



RESULTS-DRIVEN **STRATEGIC PLANNING:** USING THE 3 PILLARS TO ANSWER THE 5 QUESTIONS



There are many approaches to Strategic Planning. Many different models can be effective. The one truth that applies universally is that the approach you use needs to fit your business.

With that said, the approach supplied in this white paper has worked in many small-to-medium-sized businesses and provides the foundation to build a successful strategic plan. You are encouraged to use it as a framework and customize it for your business as appropriate.

A key tenet of successful strategic business planning is practicality. If it does not guide your business decisions, get used throughout the year, and drive better results, it is just a “feel-good, check-the-box” activity. And who has the time or energy for that?

To increase the usefulness of this white paper, many templates and schedules are provided.

The Five Questions (Why, What, How, Who, When)

At its essence, strategic planning is about answering five questions about your business.

1) Why you do what you do?

A company's mission statement is the most important part of the strategic plan. An effective mission statement isn't just an exercise in wordsmithing. It should reveal what is in your heart about your business. You are sharing it with the people that matter, your employees, your customers, and your investors.

Your mission statement should be something other than the trite "be an industry-leading [fill in the blank business category]" and it should be about more than just making money. This is why you get up in the morning and go through the blood, sweat, and tears that running a business entails. It is what you want your legacy to be. It is how your business helps people and the world. If it is not inspirational, then your business is not inspirational and frankly, you should do something else.

An effective mission statement engages the hearts and minds of current and prospective employees, customers, and investors and provides them the clarity of whether your business is something they want to be a part of.

2) What are you going to accomplish?

By laying out in detail your 10-year vision, you provide a north star of where you are going. This 10-year vision is also known as a BHAG (pronounced bee-hag) which stands for "Big Hairy Audacious Goal". It should include a stretch that is a bit uncomfortable. Your first thought might be "I don't know how the hell we are going to get there." That is okay. It shows you are on the right track.

In addition to uneasiness, an effective BHAG also provides excitement. It also forces creative out-of-the-box thinking. If the following questions come after the discomfort, you know you are on the right track: "You know, I don't know how the hell we are going to get there, but wouldn't it be amazing if we made that happen?" and "I wonder if other people would be as excited about this kind of vision as I am starting to be?".

After setting this 10-year vision down, you further break it down into a 3-year plan, a 1-year plan, and quarterly plans.

3) How are you going to accomplish your vision?

This isn't about what you are going to do to make your vision happen. That will come later in the strategy and tactics. First, you need to determine the Core Values which will guide your business decisions. These principles will guide decisions such as: what employees to hire, what behaviors to reward, what decisions to make, what actions to take, and what to focus on.

Think deeply about these Core Values. They are the guiding lights that will keep you on the right path.

4) Who will I serve and who will I work with to achieve the vision?

An important part of your strategic plan is a clear understanding of your target customer market. It is critical that this target customer definition be specific and detailed. It is important to be empathetic and see and feel things from the perspective of your target customer. Get out and visit with your target customers, get to know them, what their day looks like, what their biggest challenges are, what they are trying to accomplish, and what they need to reach their goals. It is essential that you love your customers and have a burning passion for making their lives better. Only with this combination of a clear view of who your target customer is combined with an empathetic understanding of their needs and a burning passion to fulfill them will you be a successful business.

