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**STRATEGIC PLAN VS. BUSINESS PLAN**

A sound strategic plan and a sound business plan are crucial to the long-term success of the organization. However, many associations struggle to understand the difference between these two plans--and some don’t even understand there is a difference at all.

Both the strategic and business plans are focused on the organization’s goals, and the making of a business plan should be closely tied into the strategic planning process. The crucial difference is that the strategic plan is focused on furthering the mission of the organization, while the business plan is centered on maintaining long-term financial viability. The strategic plan sets SMART goals and the business plan attaches dollars to those goals. This is a vital, and often overlooked, part of the strategic planning process--an overly ambitious strategic plan could quite easily bleed an organization dry if no one stops to consider the financial implications.

This is not the same as the association’s budget, which is a one-year roadmap for money entering and exiting the organization. A business plan sets its sights farther out, making multi-year financial projections that will allow the association to maintain financial viability for years to come. It should include an assessment of the association’s financial strengths and weaknesses (similar to a SWOT analysis, but focused specifically on financials), and a market analysis for the products and services that the association offers. The business plan should plan for long-term expenses and propose ideas for driving long-term revenue.