



STRATEGIC PLANNING & FINANCIAL ANALYSIS

Clare Levison, CPA, CGMA

LEARNING OBJECTIVES

- Understand the importance and benefits of strategic planning
- Identify and apply the key steps in the strategic planning process
- Recognize common challenges and breakdowns in strategic planning and learn strategies to mitigate them
- Conduct a financial analysis to support strategic decision-making

DISCUSSION

- Does your organization have a formalized approach to strategic planning?
- What does that process look like?
- How is that process communicated to the organization?

DEFINITIONS OF STRATEGY

- ▶ Strategy is a high-level plan to achieve one or more long-term or overall goals under conditions of uncertainty.
- ▶ Strategy is the set of actions and decisions a company takes to reach its business objectives and gain a competitive advantage.
- ▶ “Strategy is about making choices, trade-offs; it’s about deliberately choosing to be different.” Michael Porter (Harvard Business School)

BENEFITS OF STRATEGIC PLANNING

- ▶ Clarifies vision & objectives
- ▶ Improves decision-making
- ▶ Attracts investors & funding
- ▶ Enhances strategic focus
- ▶ Assesses feasibility

BENEFITS OF STRATEGIC PLANNING

- ▶ Supports performance monitoring
- ▶ Improves resource management
- ▶ Manages risks
- ▶ Facilitates communication
- ▶ Drives growth & scalability

STRATEGIC PLANNING FAILURES

- ▶ Unrealistic goals & assumptions
- ▶ Lack of market research
- ▶ Poor financial planning
- ▶ Vague strategy or value proposition
- ▶ Ignoring risks & contingencies

STRATEGIC PLANNING FAILURES

- ▶ Lack of focus & prioritization
- ▶ Weak management team
- ▶ Outdated or static plans
- ▶ Failure to communicate the plan
- ▶ Neglecting execution

DISCUSSION

- Who comes to mind when you think of someone highly strategic?
- What traits, habits, and actions set them apart as a strategic thinker?

CHARACTERISTICS OF STRATEGIC THINKERS

- ▶ Vision-oriented
- ▶ Analytical thinking
- ▶ Problem-solving skills
- ▶ Critical thinking
- ▶ Adaptability

CHARACTERISTICS OF STRATEGIC THINKERS

- ▶ Forward-thinking
- ▶ Decisiveness
- ▶ Systems thinking
- ▶ Collaboration & influence
- ▶ Continuous learning

BEHAVIORS OF STRATEGIC THINKERS

- Sets clear long-term goals
- Prioritizes effectively
- Scans the environment
- Makes decisions with the big picture in mind
- Identifies patterns and connections

BEHAVIORS OF STRATEGIC THINKERS

- Challenges the status quo
- Tests and refines ideas
- Collaborates to build alignment
- Balances risk & opportunity
- Reviews & reflects

STEPS FOR AN EFFECTIVE PLANNING PROCESS



Clarify the
purpose & scope



Engage the right
stakeholders



Review past
plans & results



Gather relevant
data



Set clear planning
objectives

STEPS FOR AN EFFECTIVE PLANNING PROCESS



Determine the planning timeline & process



Assign roles & responsibilities



Establish communication & participation methods



Prepare planning tools & templates



Create a positive, forward-looking mindset

REVISIT YOUR MISSION STATEMENT

- ▶ A good mission statement answers several key questions that define the organization's core purpose & guide its direction.
 - ▶ Why do we exist?
 - ▶ Who do we serve?
 - ▶ What do we do?
 - ▶ How do we do it?
 - ▶ What impact do we aim to have?

PESTLEE ANALYSIS

- ▶ Political
- ▶ Economic
- ▶ Social
- ▶ Technological
- ▶ Legal
- ▶ Environmental
- ▶ Employees