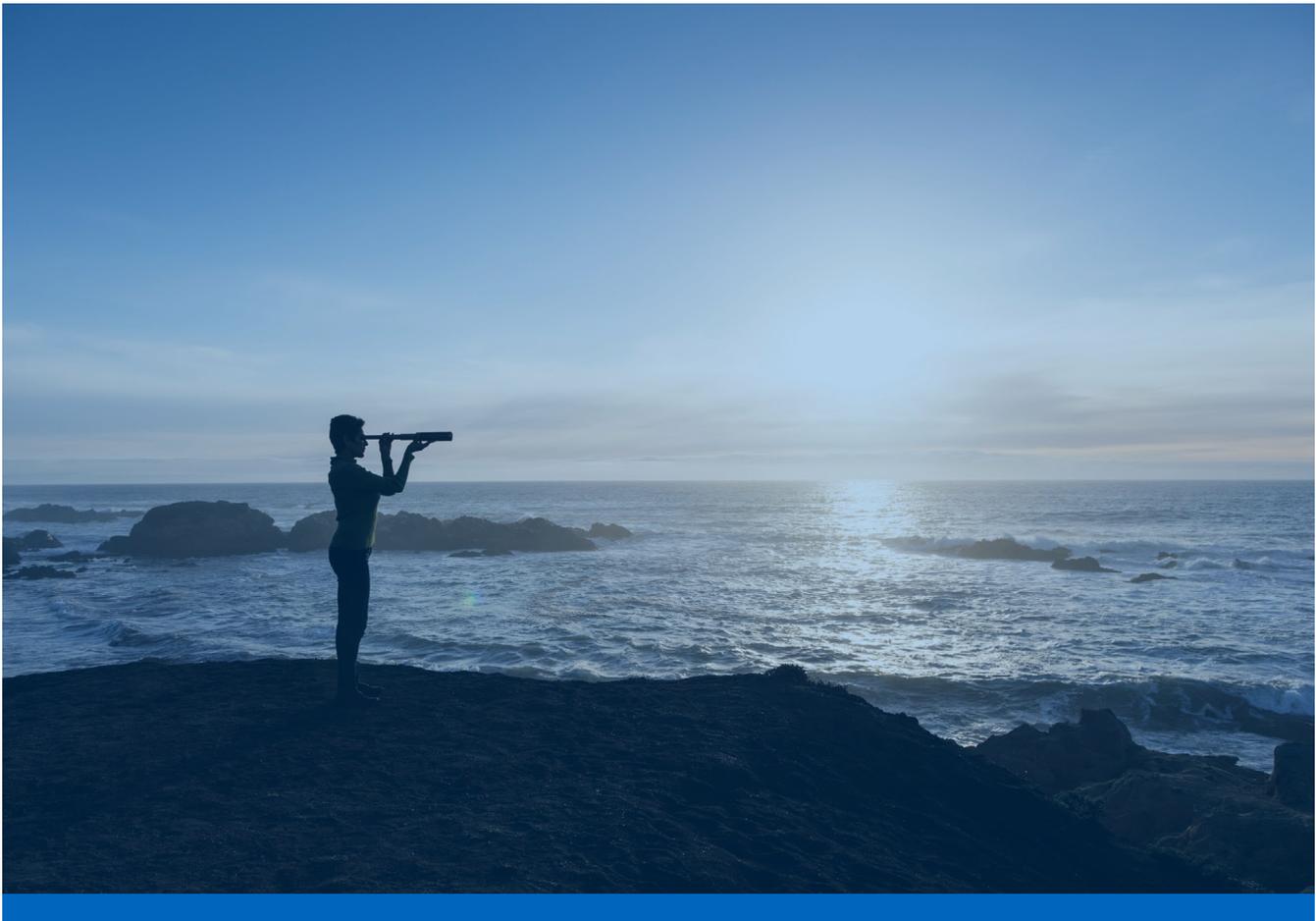
A successful business plan is about choosing the things to focus on, so you aren't distracted by less important things or things you aren't built to do. Clearly defining your target market and understanding your customers' needs will make decisions such as whether you should add this new product or service clearer. You should ask yourself "how will that benefit my target market?" and "what is my capability to provide that benefit better than others?".

In addition to answering the question about your target market, it is important to determine who will be on your team helping you accomplish the mission. Your vision will determine the type of organizational structure you need to accomplish your goals. Your core values will determine the type of people you need in the organization to accomplish your goals. Once you've answered the key questions of who you will serve and you will serve with, you can then answer the important question of who is responsible for the specific parts of the plan.

5) When will we accomplish the key milestones?

The final question to be answered is when. You began answering this question when you identified your 10-year vision. You further refine your answer by breaking the 10-year vision down into 3-year goals, 1-year goals, and quarterly goals.

After identifying these goals, you next define the key action items you will take and milestones you will achieve each quarter.



The Three Pillars

The pillars of a good *strategic planning process* are *analysis*, *creativity*, and *organization*. In strategic planning, you need both the left and right sides of your brain engaged. The foundation under these pillars is teamwork. It is important to seek and consider a broad spectrum of perspectives and interests in the planning process. This can include the management team, employees, customers, strategic partners/vendors, investment advisors, and shareholders.



Phase One: Planning the Plan

This section contains big-picture things to consider as you start working on your plan.

The first thing is to prioritize and provide enough time for planning. The strategic planning process is one of the most important things you'll do as a company and like most things, you'll get out of it what you put into it. Give yourself enough time to do it well without being rushed by deadlines.

Creating a strategic plan may seem overwhelming at first. The good news is that it is very doable if you follow a systematic process (like the one outlined here) and consistently pursue it in bite-sized pieces. Before you know it, you will have created a valuable resource for your company and improved team unity.

Typically, strategic planning will involve four sessions as a group and will take two to three months. Sessions should have some time between them to allow for thinking and preparation, with roughly two weeks between sessions. The planning team should include leaders responsible for each area of the value chain: financial management, operations management, organizational development, and revenue generation.

