

STEP 1:

Establish Strategic Context

OVERVIEW

INTRODUCTION

In **Step 1: Establish Strategic Context**, your job is to ensure five tasks are completed. Completing these tasks will streamline the Strategic Design process.

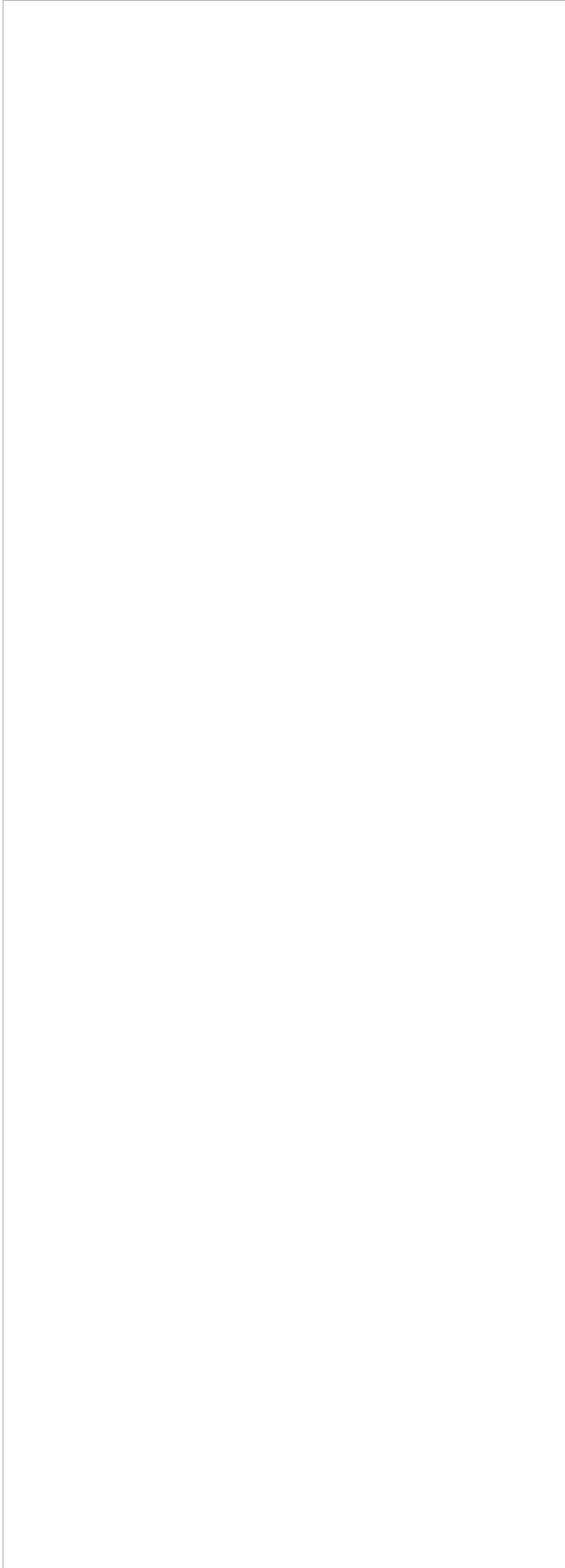
**TASK 1: GATHER
FINANCIAL DATA | PAGE
51-52**

This task should be delegated to your finance team. Your CFO should then compile the data into a straightforward presentation of 15–20 minutes for your executive team.

**TASK 2: COMPILE
EMPLOYEE SURVEY
RESULTS | PAGE 53–56**

This task should be delegated to your operations and human resources team. Your team should be given at least two weeks to complete the survey and should be provided with ample reminders as necessary. HR should compile results.





