|  |
| --- |
|  |

Building a Business Plan

Helping Your Team by Planning

Step by Step Building a Plan for Your Company

What is an Operating Plan?

This is a rather interesting question because if you ask most people what a business plan is, they will envision a detailed plan that is thick, has lots of financial data and support information, and took a great deal of time to put together. You will also hear them say it gets put together and then the plan rarely gets used, even put into a drawer and never looked at again. They have a very “Dentist” kind of image about plans, that they are probably good for you, but “**OH**” do they cause me pain!

*No doubt “Planning and Dentistry” share a common view.*

Having taught literally hundreds of planning workshops, this view is so common that the words “Business Plan” might as well read “Root Canal”. They can elicit the same reaction. In fact, I know several people who have had root canals and **do not** have business plans? Their teeth look great and their businesses don’t make any money, and the worst part about this is I am not kidding!

Here is the issue: What is a plan? That answer is a plan is anything that focuses the resources of the company on the direction that company is headed. Yes, it can be on a napkin. And yes it can be a sophisticated document with lots of depth to it. A bank isn’t going to give you a loan based on the idea on the napkin, but there are many reasons to develop a company plan. It doesn’t matter what form it comes in, as what really matters is:

1. The plan matches what the business needs are.
2. The owner and employees of a company have a common, unified direction.
3. That the owner and employees are dedicating resources to that plans direction.
4. The business is operated consistently with the direction, meaning daily operations, whatever they are, take their cues from the plans direction.
5. The plan is communicated with the company personnel – all of them.

I watched Alice and Wonderland as a kid as many of you did as well, and recently re-read an article from Ron Smith, where he quotes from Alice in Wonderland saying…

“If you don’t know where you are going, then any road will take you there.”

Once again art imitates life. It is the primary direction that we care about in any plan. Napkin or otherwise! Any business needs to have a clear idea of what business it is in, and what their direction is to develop that business. It matters not whether you are a single-man operation, or you have 100 trucks out on the road. In both of these businesses the very same issues apply, which is to have the resources of the company focused on the direction.

The more defined you want your plan to become, the more detailed your plan will get. Remember, the plan matches the needs of the business, which includes the owners and the employees. So often the owner forgets the latter and settles for a plan that makes sense to him/her and forgets about the other personnel who may like to know a little about where the company is headed so they can buy their next car, or have the “Baby”, or whatever their personal needs are. A plan can be a great communication tool!

Business Plan versus a Company-Operating Plan

What is the difference between a **business plan** and **a company-operating plan**? The answer is nothing except the words are different. Any plan can be a complex or as simple as you want it to be, based on your company needs, and why you are doing the plan in the first place.

The words **Business Plan**, scare people! Sounds like Harvard, kind of stuffy. The words, **Company Plan**, tend to scare business owners less!

You will hear these used quite frequently and sometimes in the same sentence. They mean the same thing. The basics are the same:

1. **Define your business** – what business are you really in?
2. Develop a set of **goals and strategies** (What you are going to do).
3. Develop a **Sales and Marketing** Approach around the goals of the company.
4. Determine the **Financial Performance** of the sales & marketing plan.
5. Decide the **Operations and Production** aspects of how you can support 3 & 4.
6. Figure out the **Human Resource** side – staffing and personnel to meet the goals.
7. 1-6 are the what, step **7** is the action plans for each goal – the how. Defining how you accomplish the goals and necessary steps in **1-6** are what we call and action plan. It makes the company tie all 1-6 together so it all makes sense.

Detailed, go to the bank, beg and I need a loan to start my dream business, or plain old contractor just trying to make some money plan, the steps are the same, and the questions are the same. How they are answered depends on you the owner and what you desire, but the planning process is very consistent.

* **The most basic napkin plan should ask if I am a heating and air conditioning contractor.**

**What business am I in?**

Comfort? Indoor-Air-Quality? Construction? Customer Service? What do I sell?

