

STRATEGIC POSITIONING: THE POWER OF A PLAN



Like so many processes in a family enterprise, strategic planning and strategic positioning come in all shapes and sizes. In fact, a quick Google search for

both yields more than two hundred million links. Given the rapid pace of change – economic, technological and social – coupled with the diverse interests of family members, we suggest that these kinds of plans are best cast in Jell-O, rather than in cement. Cookie-cutter approaches aren't useful in this area because one size definitely does not fit all.

Instead, family members in business together must work as a group to craft a process that meets their unique needs at any one moment in time. For some, this may mean a process that continues and builds on the founder's vision; for others, it may mean a process that allows for enormous change. For some, the process may include participation by just the owners; for others, it might include only those owners working in the business, plus key non-family executives.

Our point here is simple: There is no right or wrong. What this plan should be depends on the family and the business situation at that moment in time and needs to be revisited on a routine basis. We're neither suggesting nor designing a specific process. What we are advocating is the compelling need to create and engage in one that suits your needs.

The biggest difference in planning in a family enterprise is, of course, the family – its culture and history, its values and



TRANSITION CONSULTING GROUP
CATALYSTS FOR CHANGE IN FAMILY BUSINESS

character, the needs and desires of multiple individuals and how each of those intersects with the business itself. As the family moves from one generation to the next, this clearly becomes more complex when more variables need to be considered.

The age-old question, "Does the family serve the business or does the business serve the family?" needs to be answered. And the answer can vary from generation to generation or even from year to year. But without a plan or strategic positioning, you're steering a rudderless ship, one that's likely to run aground and perhaps even sink. If you don't know where your enterprise is headed, how can you be sure it will end up where it needs to be for succeeding generations?

Based on our work in helping family businesses to craft strategic plans specific to their needs and culture, we have



some ideas for best practices and sustainability that can and should apply to whatever plan you ultimately create, through whatever process you choose.

- Create a dashboard to measure and chart key performance indicators. This will help you to see clearly where you are, and whether the plan as it exists is working or not to move you in the direction you want to go.
- Set aside time to think strategically: Where do you see the business in a year? In five years? In ten?
- Engage in strategic positioning: What kind of value proposition are you creating and how does it differ from that offered by your competitors? Where's the "white space" in your industry? How can you use it to gain a competitive advantage?
- Hire a professional facilitator. It's exceedingly difficult to be both a participant and a facilitator at the same time and it's more important for family members to be engaged as participants.
- Build alignment. Having the support of the family members in your efforts will ensure that everyone's moving in the same direction and toward the same goals. Buy-in is critical to sustain the ongoing effort.
- Be sure a key executive is responsible for implementation. A plan is only useful if it's actually put into use, and this requires periodic rechecking, with one person answerable for successful execution.
- Build accountability into the process. Defined roles, timetables, and expectations create clarity and make it easier to see where your organization is succeeding or failing to meet its goals. It also lessens the chance that your corporate efforts will degenerate into an exercise in finger-pointing when you come up against an obstacle.

As family business owners, we are stewards of our enterprises, responsible for preserving and protecting them for the future. A strategic plan is a critical piece of that stewardship. Neglect it at your peril.

For more tips and resources from David and Paul, visit www.fambizconsulting.com.

