

Framework to get to a strategic plan

For inspiration only

*This document is not a well-documented research paper. it is a simple framework, a structure to get to a strategic plan.
It can be improved. No, it will be improved.
You live, you learn
you improve.*

The examples used are what they are: examples.

“WE WANT TO BECOME THE BEST”

(IN WHAT?)

Describing why a company is doing what, when and how is not an easy exercise. It requires in depth analysis, and a relentless willingness to actually knowing things. Not guessing things. And while the company knows its why, how, what, and when it is still not easy to provide a comprehensive 1-pager which can be shared amongst the team members, board members, and shareholders.

But with a 1-pager it becomes very clear for all stakeholders what to be expected from one another.

It does not stop with the 1-pager.....

The strategy leads towards a 24 month plan to get to the next phase of the company

With this exercise Newion tries to provide a framework for getting the strategy right and communicate it to all stakeholders.

Executing a strategy requires a plan. Based upon quantitative analysis and quantitative analysis. With actions and deliverables. And with a constant feedback loop: Are our assumptions still right? Do we have the right validations? Are we still on track? What is going as planned? And what is not going as planned?: better or worse. Were our assumptions wrong? Did we execute better or worse than we would we do?

We start with the “strategy on 1 page”, which is just a summary of your strategy for the next years to come. That full strategy is probably some 10-15 pages. But the summary is on 1 page. The page to share. The typical “elevator-pitch done differently”.

We then explain how to get to the 24 month tactical plan: commercial, product, organization - leading to a next funding round, or profitability. The plan needs to be precise, comprehensive and coherent.

But it starts with:

**The analysis. Who are you now and,
who do you want to become?
(what is your Value Proposition)**

Positioning (of the Value Proposition) – how well is everything aligned?

Positioning canvas

Value proposition: Defines the key benefit you promise to your most important customers.

Positioning: Rooted in competitive advantage, the positioning statement articulates your differentiated role in your industry and your ultimate customer relevance.

Core DNA: Who your company is and the root of your competitive advantage.

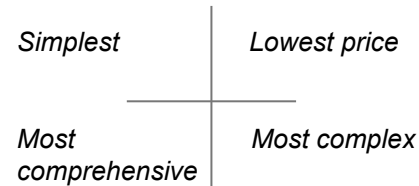
Mission: A mission statement is a short summary of your company's purpose.

How to read

- 1) This document is meant to structure a **thinking process**
- 2) **All** components will require a separate analysis
- 3) **All** components are meant to be connected

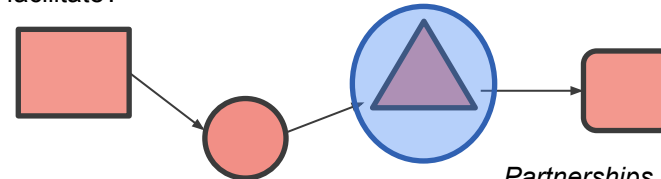
Brand

How does the mission and DNA of the company reflect in how the brand should be perceived by the market. What are the different categories as perceived by the market?



Landscape

What workflow does the solution facilitate?
Or
Which components of a workflow does the solution facilitate?

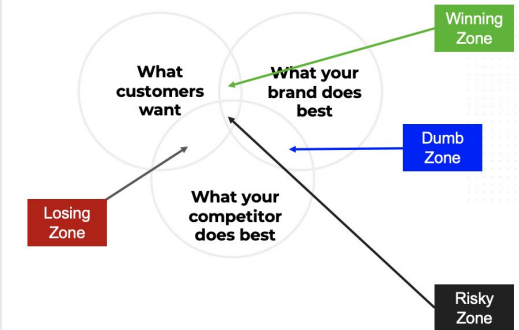


Which other players are facilitating the same component or other components of the same workflow?

Partnerships
Integrations
Data streams
Overlaying functionality

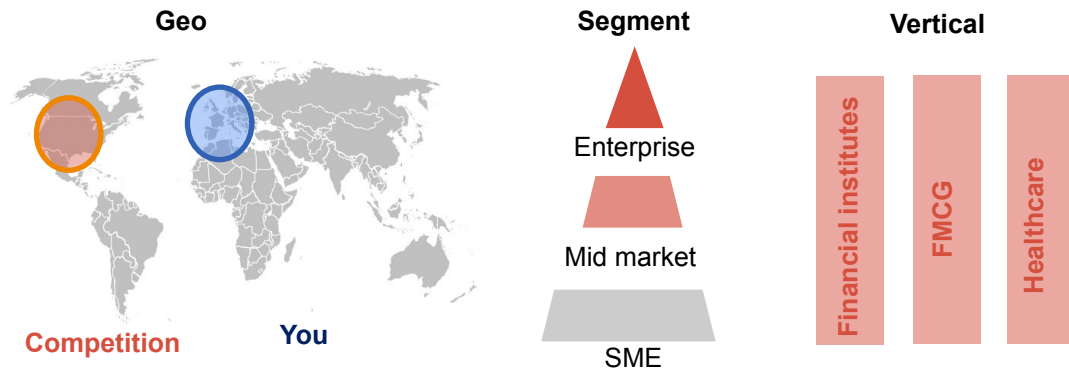
Solving capabilities

Which variables determine, how the customer pain, translates into capabilities of the solution?