* **What are my Short and Long term goals?**

How much money do I want to make? Growth? Where to grow? 3 Years from now?

* **How do I sell and market these products and services?**

New IAQ products, or grow more replacement? Grow Demand Service? Service Agreements?

* **What is the financial side of the plan?**

Do I have enough resources to grow? Do I need to hire? Do I need to change marketing?

* **Can the Company operations support the plan?**

Enough Trucks? Inventory on the trucks? New Tools? Supplier reliability?

* **Can my organization, my people do the work and meet the plan?**

 Do I have enough employees? Doing the right work? Pay Plans? Training?

These 7 steps are the elements of a any plan – napkin or 3-ring binder.

Why spend the time to develop a plan?

If I had a nickel for every time someone asked this question in a workshop, well, you know the answer!

It is a simple question, and a good one to ask because business owners, especially small business owners like most of us contractors, are protective of our time. It is after all our time, and the single most valuable resource we each possess. So if we are going to spend it on the development of a company plan, it ought to generate a real return.

And that is exactly the right way to view this concept, as planning is **Not an Expense** of time; it is an **Investment** of your time that will produce improved results for you.

If you follow the processes that about to be laid out for you invest your time and it doesn’t produce better results, it would be shocking. Just the process alone of evaluating your company and determining the direction the business is headed, is by itself a reward for most business owners because it focuses their attention on what is really

important to them and their employees. It binds the owner and employee in a process, and brings them unifying purpose that in most cases they did not share before.

The process of planning as we said before may be only an hour or it may take several days. Once again, this is dependent on your company needs, and why you want to develop the plan.

**The whole point of the planning process is to establish a direction, a course** and then figure out the best available way to chart that course. This forces decision-making (These decisions are **not** permanent and can be adjusted) around the course of the plan. The planning process also has the benefit of identifying the good, and the bad, in any company, relative to the course we have charted so something can be done about it.

Here are some Reasons why your company may benefit from a plan:

* Defines the company direction – where are you headed?
* It requires you to define your goals clearly, and map out how to reach them.
* It forces decisions to be made before you **have** to make them.
* Focuses Limited Resources of the company on the achievement of the goals.
* Communication improves with employees about direction and goals, and strategy.
* Employee Involvement in planning develops a committed, unified team.
* Clarifies for operations – the “What needs done” action steps – meaning fewer crises.
* Planning usually improves a company organization.
* It allows leaders and employees to be held accountable for their actions.
* Acquisition of capital if that is what you wanted.

The bullets above are the features of the planning process. The benefits of planning are the bullets below:

* Planning leads to fewer crises for leaders, freeing up their time and energy.
* Planning decisions leads to better decisions leading to more profit at the end of the year.
* Creating accountability leads to improved company & employee performance making for happier employees and more profit at the end of the year.
* Growth is controlled, and the business mix was decided, so the company margins are healthier, leading once again to better profits for the company at the end of the year.

It is fair to ask, how much time should a plan take to develop? Answer: a well thought out plan that includes a business review can be accomplished in 20-24 hours of work. That can be all at one shot, or most cases, we split this up over a two-week period, meeting in shorter 2 hour segments. 4 or 5 meetings like this, with work being accomplished in between, and you can develop a solid, well-organized plan.

The other answer is a basic plan can be developed in a few short hours. It may not be as sophisticated as the other timeline, but it is surely better than not having any idea of the business direction.

Let us also be clear, we are not advocating a napkin plan, but it is better than no plan. What we are advocating is a planning process. A step-by-step process you take the company through, gauge the needs of the business, and then create a plan from that process. As we have said, it is this process, which will lead to discovery, and discovery is what forces decisions to be made in advance, and that all by itself will improve your results.

What Makes an Effective Company Plan?