TASK 3: CAPTURE KEY INITIATIVE AND GOAL UPDATES | PAGE 57–58

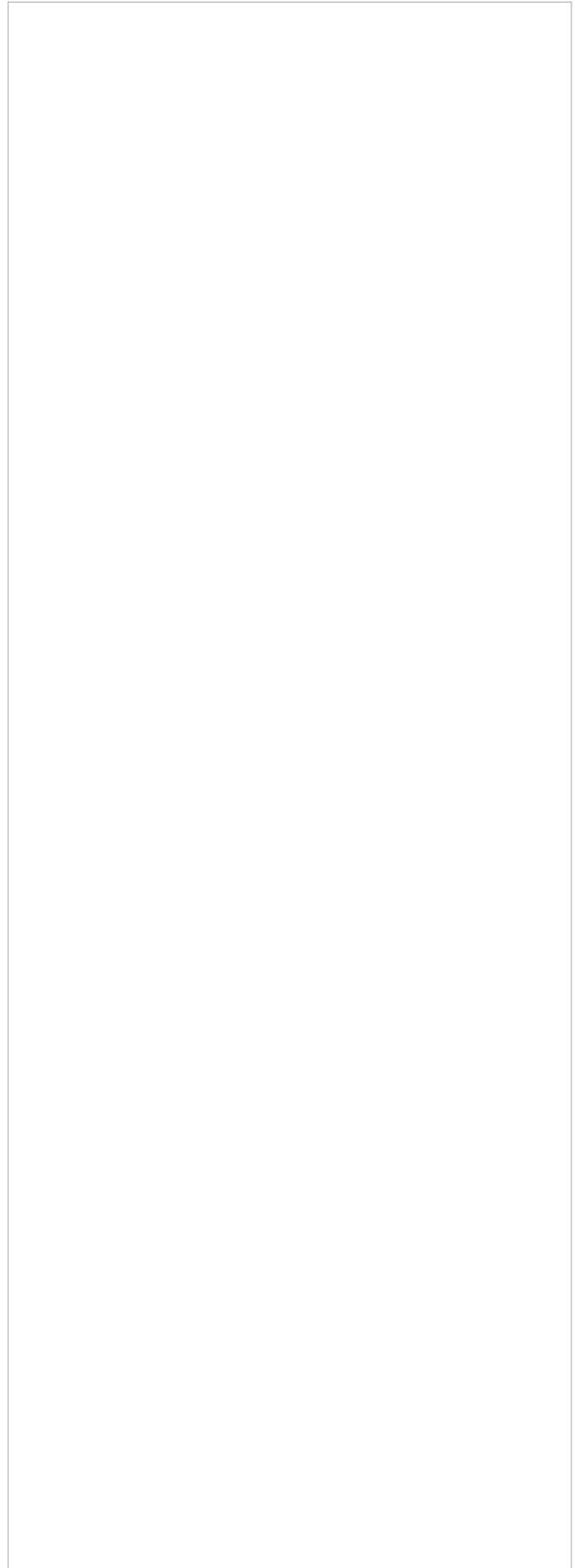
This task should be delegated to the people responsible to deliver on company goals over the past twelve months. Each individual should provide a one-sentence update to a single, central individual—likely your executive assistant. This assistant should, in turn, compile all goal updates in the goal status form. Additionally, goal holders should be prepared to talk for 1–2 minutes about each of the goals for which they were responsible.

TASK 4: REVISIT MISSION AND VALUES | PAGE 59–70

This task should be completed during a meeting between the executive team, at least two hours in length. During this process, the company mission and values should be revisited in turn for consideration and revision. If you need help streamlining or restructuring your goals, we've provided ample tools in the following pages.

**TASK 5: CAPTURE YOUR
CURRENT REALITY | PAGE
71-72**

This task should be delegated to the individuals with the best insight into each of the products, programs, services, and stakeholders within your business. Provide each with the standard format we've provided and ask for an update on their area of expertise. These should also be sent to a central individual, like an executive assistant, to be compiled into a single document.





FINANCIAL DATA

The following list includes best metrics to get a complete picture of your business's financial status. If you do not have a full five years of data, go back as far as you can.