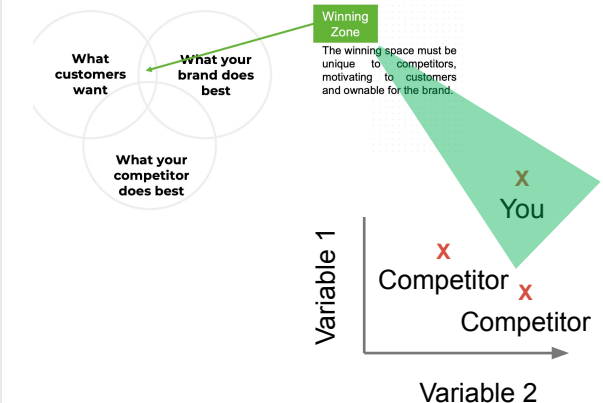
Product market combination

Which segment has the best product market fit?
(e.g. the biggest pain to solve or the best product to serve a specific pain)
Which segment shows the biggest opportunity?
(e.g. based on market size, market growth, current presence, lack of competition etc.)



Unique advantage

Which variables (related to the customers wants) are outlining your unique position in the market?



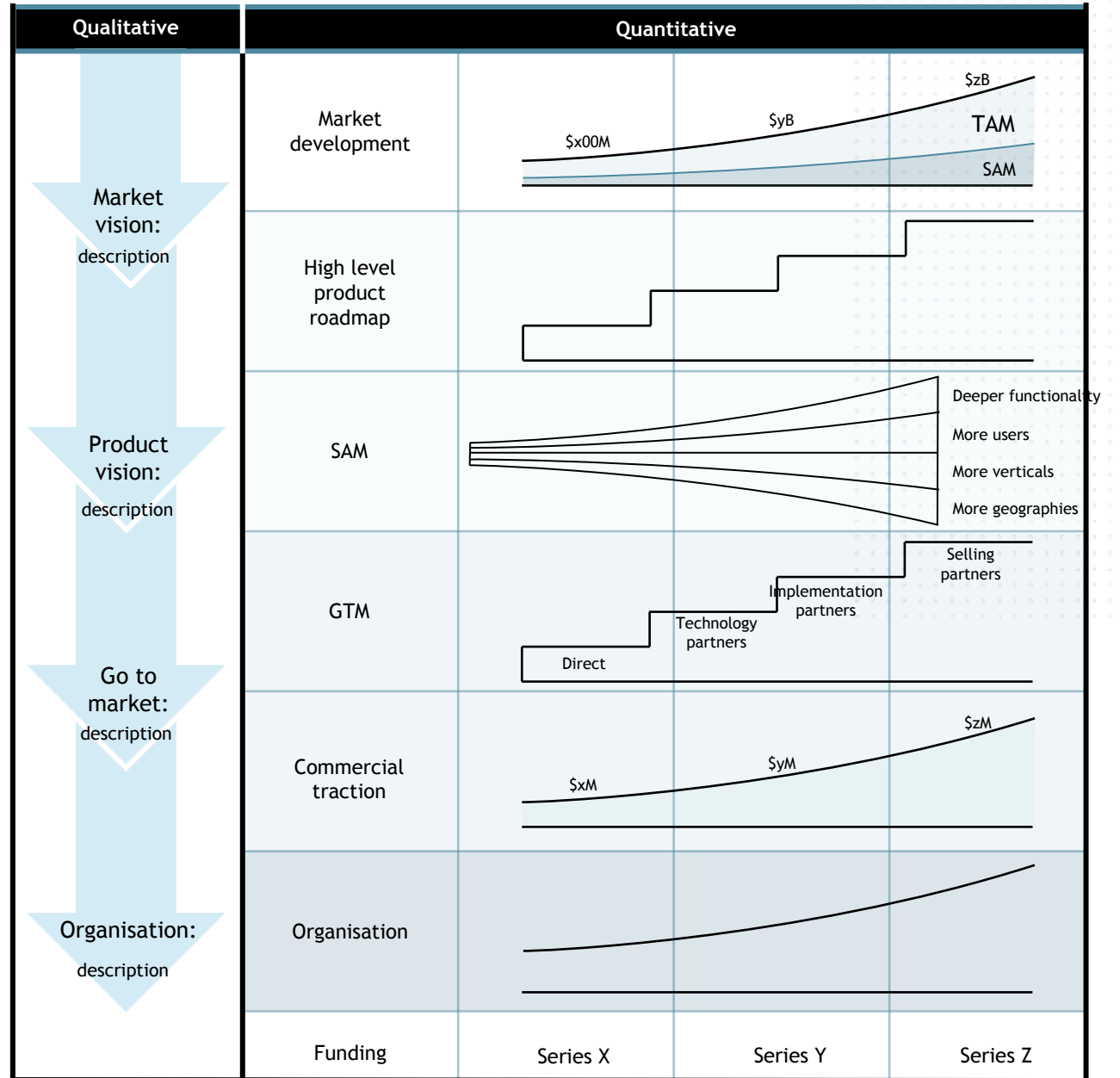
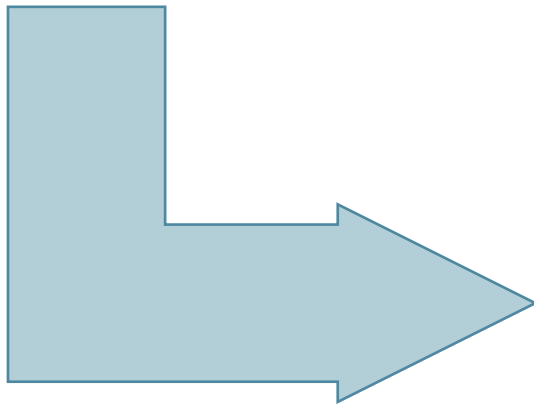
Strategy on 1 page

Vision: We believe that, based upon A, that B-customers will develop in C-direction, and will be in need of D