An effective company plan is any plan that:

1. **Exists** in writing – napkin or 3-ring binder.
2. **Is used** as a reference by the company – weekly as an acid test against goals – meaning it does not get stuffed in a drawer and never seen again, which makes it an exercise. It should not be static, but instead become a guide for how you work your operational meetings so it creates accountability. In this manner we tie our plan directly back to weekly performance. Even scribbles on a napkin can be used to make personnel accountable for performance.
3. **Ties the company resources to performance** goals in the plan – an example of this would be labor utilization.
4. How much labor do we have?
5. Who performs the work to what skill and efficiency level (most profitably)?
6. How do we keep track of labor productivity and efficiency – what we produce with the labor dollars we have paid our personnel?
7. **Makes everyone pay attention to the performance goals.**

*The basics are the key – nothing fancy!*

We are going to cover the entire planning process, and the elements that go into a solid company business plan, but the real key is to commit to 1-4 above. If companies would simply follow the steps they would be amazed at how much money they can make.

Many contracting business owners do not have the knowledge and therefore stay away from making a plan due to the discomfort level of being outside their comfort zone. This is a very understandable situation, but one that can be alleviated.

The unfortunate problem is most contracting business owners quite frankly ignore the process for a variety of reasons yet complain bitterly they cannot make any money? In other words, they lack the desire to learn and would rather concentrate on the “Work”!

**Do you have the desire to plan – to learn how to plan well?**

Recognized author Michael Gerber wrote in his book “The E-Myth Contractor” that there are three areas we need to pay attention to in the small business world:

1. The Technical side of the work to be performed – install, service, quality.
2. The Entrepreneurial area – developing work for the company, new revenues growth.
3. The Management area- leading, tracking, managing people & resources.

Running a Whole Business Takes Multiple Skill Sets

* **Successful @ All 3 Skills**
* **Double Digit Profits**
* **Balanced Life**
* **Developing Leaders in Company**
* **Continued Growth**

Managerial Skills

Entrepreneurial Skills

Technical Skills

It is a classic book that describes the very problem we are reviewing, the desire to grow out of being a technician who owns the rights to a job (**being the business owner where nothing happens unless you make it so**) into a business owner that is equally skilled at all three areas above, so we begin to run a whole business instead of just focusing on our core competency of installing and servicing.

*It is a different kind of work than many of us are used to*

*if we are to grow we must transition into this paradigm.*

Be advised – you can make money at being proficient at Technical Skills only – but you will hit the wall when you grow and likely become frustrated with the art of business in general. The wall varies depending on your skill level in managing and developing the company.

**And this is why you must learn to plan, so you learn about developing the business processes.**

*What makes an effective plan is – you doing it and making it exist, so you pay attention to business decisions, and make decisions ahead of time before they become critical in nature, and then dedicate your company resources to the goals you set forth. Blocking and tackling!*

Basic Elements of a Company Business Plan

Below is an outline of the company plan. These are simply the areas you may want to consider in your planning. Once again we are not writing this for a bank or to acquire capital, but instead we are focusing on how to build an existing business into a better existing business. For a capital acquisition plan there are some differences, which we will support at the end of the article.

Each step in the process is defined, and each area is described in more detail for you to understand how a plan fits together for a contracting company. The Outline looks like this for a company plan:

**Situation Analysis/Business Review – the questions we ask about why we do things the way we do.**

* A list of company issues needing changed from the Review.
* A list of company Strengths and Weaknesses from the Review.

**Step 1**

**The Company Goals – Prioritized from Review**

* Short Term – this year – 1 year.
* Long Term – outside of this year – typically 2-3 years out.

**Step 2**

**Company Business Platform**

* Vision, Mission, & Operating Philosophies.
* A business model – how you create revenues and why?
* Market Segments Company engages in – where the customers come from.
* The Company Unique Sales Proposition – what makes you unique in the market place?
* Products & Services Mix.

**Step 3**

**Sales & Marketing Plan with action plans**

* Financial Plan with action plans.
* Operations/Production Plan with action plans.
* Organization & H.R. Plan with action plans.