A useful first step is to build a planning calendar upfront and secure commitment from the executive team. It doesn't have to be anything fancy, just enough detail so everyone knows what you are doing and agrees it is the right approach.

Example Planning Calendar

| WHO IS INVOLVED | ACTIVITY | TIMING |
|--------------------------------------|--|-----------------------------|
| CEO/President/CFO | Finalize Planning Calendar (Session 1) | 1st Half of July |
| CEO/President/CFO | Next Year Modeling | Last Half of July |
| Executive Team & Department Managers | Strategic Planning Session (Sessions 2 & 3) | Mid-August |
| Department Managers | Department Objectives & Financial Budgets (1st Pass) | Mid-August to End of August |
| CEO/President/CFO | Company Strategic Plan & Financial Budget (1st Pass) | September |
| Executive Team & Department Managers | Strategic Planning Session (Session 4) | Early October |
| Executive Team & Board of Directors | Board of Directors Strategic Planning Session | Mid-October |
| Executive Team & Department Managers | Company Strategic Plan & Financial Budget (2nd Pass) | 3rd Week in October |
| Department Managers | Department Objectives & Financial Budgets (2nd Pass) | Last Week in October |
| CEO/President/CFO | Company Strategic Plan & Financial Budget (Final) | 1st Half of November |
| Executive Team & Department Managers | Review Final Strategic Plan & Budget with Management Team | Mid-November |
| Executive Team & Board of Directors | Final Strategic Plan & Budget Presentation/Approved by Board | December |

It is important to include the board, managers, and employees in the vision and journey of creating your plan. Communicate often regarding the building of your plan and your progress.

Give yourself time between the stages of the planning process for people to work on the details. Take time to think individually and together. This will result in a better, more aligned plan and a stronger commitment. Strike a balance so that planning doesn't get too complicated or take too much time. It is helpful to have an agreement upfront with the team on how much time should be spent on the strategic plan.

Appoint a Strategic Planning Czar, someone who is responsible for pulling everyone together to accomplish the planning mission and execute the process. Ultimately, the Board and CEO are responsible for the strategic plan, its execution, and its success. Planning is best done collaboratively but at the end of the day, the CEO and board make the final call. This Strategic Planning Czar is responsible for project management including meeting scheduling, communication, and document preparation. Supported by the CEO and Board, this person needs to be someone who earns the commitment and respect of the team through their contribution and understanding of the business. He or she will use about two months of their time on this process (1/6th of a full-time position) between building the plan and tracking progress throughout the year.

The Two-Page Strategic Plan Summary

The remainder of this paper lays out a roadmap for the team to develop a strategic plan using the 3 pillars (analysis, creativity, and organization) to answer the 5 questions (Why, What, How, Who, and When).

This plan uses a 2-page Strategic Plan Summary format that borrows heavily from the Entrepreneurial Operating System (EOS) outlined in Gino Wickman's book "Traction – Get a Grip on your Business."

Page 1 of the 2-page Strategic Plan Summary focuses on the longer-term (the 3-to-10 year view). This is the vision part of the plan. It focuses on answering the Why, What, How, and Who questions of why we are in business, what results we want to achieve, how we serve, and who we serve.

Page 2 of the 2-page Strategic Plan Summary focuses on the 1-year time frame. This is the execution part of the plan. It focuses on identifying the goals and key initiatives for the next year, and who will be responsible for accomplishing these goals.

For each section (Page 1 Vision and Page 2 Execution) the summary format is provided along with the process and detail you will use to generate the plan.

Phase Two: Creating the 2-page Strategic Plan Summary

Phase 2A: Creating the Long-Term Plan (Page 1)

Page 1 of the 2-Page Strategic Plan Summary focuses on the long-term plan.

Below is an example of one with completed information.

2 PAGE STRATEGIC PLAN SUMMARY [COMPANY NAME]

LONG-TERM VISION

| FOCUS | | CORE VALUES |
|--------------------------------------|---|---|
| Mission | Providing the Resources to Help Small-Medium Sized Businesses Realize Their Dreams | <ul style="list-style-type: none"> • Integrity • Growth • Team Players • Independent Thinking • Exemplary Customer Service • Winning • Innovation • Collaboration • Discipline to Process • Diligence |
| Target Market | Owner-Managed businesses in the D/FW metro area with Revenue \$5-\$100 million | |
| Universal Selling Proposition | You will receive exemplary customer service and business resources at a better value than you can receive anywhere else | |

| 10 YEAR BHAG | 3 YEAR VISION |
|---|---|
| <ul style="list-style-type: none"> • NPS Score of 70 or greater • Employee Engagement Score of 80% or greater • Net Income of \$5 million • Revenue of \$25 million • ROE of 15% or greater • EPS of \$5.00 or greater • EPS Compound Annual Growth Rate of 10% or greater | <ul style="list-style-type: none"> • NPS Score of 60 or greater • Employee Engagement Score of 70% or greater • Net Income of \$2 million • Revenue of \$10 million • ROE of 15% or greater • EPS of \$2.00 or greater • EPS Compound Annual Growth Rate of 15% or greater |

