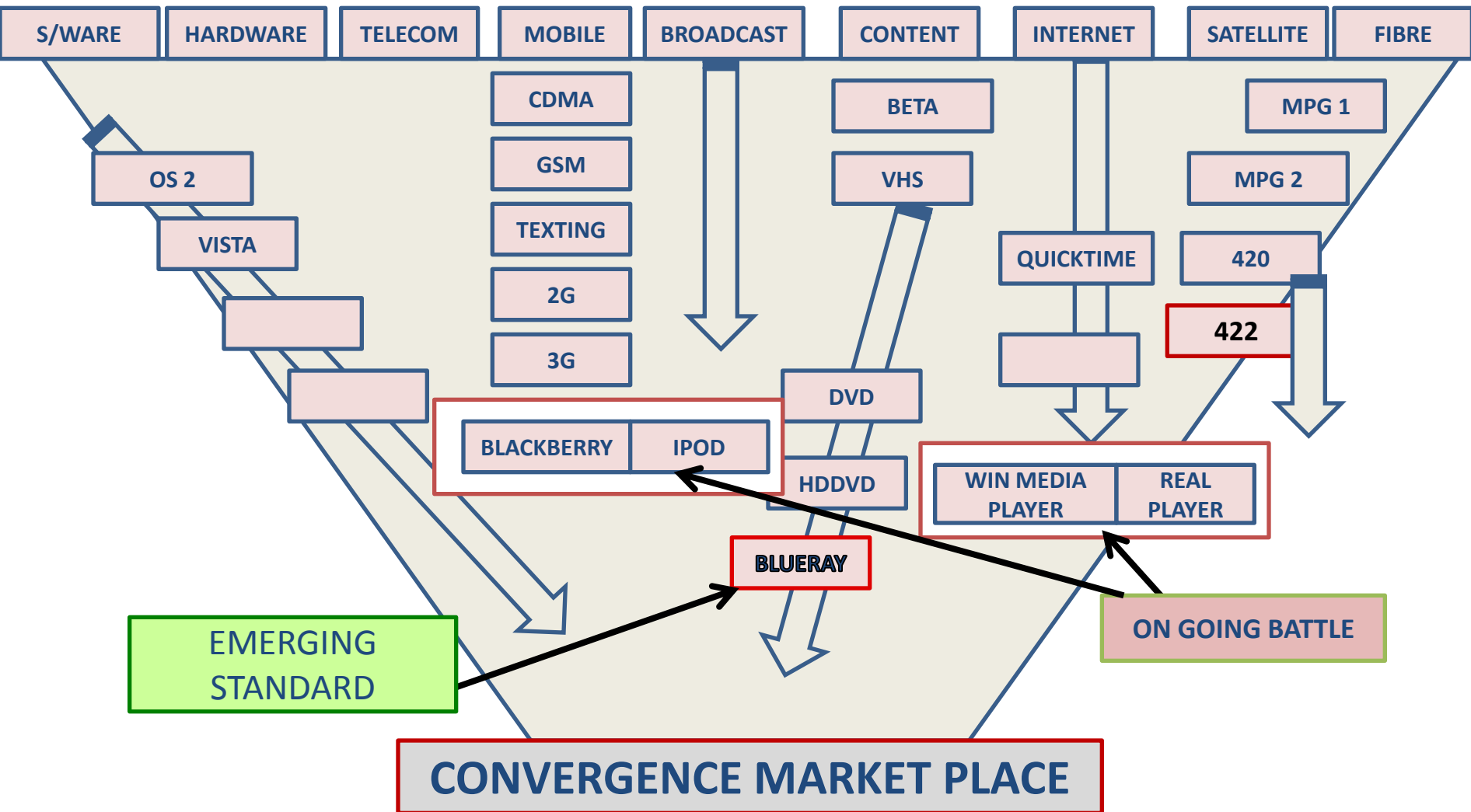
Segmentation is concerned with where the firm competes

