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November 30, 2010

Take Time to Plan

“A Business Plan? Sure, we have a plan around here somewhere. Now, let’s see, is it in the tax file or ...?”

My experience in business is that most of us know that we have to have a plan. For some of us, that means that we have an idea in our head as to where we are headed. For others, there was actually a time when folks sat down and wrote out a planning document. However, for this second group, knowing where that document is, not to mention if it is still relevant, is the real question! Yet, a third group is actively involved in an annual planning process, but it has typically been a while since the basic assumptions and goals of the enterprise have been vigorously questioned or reviewed. If you find yourself described by any of these three groups, now is a perfect time to think again about planning.

To begin, you have to dedicate yourself to a process. While it does not have to be viewed as an onerous task, it is something that requires dedication and focus. Start by setting aside some quality time. Ideally, I mean that you take time away from the business. It is very difficult to think about tomorrow if you are constantly bombarded with calls or interruptions with questions about today’s crises! As a practical matter, you likely cannot take large chunks of time away, so work in blocks of two to three hours at the start of the day or the end of the day.

Next, involve the key players in your operation. It is important to understand that no one person has all of the insights or all of the best ideas! Therefore, take advantage of the experience and wisdom that reside in your staff. Once again, you may not be able to involve everyone at the same time, as someone has to keep the doors to the business open, but you can figure out a rotation to get the key players free to join you in a sequence that makes sense, relative to the input you expect from each of them.

Now, you are ready to plan. Once you’ve got folks together away from the daily grind, you are ready to begin the actual planning. As a suggestion, start with a celebration of where you have been. Even if things have not been going as well as you like, the fact that you are still in business and can take time to plan for better times is well worth cheering! Next, spend some time “dreaming”. By this, I mean to think about what you really want the organization to be. From this vision, the third step is to consider your
situation. In this effort, it is best to work from the outside–in. Consider what environmental opportunities there are and what threats there might be. Then look inward and honestly appraise your organization’s strengths and weaknesses. Once this is done, your fourth step is to clarify your strategic direction by articulating exactly who you want to be and where you want to go. With your “mission” now defined, the fifth step is to break the journey down into manageable objectives for the near term (the next year), intermediate term (three to five years), and the long term (five to ten years). The last step is to develop operational plans to meet the objectives (keeping in mind the environmental and organizational analysis you did earlier), including the budgets needed to support your plans.

Yes, the above process can get involved. However, research gives us compelling evidence that better planning leads to better performance. It is simply a matter of making one of the best investments in your own firm! But remember, to get the most out of this investment, two things are necessary. First, you have to work the plan. Finally, you have to remember that business plans must be “living” documents. They must be updated and reviewed to insure that they truly reflect the realities of your world!