SWOT ANALYSIS

- ▶ Strengths
- ▶ Weaknesses
- ▶ Opportunities
- ▶ Threats

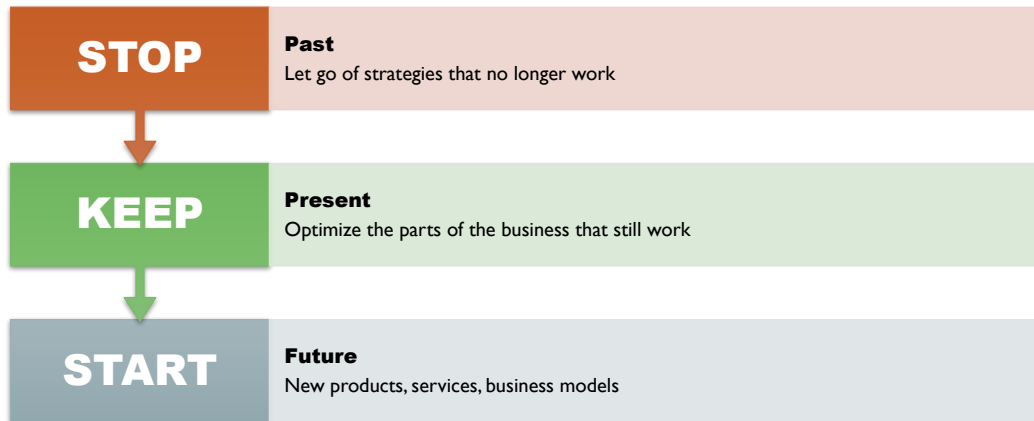
TREND ANALYSIS

- Track performance over time
- Orders, Sales, EBIT, Cash
- Ratios

GROSS PROFIT ANALYSIS

- ▶ Analyze the gross profit for each product, service, or program
- ▶ Identify the highest & lowest profit margins
 - ▶ Optimize sales of highest profit items
 - ▶ Consider letting go of low profit items
 - ▶ Consider letting go of low profit customers
 - ▶ Consider the Pareto Principle

STOP, KEEP, START



CONDUCT A COMPETITIVE ANALYSIS

- ▶ Who are our competitors?
- ▶ What do they offer?
- ▶ What are their strengths & weaknesses?
- ▶ Who are their customers?
- ▶ What is their market position?

CONDUCT A COMPETITIVE ANALYSIS

- ▶ How do they market & sell?
- ▶ What is their online presence like?
- ▶ What are their strategic moves?
- ▶ What partnerships or resources do they have?
- ▶ How do we compare?

DEFINE YOUR IDEAL CUSTOMER

- ▶ Who benefits most from your product/service?
- ▶ What problems are they trying to solve?
- ▶ What are their goals, values, & expectations?
- ▶ Where can you find & reach them?
- ▶ Why would they choose you over competitors?

IDENTIFY CUSTOMER PAIN POINTS & NEEDS

- ▶ What are their frustrations unmet needs, or goals?
- ▶ How does your offering solve their specific problems?

BRAINSTORM SOLUTIONS

- The most valuable opportunities lie where your capabilities meet your customer's biggest challenges:
 - Focus on generating ideas freely without evaluating them right away
 - Then organize & prioritize

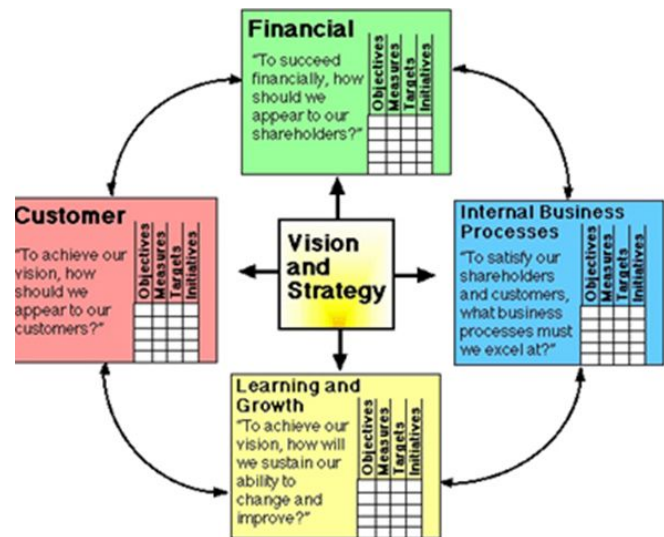
DISCUSSION

Have you ever used the balanced scorecard?

THE BALANCED SCORECARD

- Aligns strategy with daily activities
- Provides a balanced view of performance by tracking performance across four key perspectives:
 - Financial
 - Customer
 - Internal processes
 - Learning & growth
- Promotes strategic thinking
- Improves decision-making
- Enables performance monitoring & accountability
- Enhances communication

THE BALANCED SCORECARD



BALANCED SCORECARD BENEFITS

- Promotes strategic thinking
- Improves decision-making
- Enables performance monitoring & accountability
- Enhances communication
- Encourages continuous improvement

BALANCED SCORECARD PROCESS

- Clarify vision, mission, & strategy
- Identify strategic objectives
- Develop a strategy map
- Define KPIs (Key Performance Indicators) & targets



Measurable values that show how effectively an individual, team, or organization is achieving specific objectives



Help track progress, guide decision-making, and evaluate success over time



Align everyone around what matters most



Provide early warning signs of issues or opportunities



Inform resource allocation and performance management

KEY PERFORMANCE INDICATORS (KPI'S)