11a. Price - quality trade off

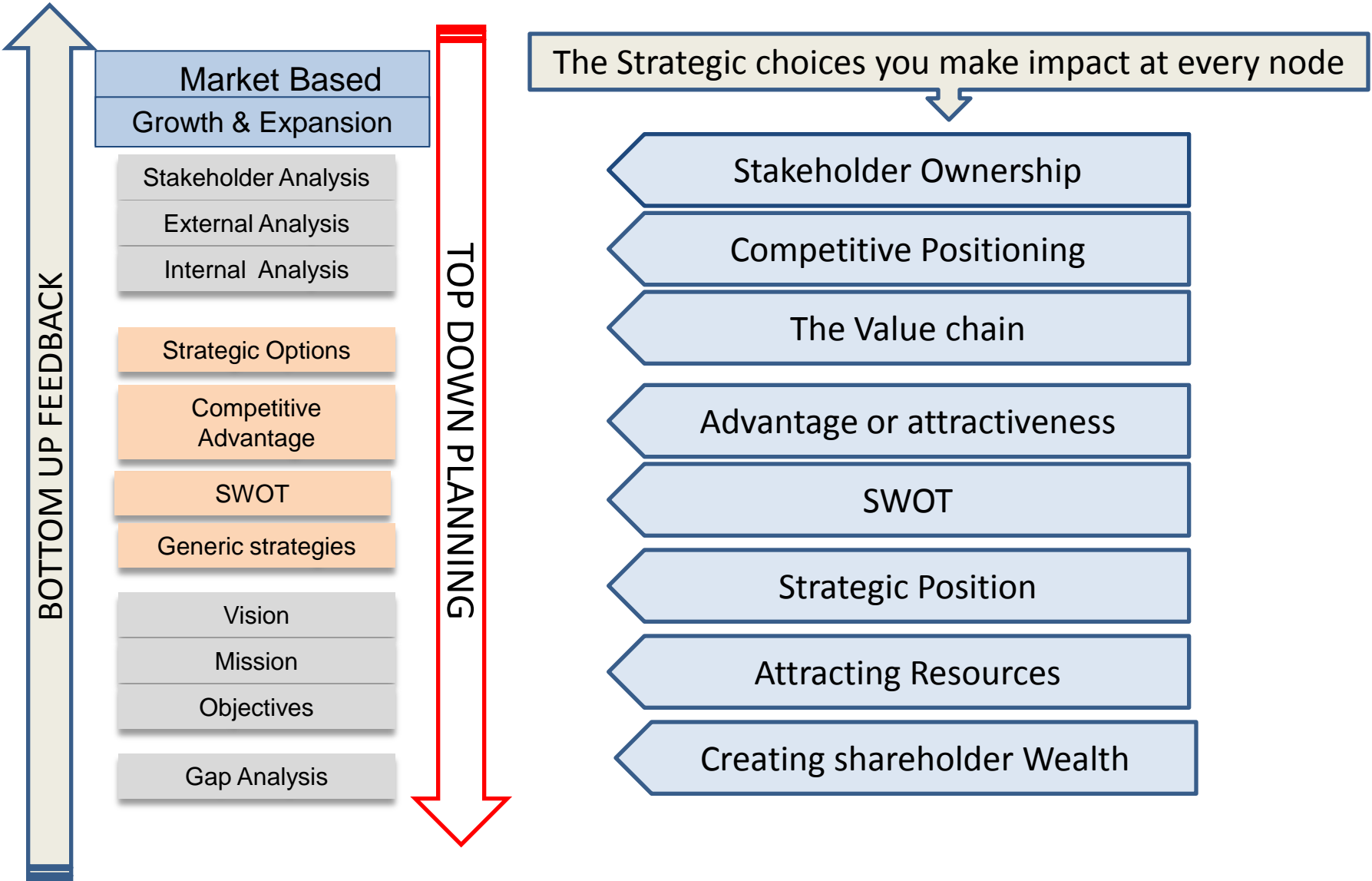
Breakfast Cereal Strategic Groups



11b. Where is the industry dominance heading towards?



12. Strategic Choices – impact at the coal face



The Strategic choices you make impact at every node

- Stakeholder Ownership
- Competitive Positioning
- The Value chain
- Advantage or attractiveness
- SWOT
- Strategic Position
- Attracting Resources
- Creating shareholder Wealth