To create the long-term plan (Page 1 of the 2-Page Strategic Summary), you will go through the process below. You will capture the details of this process in an appendix to your 2-Page Strategic Plan Summary.

Planning Process – Session One

The first planning session is to review the plan for the plan. This session will typically take one to two hours. The objective is to meet with the management team, and go over the planning calendar, how the work will proceed, what the outcome or output from the planning process will be, and what everyone’s roles and responsibilities will be. It is important for everyone to be involved and understand, be bought in, and understand what is expected and needed from them. This is your chance to sell the wisdom of making the investment in building the strategic plan.

Planning Process – Session Two

The second session of your planning process should focus on answering four items: your mission statement, your 10-year vision, your core values, and your strategy (your target market and your USP or universal selling proposition for that target market). This session will typically take four to eight hours. You will likely not need to update these items every year. Since they are universal truths and guiding north stars, they should remain fairly constant. You should, however, revisit them every planning cycle to ensure they continue to make sense for your business and your situation.

For the 10-year vision, be specific. Include financial metrics such as the size of the company, market share position, profitability, efficiency, and value of the company. It is important to define profitability goals as well as top-line revenue or market share goals to ensure your plan focuses on both growth and profitability. You should also use non-financial goals such as customer satisfaction and employee engagement. These should be quantified as well (examples include Net Promoter Score for customer satisfaction and survey employee engagement scores). Your vision should follow the SMART method of goal setting. It should be Specific, Measurable, Achievable, Relevant, and Timed.

The Universal Selling Proposition or USP is an important part of your Strategic Plan. This is the value you provide your target customer and the reason your business generates a profit. It should reflect the important problem(s) that you solve for customers at a better value than nearly anyone in the market. Think hard about your USP with your team. If you get this right and everyone is on the same page, it makes the rest of the process much easier.



Planning Process – Session Three

Now that you have completed your Mission Statement, Vision, Core Values, and Strategy, you will begin work on the process that bridges your long-term plan with your short-term plan. This session will typically take four to eight hours.

The first item of this part of the planning process consists of an external and internal scan and assessment. The external scan focuses on the market, industry, and competitors. The internal scan focuses on your company, people, systems, and processes. You will want to have identified the information you need for this work and create as much of it as possible before the session. You will use this information to create a SWOT (Strengths, Weaknesses, Opportunities, and Threats). There is a progression that goes with the identification of the information. Your external and internal scan shows you where you have weaknesses and threats (where you may need to play defense) and shows you where you have strengths and opportunities (where you can go on the offensive). These SWOT items then show you what your Strategic Initiatives should be to deliver the Strategic Objectives you want to accomplish.

Below is an example of the things to include in an External and Internal Scan.

- External Scan & Assessment (Market, Industry, Competitors)
 - Economic Environment Analysis
 - » Economic Trends & Forecast
 - Industry Analysis
 - Competitor Analysis
 - Customer Target Market Analysis
- Internal Scan & Assessment (Company/People/Systems/Processes)
 - Trend Analysis
 - Benchmark Comparison
- Data Sources
 - Internal Financial & System Reports
 - External Sources (Investment Analyst Community, Industry Groups)
 - Employees (ask for their opinions)
- Results in the identification of Strengths, Weaknesses, Opportunities, and Threats (SWOT)
- Categorize the SWOT Items by Value Chain Categories: Financial Management, Operations Management, Organizational Development, and Revenue Generation

You will also use this session to set your 3-Year Plan Objectives. These should be in sync with the goals you identified in your 10-Year Vision. They should include financial and non-financial goals. They should use the SMART goal-setting approach and should be Specific, Measurable, Achievable, Relevant, and Timed.

As you identify your Opportunities and Threats, categorize them into the four value chain categories (Financial Management, Operations Management, Organizational Development, and Revenue Generation) and prioritize them collectively using a systematic approach. A good method is to use a cost-benefit matrix where you grade the cost on a scale of 1 - 10 with 10 being least costly and the benefit on a scale of 1 - 10 with 10 being the most benefit. You add the two numbers together to get your overall prioritization score. Approximations are okay, this is a strategic exercise not an accounting one. You may want to weight the benefit score twice to get a more

aggressive approach. It depends on your situation. If you are in a more risk-tolerant, less cost/capital-constrained situation weighting the revenue twice makes good sense.