**Step 4**

**References (bank or Capital related only)**

* Owners Biography & Resume.
* Legal Type of business Structure.
* Why the business will succeed and become profitable.
* Timing of the business – what your timeline is and why.
* Location of business and market and why.
* Any Market Trends.

**Step 5**

The most basic plan needs to address the 4 functional areas of the contracting business.

1. Sales and marketing.
2. Financial performance.
3. Operations and production capabilities.
4. Organization, personnel and labor.

Each area is totally related to the others. You **CANNOT** affect a change in one area without impacting the other three areas in some manner. This is why it is important to ask the right questions and be sure your goals are what drive these questions. By having our goals defined, we ask questions, then we work through each functional area and say, okay, if we are going to grow 10% how does sales & marketing get affected, how about the financial position of the company, how about operations, and finally, human resources.

*Next, take a look at the plan and how it fits together*

Step 1

The Situation Analysis/Business Review – the questions we ask about why we do things the way we do. Questions in these areas need addressed – match each of the 5 C’s categories across each individual 4 P’s. Example:

**The 4 P’s**

**Production** & Services

**Promotions** & Advertising

**Pricing**

**Place** (Distribution)

**The 5 C’s**

**Competition**

**Consumer** Behavior

Company **Constraints** (Challenges)

Government or local **code controls** and issues affecting business

Affects in Distribution **Channel** (if any)

Match the competitive issues with products, pricing, promotion, and distribution, then proceed to the consumer, and match the consumer issues with the 4 P’s and so on, until each has been reviewed.

If this process is used, the company will **not** miss any issues it faces, and will have a very dynamic hold on where it stands in the market and why. **It is a detailed process, but it works well**!

Refer to the situational analysis questions within the support and training section if you want a detailed list of all the questions you may want to use to review your company. They make you ask the questions that relate to the industry benchmarks, focusing your antenna on what is really important!

Step 2

After questions are asked and answered, a list of company issues needing changed is created a list of company Strengths and Weaknesses from the Review.

Products

Sales Skills

Installation Skills

Reputation

**Company Strengths**

**Company Weaknesses**

Leadership Talent

Financial Stability – lack of profit and cash flows

Spending (expenses too high)

Labor too high as % of sales

Lack of service & maintenance agreements

From this list of company strengths and weaknesses, which we get from asking our business review questions, we must come up with a prioritized list of company goals.

Our Goals can be broken down into the 4 areas of the business, Marketing, Finance, Organization and Operations. Whatever the list is, it needs to be in order of priority, and it needs to be focused on the business needs. Examples:

Prioritized Company Goals:

1. Improve net operating profit from 6% to 12%.
2. Convert installation to Performance Based Pay Plans.
3. Convert Service Department to Flat Rate Pricing.
4. Reduce Marketing Expenditures from 5.5% of sales to 3.0 % of Sales.
5. Increase Demand Service to 28% of our business mix from 22%.
6. Increase the number of maintenance agreements to 1000 for each million dollars (Target 2000).
7. Increase internally generated leads to 50 % of lead totals, and referrals to 25% of lead totals.
8. Implement a referral program.
9. Implement a lead tracking process to track all leads and sales statistics.
10. Maintain labor as a percent of sales below 27% for the year – total labor against total sales.

These are 10 example company goals. As you can see, they relate to varying areas of the company, some in marketing, some in finance, some affect operations and some are human resource related.

Step 3

Each company has a business model, whether they know it or not. Understanding the business model and organizing your company operations (how you do things daily) can definitely improve the profits and overall performance of a company.

**What are the Company Vision, Mission, and Operating Philosophies?**

* These areas define the very soul of any company. It defines how we behave, how we hire, fire, and what our purpose is. Of course every business owner says the purpose is to make money, but there is also the underlying culture that needs to be established that says to all who work at the company, this is “HOW” we make money! Define them. They are hard to define, but crucial! See the examples in the training & support section of planning.

