As you should now understand, Strategic Management is concerned with the long-term success of the organization and is a vehicle through which managers plan for the future.

So what is the difference between the strategic plan and the business plan? Well, by definition it would look something like this:

- **Strategic Plan**
  - longer-term action tool with an outward-looking, marketplace orientation used to drive the organization toward its vision of the future while adjusting to changes in the environment
  - helps identify and develop a competitive advantage by identifying core competencies
  - strength is to help turn the business plan into an action plan
  - addresses the issue of where you are going

- **Business Plan**
  - short-term communication tool (internal and external) used to determine potential for success, to acquire financing, and to provide direction for the business.
  - strength is in functional & operational areas
  - addresses the issue of where you are going and how you will get there

The reality is that, in practice, these plans will probably not be separate entities, but rather they will be separate and equal concepts that are integrated into the same plan. If you would like some additional insight, why don't you read this very interesting article.

For the purposes of this course, I introduced the business plan first (in chapter 11) to familiarize you with the functional components that most people expect to see in a business plan. Chapter 3, then, is designed for you to become familiar with the strategic elements of the planning process, to broaden your thinking by looking at the competitive, environmental issues that your business may face over the next 3-5 years.

The key is to understand that the processes learned in both chapters are just as important as the plan that will eventually be created, because of the strategic-thinking and learning involved.

**USING ELEMENTS OF THE STRATEGIC PLAN FOR THE COFFEEHOUSE PROJECT**

As you have seen in the text, strategic planning is an ongoing process that consists of 9 steps. For BP#2, I would like you to focus on steps 1-5, which will help you to better understand the personality and some of the specific characteristics of your Coffeehouse business environment, as well as challenge you to develop your own mission statement and key factors for success. This is often referred to as an environmental scan or a situation analysis:

- **develop a meaningful mission statement** - as you have learned, mission statements are brief and very broad in focus but can act as a guiding light for your business.
• **prepare a SWOT analysis** - A SWOT analysis (strengths, weaknesses, opportunities and threats) is a common terminology used in marketing and incorporates steps 2 & 3 of the strategic plan. Even though your business is in the startup phase, you should still be able to identify a number of pertinent issues for your SWOT analysis.

• **identify any key factors for success** - These factors will be the keys to your future success and are important to identify early on.

• **analyze the competition** - Competitors can include anyone who could be attractive to your customers and influence them away from your business. In this analysis, please give a brief explanation as to why you feel they are competitors.

In addition to Chapters 3 (Strategic Management) and 11 (Crafting a Winning Business Plan), Chapter 6 (Building a Powerful Marketing Plan), in the next Module, will also address many of these concepts in more detail.

**Writing Assignment:** The writing assignment for this module requires you to provide an in-depth look at your early planning strategy by communicating your ideas on the 4 highlighted topics listed above. To help you complete this assignment, I have developed a template which should aid in keeping your ideas organized and presentable. This is a Word document that should be workable with any normal text editor.

As always, this written assignment should be clear, concise and error-free.

After you have virus scanned your document, you can send it to me as an email attachment, remembering to use the correct email addressing protocol. I automatically delete any attachment that contains a virus.

**Discussion Forum:** When you have completed this assignment remember to return to Learning Module 3 to complete the Discussion Forum activity. This module’s activity will be as follows:

• Spend some time browsing through the Startup Journal website at [http://online.wsj.com/public/page/news-small-business-marketing.html](http://online.wsj.com/public/page/news-small-business-marketing.html) to find some information that interests you, especially if it involves business planning or strategic management. Two very good spots to look at are the Independent Street blog (click on the "Blogs" link and scroll down the new page to find this blog) and also the How-To-Guide (click on the link).

• Whatever you find that interests you, report your feelings/ideas back to your classmates on this Discussion Forum.

Post your response to this Forum's discussion points and remember to reply to at least 2 of your classmates' posts. Although I have defined the minimum number of responses, since the Forum is a great way to share ideas don't feel limited to only 2 replies. Your 3A's grade can certainly be enhanced by your involvement in the Forums. I hope you enjoy preparing this assignment as much as I will when I read it.