

PROJECT ID: EVEREST ENTERPRISES LIMITED

STRATEGIC PLAN DEVELOPMENT PROPOSAL

**EVEREST
ENTERPRISES
LIMITED**

PROPOSAL

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A. INTRODUCTION

Like any other organization, EVEREST ENTERPRISES LIMITED has the primary purpose of being profitable and sustaining this profitability. To that effect, it becomes paramount for the organization to have a clear and elaborate corporate structure that lays down its foundation and levels as regards policy formulation, decision-making and reporting. Additionally, a strategic plan is a roadmap that dictates and anticipates the development of an organization. It works to direct the organization's activities to the direction it deems most fit for its growth and profitability.

A well-structured and communicated strategy ensures that all levels within the organization; Corporate, Business and Functional are aware of the work they do and the value that their work adds to the general organizational objectives.

Objectives that the Strategic Plan must meet.

- ❖ Establishment of the corporate, business and functional strategies.
- ❖ Internal business process analysis
- ❖ External business process analysis
- ❖ Establishment of the Generic and Grand strategies
- ❖ Strategy implementation tools

B. STRATEGIC PLAN DEVELOPMENT

a) Internal Business Process Analysis

Internal business process analysis is undertaken to determine the internal capabilities and weaknesses of the organization with a view of finding a middle leverage point where the performance of the business can be optimized. To achieve this, tools such as SWOT analysis are applied to guarantee accuracy and objective assessment. There is also a need to assess the allocation of resources within the organization vis-à-vis the returns derived from such allocation. In this regard, the Value Chain Analysis tool is the most objective and accurate method of assessment.

1. Value Chain Analysis

A Value Chain Analysis attempts to understand how a business creates customer value by examining the contributions of different activities within the business. Value Chain Analysis takes a process point of view and looks at Primary and Support activities within the organization. Primary Activities are involved in the physical creation of the product, marketing and transfer to the buyer and after sales support. Support Activities on the other hand assist the organization as a whole by providing infrastructure or inputs that allow the primary activities to take place on an on-going basis.

b) External Business Process Analysis

Sound strategic planning takes cognizance of the fact that businesses do not operate in a vacuum. As such, the business competitive environment, which can be broadly classified into operating and remote environments, is taken into consideration. External business process analysis however focuses on the ability of a firm to utilize its operational strength to mitigate against factors within the remote environment (external) that influence performance of the business. Generally speaking, tools such as PESTEL analysis serve the broader purpose of this analysis but are supplemented by the tools discussed hereunder for more objective and accurate results.

1. Three Circles Analysis

This concept seeks to find the interrelationship between what the company is offering, what customers need and what competitors offer. The three points of intersection trigger important questions that assist in organizational decision making such as: *How big and sustainable are our advantages? Are they based on distinctive capabilities? How can we counter our competitors' advantages?*

This analysis assists an organization to understand its external environment and the resources they have internally that serve to optimize their operations.

2. The BCG Growth-Share Matrix

This is a planning tool that uses graphical representations of a company's products and services in an effort to help the company decide what it should keep, sell or invest more in. The growth matrix breaks down products into four categories: Dogs, Cash cows, Stars and Question marks. The gross analysis helps the organization realize its high earning and high spending products as well as the products that make money incrementally and those that do not. With all these answers, decision-making becomes easier and faster.

3. The BCG Strategic Environments Matrix

This analysis helps an organization establish the types of business they are in based on their sources of advantage and the size of advantage they have in external environments. It has a tabular representation with four categories: Volume, Stalemate, Fragmented and Specialization Business. This analysis is important and assists in informed decision-making.

STRATEGY FORMULATION

Organizations thrive by the establishment of strategic centers. This in essence allows for focused measurement of the efforts and resourced needed to bring the strategy to fruition. To understand strategy, the organization must be looked at in three distinctive categories;

- a) **The Corporate level-** This level is the highest level of decision making and often deals with the core values and strategies of the business. Represented by the board, this level offers strategic direction and is responsible for making capital investment decisions as well as product offerings and revenue modelling among other critical responsibilities.
- b) **The Business Level-** This level is responsible for the day to day running of the business, Its is comprised of all line managers and other technical resources. This level is responsible for the implementation of the corporate strategy and it achieves this by breaking down the corporate strategy into achievable objectives. This level also comprises market intelligence for the corporate level and supports implementation of any recommendations.
- c) **The Functional level-** This level is the lowest level of the organization and comprises of all the staff

members who perform functional duties on the organization. Often this level obtains strategy objectives from the line managers and reduces these objectives in individual employee targets. Often the strategies developed here are usually adopted into the HR strategy and are critical for performance management.

strategies are divided into:

1. Generic Strategies
2. Grand Strategies

A Generic Strategy is a core idea about how a firm intends to achieve its vision taking into consideration its competitive strengths and the industry in general. On the other hand, grand strategies are maneuvers that a firm puts into place to respond to its immediate operating environment and activities within the remote environment. Our approach to strategy shall be based on this notion and backed by findings from our internal and external environment analysis. We shall work with your team to establish which generic and grand strategies best suit the organization with due consideration of the competition and industry dynamics.