Mission: We solve X problem for Y customers/personas, so they can create Z value

Values: During our mission, we live up to these P/Q/R values

Ambition: We aim to achieve K/L/M goals within N-time frame

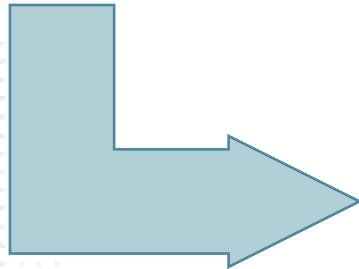


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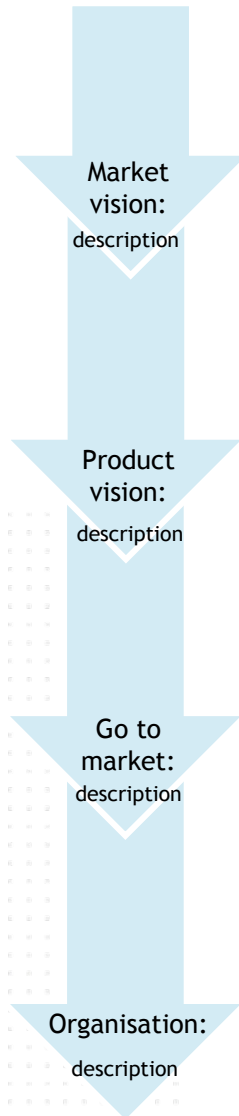
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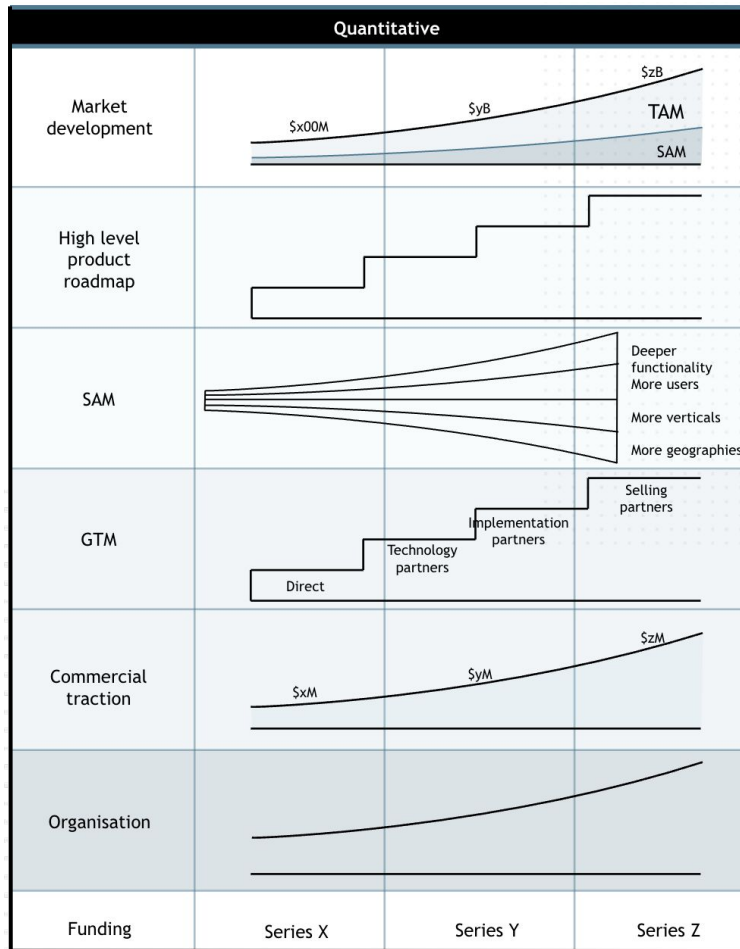


- Writing down a VISION is not easy, and it should not be done in isolation, from the attic, from your home office. It must be written down in confrontation with the market, based upon data. You have to research the underlying drivers that create the vision. A vision is not for the next 5 years, but more around 10 years. If the ambition is global leadership, the vision should contain these global elements. Describing the Vision is 2 A4 pages, including the validation of it. Avoid being vague, every word has to be right and precise. Don't forget, your vision determines the direction of your company for the next 10 years. So spend time on it. But write 2 sentences as a summary on the 1-pager.
- If we have described the vision, we must describe our MISSION. If the world is headed a certain way, what are we going to do about it? How are we doing this? And why are we doing this? Is there a special way of doing this, will we be innovators, doing something in a new way (and if so, why is "new" better?). A mission is not about the product or technology, we'll come to this later. A mission is more about "curing diabetes through plant based medicines based upon research". Describe the mission on one page. Precise, and to the point. Something everybody in your company will understand and every customer and prospect will be inspired by. But write 2 sentences as a summary on the 1-pager.
- Describe the VALUES of your company. And walk the talk. And be vulnerable: if you have not acted according the values be open about it and show that you will do better in the future. But do not accept a second breach. "We are obsessed by customer happiness", but the help desk cannot be reached after 4:45 pm. We are transparent "in all we do", but the rest of the team does not know about our financials. Avoid hollow phrases. We live in very competitive times, getting and keeping great co-workers is difficult. Also, the people we hire are well educated and smart. They sense immediately if be do not live up to our values. Write them down, share them with your colleagues. And write 2 sentences as a summary on the 1-pager.
- AMBITION. The big goals. What do you want to achieve in the next years, 5-10 years out. Global domination? Or being rewarded with 3 stars by Michelin? It is not about the detailed financial plan, it is more about the recognition, the market share, the qualitative goals. Is it a way of saying that by achieving our ambition, we have completed our mission? – And maybe then it is time for another mission? Write it down, share it, and be transparent if we are still on the path of achieving the ambition, or if we lagging behind. And write 2 sentences as a summary on the 1-pager.



