

91% of Business Owners Could See Higher Revenue Using a Strategic Plan, New Study Finds—But Few Feel They Have an Excellent Plan in Place to Capitalize On the Financial Upswing



The Alternative Board (TAB), a franchise provider of peer advisory boards and business coaching services, recently released the results of its quarterly, third-party *Small Business Pulse Survey*—and the results are surprising. Although 76% of respondents say they believe having a written strategic plan increases overall business performance, a whopping 91% don't have what they consider to be an "excellent" plan. In fact, 22%

have no written strategic plan at all. While the majority of business owners are expecting the economy to improve, they admit they're not in the best position to capitalize on it.

"There are many business owners who do not have a good strategic plan. They're missing opportunities—and they know it," said **David Scarola**, vice president of The Alternative Board, in a news release. "The time investment required to write and regularly review strategic plans pays off big in the form of increased sales revenues, higher profits and more opportunities."

When asked what they feel the most significant benefit of strategic planning is, 66% of business owners say it helps them identify and seize new opportunities. Moreover, respondents agree that continually reevaluated business plans are most likely to improve revenue growth, profit and marketing effectiveness. Despite the fact that business owners know the benefits of having written strategic plans, only 40% rate their own plans as "good" or better. The primary reason CEOs aren't writing or reviewing their business plans? Lack of time.

"The complaint that your company 'does not have time' is proof that you need to invest time for this," said **Allen E. Fishman**, TAB's founder and best-selling author of "The Alignment Factor," in a news release. "The reality is that strategic business plans have been proven to save an enormous amount of time in every industry. And time, as we all know, is money."

To get a clearer picture of who was surveyed: 65% are family-owned business owners. About half of those surveyed are members of TAB—this segment of the study group overwhelmingly review and adjust their strategic plan quarterly. By comparison, the non-TAB members felt an annual adjustment was sufficient. Those looking for a measurable result of the benefits provided by TAB's strategic planning style might point to the fact that 56% of the entrepreneurs who belong to TAB plan to add to their full-time sales staff this year, compared to just 34% of non-TAB members.

"The most recent survey results validate our long-held belief, based on over two decades of working with thousands of small- and medium-sized business owners, that having a strategic plan to guide their business is critical to achieving success," said Scarola. "It's in the business owners' best interest to have a good plan that is reviewed regularly." However, only 16% of business owners currently review and update their plan on a monthly basis.

The TAB survey also asked questions regarding how small business owners feel about the economy, which led to some interesting answers. While the economy may be stronger overall than it was a year ago, this sentiment varies widely by country. An impressive 73% of U.S. small business owners indicate that the economy is better than it was last year, while only 48% of British and 45% of Canadian CEOs feel the same way. Optimism is high among all survey respondents, though, with 66% anticipating an improvement in their local economy over the coming year. Even more telling, 77% polled expect higher sales revenue and 75% predict an increase in profits.