FINANCIAL STATEMENT VIEWS

INCOME STATEMENT

- Year-to-date income statement vs prior year and budget for the current year and each year before that. Include any relevant statistical measures such as volume and rate (same-store view if applicable)
- Current year forecast
- Trailing Twelve-Month Trends: Detailed Income Statement, Volume, Rate

BALANCE SHEET

- Trailing Twelve-Month for the current year
- Year-end balance sheet for the previous five years





STATEMENT OF CASH FLOW

- Trailing Twelve-Month for the current year
- Year-end cash flow for the previous five years

OTHER METRICS (SHOULD INCLUDE TRENDS FOR THE PAST YEARS)

Here are a few high-level financial metrics to include. However, be sure to include any other areas that determine the financial health of your business. For example, debt covenants or other critical measures for your year-end analysis.

- Gross Margin
- Profit Margin
- Leverage Ratio
- Debt to Equity
- Inventory Turnover
- Working Capital
- Days Sales Outstanding
- Accounts Receivable Turnover

EMPLOYEE SURVEY SAMPLE

Below is a list of sample questions for your employee survey. You can send out your employee survey using a service like Google Forms or Survey Monkey. We suggest sending it out at least two weeks before you initiate strategic planning, and reminding your team to complete it every few days until the strategic planning process begins.

EMPLOYEE SURVEY

Your input matters. Your feedback will be taken into account as the executive team completes the strategic planning process and maps out the trajectory of our company over the next three years.

1. On a scale of 1–5, how connected do you feel to the mission of our company shared below?

[INSERT MISSION]

- 5 - Very Connected
- 4 - Mostly Connected
- 3 - Connected
- 2 - Mostly Disconnected
- 1 - Very Disconnected

2. Is there anything we could do to help you feel more connected to our mission, core values and message? If so, what?

3. On a scale of 1–5, how comfortable do you feel sharing feedback with your direct supervisor (be it positive or negative)?

- 5 - Very Comfortable
- 4 - Mostly Comfortable
- 3 - Comfortable
- 2 - Mostly Uncomfortable
- 1 - Very Uncomfortable

4. On a scale of 1–5, how satisfied do you feel with the fit of your position—in your opportunities to complete work for which you have both passion and proficiency?

5 - Very Satisfied

4 - Mostly Satisfied

3 - Satisfied

2 - Mostly Dissatisfied

1 - Very Dissatisfied

5. On a scale of 1–5 how satisfied are you with your current and future ability to gain new experiences, thrive, and grow at our company?

5 - Very Satisfied

4 - Mostly Satisfied

3 - Satisfied

2 - Mostly Dissatisfied

1 - Very Dissatisfied

6. What suggestions do you have to help us help you gain new experiences, thrive, and grow here short term and long term?

7. How frequently do you typically take evenings and weekends off?

I almost always take evenings and weekends off.

I sometimes take evenings and weekends off.

I rarely take evenings and weekends off.

8. Have you taken at least one vacation where you were completely unplugged from work in 2021? (Answer "yes" as a default if you've been working with the company less than 60 days and have not taken PTO yet)

Yes

No

9. How do you feel your compensation level compares to people in similar roles in our area?

10. On a scale of 1–5, how satisfied are you with your benefits package?

5 - Very Satisfied

4 - Mostly Satisfied

3 - Satisfied

2 - Mostly Dissatisfied

1 - Very Dissatisfied

11. When considering our benefits package, what's your favorite benefit that we offer?

12. Do you have any suggestions for how we could improve our benefits package?

13. Have your experiences since coming to this company led you to become more understanding and appreciative of racial and ethnic differences and the value of diversity?

5 - Strongly Agree

4 - Somewhat Agree

3 - Neutral

2 - Somewhat Disagree

1 - Strongly Disagree

14. What suggestions do you have to help us be better champions for diversity within our organization and externally with what we share publicly?

