

# Planning

## Part 1 – Overview & Focus

Not matter what kind of business you're in; having a plan – be it a Strategic Plan, a Business Plan or whatever you want to call it – is crucial to a positive and profitable outcome for your business.

A well thought out plan provides you and your business with the necessary focus and direction to achieve your desired outcome in a cost-effective and efficient manner.

As the renowned American philosopher Yogi Berra said “**When you don't know where your going any road will get you there**”.

Do you know where you're going or are you just “letting it happen” – if you're just letting it happen, how's that working for you? For 99% of businesses “letting it happen” is the path to disaster, both financially and emotionally.

Survey after survey supports the notion that those businesses that plan, track, review and update are much more profitable than those that don't. The last one we saw was done in the U.K. (but it is apropos for all countries) and it showed that businesses that actively plan, track, review and update are up to 80% more profitable versus their competition.

A survey done here in the U.S. showed that those businesses that actively plan, track, review and update are up to 63% more profitable when compared to their competition.

Having a plan allows you to use your limited resources (time, money, effort) effectively and efficiently.

Most small business owners cringe at the thought of a “business plan”, the proverbial 50 page bible.

Who has the time for this?  
Who has the fortitude for this?  
Who has the desire for this?

Certainly not me and I am fairly certain not you. And unless you are going to external sources for financing or support of some kind, **it's not necessary.**

There are many resources out there to assist you in doing a short and concise business plan. One I recommend is the One Page Business Plan by Jim Horan. But by no means is this the only one or necessarily the best for you and your business.

When I reconfigured my business, this quick and hard hitting methodology is what I used to do my business plan. Other than the dreaming/thinking time involved, it took me about 16 hours

(over few days) to do it. Who doesn't have 16 hours for this task?

Planning is nothing more than setting your Vision and Mission, identifying and preparing your Goals and Objectives based on your Vision and then prioritizing them into some kind of order for further action. **It is your roadmap to drive your business.**

There are six simple steps in developing a workable plan (don't over think it, don't over complicate it, this isn't Quantum Physics) for the typical business owner, I'm not saying you're typical, but if you were typical, they would be:

- 1) Set your Vision
- 2) Define your Mission Statement (as necessary)
- 3) Identify and prepare your Goals and Objectives
- 4) Define your Strategies to support the achievement of your Goals and Objectives
- 5) Generate your three to five year Plan; this is your Strategic Plan or Business Plan (the view from 30,000 feet).
- 6) Generate your one year plan; based on your Strategic Plan, this is your Tactical Plan or Annual Operating Plan (the view from a mile high).

In addition creating the plan you will need to:

Break the plan down into action items or steps

Continuously track the actual progress and results versus the plan

Review and analyze the progress

Update the plan as necessary

These steps should take a couple of hours a week at the most.

Are you willing to spend two hours a week and a few days a year to stay on track, work on the critical issues, save yourself hundreds of hours (not working on the wrong or lower priority issues)?

### ***About SBS Associates, LLC***

SBS Associates, LLC ([www.sbsassociates.biz](http://www.sbsassociates.biz)) is an advisory firm that helps small and medium sized business owners in Southern California with business growth issues.

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Kris Sinderholm is the President of SBS Associates, LLC, and charter member of AllBusinessAdvisors.