

Strategic Planning and Business Development

Courtesy of Career Leader

The phrase **strategic planning** describes jobs that can vary considerably in their responsibilities, duration, and career path within an organization. Strategic planners explore, design, analyze, or evaluate specific business plans. This work may involve:

- identifying and evaluating merger or acquisition proposals
- analyzing the feasibility of a new product or service
- designing or evaluating new service-delivery processes, distribution processes, vendor relationships, or business alliances

Many people use the phrase **business development** synonymously with strategic planning. But, business-development professionals typically have more of an external focus on:

- potential mergers and acquisitions
- negotiating deals (mergers, distribution deals, spinoffs)
- business alliances
- joint ventures
- new market opportunities

Some strategic planners work as internal consultants within their companies. They may work on temporary assignments within a business unit while that unit is planning or evaluating new projects. Or, they may have a long-term position within a central strategic planning unit of a large corporation, where they evaluate the strategy of the corporation as a whole. Either type of work can eventually lead to general management roles within a company.

During an assignment, or project, a strategic planner might:

- compare his or her own company's manufacturing process to that of an industry leader
- evaluate the size of a new market, its potential profitability, and barriers to entering that market
- consider whether it makes more sense for the company to have its own means of transportation, or to "outsource" that function

Some of these projects will come as "orders" from the CEO or head of a business unit, while others will be the strategic planner's own (or his or her manager's) ideas. In this latter case, the strategic planner will have to "sell" his or her idea to an internal customer before carrying out a project.

During a project, the strategic planner gathers and analyzes quantitative data. He or she may also interview current and potential customers, as well as people in other companies -- including competitors. The planner then presents the results of this research to his or her internal customer: the head of a business unit, the CEO (Chief Executive Officer), COO (Chief Operating Officer), vice president of marketing, etc. As with management consulting, the career path of in-house strategic planners generally progresses through three stages:

- In the **entry-level stage**, strategic planning associates work on assignments under the direction of a more senior member of the group. Their work consists of gathering and analyzing data, then helping to prepare results for presentation to senior management.
- In the **project-management stage**, managers will take ownership for entire planning initiatives. They direct the associates' work, and develop and maintain relationships with the business-unit heads who have requested the study.
- In the **directorial stage**, the vice president of strategic planning will work with members of the executive committee (the CEO, president, CFO, COO, etc.) on the most far-reaching strategic issues facing the company. Together, the group determines what the firm's strategic planning operation should focus on over the long term. The strategic planning VP and business-unit managers will then determine exactly how to go about learning what the company most needs to know in order to recommend a strategic direction.

Unlike other functional responsibilities -- such as sales, marketing, finance, or manufacturing -- the strategic planning role does not have a sharply defined identity. It is defined uniquely in each organization. For example, in many companies, strategic planning constitutes an entry-level position, particularly for newly minted MBA graduates.

In such cases, the organization benefits from the new employee's analytical abilities, and the employee gets a chance to learn about the organization from the vantage point of a relatively high-level staff role. After one to two years, the employee may advance to a line-management position in an operating unit of the company, which can lead to a career in line management.

By contrast, many larger companies have a separate strategic-planning or business-development function that is staffed by professionals who develop their careers specifically within the strategic-planning area. When considering a career in strategic planning or business development, find out how a potential employer defines the strategic-management role, and whether that definition fits with your own career goals.

If you have strong analytical abilities and want a job that will lead to a general management role, strategic planning or business development may constitute a good first step. Many strategic planning jobs have high visibility within an organization. These jobs will let you "showcase" your abilities, as well as get familiar with other business units you might like to work in. However, if you're looking for the variety and intellectual

challenge that having many shorter-term projects offers, don't take a position that leads only to a management career path.

And finally, you'll need to figure out whether you want to work for the strategic-planning/business-development area for a particular company, or whether you'd rather work as a strategic-management consultant in a consulting firm.

How to decide? These suggestions can help:

- **Review the Management Consulting career profile.** See if the interests, skills, and reward values described in that profile match your own.
- **Think about what kind of lifestyle you might want.** For example, do you want to focus primarily on your career, or will you want plenty of free time for family, friends, leisure activities, and other interests? Many professionals who choose to pursue a business-development or strategic-planning career within one organization do so because it offers reasonable work hours. In large, multinational companies, strategic planners or business-development professionals do travel, but less so than strategic-planning consultants. On the whole, management consultants spend more time on the job because they work for many different clients.
- **Compare the nature of the work itself.** Consultants who want to "make partner" in their consulting firm spend a lot of time bringing in new business. Some people enjoy this "sales" role, and find a lot of intellectual challenge in it. As they see it, the work involves collaborating with their clients' top decision makers on the future direction of the client organization. Other individuals prefer the intellectual challenge of solving complex business problems. They consider the "sales" task onerous. These professionals often prefer working as strategic planners or business developers within an operating company, rather than for a consulting firm. Keep in mind, though, that they still have to "sell" their ideas to other units internally.

If you're considering strategic planning or business development as a stepping stone to a management career, be sure to work for a company in which this function has respect and visibility, and can provide a path to higher management levels.