

My Business Action Plan: The Planning Process

What is involved in the business planning process? Planning is outlining a course of action in order to achieve a goal, thus fulfilling a desired objective. It is predetermining today a course of action for tomorrow. It is throwing a net over tomorrow and making something happen. It is being tomorrow-minded rather than yesterday-minded.

Strategic business planning is matching the strengths of your business to all available opportunities. It focuses upon the interaction of your business with all of the various forces within your industry. This focus and interaction would include your potential competitors, the government, the economy, possible suppliers, and other market forces that would affect your business prospects. Planning is the process of gathering all of this information, analyzing the data, and managing it in the best interest of your company.

The only way to reach a business goal is to work at it. The most important step in reaching the goal is to develop a plan to achieve it. That's why it is so important to plan ahead for your business success and your financial future. While the idea of planning ahead and building a solid strategy for success can sometimes be intimidating and overwhelming, once you get started it will become easier.

With a little planning and a better understanding of what your strategic options are, you too can successfully build your business and pursue your business goals. So what is planning? Planning is knowing where you are today, outlining the steps it will take to reach your goals, developing a sound plan, and continuing to follow the pattern you outlined by pursuing your goals. Planning involves measurement and feedback. Planning is being decisive and doing work today designed to cause specified occurrences tomorrow.

Why Plan?

Here's why: to achieve your business goals, to put ideas to work, to make things happen, to be prepared, to cope with change, to be in control, to decide what you want to do with your business, and to decide how your assets should work for you. It is essential to plan for every area of your business future and to make sure that you are on track to meet those special goals. Your needs will change throughout the life of your

business. Review your plan every year or so to make sure that your goals are the same. If they have changed, your planning strategies will have to change.

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Planning Checklist

1. Set specific measurements of progress.

Answer questions of how much, where, when, and at what cost. The progress points must be obtainable. You must consider obstacles and priorities.

2. Outline procedures.

What has to be done? How will it be done? Consider equipment and materials, money and people. When will this thing be done? Make up a tentative schedule. Where will it be done?

3. Assign activities.

Involve people. Involve their skills, knowledge, and experience. Stimulate motivation and interest. The planning process is no better than the goal; the goal is no better than the objective; and the objective is no better than the business purpose or reason for existing.

The Importance Of Quality Planning

Like any other success in life, quality output comes from a quality plan of action. It is impossible to reach any goal without a road map to your success. Nothing worthwhile happens by accident. It's difficult to accomplish anything important without a detailed, specific plan. Business planning offers you a coordinated and comprehensive approach

to achieving your personal, family, and financial goals. With proper planning, you will take specific steps to reach your goals and manage your current and future assets.

A clear, solid plan, like a blueprint for the construction of a house, can show you which steps to take. One by one, the steps will guide you so that you won't have to stop and think about each step before taking it. You'll have the benefit of systematically following ideas that you have carefully considered in advance.

Constructing The Plan

To begin, take time to think your plan completely through. Engage others to help you with your plan. There is no such thing as too much input. And don't neglect the details. If, for example, your plan is to improve a specific part of your business future, be sure to give some specific thought as to how exactly you intend to do it.

Following The Plan

The ability to carry the plan with you and physically consult with it on a regular basis necessitates that it be written down and mobile. Not only will it remind you of tasks you should be addressing, but you will be able to regularly monitor the work you are doing according to your plan. Every business has unique objectives, goals, and plans. No two businesses are exactly alike. Be sure to follow *your* plan.

As you follow your business plan, continue to unearth new facts that could necessitate course corrections.

Evaluating The Plan

If actual results don't happen according to your plan or fulfill your expectations, it may be time to reconsider your plan. Was it realistic? Was it flexible? Did it take into account unforeseeable events or circumstances? Did you follow it to the letter? Does it need revision? Business planning is simply drawing up a blueprint that outlines the specific steps that will lead you to purpose-driven goals.

Some questions you need to consider again and again: Are your goals clear and realistic? Do you know exactly what you are desiring to accomplish and why? If these are not perfectly clear, your chances of succeeding will be hindered. In the planning

stage you must be aware of some of the obstacles that could prevent you from reaching your goals.

Above all, do not see any shortcomings as a permanent failure. Instead, learn from your experiences.

Revising And Updating The Plan

Periodic updating is usually necessary. Review your planning once or twice a year, or whenever your business circumstances change. Revisions, due to unexpected changes that impact your work or reconsideration about your objectives, may be needed. As you progress through the months and years, your business plans will certainly evolve to account for changes in your personal life as well as fluctuations in our economic climate.

If any of the following change, the plan must change: purpose, objectives, goals, net worth, asset allocation, liquidity, cash flow, debt, investment vehicles, risk tolerance, retirement goals, insurance needs, tax liability, etc.

Updates in your business planning will be necessary as goals and objectives change. Unexpected business and economic activity might cause a change in your business planning. As tax laws change, you will need to adjust your planning. The bottom line is to stay flexible.

Murphy's Laws For Failing To Plan

1. Nothing is as simple as it seems.
2. Everything takes longer than it should.
3. If anything can go wrong, it will.