**What is your company business model?**

* A business model – how you create revenues and why
	+ Residential replacement
	+ Residential New Construction
* You can take a look at the support and training materials section in company planning, and review the business models for the various market segments.

**What are the Market Segments Company engages in – where the customers come from?**

Residential Replacement

Demand Service

**What is your business mix in each of these as a percent of sales?**

Maintenance and Tune-Ups

Residential New Construction

Indoor Air Quality

Light Commercial Replacement

These are all examples of the various market segments in the residential business model.

**What is the company Unique Sales Proposition – what makes you unique in the market place?**

* If your company disappeared tomorrow, what is it that your customers would **not** be able to get from someone else in the market place? In other words, what is it about your company that makes it unique and different so customers will want to buy from you? This is an area that needs defined. The vast majorities of companies are “**me too**” companies, and therefore are relegated to selling processes that are also “**me too**”.
* Why should I buy from you and not the other company, he says he has good products, lowest price; bets brand all the same verbal hyperbole you have!

**Products & services should be defined.**

* What are the key products you market and why, and what are the margins of those products based on how you price them. This goes directly to forcing you and the business to decide on business mix. What products do you want to invest in and why? How much growth in any product area? A change in mix, such as adding IAQ accessories into jobs can have a massive impact on your gross profit dollars per man day, and impact your bottom line in a significant way. You should take some time and study just how much!

Step 3 is filled with very broad, strategic type issues. These are high-level decisions you need to make, that now dramatically influence the outcome of the operating plans, Marketing & Sales, Operations, Finance, and Human Resources. Those 4 areas will in the end have to support whatever it is you defined in step 3 as the key strategic choices.

Step 4

This step is where we look at our goals, we look at our business model, and we look at what choices and decisions we have made strategically, and the operational part of the plan is now in front of us. We must design our operating plan to support the goals and objectives defined from above. The outlines of each are in detail as follows:

**Marketing Plan & Sales Plan**

* Key products & services carried and offered
* Pricing of products and services and why
* Key market segments where growth is going to happen and why – Mix plan
* Sales revenue budget by market – show any growth
* Gross profit dollars and gross margin % budget by market – show any growth
* Lead Forecasts by market to support sales
* Internal created Leads
* Externally created leads
* Marketing plan
	+ Advertising plan to support externally lead forecast
	+ Advertising budget and Marketing Calendar
	+ Advertising Themes
	+ Promotional Plan – what Consumer Promotions & When
	+ Internal Employee Marketing & Contests
	+ What about your Public relations plan – networking with local media?
* Sales & Marketing action plan with goals defined

**Financial Plan**

* Yearly Profit and Loss Statement Budget
* Monthly Profit and Loss Forecasts matching Yearly with Sales, Costs of Sales, Overhead, & Profits
* Cash Flow Forecast monthly matching the P&L
* If a Start-up – Capital Start-up costs
* Capital Expenditures planned – a capital expenditure budget
* Financial Action Plan of Goals Defined

**Operations/Production Plan**

* Use of Technology and Computers for improved productivity plan
* Inventory Required in Warehouse to support any growth
* Vehicle forecast - # of vehicles needed
* Labor Utilization Forecast – Monthly Labor required to support sales plans
* Warehouse plan – facility changes
* Operations & Production action plan with goals defined

**Organization & H.R. Plan**

* Staffing Plan for supporting revenue plan – monthly staff levels
* Action Plans for organization & human resources with goals defined

In each of the action plans there can be many goals which need defined. From job changes to compensation changes, to a new marketing piece, to a new staging system in the warehouse, new trucks, new inventory tracking system and a myriad of other goals that have action steps, a timetable, and someone that is responsible and accountable.

