



A C-Suite Advisors White Paper

'Tis the Season of Hope
and of Business Planning

Charles E. Silva, Jr.
C-Suite Advisors, LLC

'Tis the Season of Hope... and of Business Planning

Introduction

It would be the rare business owner who would admit to having no plan. To do so would be tantamount to simply hoping that things turn out well. But while this time of year may be the season of new hope, most of us also recognize that, when it comes to running a business, merely wishing for better results is not a reliable strategy. Nonetheless, while wishful thinking may not be very productive, a great number of small business owners actually pursue that course without realizing it.

As one example, about a year ago, I asked a business-owner friend whether he had a plan for his business. “Of course,” was his quick response, and since he had advanced his company slowly but surely for almost ten years, who was I to doubt? However, when I asked if he would share a copy of his plan with me, the enlightening truth was that it was all in his head. Indeed, this otherwise smart business person believed that as long as he had some sort of mental image of what success looked like, his business had a plan. While that “unwritten” approach to planning would even be difficult in a one-person business, it was impossible in his company of 10 associates, none of whom knew what the plan looked like. In reality, any relationship between his “plan” and the actual outcome was purely coincidental. The fact that his business had survived thus far did not outweigh the question of how much farther ahead it might have been with some more serious planning effort.

Most business enterprises are more than one-person endeavors. Even if the owner is the assertive, “go-it-alone” type, the progress of the business depends upon teamwork. Therefore, if the owner knows the “plan” but shares it with no one else, it becomes highly unlikely that the team will achieve the desired goal. While some owners may feel that keeping the team in the dark increases their control, in fact it produces the opposite result: keeping associates ignorant of the endpoint and making them insecure about decisions to be made in getting there.

Recognizing that having a real plan is critical to a business’s success, here are some characteristics of a planning process that actually impacts the performance of the team and the business.

The Planning Process

§ Plan early and often.

The time to plan is before the new year begins. If you are on a calendar-year basis, plans for the coming year should be formulated and refined 60 days before year-end. Use current year's data to project the coming year's plan, stressing past strengths and avoiding prior weaknesses in charting the course. Set growth goals that are quantified and specific and which can be tied directly to the coming year's budget. While goals should be challenging, they should also be realistic. Recognize also that the plan needs to be flexible – while it serves as a roadmap for future activities, devise contingency actions if future events are better or worse than expected. Monitor plans on-going in the coming year, checking planned performance against actual and making corrective measures as needed.

§ Involve your team in the plan.

While the owner needs to have the final approval, the plan's prospects for success will be far greater if associates are involved in its formulation. Typically, your employees are smart and have not only good ideas but want to see their organization succeed. Getting them invested in the elements of the plan gives them far more sense of ownership and responsibility for making it happen. Explain the high level goals that you seek for the business in the coming year and let them present their ideas for tactics. You may be amazed at what they come up with – often more aggressive goals than you as the boss might have conceived. Explain also that, as the boss, the owner needs to have the ultimate authority for plan decisions, but if certain of their recommendations cannot be included, clearly explain your reasoning.

§ Use the KISS Principle.

Keep it short and simple. Absolutely, it must be written, but it shouldn't be a novel. The plan should contain a few key elements, namely, the mission of the organization, i.e., why the business exists. Then it should address some strategies (5 or 6 will suffice) of how the business intends to accomplish its mission. Then, discuss 6 or 8 specific objectives that it seeks to achieve this year – these need to be measurable and time-bound, and tie into the financial and marketing budgets. And lastly, it should include specific action plans (again, 6 to 8 should be enough) and timelines for accomplishing each objective. Ideally, the plan should fit on one or two pages. Brevity and clarity will make it much more practical, understandable for all users, and stand a better chance of being implemented, which, after all, is the point.

§ Communicate it to the entire team.

Once completed, let everyone on the team know what it says and make sure they understand their role in making it happen. Communicate how the parts hang together and are interrelated – action plans to objectives, objectives to strategies. Let them know that this is not just a “wish list” but a game plan in which their performance is essential. Build the plan elements into team members’ individual performance plans for the year. Track performance of the plan at on-going team meetings through the year and spend time addressing elements that are falling short or associates that may need help. Celebrate achievements and let people know when they’ve succeeded in accomplishing the plan’s goals.

Conclusion

By taking the time to perform this type of concrete planning effort, the business leader really does have the opportunity to translate his or her “vision” into performance reality. While the process itself is not difficult, it does require some disciplined thinking and strategizing about the business, where you want it to go, and the most effective and efficient ways to get there.

Oftentimes, it helps to have some objective, experienced facilitation of the process in the form of an outside business advisor. Working with a seasoned executive accountability partner with years of experience planning across a variety of situations assures you of getting started towards the success you want and deserve.

Charlie Silva is a Principal with C-Suite Advisors, LLC. A former bank president and CFO, he is Accredited by the Institute for Independent Business. For assistance with business planning and implementation, contact C-Suite Advisors at 800.346.9889, or Info@CSuiteAdvisors.org.