You should do this prioritization exercise as a group to get a broad perspective on the cost-benefit and to gain consensus. This prioritization of opportunities and threats is one of the most critical things you will do in the planning process as it will lead to the identification of the Strategic Initiatives.

This completes your work on Page 1 of the 2-Page Strategic Plan Summary. Step back and scan what you have accomplished as a team. Let it seep in and ruminate on it collectively and individually for a week or so. Encourage your managers to share it with select employees as appropriate for their feedback. Is there anything that does not feel right, or doesn't feel true to your values, passion, or situation? It should be uncomfortable, exciting, challenging, and thrilling all at the same time. If there is anyone on the executive team that does not agree with the vision it is best to address that now (through clarification, an adjustment to the plan, or a change in the executive team).

With this key milestone accomplished, you can move on to Page 2 of the 2-Page Strategic Plan, the execution plan.

Phase 2B: Creating the Current Year Plan (Page 2)

Page 2 of the 2-Page Strategic Plan Summary focuses on the current year plan.

Below is an example of a completed Page 2.

**2 PAGE STRATEGIC PLAN SUMMARY
[COMPANY NAME]**

CURRENT FOCUS

| STRENGTHS | WEAKNESSES |
|--|--|
| <ul style="list-style-type: none"> • Access to Capital • Business Development • Experienced and Engaged Management Team & Employees • Healthy Company Culture • Highly Satisfied Customer Base | <ul style="list-style-type: none"> • Technology • Expense Management Culture • Management Depth • Lack of Written Processes • Product offering is Middle of the Pack |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> • Leverage customer referrals • Leverage employee referrals • Systematize business development process • Increase number of sales staff | <ul style="list-style-type: none"> • Staying competitive to meet customer preferences for digital experiences • Economic downturn • Employee turnover |
| 1 YEAR GOALS | STRATEGIC INITIATIVES |
| <ul style="list-style-type: none"> • NPS of 60 or greater • Employee Engagement Score of 65% or better • Net Income of \$1.5 million • Revenue of \$8 million • ROE of 15% or greater • EPS of \$1.50 or greater (15% year over year growth) | <ul style="list-style-type: none"> • Create Customer Referral Program (Champion: Smith, Manager: Jones) • Create Systematic Business Development Process (Champion: Smith, Manager: Williams) • Build Digital Product Capability (Champion: Reeves, Manager: Jackson) • Document Processes & Create Staffing Models (Champion: Sparks, Manager: Levin) |

Planning Process – Session Four

In this phase of the planning process, you take your 3-year plan and focus on the first year. There is a progression: your 10-year vision should inform your 3-year plan and your 3-year plan should inform your 1-year plan. They should follow a trend that provides a reasonable roadmap to get to your 10-year vision. You can check back against this roadmap to see how you are progressing towards your vision.

The Strategic Objectives, or goals, for the next year should follow the same SMART approach you used for your 10-year vision and 3-year plan. These goals should include financial and non-financial goals that measure success across your value chain. Whether financial or non-financial, they should be so detailed and specific that there will be no difficulty throughout the year in measuring how you are doing against the goal. An owner should be identified for each objective. Once you have determined the goals for the year, they should be broken down further into quarterly goals.

With these strategic objectives set, the next step is to identify the strategic initiatives the company will focus on. These are the important projects built to leverage the opportunities and/or mitigate the risks you have identified which will help you achieve your strategic objectives. You will want to identify a manageable number of strategic initiatives so they can receive the proper focus. A good rule of thumb is to have no more than 4-6 strategic initiatives. There is no harm in having 1-3 if that is appropriate for your company. The bigger risk is having too many. Having more than six is typically too many to manage well. Remember, a key outcome of effective strategic planning is identifying what you are not going to focus on.

Strategic Initiatives

In identifying and selecting your Strategic Initiatives, you will go back to your prioritized list of Opportunities and Threats. This is an area where your creativity is needed in the planning process. There isn't a cookie cutter answer for what to do to leverage opportunities and/or mitigate risks. But your management team working together creatively is the best way to find the answers. Encourage your managers to collect and share input from their employees as well. Remember, having the team passionately bought in together on the solutions is as important or more important than having the best solution. Taking action is better than no action and the power of the team is strong.

