

Strategy planning worksheet

Business strategy depends on both planning and implementation.
Use this worksheet to plan your strategy.

Use this worksheet together with the following pages on the business.govt.nz website:

- [Looking outwards at your market](#)
- [Looking inwards at your business](#)
- [Creating your own space in the market](#)

As you read the information about strategic approaches, try answering the questions on this worksheet. You may want to answer some questions more than once, to explore different options or to cover more than one part of your business.

Your completed worksheet should give you a good idea about the best strategy for your business. Read [Turning strategy into action](#) to learn about some practical tools for implementing your strategy, and the challenges you may face. Use our templates on that page to help you break your strategy down into actions and carry them out successfully.

For more information,
see business.govt.nz's
[Strategy section](#)

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Looking outwards at your market

1. What type of market are you in?

Is your market fragmented or is competition concentrated among only a few businesses? Or is your market closer to a monopoly, either locally or nationally?

- ☐ Fragmented market
- ☐ Concentrated market
- ☐ Closer to a monopoly






What characteristics make you think so? What else has a big effect on how your market works?

For more information, see
business.govt.nz's [Strategy section](#)

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2. Understand who has the power

Here's a reminder of the typical sources of competition. Write down what you've noticed for each type of competition, and what you worry could happen. Which is the most important type of competition for your business at the moment?

TYPE OF COMPETITION	RIVALRY AND POWER	WHAT CAN I DO?
 Competition from rivals may mean price pressure or innovations to keep up with	Rivalry <input type="radio"/> Weak <input type="radio"/> Strong Power <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low	
 Customer Power may shop around for more features or lower prices	Rivalry <input type="radio"/> Weak <input type="radio"/> Strong Power <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low	
 Supplier Power with plenty of other customers may charge more or shift related costs onto you	Rivalry <input type="radio"/> Weak <input type="radio"/> Strong Power <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low	
 Threat of new entrants may lead to price pressure and aggressive marketing to gain market share	Rivalry <input type="radio"/> Weak <input type="radio"/> Strong Power <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low	
 Substitutes may look very different but meet the same need — customers might be willing to use them instead	Rivalry <input type="radio"/> Weak <input type="radio"/> Strong Power <input type="radio"/> High <input type="radio"/> Medium <input type="radio"/> Low	

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3. Plan strategic responses in advance

What effect could competition have on your market and your business? Think of some likely scenarios, and plan how you'd respond. For example, think about what it would look like to compete on price, acquire new skills, update your technology, or look at a new market segment. What effect do you think your response would have on your competitors? What might be the final outcome?

For example:

A new competitor enters the market with a cut-price product that is basic but meets some customers' needs. Trying to compete on price would cut your profits, and the competitor might cut their prices further to gain market share. Instead you might focus on the added features and quality of your product to differentiate what you offer.

4. Cooperate and compete

Identify opportunities to cooperate without affecting your ability to compete in the market. Are there opportunities to partner with other businesses that complement what you do? Could cooperation help you compete against bigger companies?

For example:

You might pool resources to buy in bulk, or share marketing or quality certification. Remember not to cooperate on things like pricing or dividing up the market, as those harm competition.

5. Find your market position

Use the tool [Find your market position](#) to compare your business, product or service against its competitors.

- What did the tool tell you about your current position in the market in terms of price, performance and customisation?
- What does that mean for your strategy and ideal future position?
- What opportunities and risks do you need to be ready for?

Current position	
Ideal future position	
Opportunities to take	
Risks to prepare for	

Looking inwards at your business

1. Determine the value in your business

Pick some of the activities your business does. For each, identify what value they add and what they cost. Where do you add the most value? What costs most?

ACTIVITY	VALUE	COST	COMMENTS
Eg, double-checking order before shipping	Catch and correct missing contents or wrong shipping details (each re-send costs \$30)	\$3 staff time per order	Helps customer satisfaction and trust, and reduces time and effort correcting mistakes

For more information, see [business.govt.nz's Strategy section](#)

2. Find your unique activities that make or cost money

Ask yourself which of the activities in your business are unique. What's different from your competitors to make them unique? Are others able to copy them, or will they stay unique? Which of them add most value or cost? Could you change them to improve their value or cost?

ACTIVITY	UNIQUENESS	VALUE OR COST ADVANTAGE
Eg, free local carbon-neutral delivery in the city	Competitors are in another city, so cannot deliver as sustainably in your city. Competitors could use carbon offsets together with different delivery.	Value advantage: some customers have committed to sustainable choices and currently have no alternative in the city. This reduces pressure on prices.

3. Make the most of your resources

Use the tool [Find your key resources](#) to think about whether some of your key resources are valuable, rare, hard to imitate, and fully used. The tool highlights what value you get from each resource and gives you advice to make the most of it. Make a note of your results for a few resources below — especially any advice that affects your strategy.

Remember that a resource is something that keeps you unique and adds value. Things like 'good customer service' might be good choices, but they're not resources.

4. Improve your bottom line

How do you and your competitors do things differently? Do you have a cost or value advantage today? What could you do to cut costs or add more value? Brainstorm your ideas below.

For example:

Do you provide better advice than your competitors? That might give you a value advantage today. Can you continue to provide great advice while cutting the cost of providing it?

5. Get the business on board

Explore how strategic change will affect the rest of your business. This could be change from looking outwards at your market, looking inwards at your business, or both. What will you need to change to get the business on board? Look at how you're set and what needs to change for each question.

	RESPONSE	WHAT NEEDS TO CHANGE?
1. Shared values Are they consistent with your business's structure, strategy, and systems?		
2. Strategy, structure, and systems How well does each one support the others?		
3. Staff, skills and style Do they support the strategy, structure, and systems you want? Do they support each another?		

Creating your own space in the market

1. Find out what your customers value

What do your customers value about what you and your competitors provide? You may know from feedback or face-to-face discussion, or maybe you can find useful data or trends. Find out whether different customers value different things, and why. Are there different ways to add value to serve different desires? Brainstorm your ideas below.

2. Look for new opportunities within your business

Look for opportunities within your main business. Try writing down what your customers value, and comparing it with what your business offers. Then write down ideas on how to extend that value.

Look beyond the competition and towards your customers' values. Try looking closely at your competitors. Are they meeting your customers' values? What are they doing to meet those values? How are they failing to meet them?

Look for ways to add value without adding to your costs. Are there any costs you could get rid of without harming the value of your product? Could you use that money to create a new niche?

3. Creating new value: Product, service or mix?

Use the tool [Creating new value: Product, service or mix?](#) to reflect on a product, service or mix you provide. What did the tool tell you about what you offer today? Did the tool help you identify opportunities to add value?

4. Add value without adding to your costs

Write down what each of these tactics could look like for your business.

Get rid of something	
Do something better	
Add something novel	
Downgrade something	

5. Stand out from the competition

Explore how strategic change will affect the rest of your business. This could be change from looking outwards at your market, looking inwards at your business, or both. What will you need to change to get the business on board? Look at how you're set and what needs to change for each question.

	FEATURE	RATE YOUR BUSINESS	RATE YOUR COMPETITORS
In the market today			
Opportunities to stand out			

What next?

Your completed worksheet should give you a good idea about the best strategy for your business. Take another look to check for anything that doesn't fit now you've finished the worksheet, or any opportunities you might have overlooked.

Read [Turning strategy into action](#) to learn about some practical tools for implementing your strategy, and the challenges you may face. Use our templates on that page to help you break your strategy down into actions and carry them out successfully.

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