

# Simple and Effective Planning

Business plans... you either love them or hate them. If you love your planning process it is because the process and investment produces results all year long. It keeps you and your team focused, and it's the basis for all significant decisions. Everyone knows not only the master plan, but also their own piece of it. That's good planning.

If your past planning efforts have left you and your team frustrated, you are not alone. It happens far too frequently. Your annual planning process does not have to be complicated and time-consuming. Here are some thoughts on how to make planning simple and effective in your company:

- The business plan you write to get your company funded is almost worthless for running your company. Don't confuse your funding efforts with running your company. They are very different. Commit to having a plan for managing your company.
- Have every manager and/or every team write a plan for their business unit, project or program. If it is their plan, in their words...its much more likely to become a valuable tool. The greatest value in creating such a plan is not the final document. It's the communication, prioritization, focus, clarity and learning that make the process worthwhile.
- Make the plans important all year long by reviewing the performance and progress against the plan as a part of your monthly management team meeting.
- Have your managers/teams prepare a written plan first... then have them prepare their budget. Budgets are just numbers. Numbers can't describe what is being built or how it will be built or the work that needs to be done. Words can!
- If you don't get the words right, you may build the wrong business. If your employees cannot accurately describe the business you believe you are building, they may be building a different business.
- If you don't get the words right, you may never get the numbers right. Unfocused businesses typically waste a lot of resources. Focus your team and your assets; the bottom line will improve dramatically.
- All too frequently the goals or objectives in a plan are too vague to be of any value. The best goals or objectives are ones that can be graphed over time, like sales, number of new customers, units produced, billable hours, manufacturing yields, and profit.

Remember profitability is not an accident, nor is it a guarantee. It always starts with a plan! And remember...keep it to one page!