15. On a scale of 1–5, how satisfied are you with your job overall?

5 - Very Satisfied

4 - Mostly Satisfied

3 - Satisfied

2 - Mostly Dissatisfied

1 - Very Dissatisfied

16. Is there something we could do to increase your overall job satisfaction? If so, what?
17. What do you think our greatest win as a company has been so far this year?
18. What do you think our greatest disappointment has been as a company so far this year?
19. Looking ahead to next year, what do you think our top challenge or problem as a business is?
20. What's a new idea, opportunity, or initiative you think we should consider pursuing as a business in the next year (or in the years to come)?
21. Is there any other feedback you'd like to share with us?

GOAL STATUS REPORT

SAMPLE

GOAL / PROJECT	RELEVANT DETAILS	DUE	ON TRACK
Roll out new product.	User testing took longer than expected. We rolled out 5/31.	5/1	 
Update financial report format.	Internal financial reports were updated to include a live forecast.	7/31	 
Grow email list to 150,000 users.	Email list is currently at 115,000 will determine new strategy.	10/11	 
Complete new video course by 11/1	Recorded on 10/1. On track to release 11/1	11/1	 
			 
			 
			 
			 
			 
			 
			 
			 
			 
			 
			 

To create your own goal status report modeled after the table above, find it at: businessaccelerator.com/goalstatus



REFINING YOUR MISSION

Like following a faulty GPS system, your company can follow avenues that seem right but don't lead you where you want to go. The solution is an accurate map. A clear mission is the map for your company. And you can fine-tune your mission by answering four simple questions.

QUESTION 1

WHO ARE WE?

This question defines your business identity. You must know yourself—your capabilities and desires—to help others. Without a clear identity, you get lost.

EXAMPLES

"We are a leadership development company."

"We are a family-owned restaurant."

"We are a manufacturing company."

QUESTION 2

WHO DO WE SERVE?

This question defines your target customer. You choose your customers, not the other way around. The answer to this question narrows who you serve.

EXAMPLES

"Stressed-out business owners"

"Frustrated car buyers"

"Overwhelmed, successful leaders"

This process helps you stay focused on solving your customer's problem.

QUESTION 3

WHAT DO WE SOLVE?

This question defines your unique solution to the customer's external problem. It narrows what you offer. You can't solve every problem a customer faces, but you can do your part.

EXAMPLES

"We help frustrated car shoppers navigate the car buying process."

"We help stressed-out business owners manage their finances."

"We help overwhelmed parents understand autism."

QUESTION 4

WHAT'S THE RESULT?

This question defines the promised transformation for the customer. It solves both the internal and external problems of your customer. It results in transformation, not just satisfaction. In this way, you specify the impact of your mission on the lives of others.

EXAMPLES

Michael Hyatt & Company:

". . . so that they win at work and succeed at life."

(From overwhelm to success.)

Betterment:

". . . empower you to make the most of your money, so you can live better."

(From disempowered (implied) to living better.)

Facebook

". . . give people the power to build community and bring the world closer together."

(From disempowered and disconnected to empowered and in community.)

People don't buy products. They buy transformation. When you help your customer transform, your business will succeed.

