

# Your 2012 Business Plan

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*Planning made simple (well, simpler)...*

*Presented by:*

*Bob French & Dale Radcliff*

*Hosted by:*

*The Alternative Board  
Competitive Advantage Group*



# Why Plan?

# Why Plan?

- Why are you here today?
- What are you planning for?
- What are the most common obstacles to planning?
- What are yours?



# Working Definition of a Plan

# All you need is.....

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1. Knowledge of your situation

# All you need is.....

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1. Knowledge of your situation
2. Commitment

# All you need is.....

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1. Knowledge of your situation
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3. Structure

# All you need is.....

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1. Knowledge of your situation
2. Commitment
3. Structure
4. Process

# Agenda

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- Intro—what today is....and what it isn't
- Types of plans
- A useful and proven plan structure and process
- Introduction to key components in sequence
- Some added planning hints and tips
- Summary, wrap-up

# Today's Objectives

- Help you clarify why you want a plan
- Advance your thinking about planning
- Learn the 'One Page' framework
- Utilize templates, samples and tools
- Help you get a start on your plan

# Many type of plans.....

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- Business plan (purpose?)
- Strategic plan
- Marketing plan
- Sales plan
- Career plan
- Succession plan

# Components of The One Page Business Plan\*

1. Vision
2. Mission
3. Objectives
4. Strategies
5. Action Plans

\* Jim Horan, The One Page Business Plan

# 1. Vision

- ❑ A picture of your company (where you want to be) 3-5 years in the future
- ❑ What are you creating/building?
- ❑ Usually stable, though may change/evolve
- ❑ Generally shared with stakeholders, can include values and guiding principles
- ❑ Permission to push the envelope

# Creating a Vision\*

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## 1. Pick your topic

\*From "Inc." Feb. 2011

# Creating a Vision\*

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1. Pick your topic
2. Pick your timeframe

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4. Write a draft

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1. Pick your topic
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3. Make list of 'prouds'
4. Write a draft
5. Review and re-draft.....

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# Creating a Vision\*

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1. Pick your topic
2. Pick your timeframe
3. Make list of 'prouds'
4. Write a draft
5. Review and re-draft.....
6. Solicit input

\*From "Inc." Feb. 2011

# Creating a Vision\*

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1. Pick your topic
2. Pick your timeframe
3. Make list of 'prouds'
4. Write a draft
5. Review and re-draft.....
6. Solicit input
7. Share the vision

\*From "Inc." Feb. 2011

# Sample Business Vision

In five years, build ABC Inc. into a \$50M national provider of integrated work-flow management solutions for major municipalities and government agencies at the state, regional and federal level.

Our company will be headquartered in San Francisco with offices in New York, Dallas and Chicago and will have over 500 dedicated and enthusiastic employees.

ABC Inc.

# Sample Business Vision

California Knits is a creative, soul-filled enterprise that provides:

- Vibrant, unique, comfortable clothing as art for women
- Custom design capabilities for individual clients
- Training and mentoring of the next generation of machine knit artists

California Knits

# Exercise:

Write down the key themes of  
your vision

## 2. Mission

- Your value proposition
- Why do you exist?
- Probably enduring
- Short and powerful is best
- Could/should be a public statement

# Sample Mission Statement

*Short, to the point.....*

We are on a mission to help rescue people from heavy kitchen duty.

The ShortCut Cooks

# Sample Mission Statement

*Not motivating—generic.....*

We will be one of the world's premier companies, distinctive and successful in everything we do.

Allied Signal, Inc.

# Mission Statements

## Before & After

### □ Before

“We sell tools and equipment to the industrial and construction marketplace.”

### □ After

“We help make the workplace safe, productive and profitable for our customers.”

C.H. Bull & Company, SSF

# Exercise:

Make an attempt at your  
draft mission statement

# SWOT Analysis

Internal and *External assessment*.....

- S**trengths
- W**eaknesses
- O**pportunities
- T**hreats

# 3. Objectives

- Often financially oriented
- Something you want more of, or less of, over time
- What accomplishments do you want to celebrate next year?
- What will success look like?
- What results will you measure?