Action Plans are the key to business planning success. In fact, everything we are doing is getting right down to the point of what are we supposed to do, why, what results, and what is the return on investment. That is what the action plan is all about. **Accountability.**

An example Action Plan follows on the next page for 1 sample goal.

Priority Goal #1:

Install Financial Structure – Accurate & Timely Departmental Profit & Loss Statements

 **Action Steps Accountable Timeline**

**Resources**

**Required**

|  |  |  |  |
| --- | --- | --- | --- |
| 1. Define the chart of accounts that meet the company goals – residential replacement, commercial, service, and maintenance. Departmental structure applies to revenue/sales, and costs of sales accounts – labor, materials, equipment, permits, commissions, warranty reserve, sales salaries, extended warranties, and subcontracts. Overhead accounts are standard. There need to be more overhead accounts added (follow sample P&L in books) to match the overhead accounts to a minimum of what is in the sample P&L.
 | Owner & Bookkeeper | Dec 1 |  |
| 1. Adapt time sheet, and materials list, proposal to reflect the departmental areas – code the time sheet so as to make it exactly what the departments on the profit & loss statement are.
 | Owner & Bookkeeper | Dec 7 | New Company Forms $1,000 |
| 1. Set up the chart of accounts in the software – either WINTAC or Peachtree or whatever software being used. The chart of accounts will follow the ledger codes – each department will have a two-digit code preceding the ledger account. This only applies to the cost of sales, and revenue accounts and DOES NOT apply to any overhead accounts.
 | Owner & Bookkeeper | Dec 15 |  |
| 1. After P&L structure is set-up, train all personnel – a company meeting MUST be held – answer all questions – allow them to understand what departmentalization is, and why they need to complete their time tickets correctly.
 | ALL Personnel | Dec 20 |  |
| 1. Managers to collect all time tickets for first month and review them in detail, to be sure accuracy and times are being properly completed. This allows for immediate feedback and retraining to occur (individually) as needed.
 | Owner & Dept. Managers | Jan |  |
| 1. Bookkeeping function to begin entering in the data at the beginning of a new month accounting cycle. This will close one month, and at the beginning of the next, begin apply collections for sales, and costs for payroll and overhead to the proper departments with which they belong!
 | Owner & Bookkeeper | Jan |  |

**Obstacles:** Bookkeeper not doing job properly, field personnel resisting changes, not filling timecards out properly, poor writing, not turning in paperwork timely.

**Contingency Plans:** New Bookkeeper, Tie Field personnel reviews and raises to paperwork, Fire someone as an example – service manager or install manager, tie manager bonuses to proper completion.

If the business plan was for a capital loan, or a start-up, there are a few additional items you would want to have included.

**References (bank or Capital related only):**

Owners Biography & Resume.

Legal Type of business Structure.

Why the business will succeed and become profitable.

Timing of the business – what your timeline is and why.

Location of business and market and why.

Any Market Trends Affecting your company.

Once you have the meat and potatoes of the company business plan completed, with your vision, mission philosophies and goals determined, each successive year all you really need to do is update the plan.

This amounts to updating your goals; through a business review process once again, updating the 4 functional areas of the plan, Marketing & Sales, Operations, Finance, and Organization.

And then defining your action plans.

So the process becomes part of how you do business. Starting about 3 months before your year-end closes that is when you begin to plan with your employees for the coming year.

Developing Your Plan - How to Involve Your Employees

So many business owners want to do it all themselves. They are control oriented, or once again they do not know how to share information, or are afraid of what that might mean.

What share information with my technicians? Tell my employees how the company is performing? It is a privately held company and it’s none of their business what I make? They won’t understand it? They don’t know anything about running a business?

**These are some of the excuses!**

We are talking about involving your personnel, and **YES** it will take more work for you because your personnel will have questions you will have to answer, but the rewards of answering those questions are far greater than the trouble it takes to answer them.