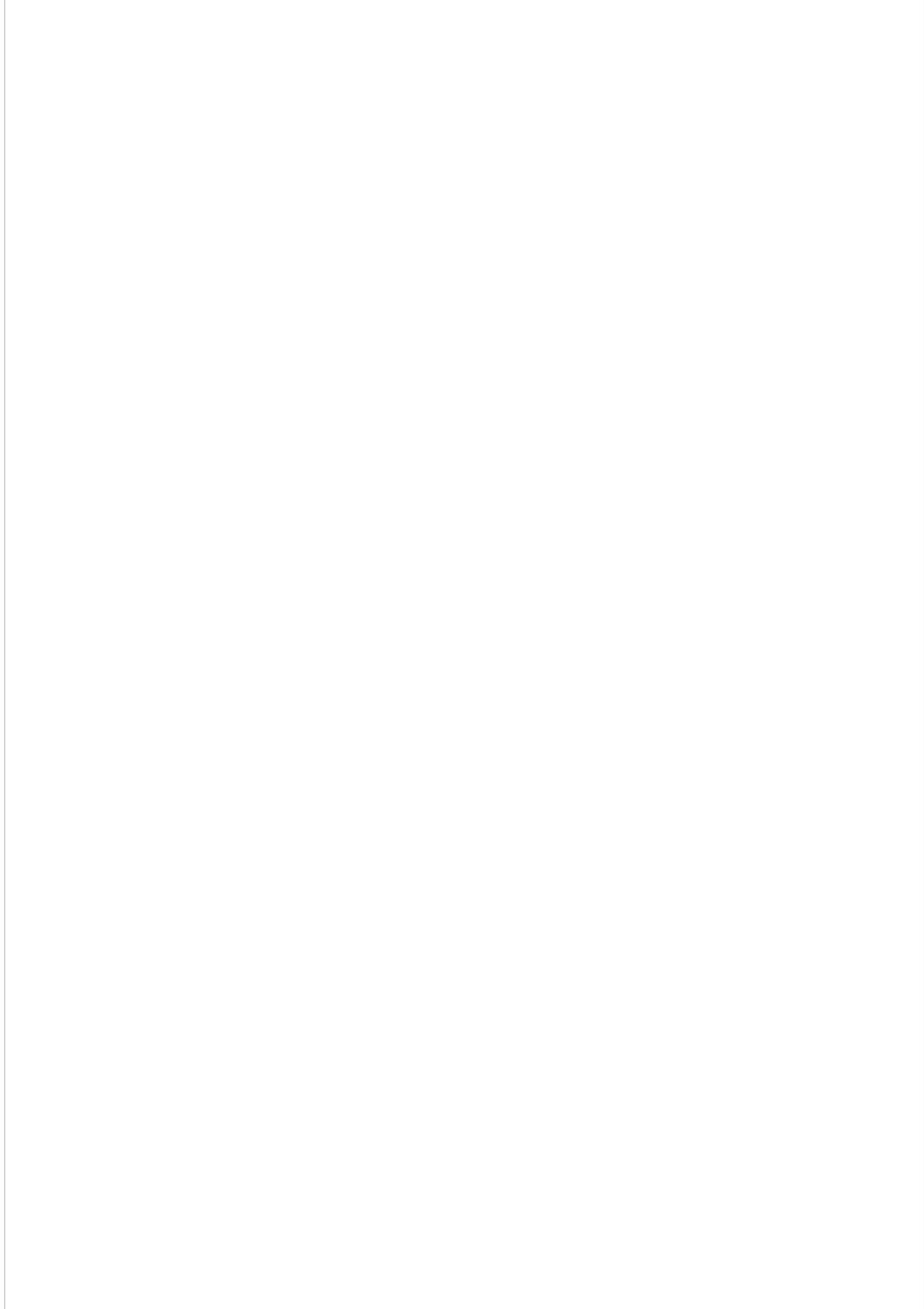
MISSION FORMULATOR

SAMPLE

Complete the sentences to draft a clear mission for your business.

BUSINESS IDENTITY	
WE ARE	A boutique accounting firm
TARGET CUSTOMER	
WE HELP	Overwhelmed small business owners
UNIQUE SOLUTION	
DO/ UNDERSTAND	Understand their financial history, current position, and cash flow
PROMISED TRANSFORMATION	
SO THAT	They can make timely, informed decisions that will grow their businesses with an acceptable level of risk
Based on your answers above, formulate your final mission statement below.	
FINAL MISSION STATEMENT	
We are a boutique accounting firm. We help overwhelmed small business owners understand their financial history, current position, and cash flow so they can make timely, informed decisions that grow their businesses with an acceptable level of risk.	

To update your mission statement using the Mission Formulator, find it at: businessaccelerator.com/missionformulator



REFINING YOUR VALUES

Your company culture can make or break your business. A healthy culture produces engagement, collaboration, and innovation. An unhealthy culture produces lack of ownership, absenteeism, and high employee turnover. And you have the power to shape your company's culture by defining your core values.

