

Title:

Next Years Planning

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Summary:

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Only a few weeks ago I was running the San Juan River in Utah - blazing sunshine and ninety degrees in the shade. Now it's Fall already. And hey, I live in Southern California - in some places it's almost winter. Friends of mine back East are talking about 30 degree temperatures - or colder. Even snow flurries.

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Article Body:

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Blink - and it will be November, then Thanksgiving, and right its heels - New Year's. All of which is great if you love to ski, or snowshoe...

Which brings me to every businessperson's favorite indoor sport - planning.

Each year around this time I urge clients to dust off last year's business plan and compare it to what is really going on. Because many people - believe it or not - forget what they committed to for the year. Oh - they know their sales and profit projections - but most people don't pay close enough attention to the other issues. Things like market development, new customer growth, distributor relationships, customer services improvements, even new products: all the things that make it possible for a businesses to grow and prosper year after year.

If you haven't done so recently, now is a great time to review this year's results, and plan for the coming year. Take a look at how you are doing compared to how you hoped you would do. It doesn't matter what month you are in - just compare your results to date to this month last year. And if you've already built next year's plan, you may want to consider it in a new light.

The typical approach to planning goes like this:

Start by setting a goal for next year's sales growth.

This figure is often arrived at by multiplying last year's results by some acceptable factor. In business school they taught us to use 10% if we didn't have a better idea. This ten percent shows up again and again - I think it has something to do with having ten fingers. Standards vary from industry to industry - ranging from 5% to 25% . But in today's economy, many people will consider it a win if they just remain even with where they were last year.

Next, add solutions to a few key problems you've been meaning to address. Follow this by some enhancements to your product line - and there you have it - instant plan!

Those of you who've read my book know that I encourage people to think differently.

Here's a process I've used with all kinds of clients; it has led to some truly inspiring - and profitable - results:

Step 1

What do you - in your heart of hearts - want to accomplish this coming year? The key words here are "want to do." Not what do you think will happen, not what will the market let you do, but what do you want to do.

When you answer this question, it does help to think about things like money - revenue, profits, cash-flow (as if anyone wouldn't) - but also consider other non-monetary details as well.

Think about what new products or services you'd like to introduce, what markets you'd like to branch into, how you'd like to improve your relations with customers, how many new distributors you'd like to add, how you will make things better for your employees, partners, even your community, and of course, what lifestyle and "work- style" changes you'd like for yourself.

For each of the targets and goals you are about to set - why do you want to set these targets. Make sure your reasons strongly support you.

Step 2

Learn what you can from whatever has happened over this past year. This is something many of us simply don't do.

For example, make this year the year you act on the knowledge that it takes three months to train a new distributor, not the four weeks you generally plan for. You'd be surprised at how many entrepreneurs repeat variations on the same mistakes over and over again.

Deliberately capturing the lessons of the past year, and thinking about how to use that new knowledge can provide major opportunities to boost profits.

Step 3

Set targets which will inspire you and your team and get out of bed every morning (even when it's snowing.)

Instead of using that 10% multiplier - or 25% or whatever - come up with growth numbers that you believe in and which will make it all worthwhile. Say you are committed to 35% growth. But you've never had more than 15%. Well how are you going to do that? What would it take? Is it possible? If you believe it is, but you don't know how yet, don't worry. You'll tackle that in a minute.

Step 4

Now is the time to review changes in your market.

Are there new factors - changes in customer buying behavior, shifts in the demographics, new issues in your industry and fresh competitor activity? Consider how these changes will make it easier or harder to achieve your bold targets.

Do any of these changes cause you to rethink the targets you've set? If so, go back and make adjustments you feel are necessary.

If you'd like a list of the kinds of questions I ask businesses, send an email to stratq@lemborg.com.

Step 5

Figure out how to reach the targets in Step 3.

How can you achieve the targets you just set? Do you know how? Will that plan work? You may have to work backwards using the Merlin Method. (For those of you who don't know, Merlin was a wizard who was born old and lived his life getting younger. What he called seeing the future was really just looking into his own past.) So use this idea to create action plans.

This is the method I use successfully with my consulting clients to transform their businesses. I'll give you a quick overview:

Visualize those bold targets as already met. Looking back from the future to the present, ask what was the final step or milestone you achieved before completing the goal? And what was the step before that? And before that? All the way to the present day. Check for reasonableness.

That's your action plan.

Believe me, this works! Do this for each of your targets and goals, then execute that plan, and you can almost guarantee a breakthrough year.

In a future article, I'll write more about the critical success factors you need to review.

Best regards,

Paul Lemberg