SMART KPI'S



Specific – Clear and focused



Measurable – Quantifiable



Achievable – Realistic and attainable



Relevant – Linked to strategic goals



Time-bound – Tracked over a defined period



Goal: Improve customer service

KPI: First-call resolution rate

Target: 90% of issues resolved on the first call within 6 months

COMMON KPI MISTAKES

Measuring too many KPIs

Choosing the wrong KPIs

Lack of strategic alignment

Outdated or static KPIs

Focusing only on lagging indicators

COMMON KPI MISTAKES

KPIs without clear definitions

KPIs that aren't actionable

Poor communication or visibility

Imbalanced KPI focus

Using KPIs to punish, not improve

BALANCED SCORECARD PROCESS

01

Select
strategic
initiatives

02


Communicate
& align

03

Monitor &
report
performance

04

Review &
adapt



LEARNING & GROWTH

Answers the question:

How can we sustain our ability to innovate, improve, and grow over time?

LEARNING & GROWTH KEY FOCUS AREAS



Employee capabilities



Organizational culture & leadership



Information systems & technology



Knowledge management

LEARNING & GROWTH EXAMPLES

Objective	Measure	Target
Increase employee engagement	Employee engagement index	85%+
Expand skill development	Training hours per employee/year	20+ hours
Improve knowledge sharing	Active users on knowledge portal	75% of staff
Enhance IT infrastructure	Core systems uptime	99.9%

INTERNAL BUSINESS PROCESSES

- Answers the question:
 - What must we excel at internally to meet our customer and financial objectives?

INTERNAL BUSINESS PROCESSES KEY FOCUS AREAS

Operations management (efficiency & quality)

Customer management (service & delivery)

Innovation & improvement processes

INTERNAL BUSINESS PROCESSES EXAMPLES

Objective	Measure	Target
Reduce cycle time	Order-to-ship time	< 2 days
Improve service quality	Customer issue resolution rate	> 90% first-contact
Enhance product development process	Average time to market	< 6 months
Increase operational efficiency	Cost per unit	Reduce by 10%

CUSTOMER

- Answers the question:
 - To achieve our vision, how should we appear to our customers?

CUSTOMER KEY FOCUS AREAS



Customer satisfaction



Customer retention & loyalty



Customer acquisition & growth



Customer value proposition

CUSTOMER EXAMPLES

Objective	Measure	Target
Improve customer satisfaction	Customer satisfaction score	90%+
Increase customer loyalty	Customer retention rate	95%
Expand customer base	Number of new customers	+15% YoY
Enhance service responsiveness	Average response time to inquiry	< 4 hours

FINANCIAL

- Answers the question:
 - To succeed financially, what results must we deliver?



FINANCIAL KEY FOCUS AREAS

- Revenue growth
- Profitability
- Cost Management
- Asset utilization / efficiency



FINANCIAL EXAMPLES

Objective	Measure	Target
Increase revenue	Revenue growth rate	+10% YoY
Improve profitability	Net profit margin	15%
Reduce operating costs	Operating expense ratio	< 25%
Maximize asset efficiency	Return on assets (ROA)	> 12%

BALANCED SCORECARD EXAMPLE

Perspective	Objective	KPI	Target
Financial	Increase profit margin	Net profit margin	15%
Customer	Improve customer satisfaction	Customer satisfaction score	90%+
Internal Processes	Reduce product delivery time	Average delivery days	< 3 days
Learning & Growth	Enhance employee skills	Training hours per employee	20 hrs/year

DISCUSSION

- For your organization, identify 3–5 measures for each perspective
 - Learning & growth
 - Internal processes
 - Customer
 - Financial

KPI DASHBOARD

- While the Balanced Scorecard (BSC) is still widely used and respected, some organizations have shifted to or integrated more modern frameworks.
- BSC's four perspectives can feel too rigid for fast-moving environments
- Some organizations prefer simpler KPI dashboards tailored to their unique goals
- But:
 - Lacks the strategic integration and balance of perspectives that BSC offers

TYPICAL KPI DASHBOARD SECTIONS (EXAMPLES)

Executive summary view

Sales dashboard

Marketing dashboard

Operations dashboard

Customer service dashboard

CORE COMPONENTS OF KPI DASHBOARD

KPIs	The actual metrics being tracked (e.g., revenue, customer retention, error rate)
Visualizations	Charts, graphs, gauges, and scorecards that bring KPIs to life
Targets or Benchmarks	Reference values to show success (e.g., 95% target for on-time delivery)
Time Frames	Trends over time (e.g., weekly, monthly, quarterly views)
Filters	Tools to view data by department, product, region, etc.
Status Indicators	Colors/icons to show performance status (e.g., red = below target)



