

Lessons Learned About Planning

By Jim Horan



The greatest value in creating a plan is not the final document. It's the communication, prioritization, focus, clarity and learning that make the process worthwhile.

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...it's much more likely to become a valuable tool.

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. Remember, 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. I bet you know of several small businesses that look like mini-conglomerates.

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.

Managers speak the plan everyday. Capture these verbal plans in writing using key words and short phrases. A powerful one-page document can be written in a short amount of time.

You and your managers may need some outside assistance with your planning and performance processes. Find a consultant that specializes in planning. Ask other business owners for a referral.

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 gross profit.

Federal Express' rationale for existence can be stated in three words – overnight package delivery. Why does your company exist?

If your employees, investors and/or partners cannot accurately describe the business you believe you are building, they may be building a different business.

Remember profitability is not an accident nor is it a guarantee. It always starts with a plan! Start every year with a written plan...then put it into action. And remember...keep it to one page!

For more information about The One Page Business Plan[®] contact:

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