In identifying the Strategic Initiatives to focus on, think about getting representation across the four value chain areas. It is not necessary to have a strategic initiative for each of the four value chain areas but a distribution across the value chain areas is a good goal. This ensures you are focusing on building value in all areas of your business. As you did with prioritizing the opportunities and threats, you can use a cost-benefits rating and ranking approach to identify the most beneficially impactful strategic initiatives.

The next step is to create a Strategic Initiative Charter for each Strategic Initiative. This is a document that outlines the purpose of the initiative and how it will be successfully implemented.

It includes:

- Purpose, objectives, key results, and deliverables (i.e., what we must achieve)
- Stakeholders, roles, and responsibilities (i.e., who will take part in it)
- Resource, financial, and action plans (i.e., how it will be undertaken)
- Authorization (i.e., that the Initiative is approved for implementation)

The first step in building a strategic initiative plan is to identify who will fill two key roles for each initiative. The first role is the Executive Champion. This is the person on the executive leadership team who will be responsible for the success of the initiative. The second role is the Initiative Manager who is responsible for building the initiative plan and executing it day-to-day. The initiative manager also may appoint a 2-3 person Initiative Team who will work with the initiative manager. How many people you include for each initiative depends on the initiative and your resources. You may have an initiative where the Champion, Manager, and Team are all one person if you are a small company. The key is to systematically think through the initiative and drive its success.

An example of a Strategic Initiative Charter and a blank template is included in the appendix to this white paper.

Investment and Financing Needed

With the 2-Page Strategic Plan Summary completed and your vision and plan identified, the next step is to identify the resources necessary to achieve the plan. This includes determining the operating expenses (primarily employees and facilities), capital budget, and company financing (capital and/or debt) needed.

Creating a 3-year financial model including cash flow is necessary to identify the details of this investment and how well it syncs up with your long-term vision. The purpose of this paper isn't to focus on the details of creating the financial plan (that is a separate white paper in itself) but this step is important as you go from planning to execution.



Phase Three: Approval

The approval phase will differ based on your company. You may need to take your strategic plan to your board, shareholders, or bankers for approval. Whether it is for approval, consulting, or information sharing, the communication of your plan to these stakeholders is important and valuable.



Phase Four: Rollout to Your Employees and Execution

Once approved, it is time to share the Strategic Plan with your employees and begin executing the plan. This is critical to the success of the plan. Employees need to understand the company's Strategic Plan. They need to understand the why of the strategic plan and how their job and career goals fit in with the strategic plan. They need time to take in and think about the plan and to ask questions. How you roll out and communicate the plan to your employees can differ by company. It is recommended to share the plan at a high level with all employees at a team meeting. Your strategic planning calendar should provide enough time so that you can have this plan roll-out communication before the start of the planning period. Many strategic plans have been sabotaged by spending so much time on the strategic plan creation that it is rolled out many months after the start of the fiscal year. There is nothing quite as frustrating for employees as starting late. Don't make that mistake.

When you roll out your strategic plan, make sure you include a healthy cross-section of the team to communicate the plan. Include your initiative champions and initiative managers in the rollout.

Follow up the all-employee meeting with department team meetings. In these meetings, the department manager should review the company plan and how the department and its employees fit into the plan.

Once the plan execution commences, it is important to consistently track progress and results and make adjustments as needed.

A Strategic Plan tracking system should include two items:

- Strategic Plan Scorecard which shows the company results compared to the strategic plan objectives
- Strategic Initiative Tracker which summarizes key initiative activities and results compared to the initiative plan

This information should be reviewed at least monthly with the executive leadership team and the board (as appropriate). The owners of the Strategic Plan objectives and the Strategic Initiatives should be included in these reviews.

Summary

This white paper has provided a systematic, proven process to create and execute an effective strategic plan.

The goal of the strategic plan process is to answer five questions:

1. **Why** you do what you do?
2. **What** are you going to accomplish?
3. **How** are you going to accomplish your vision?
4. **Who** will I serve and who will I work with to achieve the vision?
5. **When** will we accomplish the key milestones?

The process is based on three pillars: analysis, creativity, and organization. These three pillars are supported by teamwork.

Included in this paper are many templates with examples to get you started. Strategic planning takes an investment of time and energy. Experience shows that it is a wise investment. It will help you and your employees more confidently and effectively create your vision. Your future selves will thank you for making the investment.

Best of luck and go get 'em!