- Describe the market, and how you think it will evolve in the coming years. Why is the pain so high, so clear. What is the rationale behind this, what drives it. Describe your TAM, the Total Addressable Market.
- How do you Position your Value Proposition? What are your competitors doing, what do your customers love so dearly and what are you so good at – your unfair advantage, acknowledged by customers and market analysts. And where do you go head-to-head with your competitors?
- And with the product you envision, how will you get a piece of the market. What is the compelling technology behind it, why are you better than the rest. What are future product enhancements – validated by prospective customers – so you can address a larger market: maybe you go from mid-market to enterprise: this requires product enhancements. Or you will address maybe different vertical markets: what works for an airline might not directly work for a hotel-chain. Or first you address the people at the business intelligence department, but later you want your product on every cell phone of every employee.. And what is your unfair advantage, why is your product better in solving the problems than the competition? Why would somebody need your product? By describing the product roadmap, you will start describing your Serviceable Addressable Market. Is the product self explanatory, does it need any integrations, implementation by Service Providers, or is it just “one-mouse-click-and-there-you-go”.
- The Serviceable Addressable Market (SAM) is the market you would like to service: first your local village, but later the rest of the country. Or, first the vertical of hotels, but with some product developments you want to move into hospitals. Smaller “land deals”, which you can make into great “expand deals”. And why would this be so successful? What problems can you solve, better than others? And how will this evolve over time?
- Your go to market model (GTM) is essential to think how to conquer the market share. Is it through field sales?” or a low touch sales model where people download your product and start using it? Or you will have a “product led growth sales model” first, but you envision big enterprise deals later on. Does it require partners? What will be your partner strategy? Do you need technical partners, or implementation partners, or partners that will do the sales? And how does this influence your GTM? Your marketing, your customer support and success? And is this approach the same for the hotels in South America you target, and the hospitals in Asia? What choices do you have to make. Which priorities to think of?
- By making the choices, setting the priorities, by understanding your product roadmap and your GTM you need to describe the type of organization. Obviously, if you are a deep tech company selling your technology to a few big OEM’s you will have a different organization than that software company selling a solution for sports clubs through a field-sales. Or when you start with a PLG approach, your team has to change significantly when moving to a field-sales approaching enterprises. Do you need a services department? Describe the envisioned organization: why do you need this type of organization?

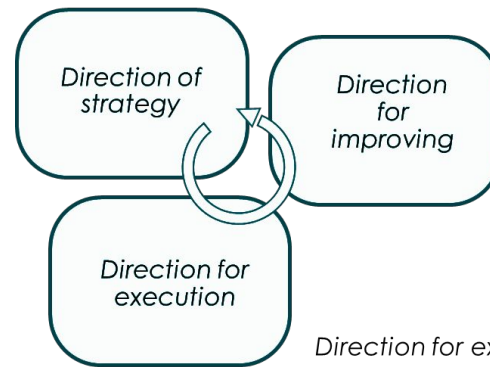
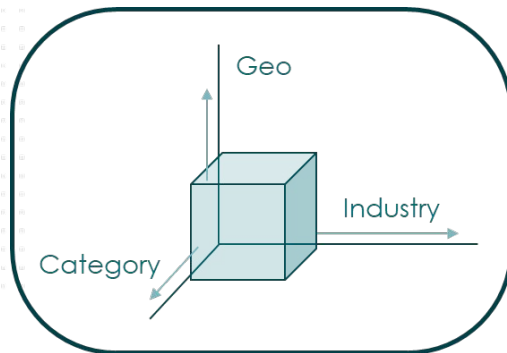
Time for the numbers: quantitatively analysis



- Market size and developments: bottom-up. It is great that in your market companies have \$trillions in their books, but with your product, with your pricing it could be that you are looking at a couple of \$ 100's millions. And by understanding your product roadmap, your plans of expanding in different geographies, or verticals, or both, or by creating a fantastic "land-and-expand" strategy servicing more employees per customer your SAM is growing. Calculate the market size and developments. And be precise. If your SAM is a couple of millions, it will be impossible to raise \$100s millions needed to capture that market. Otherwise, if your SAM will develop into the \$billions, it is unlikely you will become market leading with only a small angel investment.
- The product roadmap leads to understanding what is required for which market, and when. Rome wasn't built in one day. So you need to set priorities, but with the product vision in mind. What will it take to build that product according to the product roadmap, and how will this reflect in a different ACV?
- Calculate the costs and benefits of your GTM. Does it require massive marketing campaigns across all available media, or a stealth approach? Or anything in between? Which roles do partners play, what will be the benefits in numbers, and the costs?
- All this leads to commercial traction: growth in revenues, ACV's but also pipeline creation, conversion rates and upsell/ NDR.
- By understanding the GTM-model, your product roadmap and your envisioned commercial traction, this leads to the type and size of organization you need now, and how this will evolve over time.
- Investors like to embark on a journey with entrepreneurs. They want to know what to expect and when. So if you think that you are now raising your seed-round but you need definitive an F-round to become global market leading, write it down. Or maybe you only need a single round to achieve your ambitions. But show what you expect. Only very few parties will receive \$ 00's millions at their seed round to fuel their resources to get to global leadership in one big bang.