BOTTOM UP FEEDBACK

TOP DOWN PLANNING

Market Based Growth & Expansion

Stakeholder Analysis
External Analysis
Internal Analysis

Strategic Options

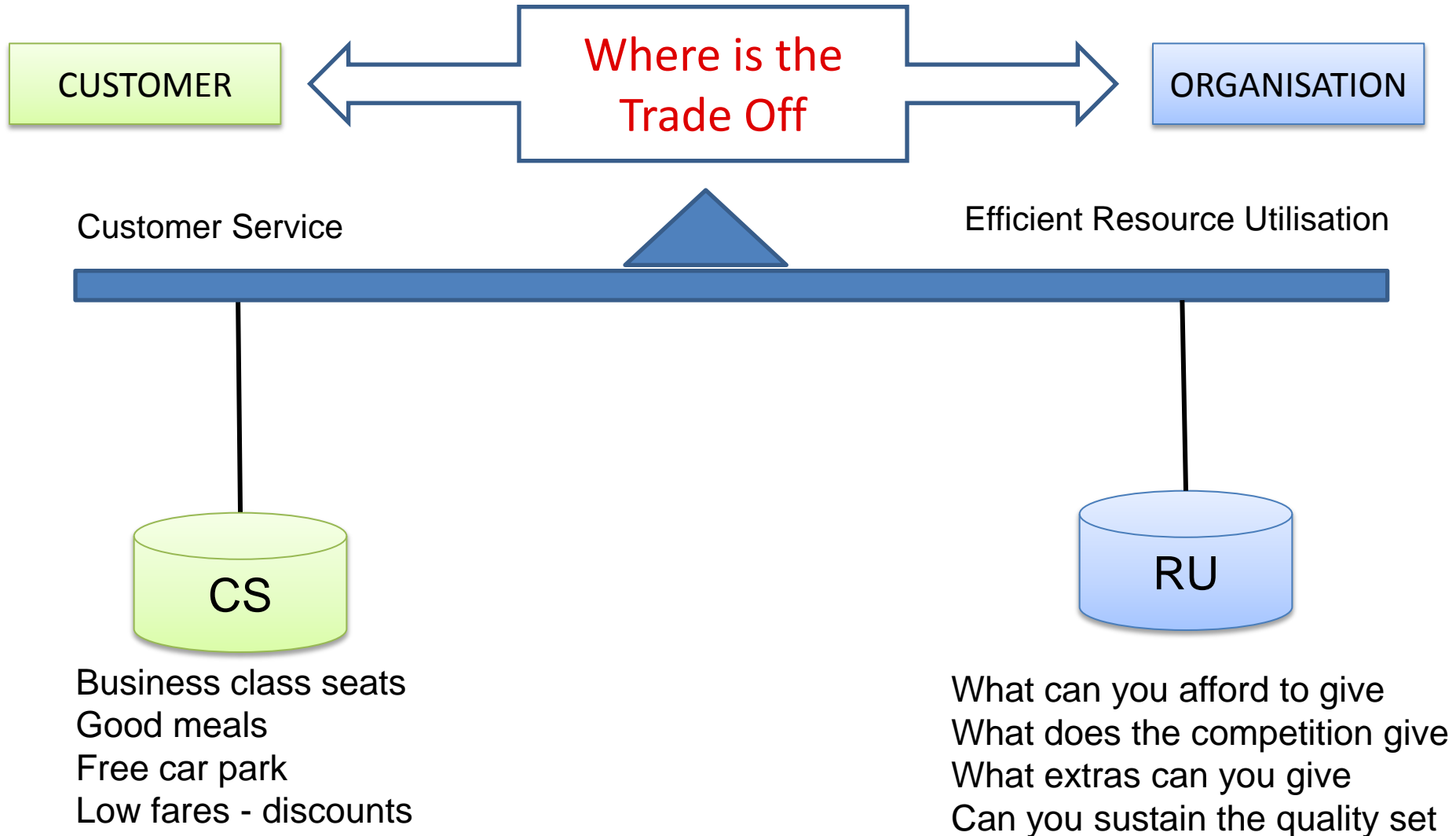
Competitive Advantage

SWOT

Generic strategies

Vision
Mission
Objectives
Gap Analysis

12a. Strategic choice – the trade off



13. Write a destination statement instead of a vision and make it measurable

Well defined picture of the future
on one / two pages

Backward looking description of
the organisation if strategy has
been implemented successfully

3-5 year timeframe

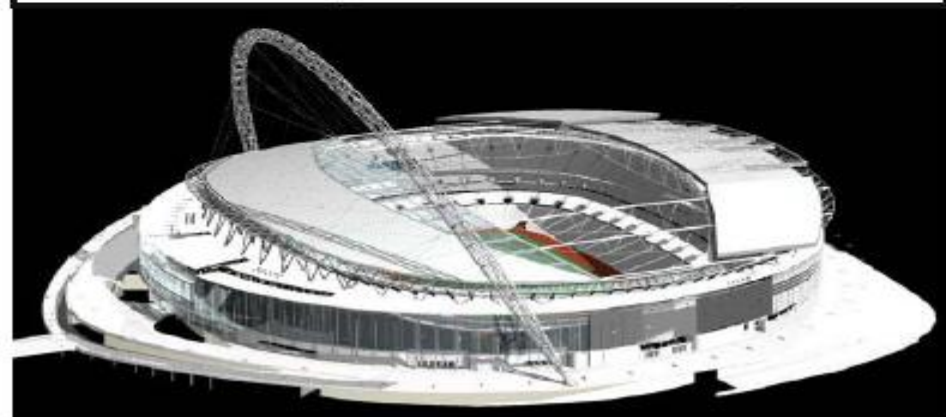
Positional descriptive sentences
about things in your control

Not a Vision or Mission Statement!

Old Wembley Stadium: Photo



New Wembley Stadium: Artist Impression



14. Keep the mission statement simple and measurable

An Airline example –British Airways

Mission

To Fly and To Serve

Measure

Seats per kilometer



Club Europe



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