IMPLEMENTATION MATRIX

Strategic planning is done in three main levels based on the technicality of decision-making and responsibilities. The highest level of strategic planning is the corporate level of strategy, which takes the direction of where the organization is generally headed. It is at this level that we shall develop the general vision and mission of your company as well as the core values. The second level is the business unit level and at this stage, we shall incorporate our competitive strategy by breaking down our grand strategies into managerial targets for the front line managers. The last level of strategy is the functional stage. At this stage, we shall develop routine activities for the support staff to implement on a day-to-day basis in line with the business unit level strategies.

The implementation matrix therefore, is a combination of these three levels. Though developed collectively, the implementation is fragmented across these three levels since their reporting time frames vary from level to level with the functional level being the most frequent.

BUDGETING

Further to breaking down the strategy into objectives and activities with assigned responsibilities, it is important to budget for each activity within the implementation matrix. This ensures actual implementation and adequate financial planning on the management's side.

This goes a longer way in enabling financial forecasting and proper follow up on goals set to ensure the organization not only breaks even but also makes the forecasted profits.

E. Work plan Proposal.

Strategic planning is ideally undertaken using milestones. The milestones serve both as beacons for implementations well as triggers for billing cycles. This approach ensures that the environment under which the plan is developed is controlled and also the finances required for this planning are budgeted for. This task shall be undertaken based on the following work plan;

Milestone	Tasks & Activities	KPI
<i>Milestone 1-</i> Data collection & Audit.	Focusing on People, Processes and Profits, we shall collect data on the organization to cover internal governance processes, human resources policies and the revenue model and profitability of business units.	1. Preliminary audit report with recommendations and action points.
<i>Milestone 2-</i> Corporate strategy and tax planning.	We shall help the business evaluate its decision making processes into silos of corporate strategy focusing on Allocation of resources, Organizational design, Portfolio management and Risk management.	1. Corporate strategy and Tax plan.
<i>Milestone 3-</i> Business and Functional strategies (Grand and Generic strategies)	We shall evaluate the micro and macro environment from a competition standpoint using various tools such as PESTEL & VCA. We shall subsequently develop grand and generic strategies for each business unit identified under milestone 2.	1. Business & Functional Strategic Plan.
<i>Milestone 4-</i> Implementation matrix and budgeting	We shall breakdown the strategies in milestone 2 and 3 into an implementation matrix detailing the activity, the date of delivery, the personnel responsible, and the KPIs for appraisal. This shall be instrumental for individual goal setting and performance management. We shall	1. Implementation matrix 2. Cash budget. 3. Harmonized strategic plan.

	also develop a cash budget for the activities proposed.	
<i>Milestone 5-</i> Appraisal and implementation support	Support during the implementation of the strategic plan. Covers Legal, Tax and Board reporting and advisory services.	Legal opinion and Advisory support where necessary.(other KPIs to be agreed upon)

2.5 Tabular Representation of the Methodology

MILESTONE	ACTIVITY	DELIVERABLES	TIME FRAME
ASSESSMENT AUDIT	<ul style="list-style-type: none"> ✓ Entry meeting to agree on TORs, work plan and logistics with Healthy U ✓ Team Mobilization ✓ Development of strategic planning needs assessment ✓ Conflict management policies and procedures audit ✓ Management structure review and audit 	<ul style="list-style-type: none"> ✓ Audit Report 	3 days
EXECUTION	<ul style="list-style-type: none"> ✓ Facilitation of a strategic planning workshop ✓ Sensitization of conflict management in relation to the strategic plan. ✓ SWOT Analysis ✓ Identification of strategic issues ✓ Development of strategic objectives ✓ Finalizing of action plans 	<ul style="list-style-type: none"> ✓ Strategic Plan Draft 	18 days
REPORTING AND COMPLETION	<ul style="list-style-type: none"> ✓ Presentation of draft strategic plan ✓ Review of content based on feedback ✓ Presentation of final strategic plan 	<ul style="list-style-type: none"> ✓ Final strategic plan 	4 days

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THANK YOU!

FOR BUSINESS WITH US!

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