STRATEGY AUDIT – AN INTRODUCTION

A strategy audit is a review of a company's business plan and strategies to identify weaknesses and shortcomings and enable a successful development of the company.

The strategy audit secures that all necessary information for the development of the company are included in the business plan and that the management supports it.

Does your business plan:
- Cover the key areas and the critical issues for the company’s future success?
- Clarify and verify your business model?
- Provide guidance for daily operations and activities?
- Correspond with the management team’s opinion and priorities?

A strategy audit provides an excellent platform for discussion with the CEO regarding necessary corporate actions or changes in the existing business plan.

The strategy audit clarifies three crucial areas:
1. It secures that the present business plan is complete and includes all relevant information for the development of the company.
2. It reveals if the management team shares a commitment and believes in the Company vision, and has the same priorities for the strategies and activities as stated in the business plan.
3. It secures the business logic of the business plan, e.g. if the vision is financially sound, if prioritised actions will develop the company toward the vision, if enough activities are planned to reach the goals in time.

The Strategy Audit identifies a company’s need to adjust the existing business plan as well as its business.

SMI conducts the Strategy Audit process in four steps.

1. Review of existing material
The existing business plan and other available strategy documents are reviewed to clarify which parts of the company’s future development are thoroughly documented. Shortcomings and weaknesses in the existing material are identified.

2. Interviews with the management team
Through individual interviews with the management team, differences in opinions and priorities of the future development of the company are identified. The written business plan is compared with the management teams’ individual opinions. New ideas and concepts not documented in the business plan are noted for possible additions to the business plan. The individual interviews are made in confidence and the results are presented anonymously.

3. Analyse the business logic
Next, the written documentation and the existing opinions are analysed to identify shortcomings, e.g. prioritised actions do not lead to the determined vision (direction), too few activities to reach the goals in time (speed), or little match between future customers’ needs and the company’s offers (business logic).

4. Management Seminar
Finally, the conclusions from the Strategy Audit are presented and discussed at a seminar with the management. Suggestions on adjustments in the business plan are discussed. The objective of the seminar is to reach a shared commitment from the management team to the vision and the prioritised strategies for the company’s future development.

The Strategy Audit process addresses key issues to secure that the company will develop efficiently towards the vision.