

Strategy Drives Financials	
David Gates Gates and Company	
<p>A Frequently Asked Question that we hear from clients is:</p> <p><b>Can we construct our financial projections first then use them to guide our business strategy?</b></p> <p>Our answer is: <b>NO</b></p> <p>You certainly can set high-level financial goals first, such as revenue and timing targets. However, the financial projections should be driven by the strategic objectives and plans for growth and revenue-generation. Therefore, the business strategy should be determined before you start the detailed the financial projections.</p> <p>Key components of an overall business strategy include:</p> <ul style="list-style-type: none"> <li>• Product/service offering</li> <li>• Competitive position/advantage</li> <li>• Acquisition and/or alliance strategy</li> <li>• Go-to-market channel strategy and pricing strategy</li> <li>• Sales and marketing objectives</li> <li>• Organizational structure</li> </ul> <p>Developing the financials before you have a business growth strategy outlined can leave you without enough money to fulfill your objectives or could result in mis-allocation of resources.</p> <p>It's better to know where you want to go and the path you need to get there . . . then you can more accurately calculate the financial requirements to meet your growth objectives.</p> <p>For more information, please contact the author at <a href="mailto:dgates@gatesandcompany.com">dgates@gatesandcompany.com</a></p>	