



WHY BIG BUSINESS PLANS ARE IRRELEVANT FOR MOST COMPANIES



Unless you are seeking to raise funds from banks or investors; require a forward looking document to distribute to shareholders; starting a business and need to use the process to cover all areas; have a business planning/implementation champion within your organisation - the traditional forty plus page business plan that the majority say you should write is a waste of time. Here is my reasoning.

- Countless businesses have a beautifully bound 'five year plan' sitting on their bookshelf with five years worth of dust on it
- Many business owners can't even find the plan they created
- The fact that a company has a business plan simply gives bankers, management, government business gurus and the myriad of business coaches and consultants a hubristic sense of achievement for seemingly having contributed something of value to this company
- A false sense of security for the business owner and management

Unless you have one of the above requirements for a full plan head down this track.

- Focus on a maximum of three to five years
- Ask the following questions:
 - What are the critical areas that if unattended to will serve to erode our business?
 - What represents the greatest threats and risk to our business?
 - Where are the greatest opportunities for us this coming year?
 - What are our major goals for the next 12 – 36 months?
 - What additional markets do we want to penetrate?
 - What are the products and services that no longer serve us?

As a result of the above:

- What can we do to mitigate our weaknesses and threats?
- What additional people and resources do we require to fulfil our plan while mitigating these risks?
- Who within the company do we assign to follow through on these and be kept accountable to such?
- What steps do we put in place to maximize opportunities?
- What are the steps required to achieve these goals?

You can use the above for any future time frame. For example, if you know that being certified in Quality Assurance isn't currently damaging your business but will be required for the opportunities you've identified in the 2-3 year range then best to schedule in the start and completion date.

And the most important thing... ACTION.

Planning is one thing, action is another. Keep the plan somewhere in view. Schedule accountability meetings with your advisors, management team etc. Plan, act, plan, act. This cycle is the secret to planning implementation and achievement. It also prevents the dust build up that more than likely will be gathering on the business plan sitting at your competitors.

Ray Hodge speaks and consults to businesses and organisations, a notable event being the Department of the Australian Prime Minister and Cabinet. His emphasis is on improving critical efficiencies to dramatically increase key results. He has coached and provided consulting services to leaders and teams for over 25 years.