Appendix

1. Strategic Plan Summary
2. Strategic Plan Scorecard
3. Strategic Initiatives Charter
4. Strategic Initiatives Tracker

1. Strategic Plan Summary *(available separately as a Word document)*

| 2 PAGE STRATEGIC PLAN SUMMARY [COMPANY NAME] | |
|---|---|
| LONG-TERM VISION | |
| FOCUS | |
| Mission | Providing the Resources to Help Small-Medium Sized Businesses Realize Their Dreams |
| Target Market | Owner-Managed businesses in the D/FW metro area with Revenue \$5-\$100 million |
| Universal Selling Proposition | You will receive exemplary customer service and business resources at a better value than you can receive anywhere else |
| CORE VALUES | |
| <ul style="list-style-type: none"> • Integrity • Growth • Team Players • Independent Thinking • Exemplary Customer Service • Winning • Innovation • Collaboration • Discipline to Process • Diligence | |
| 10 YEAR BHAG | |
| <ul style="list-style-type: none"> • NPS Score of 70 or greater • Employee Engagement Score of 80% or greater • Net Income of \$5 million • Revenue of \$25 million • ROE of 15% or greater • EPS of \$5.00 or greater • EPS Compound Annual Growth Rate of 10% or greater | |
| 3 YEAR VISION | |
| <ul style="list-style-type: none"> • NPS Score of 60 or greater • Employee Engagement Score of 70% or greater • Net Income of \$2 million • Revenue of \$10 million • ROE of 15% or greater • EPS of \$2.00 or greater • EPS Compound Annual Growth Rate of 15% or greater | |
| <i>Page 1 2</i> | |

| 2 PAGE STRATEGIC PLAN SUMMARY [COMPANY NAME] | |
|--|--|
| CURRENT FOCUS | |
| STRENGTHS | |
| <ul style="list-style-type: none"> • Access to Capital • Business Development • Experienced and Engaged Management Team & Employees • Healthy Company Culture • Highly Satisfied Customer Base | |
| WEAKNESSES | |
| <ul style="list-style-type: none"> • Technology • Expense Management Culture • Management Depth • Lack of Written Processes • Product offering is Middle of the Pack | |
| OPPORTUNITIES | |
| <ul style="list-style-type: none"> • Leverage customer referrals • Leverage employee referrals • Systematize business development process • Increase number of sales staff | |
| THREATS | |
| <ul style="list-style-type: none"> • Slaying competitive to meet customer preferences for digital experiences • Economic downturn • Employee turnover | |
| 1 YEAR GOALS | |
| <ul style="list-style-type: none"> • NPS of 60 or greater • Employee Engagement Score of 65% or better • Net Income of \$1.5 million • Revenue of \$8 million • ROE of 15% or greater • EPS of \$1.50 or greater (15% year over year growth) | |
| STRATEGIC INITIATIVES | |
| <ul style="list-style-type: none"> • Create Customer Referral Program (Champion: Smith, Manager: Jones) • Create Systematic Business Development Process (Champion: Smith, Manager: Williams) • Build Digital Product Capability (Champion: Reeves, Manager: Jackson) • Document Processes & Create Staffing Models (Champion: Sparks, Manager: Levin) | |
| <i>Page 2 2</i> | |

2. Strategic Plan Scorecard (available separately as an Excel document)

| STRATEGIC PLAN SCORECARD | | | | | | | | | | | | | |
|--------------------------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| STRATEGIC OBJECTIVES | | | | | | | | | | | | | |
| \$ in 000's | | | | | | | | | | | | | |
| Accountability | Strategic Objective | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Taylor | Net Promoter Score | Goal >= | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
| | | Actual | 76 | 54 | 65 | 83 | 72 | 58 | | | | | |
| Perkins | Employee Engagement Score | Goal >= | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 |
| | | Actual | 55 | 32 | 45 | 52 | 61 | 69 | | | | | |
| Lawton | Net Income | Goal >= | \$ 100 | \$ 100 | \$ 100 | \$ 110 | \$ 110 | \$ 110 | \$ 130 | \$ 130 | \$ 130 | \$ 160 | \$ 160 |
| | | Actual | \$ 122 | \$ 89 | \$ 160 | \$ 211 | \$ 132 | \$ 96 | | | | | |
| Smith | Revenue | Goal >= | \$ 525 | \$ 525 | \$ 530 | \$ 590 | \$ 590 | \$ 590 | \$ 700 | \$ 700 | \$ 700 | \$ 850 | \$ 850 |
| | | Actual | \$ 577 | \$ 518 | \$ 522 | \$ 599 | \$ 622 | \$ 611 | | | | | |
| Sparks | ROE | Goal >= | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| | | Actual | 15.6% | 12.6% | 16.6% | 24.3% | 18.3% | 13.4% | | | | | |
| Sparks | EPS | Goal >= | \$ 0.10 | \$ 0.10 | \$ 0.10 | \$ 0.12 | \$ 0.12 | \$ 0.12 | \$ 0.13 | \$ 0.13 | \$ 0.13 | \$ 0.15 | \$ 0.15 |
| | | Actual | \$ 0.11 | \$ 0.07 | \$ 0.14 | \$ 0.19 | \$ 0.16 | \$ 0.08 | | | | | |