Making things more tangible: the next 24 months

- After the previous exercise, we want to have a plan for the next 24 months
- **Where** are you going as a company?:
- **What** are you going to achieve in the next 24 months, and when you already know that you require additional funding, what are the deliverables you have to show to be fundable in the next funding round?
- **How** do you set your goals, how to measure the progress, and how to steer the company

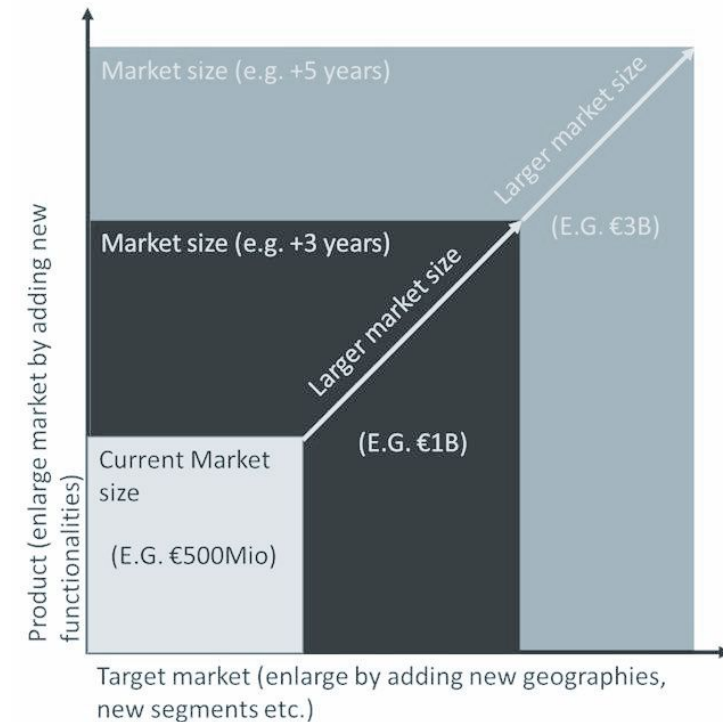


Direction for improving

- **If** you do the rights things: KPIs

Direction for execution

- **How** you will get there: Commercial, product, organization



In order to raise the next round in 24 months from now

Strategic objectives coming 24 months

Company culture

The success of the company is the result of the combination of a good commercial process, a great product and a strong execution.

These pillars go beyond single departments and need to be supported organization wide.

KPIs will define the successfulness of your strategic direction.