Keep it simple – Only show what's critical



Use color wisely – Green/yellow/red for status clarity



Make it interactive – Allow filtering by time, region, department







Align with goals – Every KPI shown should map to a strategic objective



Update regularly – Real-time or daily updates improve relevance

DESIGN TIPS FOR EFFECTIVE DASHBOARDS

KPI DASHBOARD EXAMPLE

Metric	Value	Target	Status
Revenue (Q2)	\$2.3M	\$2.5M	
Customer Satisfaction	92%	90%	
Employee Turnover	8%	<10%	
Cycle Time	3.2 days	<3 days	

Evaluating
financial health

Strategic
planning &
decision-making

Performance
monitoring

Budgeting &
forecasting

Business
valuation

USES OF FINANCIAL
ANALYSIS

Credit &
lending
decisions

Investor &
stakeholder
communication

Risk
assessment

Comparative
benchmarking

Operational
efficiency
analysis

USES OF FINANCIAL ANALYSIS

DISCUSSION

How does a basic financial statement analysis differ from a truly insightful one?

WHY IT'S DIFFICULT TO COMMUNICATE FINANCIAL INFORMATION

Complex
terminology

Varying levels
of financial
literacy

Information
overload

Fear or
discomfort

Misaligned
objectives

Lack of visual
aids or
storytelling

Time
constraints

THE DATA-TO-KNOWLEDGE CONTINUUM

Level	Description	Example
Data	Raw facts and figures	"Sales = 500 units"
Information	Organized data with context	"Sales increased 10% vs. last month"
Insight	Understanding patterns, causes, or meaning	"Sales rose due to promo campaign"
Knowledge	Actionable understanding applied to decisions	"We should repeat the campaign next quarter"

STEPS TO MOVE FROM DATA TO KNOWLEDGE



COLLECT THE
RIGHT DATA



ORGANIZE &
CONTEXTUALIZE



ANALYZE &
INTERPRET



DRAW INSIGHTS



APPLY & SHARE AS
KNOWLEDGE

COLLECT THE RIGHT DATA



DEFINE YOUR
PURPOSE



IDENTIFY KEY
METRICS OR
QUESTIONS



CHOOSE THE
RIGHT DATA
SOURCES



ENSURE DATA
QUALITY



CONSIDER
ETHICS &
PRIVACY



STRUCTURE FOR
ANALYSIS



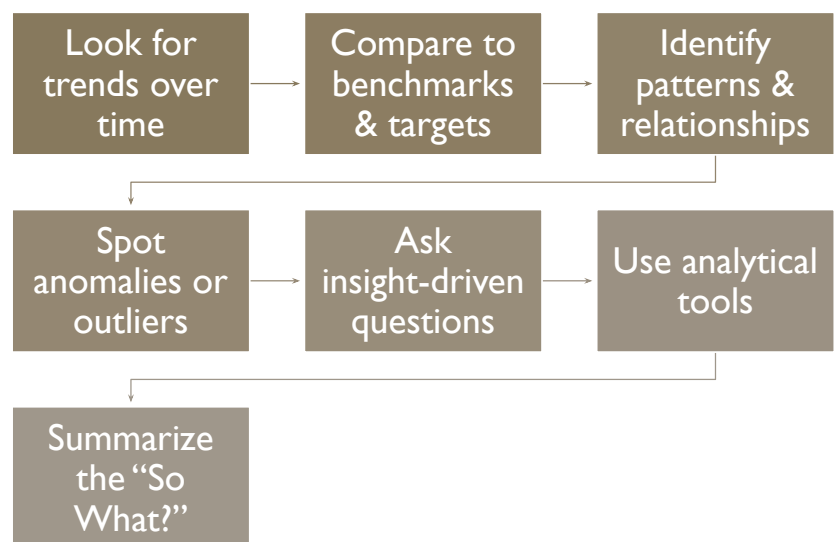
TEST FOR
RELEVANCE

ORGANIZE AND CONTEXTUALIZE

- Organize the data logically
- Add time context
- Provide comparisons & benchmarks
- Add descriptive labels & explanations
- Clarify context around the data
- Choose the right visuals

Raw Data → Categorized → Time-sequenced →
Benchmarked → Labeled → Visualized

ANALYZE & INTERPRET



DRAW INSIGHTS



Turn observations into understanding



Focus on what matters most



Identify opportunities & risks



Connect to the bigger picture



Make it actionable



Express insights clearly



Validate & refine

APPLY & SHARE AS KNOWLEDGE

- Translate insight into action
 - Create an action plan
 - Communicate effectively
 - Collaborate & align
 - Capture knowledge for the future
 - Track impact & iterate
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- Insight → Action → Communication → Collaboration → Documentation → Iteration

QUESTIONS?

