

“PLUGGED IN”

An Electrical Contracting Memo

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CONTRACTING – STRATEGIC BUSINESS PLANNING

Strategy is defined as a plan of action or policy designed to achieve a major or an overall aim. Head football coaches have a “game plan.” Most good coaches have a game plan “A,” game plan “B,” and game plan “C.” If the game requires plan “C,” the game will probably be lost. The best teams stick to their “A” game. Because their “A” game provides the best strategy to win.

Reasons why a business needs to set a strategic plan:

1. **To increase the return on your equity** – Equity represents ownership. The goal of building a business is to increase the ROI of your equity.
2. **To reposition your company** – Find new markets, if necessary.
3. **To maximize your strengths and opportunities** – Figure out what you do extremely well. Take advantage of opportunities that allow you to excel.
4. **To form a basis for making action decisions now** – The whole purpose of strategy is to plan and prepare and act.

Five Questions that every business owner must Ask and Answer:

1. **Where am I now?** Assess your current situation. Identify your business, customers, markets, competitors, and financial strengths and weaknesses.
2. **How did you get to where you are today?** Reexamine your past. Look at your history. What did you do right or wrong? What lessons did the company learn? What got you where you are today?
3. **Where do you want to be in the future?** Create your own perfect future. Where do you want to be in one year, two years, three years? Where do you want to be personally and where do you want your company to be? Clearly defining your ideal future based on where you are today and how you got here is critical.
4. **How are you going to get there?** Prepare the next steps that you need to take. Where do you want to be and with whom? Brainstorming, you go around the table. Mind storming, you write the question on the top of the paper and then challenge yourself to write out 20 answers or solutions to a problem.
5. **What do you need?** Make a checklist. What additional skills, resources, or money will be required to achieve your strategic objectives?

Vince Lombardi led the Green Bay Packers to become brilliant on the basics. To be successful in strategic planning and in business, you must become brilliant on the basics of strategic planning, and you do that by continuing to ask and answer the right questions.