Commercial



Product



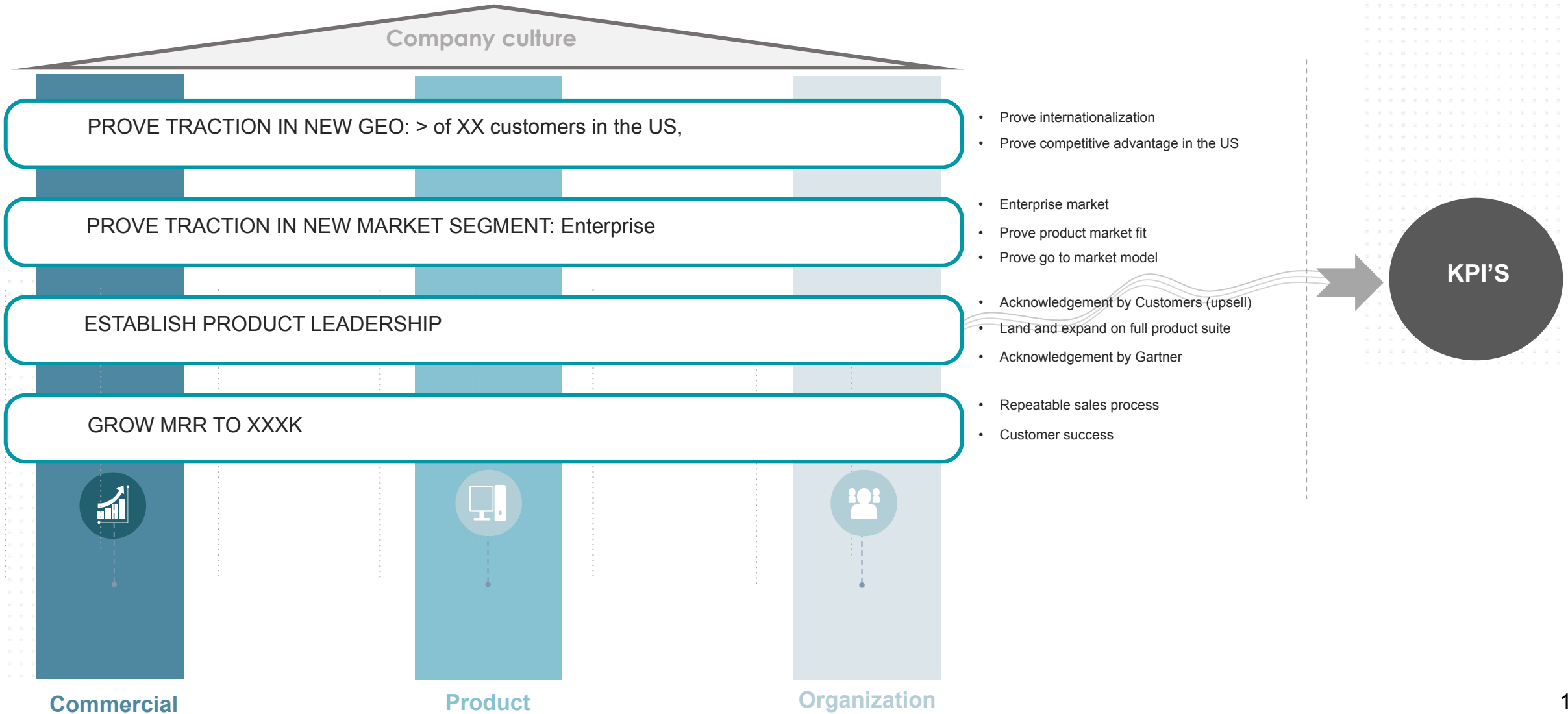
Organization



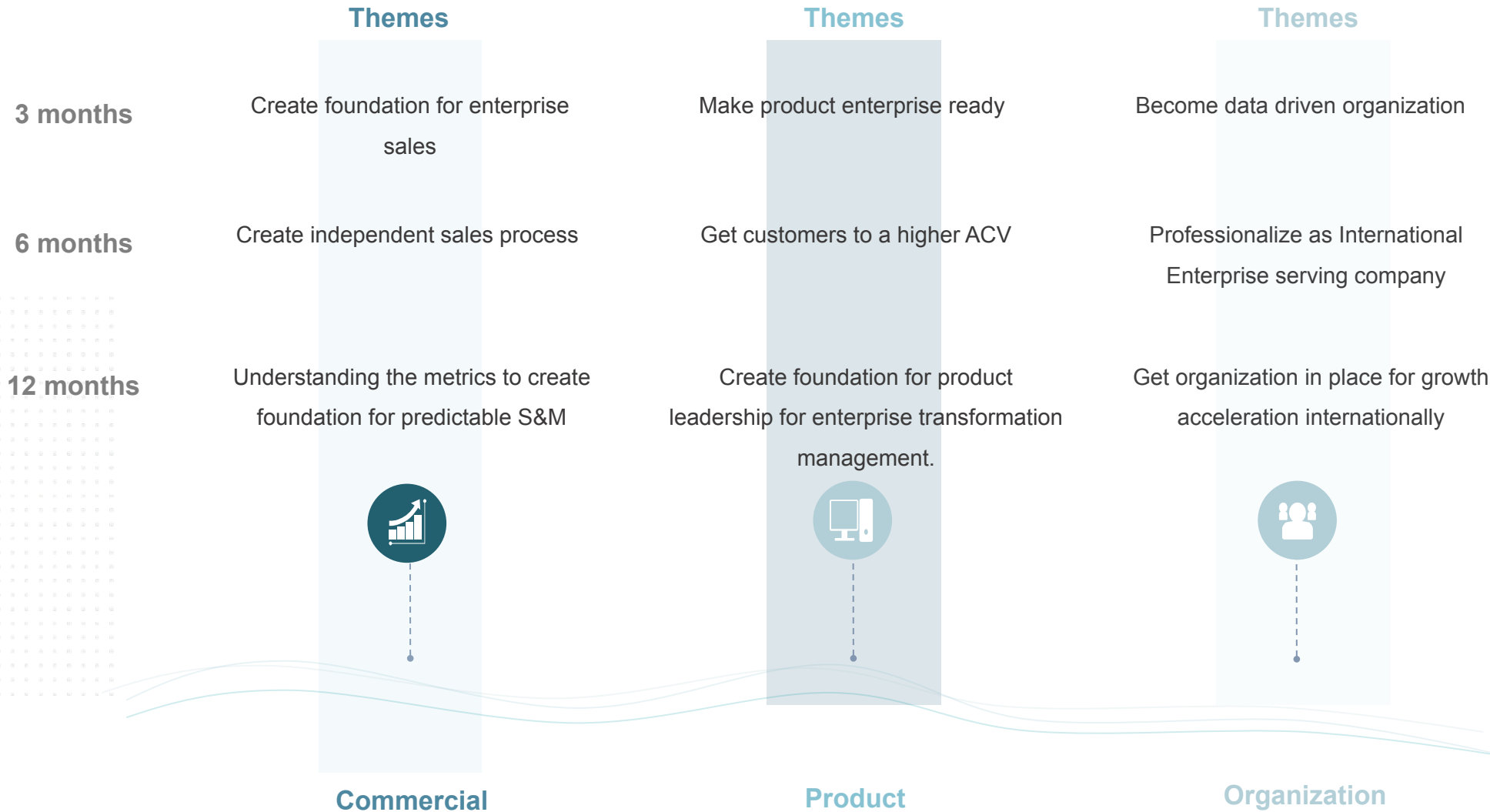
KPI'S

In order to raise the next round in 24 months from now, for example:

Strategic objectives coming 24 months

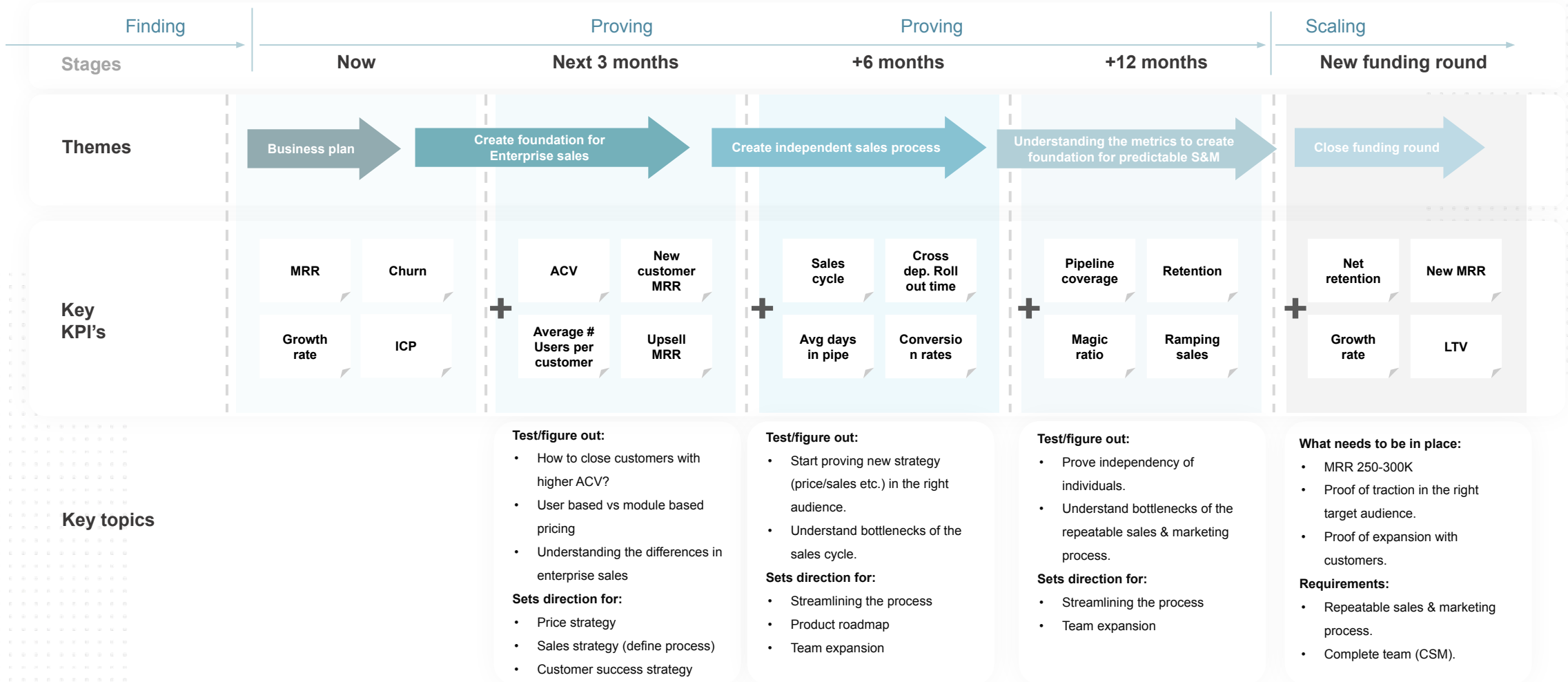


Tactical themes for the coming 24 months



The road towards complete understanding of your scaling metrics

Commercial model coming 24 months



Road to Enterprise grade product

The roadmap should be a reflection of the strategic direction of the company.

Product Roadmap



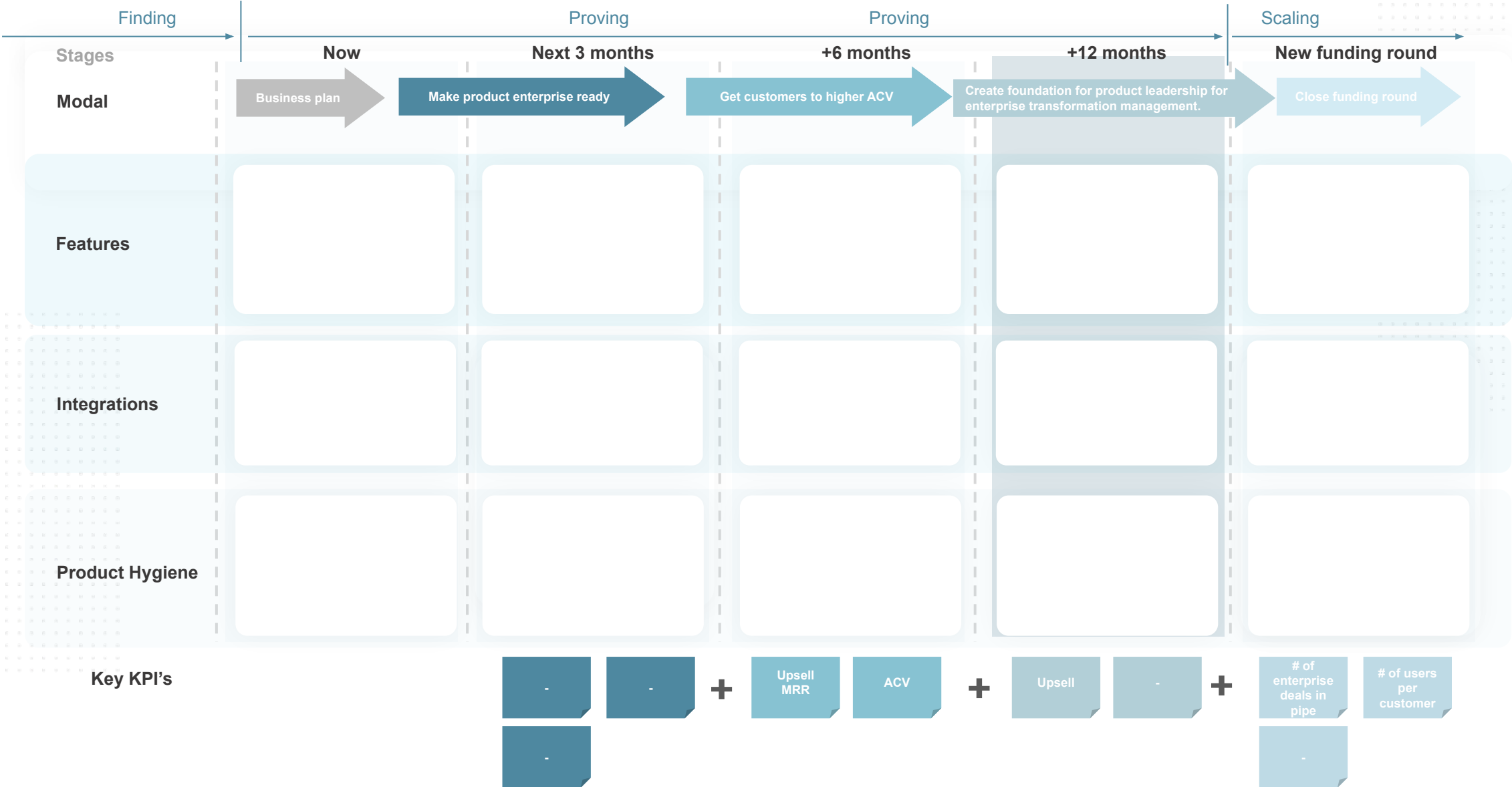
The success of your product roadmap will be confirmed by Sales KPI's