Here’s why:

* Answering the questions means the employees cared enough to ask a question.
* The employees having questions means you are communicating with them.
* The employees will want to know what the battle plan is so they can help execute it.
* Most employees come to work wanting to do the right thing, but often do the wrong things because they didn’t get properly trained on what the right thing was – see above!
* Employees actually know their jobs better than you do on average, so they can contribute ideas that help the company become more efficient, more stable, and more profitable and more customers focused. That is if you listen. Not all of the employee ideas are going to be good, but it is the process of how you listen and involve them they will appreciate.
* Getting them involved creates accountability for the execution – they designed it- no man can resist his/her own ideas – so they get behind it much easier than you throwing it in front and saying charge!
* Be honest – do YOU like being TOLD what to do versus being ASKED what can be done?

There are additional reasons for involving employees. Things like teamwork, learning one another’s strengths and weaknesses, developing your talent through training and so on, but the reality is still the same, you have to want to do this!

**Leaders need to take the risk and start involving their personnel!**

It starts by explaining the need to involve them, and then it becomes a work in progress where you as the owner or manager will begin to learn what works best and how to better listen and engage with your team.

How do I use my Company Business Plan?

This is the answer to the question, why plan at all? Do you **hate** to plan? How about these simple questions to ask yourself, whether you should plan, or whether you need to learn how to do planning better!

* Do you want to make more money?
* Do you want to grow your business?
* Do you want to sell your business one day for the maximum value?
* Do you care about your employees’ well-being?

If you answered yes to any of these questions, then you can most assuredly use your company business plan to set the direction for the company, and guide the development of the company. It is the process of planning that counts! Good process will help you and your company, achieve all of the results in the questions above.

So you don’t really use the plan per se, you use the planning process to help develop the business. For it is the process that will train your employees that planning is good, and they will learn to use the very same process in their departments as the company grows.

This is what is known as leading by example – or another way to put it is to “**Raise Leaders**!”

Step by Step – What do I do to create a plan?

1. Develop a commitment to plan – study your resource materials.
2. Develop your company vision, mission, core values and operating philosophies.
3. Conduct a business review of your company – involve your employees if possible.
4. Develop a list of to dos – they can be categorized as:
5. Must do’s
6. Need to do’s
7. Nice to do’s
8. Prioritize the list and focus on the must do’s – break them down into goals
9. Write the goals for the company out and be sure the goals meet the requirements of proper goal setting – Realistic, Understandable, Measurable, Timetable, Accountable, Specific, Worthy and Moral.
10. After you have your company goals, start defining what functional areas these goals will affect. Marketing, Finance, Operations, and organization.
11. Develop your Company business models you will follow by market segment – your measurements of your performance – how you will track them, what is success?
12. Develop your Financial Forecasts and Revenue plans.
13. Develop your Sales & Marketing plan to support the Sales plan.
14. Develop the Operational Plan to Support the sales plan.
15. Develop the Organization & Staffing Plan to support the sales plan.
16. Make sure your action plans are well defined and accountability is very clear.
17. Tie compensation to the action plans.
18. Execute the action plans with terminal velocity – make it violent – even a poorly designed plan executed violently will carry the day versus a well-designed plan poorly executed.
19. Measure the results.
20. Learn to have regular feedback sessions with your company team – tell them about the company performance against the plan – the good and the bad.
21. Learn to make planning fun and exciting – use “get-away events” to conduct planning sessions.

Why is this Critical to Your Success?

* Planning forces you to make decisions about your business, and making good, well thought out decisions are what good business’ do better than bad businesses.
* Planning involves everyone that has a stake in the company success, allowing them to share ideas, and buy into the plans ideas.
* It focuses the resources of the company on the key goals better than any other mechanism.
* Planning **makes** you **ask** the questions, the good ones, and the bad ones and gets you thinking about not only what to change, but how to change it!
* Planning is a form of training, for all employees, including the owner.
* **Proper company planning will absolutely MAKE YOU MORE MONEY!**