# Objectives: Categories

- Personal
- Financial
- Marketing and/or Sales
- Operations
- Human Resources

# Sample Objectives

- ❑ Achieve a pretax profit of \$350K during the next fiscal year.
- ❑ Increase the number of existing accounts with volume greater than \$100K from 8 to 15 in 2011.
- ❑ Introduce 15 new products in 2005, achieving sales of \$750K
- ❑ Secure at least 3 interviews in the next three months
- ❑ Conduct 3 marketing events in 2012

# Exercise:

Identify two or more of your possible objectives

# 4. Strategies

*What will make you successful over time?*

- The broad approach to building your business
- HOW** your objectives will be reached
- Best if unique to you
- Capitalizes on your strengths
- Usually long term, unless environment changes

# Sample Strategies

## *Household Names...*

- Nordstrom's vs. Wal-Mart
- Bank of America
- Southwest Airlines
- Berkeley-Haas School of Business

# Exercise:

Identify one or two of your possible strategies

# 5. Your Action Plans

- ❑ Plans need to be action oriented, otherwise why plan?
- ❑ Prioritize and focus actions around implementing your strategies i.e. what builds the business, not everyday tasks
- ❑ The focus is on outcomes, timeframes & accountability

# Action Plan Process

*For each action/project.....*

- Break your project/step into discreet short-term deliverables
- Be able to:
  - Understand impact completing the project has
  - Measure the results
  - Be clear about next three steps
  - Assign responsible person/team

# Action Plans

*Sample action items/steps.....*

- Hire route salesman for Sacramento territory in 4<sup>th</sup> quarter.
- Attend and market NY trade show in June, LA in September; and Chicago in October.
- Complete Phase III network design by 7/31.
- Open new office in Atlanta by end of June.

# Action Plans

*These activities don't belong in the Business Plan.....*

- Write annual review for key employees
- Complete September financials
- Increase prices during this year

# Exercise:

Identify some action items  
that support one or more  
of your strategies

# Planning Principles, Hints and Tips...

- Plans are 'good', planning is 'key'
- A way to manage your business
- Execution is where it typically breaks down
  - Develop your KPI's (Key Performance Indicators)
- Can be used from the individual level to the enterprise level
- Determine how deep you want to go
- Plan for success, 80% rule...

# Planning Principles, Hints and Tips...

- Align your objectives with your resources, strengths, weaknesses and commitment level
- In smaller companies CEO / Owner does their draft plan first
- For smaller companies rule of thumb is a maximum of 3 strategies
- Have an organized, disciplined process for implementation
- For larger organizations, plans cascade down

# Summary

## The One Page Plan—the Process:

1. Vision
2. Mission
3. Objectives
4. Strategies (including a SWOT analysis)
5. Action Plans—follow through and track

# Summary

- ❑ One Page Model is simple—not necessarily easy
- ❑ Plans tell you what to do AND what not to do
- ❑ Well thought-out and crafted business plans can be stated in one page, two at most
- ❑ With clarity comes better, more efficient decision making
- ❑ And.....happy planning!
- ❑ Questions? Comments?

# Thank you!

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Competitive Advantage Group

# Personal Vision Statement

- What are you building toward—and timeframe
- No boundaries.....dream a little (or a lot!)
- How will you be spending your free time?
- How about family and work/life balance?
- Financial parameters
- Passions, hobbies and other interests
- Generally not shared with employees

# Strategies

## *Process.....*

- Define what's working in your company
- What are the critical issues and success factors in your business?
- What are the limiting factors in your business?

# Sample Business Vision

*Concise.....*

In Northern California, become the premiere full home service company and the leading industrial and municipal sewer/pipeline maintenance company.

Roto Rooter

# Sample Mission Statement

*Caring about people.....*

AUL's mission is to take care of people and their concerns about financial security. AUL provides peace of mind by sheltering its customers from the risk of loss caused by premature death, sickness, disabilities, or outliving financial resources after retirement.

American United Life Insurance

# Sample Strategies

*Well-defined strategies.....*

- Sell total solutions, not time, not parts
- Focus on web-based training and communications products with delivery via internet, intranet, and CD ROM.
- Hire the best employees, bring them on just before we need them, retain them through job satisfaction and equity participation.