Goals	Stickiness/retention	Upsell	Sales cycle /implementation
Components Features product functionality that has a corresponding benefit or set of benefits for the end user Integrations 2 sided Product Hygiene User experience/user interface/bugs/stability/scalability	Features that will contribute to the retention(reactive) of your customer base or increase stickiness of your product (pro-active)	New features customers are willing to pay for, creating upsell, and increase in ACV	New features creating an increase in implementation time, or a shortening of the sales cycle.
	New integrations that will contribute to the retention (reactive) of your customer base or increase stickiness of your product (pro-active)	New integrations customers are willing to pay for, creating upsell, and increase in ACV	New integrations creating an increase in implementation time, or a shortening of the sales cycle.
	Improvements on stability or scalability of the platform. Bugs (re-active), Stability/Scalability (pro-active)	Trust	Improvements necessary to sell or implement customers currently not served.

Key KPI's

Retention	LTV	Upsell MRR	ACV	Sales cycle	New customer MRR
	Churn	-	Net retention	Avg days in pipe	

Product - metrics



The organization will be in constant development, to be able to execute on its strategic goals. This results in continuous bottlenecks.

As a result, a bottleneck within the organization constantly transitions and shift to the next department.

A bottleneck can be a resource capacity issue, a resource allocation issue or a missing resource issue.

G&A is the binding department of the whole organisation.

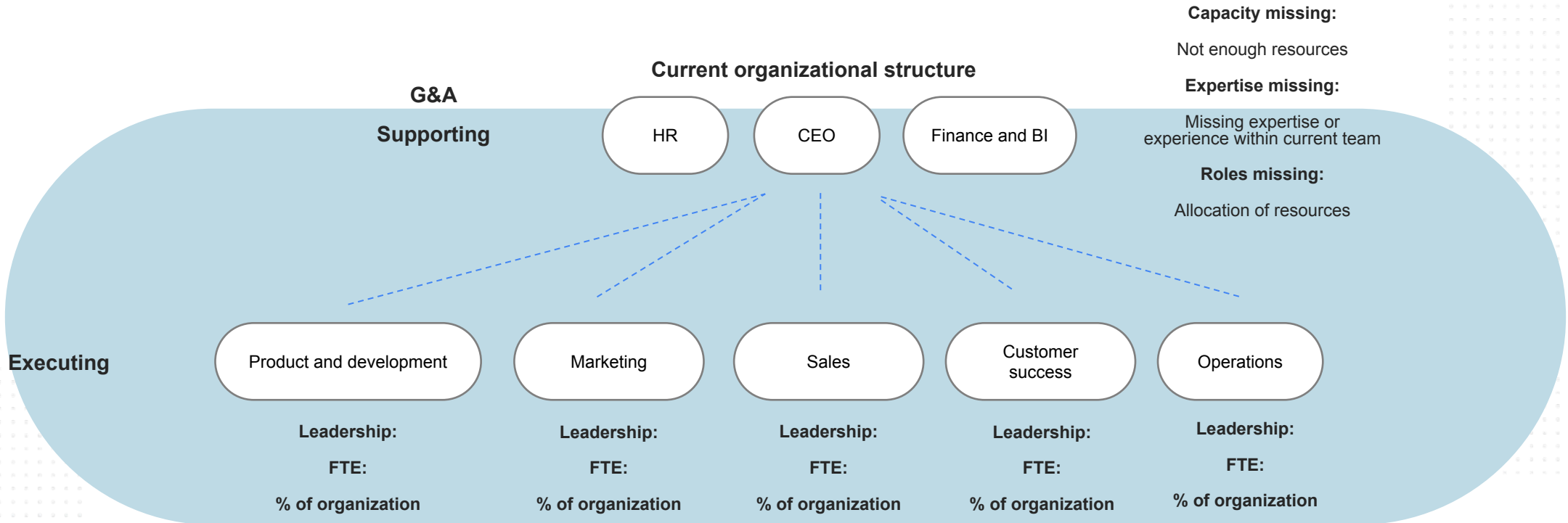
G&A needs to assess and understand where the bottleneck is, in order to solve..

Responsibilities G&A

CEO: defines strategy, solves bottlenecks and protects company culture.

CFO: checks if company remains within strategy and identifies the bottlenecks.





Capacity missing:
Not enough resources

Expertise missing:
Missing expertise or experience within current team

Roles missing:
Allocation of resources

Bottlenecks for strategic goals

	Product and development	Marketing	Sales	Customer success	Operations
Capacity missing: Not enough resources	xx	xx	xx	xx	xx
Expertise missing: Missing expertise or experience within current team	xx	xx	xx	xx	xx
Responsibilities missing: Allocation of resources	xx	xx	xx	xx	xx