Your core values are composed of two parts:

PART ONE A concise phrase that evokes the value.

PART TWO A narrative statement about how that value comes alive in your business.

You want to have as many core values as you need, but as few as possible. The sweet spot is between 5 and 10. Create your core values keeping the following three characteristics in mind.

CHARACTERISTIC 1

CORE VALUES ARE ASPIRATIONAL.

Your values should define the culture you need, not necessarily the one you have. Aspirational values inspire your team and appeal to the best in your team. They call people to the best versions of themselves. But core values are written as though they are already reality. Not "We strive to be . . ." but "We are . . ." They are positive, written to excite others.

CHARACTERISTIC 2

CORE VALUES ARE RELEVANT.

What are the core characteristics your team needs to succeed? These characteristics should be important to your team, even if imperfectly modeled. They should be unique to your business—to you, your team, and your mission. They should also be crystal clear, able to guide decision making.

EXAMPLE

Affirm (Financial Services Company)

People come first.

We consider our impact on people's lives before we think about our own interests.

No fine print.

We are completely transparent and honest—with our own customers and with each other.

It's on us.

We take full accountability for our actions, never shirking responsibility or passing the buck.

Simpler is better.

We make complex things simple and clear.

Push the envelope.

We never stop innovating, taking smart risks, and raising the bar.

CHARACTERISTIC 3

CORE VALUES ARE MEMORABLE.

If your core values are not memorable, they are not useful because they won't guide decision making. Every person should be able to recall them.

One way to make your core values memorable is to keep them few in number. Another way is to add a modifier. This can add clarity and specificity and make the value more exciting. Try to use the same part of speech for each value. And never sacrifice clarity for cleverness.

EXAMPLE

Full Focus Co.

Unyielding Integrity

Total Ownership

Prioritizing People

Intentional Margin

Enthusiastic Contribution

Relentless Wow

High Leverage

Continuous Growth

Your company has a culture whether you are aware of it or not. It's a culture you can shape by the core values you set forth. Use core values as the foundation of the culture you need to succeed.

CORE VALUES MENU

SELF

Unyielding integrity

Servant hearted

Routine transparency

Rare bravery

Reflexive honesty

Prizing intelligence

Playful learning

Continuous growth

Value conscious

Unapologetic passion

Constant courage

Contagious joy

Extreme ownership

Deliberately detailed

Heroic helpfulness

TEAM

Prioritizing people

Enthusiastic contribution

Vibrant diversity

Family friendly

Intentional margin

No nonsense

Refreshing openness

Intense listening

Intentional collaboration

Habitually competitive

Straight shooting

Solution oriented

Intentionally playful

Radical candor

Thoughtful compassion

MARKET

High leverage

Future forward

Fair trade

Customer-centric

Relentless wow

Highly responsive

Readily reliable

Responsible stewardship

Growth conscious

Endlessly innovative

Meticulous quality

Extraordinary service

Unparalleled ease

Profitable sustainability

Consistent craftsmanship



LISTING YOUR CORE VALUES

SAMPLE

Establish 5–10 core values for your business. Reference the Core Values Menu on page 31. Once you're done, copy and paste your core values into this template.

1	2
<p style="text-align: center;"><i>INCLUSIVITY</i></p> <p>We value a diverse culture where everyone belongs. Different backgrounds and experiences contribute to the strength of our team and allow us to serve our clients to the best of our ability.</p>	<p style="text-align: center;"><i>INTEGRITY</i></p> <p>We stand for what's right. No matter how much it costs, we own our mistakes, follow through on our commitments, and operate within industry laws and guidelines.</p>
3	4
<p style="text-align: center;"><i>INITIATIVE</i></p> <p>We don't settle. We are constantly seeking new opportunities and strategies for our clients.</p>	<p style="text-align: center;"><i>INNOVATION</i></p> <p>We regularly look for new and better ways to do things, never settling for the status quo. We challenge ourselves to consistently learn and grow and invest in team development.</p>
5	6
<p style="text-align: center;"><i>INSIGHT</i></p> <p>We intentionally stay up-to-date on current industry trends and technology, which ensures we are always prepared for what comes next.</p>	
7	8
9	10

If you find it helpful to model your values as above, find it at: businessaccelerator.com/corevalues



MISSION AND VALUES

SAMPLE

The following is an example of how to define your Mission and Values.