| STRATEGIC INITIATIVES | | | | | | | | | | | | | | | | |
|--|--------------------------------------|--|-----------------------------------|---------|------|------|------|------|------|------|------|------|------|------|-------|-------|
| Strategic Initiative | Accountability | Objective | Measure | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
| Create Customer Referral Program | Champion: Smith Manager: Jones | Design Customer Referral Program | % of Completion | Goal >= | 0% | 0% | 50% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | | | | Actual | 0% | 50% | 100% | 100% | 100% | 100% | | | | | | |
| | | Train & Implement Program | % of Completion | Goal >= | 0% | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | | | | Actual | 0% | 0% | 0% | 100% | 100% | 100% | | | | | | |
| | | Generate Customer Referrals | Customer Referrals Generated | Goal >= | - | - | - | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | | | Actual | - | - | - | 6 | 2 | 3 | | | | | | |
| Create Systematic Business Development Process | Champion: Smith Manager: Williams | Document Best Practices Business Development Process | % of Completion | Goal >= | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | | | | Actual | 0% | 0% | 50% | 75% | 90% | 95% | | | | | | |
| | | Train & Implement Program | % of Completion | Goal >= | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | | | | Actual | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | |
| | | Increase Leads, Opportunities & Closed Won | Number of Closed Won | Goal >= | 4 | 6 | 7 | 8 | 10 | 12 | 16 | 18 | 20 | 22 | 24 | 28 |
| | | | | Actual | 2 | 4 | 6 | 11 | 15 | 19 | | | | | | |
| Build Digital Product Capability | Champion: Reeves Manager: Jackson | Perform Internal & External Scan to Determine Product Gaps | % of Completion | Goal >= | 0% | 0% | 0% | 25% | 50% | 75% | 100% | 100% | 100% | 100% | 100% | |
| | | | | Actual | 0% | 0% | 25% | 50% | 75% | 90% | | | | | | |
| | | Develop new digital products | % of Completion | Goal >= | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 25% | 50% | 100% | 100% | 100% |
| | | | | Actual | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | |
| | | Generated Revenue from New Digital Products | Revenue from New Digital Products | Goal >= | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25 | \$ 50 |
| | | | | Actual | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | |
| Document Processes & Build Staffing Models | Champion: Sparks Manager: Levin | Document Processes | # of Processes Documented | Goal >= | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | |
| | | | | Actual | 4 | 5 | 6 | 5 | 5 | 6 | | | | | | |
| | | Build Staffing Models | # of Staffing Models Created | Goal >= | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| | | | | Actual | - | 2 | 1 | 1 | 2 | - | | | | | | |

4. Strategic Initiatives Tracker *(available separately as an Excel document)*

| STRATEGIC INITIATIVE TRACKER | | | | | | |
|---|---------------------|--------------------|---------------------------|------------------------|-------------------|---|
| <small>INITIATIVE UPDATES ARE DUE BY THE 3RD BUSINESS DAY OF EACH MONTH</small> | | | | | | |
| Strategic Initiative | Initiative Champion | Initiative Manager | Initiative Update Version | Initiative Update Date | Initiative Status | Initiative Update (Key milestones completed, upcoming, roadblocks, etc.) |
| Create Customer Referral Program | Smith | Jones | Most Current | June | Green | <input type="checkbox"/> Put Initiative Update Comments Here for Current Month |
| | | | | | | <input type="checkbox"/> Put Initiative Update Comments Here for Current Month |
| | | | | | | <input type="checkbox"/> Put Initiative Update Comments Here for Current Month |
| | | | Previous | May | Green | <input type="checkbox"/> Put Initiative Update Comments From Last Month Here (to see progression) |
| | | | | | | <input type="checkbox"/> Put Initiative Update Comments From Last Month Here (to see progression) |
| | | | | | | <input type="checkbox"/> Put Initiative Update Comments From Last Month Here (to see progression) |
| Create Systematic Building Development Process | Smith | Williams | Most Current | June | Green | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | Previous | May | Green | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| Build Digital Product Capability | Reeves | Jackson | Most Current | June | Green | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | Previous | May | Green | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| Document Processes & Create Staffing Models | Sparks | Levin | Most Current | June | Green | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | Previous | May | Green | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |
| | | | | | | <input type="checkbox"/> |



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