

# What Is a Strategy Statement?

It's important to establish clear goals, values and areas of focus when developing your new business or organization. Creating a strategy statement that clearly outlines an organization's plans helps employees understand their purpose within the company. Strategy statements are a beneficial way to communicate individual expectations, develop successful marketing plans and set financial and customer service goals. In this article, we explain what a strategy statement is, when to use one and provide examples to help you create your own.

## What is a strategy statement?

A strategy statement should explain your company's objective, scope and competitive advantage within a specified market. It should also motivate and inspire employees at all professional levels, as well-written strategy statement can help them understand their individual roles in executing the strategy. These types of statements keep companies and organizations focused and organized, and they can help employees set goals for the future.

## Components of a strategy statement

There are three key components of a strategy statement:

### Strategic objective

The strategic objective is a single main goal or purpose that will drive your company forward over the next few years. This component should be specific, measurable and time bound, as it typically aims to increase shareholder value in a specified amount of time. Strategic objectives should also relate directly to the type of market your company wishes to enter. For example, if your company is entering an existing market, the strategic objective should outline your plans for capturing market shares from competitors. However, if your company is entering a new market, your objectives should describe how you plan to reach customers and educate them about your product or service.

### Scope

A strategy statement's scope consists of three dimensions: the target customer, geographic location and product. This component should define the boundaries between each of these three dimensions and outline what's most important for the future of your company. In defining these boundaries, your company can strategize about where to allocate resources and focus energy. The scope component of a strategy statement doesn't determine specific actions to take, but rather provides a starting point for experimenting with the three scope dimensions.

### Competitive Advantage

The competitive advantage component describes why your company will succeed and how it stands out amongst other businesses in the market. Consider the following when defining the competitive advantage component of your strategy statement:

- **Value proposition:** The customer value proposition explains why customers should buy your product or service. Consider mapping your value proposition against competitors to identify what makes yours distinctive.
- **Value discipline:** The value discipline describes the unique actions your company will take to achieve the customer value proposition. For example, if your company values customer satisfaction and user-friendly products, your value discipline may include details about creating lasting relationships with customers to meet these specific goals.
- **Business model canvas:** A business model canvas is a one-page graphic template that companies may use to provide a consistent representation of its business plan. A business model canvas typically uses only the most relevant information about a company's strategies and values. In this way, others can clearly understand the overarching ideas. A business model canvas may include information about key resources, activities, value propositions or revenue streams.

## When to use a strategy statement

Strategy statements are beneficial for new and emerging companies or businesses that plan on entering a different market than before. Consider creating a strategy statement if your company aims to redirect employee attention and resources or redefine its goals and values.

Before creating your strategy statement, consider the following questions:

- What is your key financial goal?
- What should your customers say about your organization?
- What processes are most critical for your success?
- What can you focus on to make employees more productive and motivated?

## Strategy statement examples

To develop an effective strategy statement, start by creating a product strategy based on the industry landscape. Focus on the product or service your company sells, why customers should want your product and how employees can play a role in your company's success. Your strategy statement might include financial plans, customer service goals or details about product sales and development.

## Strategic objective examples

- *"Grow and diversify revenue base"*
- *"Improve resource management"*
- *"Develop fundraising options"*
- *"Improve headquarters productivity"*
- *"Modernize technology infrastructure"*
- *"Enhance board involvement"*
- *"Increase community outreach"*
- *"Develop and implement a marketing plan to drive business"*
- *"To increase revenue by 10% annually"*
- *"To decrease expenses by 5% annually"*
- *"Expand sales to the global marketplace"*
- *"Develop and utilize a customer database"*

## Scope examples

- *"Increase customer satisfaction"*
- *"Develop and test user-friendly products"*
- *"Expand customer relationships"*
- *"Increase marketing budget by 5%"*
- *"Update and develop company website"*
- *"Increase internet participation and social media involvement"*
- *"Increase product accessibility in stores and online"*
- *"Develop promotional plans to increase sales"*