MISSION

We are a full-service commercial real estate company. We create real estate solutions for industrial and office owners, lessors, and tenants. With our cutting-edge resources and skilled professionals, we connect our clients with their communities and give them the space and foundation to grow their businesses.

VALUES

INCLUSIVITY

We value a diverse culture where everyone belongs. Different backgrounds and experiences contribute to the strength of our team and allow us to serve our clients to the best of our ability.

INTEGRITY

We stand for what's right. No matter how much it costs, we own our mistakes, follow through on our commitments, and operate within industry laws and guidelines.

INITIATIVE

We don't settle. We are constantly seeking new opportunities and strategies for our clients.

INNOVATION

We regularly look for new and better ways to do things, never settling for the status quo. We challenge ourselves to consistently learn and grow and invest in team development.

INSIGHT

We intentionally stay up-to-date on current industry trends and technology, which ensures we are always prepared for what comes next.

To structure your mission and values list as above,
find it at: businessaccelerator.com/missionandvalues



CURRENT REALITY SAMPLE

The following is an example of how to fill out your Product Details form.

RESULTS

We generated \$28.4 million in revenue and \$3.7 million in EBITDA (13%).¹

PRODUCTS, SERVICES, AND PROGRAMS

INVESTMENT/SALES	
DESCRIPTION	We represent several strong investment clients, which leads to business across all our service platforms. We offer seller and buyer services for investors and individual building owners.
WHY WE'RE EXCITED	We get most of our business word-of-mouth, because our clients are satisfied with our negotiations and how easy we make the selling and buying processes. We have a strong team that is continuing to grow this department. Right now this is our fastest-growing service. We grew 20% over the previous year and have added two new agents to this department. Digital tools have allowed us to be more efficient than ever with virtual tours and contract execution.
CUSTOMER	Industrial and office investors
SCOPE	2.5M square feet industrial; 3.8 M office
REVENUE	\$9.9M
PROFIT	\$1.3M
LEASING	
DESCRIPTION	We offer leasing services to our investment clients, which includes landlord representation and tenant representation.
WHY WE'RE EXCITED	This continues to be our most profitable service. We have decades of experience and repeat clients that contribute to the stability of our business. Digital tools have allowed us to be more efficient than ever with virtual tours and contract execution.
CUSTOMER	Industrial and office investors, tenants, and prospective tenants
SCOPE	18M square feet industrial, 15.4M office
REVENUE	\$11.4M
PROFIT	\$1.5M

¹ Revenue numbers are year-end projections for 2021.

To fill out your Product Details form, find it at businessaccelerator.com/productdetails

The following is an example of how to fill out your **Stakeholder** Status form.

REAL ESTATE AGENTS (1099)	
WHY WE'RE EXCITED	We have a strong, loyal team whose average tenure is 12 years. Our compensation structure is fair and incentivizes our salespeople. We balance their experience as contractors well to make everyone personally feel a part of our mission
NUMBER	24
DEMOGRAPHICS	68% men, 32% women, 80% white, 20% people of color
POPULAR BENEFITS	Compensation and incentive plans, office space

REAL ESTATE AGENTS (1099)	
WHY WE'RE EXCITED	We have a hardworking, enthusiastic team who stays on top of the latest technology and trends and works collaboratively to create a well-rounded and satisfying client experience. We experience very little turnover and have a culture of initiative and excellence.
NUMBER	42
DEMOGRAPHICS	72% women, 28% men, 65% white, 35% people of color
POPULAR BENEFITS	Career development/education funds, flexible hours/remote work, 401K matching, health insurance benefits

To fill out your Product Details form, find it at businessaccelerator.com/productdetails