

# The 10 biggest strategy mistakes companies make

In my role as a consultant, I've seen so many company strategies fall flat because of simple errors that could easily have been avoided. What's interesting (and frustrating) is that organisations, regardless of industry and the size of the business, tend to make the same few mistakes over and over again. With that in mind, here are my top 10 mistakes to avoid when creating your own business strategy.

## 1. Regurgitating last year's plan

Even if you've had a great last year and business seems to be booming, there's no excuse for serving up the same strategic plan all over again. Even if your overarching objectives remain exactly the same, you still need to assess those in the wider context of what's happening around your business. A well-thought-out plan is the best way to ensure your company doesn't risk getting left behind.

## 2. Not keeping the plan short and simple

I've seen a lot of companies who want to complicate their business plan as much as possible, because somehow it seems "better" that way. Nothing could be further from the truth. Business strategy doesn't need to be complicated – it needs to be effective. And, when it comes to length, the best business strategy should be succinct. In fact, it's possible, and desirable, to keep it to [a single page](#). This ensures that as many people in the company as possible can read, understand and implement it.

## 3. Not defining the customer and their needs

The key to a good business strategy is to start with your customers and their needs. What is your target market? Are you planning to appeal to a particular segment? Are you targeting a particular geographic region or specific demographic? If so, what do you already know and what do you need to know about those potential customers to improve the likelihood of success? Then think about their needs as it relates to your value proposition: what unmet needs can you help to address? What problems can you solve? How can you make things better, easier, tastier, more luxurious, faster, etc.?

## 4. Not thinking about competitors and market trends

Having defined your customers and their needs, you should then consider your competitors and market trends. Who are your key competitors? Who has moved into the field in the last year?

How does their offering differ from yours? What do they do better than you? How do they interact with their customers (for example, on social media)? In addition, analysing wider market trends will help you spot key themes, changing expectations, and new opportunities.

### **5. Not getting buy-in from others**

How can you expect others in your company to get behind your strategic plan when they've had no input in its development? It may seem obvious, but too many plans are developed by only one person (sometimes even an external consultant), without engaging critical stakeholders elsewhere in the company, then simply handed down from the leadership team like a decree from the heavens. When creating your plan, ask key departments like sales, marketing, finance and so on for their input. Not only will you create a more rounded plan as a result, you'll be securing their buy-in early on, making implementation far easier further down the line.

### **6. Not planning how the strategy will be delivered**

You need to ensure you can deliver on your plan. This means you must look inside the business and assess the core skills and capabilities you have and which ones are missing. Then think about how you will plug the holes in your skills and capabilities. How difficult or easy will it be to fill those gaps? Do you need to hire new talent? Should you partner with others? Will you need to build or nurture relationships, for example, with suppliers, partners, or distributors?

### **7. Not knowing the numbers**

When engaging in any strategic planning, you absolutely must get the financials straight up front. Map out your goals for revenue and profits and ensure there is enough cashflow to cover your ongoing costs. Make sure you have a plan in place to fund the business and attract the capital that will allow you to grow. This might involve venture capital and loans. Another important aspect of knowing your numbers is being sure that you have the budget or funding to deliver on your plan, including hiring new talent and investing in new systems. The last thing you want is to end up with a half-implemented plan because the funds ran out.

### **8. Not developing KPIs to monitor progress**

Every business strategy needs clear goals and milestones, measured by actual metrics and data. Without these [navigation tools](#), you are sailing a ship without knowing where you are. You should therefore take the time to define your key performance indicators and set up the systems, dashboards, and processes to monitor them regularly. A surprising amount of good business strategy can actually be reduced to knowing and paying attention to the right numbers. Without that, how can you know you're on the right course?

### **9. Not using data to guide the strategy**

We now live in a [big data](#) world where more data is available than ever before, but many businesses fail to capitalise on this when creating their plan. You need to build your strategy on as many facts as you can get your hands on, not assumptions or gut feeling. When just starting out, you can use free tools such as Google Trends or publicly available data, but more established companies should consider investing in the tools and mechanisms to capture and analyse the very best data for them, and using the insights derived from that data to shape their plan.

## **10. Not having review and learning cycles in place to amend the direction of the strategy**

The most successful companies learn to iterate quickly and not get too attached to any one idea. You therefore need to put processes in place that let you learn and fail fast. When you launch a new strategy, it is key to monitor how things are going, and listen to feedback and what your data is telling you. If things aren't working, figure out why and change it fast. For example, you can experiment with new product and service features and focus on the ones customers value - getting rid of those they don't quickly. Remember, if an idea isn't working for your business, no amount of loving it will make it work.

By avoiding these common pitfalls, you can create a business strategy that's simple, effective and valuable – something that everyone in the company can understand and work towards.

Bernard Marr is a bestselling author, keynote speaker, and advisor to companies and governments. He has worked with and advised many of the world's best-known organisations. LinkedIn has recently ranked Bernard as one of the top 10 Business Influencers in the world (in fact, No 5 - just behind Bill Gates and Richard Branson). He writes on the topics of intelligent business performance for various publications including Forbes, HuffPost, and LinkedIn Pulse. His blogs and SlideShare presentation have millions of readers.