

KISS off those Business Planning Blues

In my volunteer business advisory role, I often see or hear of small businesses where little or no planning is taking place, and the primary reasons seem to be the difficulty of doing something, or the time it takes. While “proper” planning *can* be complicated and time-consuming any planning is better than none, and decent planning can be done fairly easily and quickly.

Keeping It Simple is the answer to getting it done when you have no time.

The first thing to tie down is your goal. At the end of your planning period, what, specifically, do you want to have achieved? Write this down clearly, with no weasel words like “if” or “try”. Include measurable parameters and time frames. “From now until 31 Dec 2009 I will generate \$120,000 in gross sales” is a good example. At this point, this is a target only, because you don’t know if it’s possible.

Now write down all of the things (or projects) which would have to happen to achieve your target. Do you need to increase manufacturing capacity, do more marketing, get more credit to buy supplies, hire staff, or what?

Time for a reality check: is your list reasonable? There are many ways of doing this, but my favourite is categorise and sort. Think up some positive and negative categories which apply to your type of business. You might have just two, or quite a few. However, remember we’re trying to keep it simple, so not too many categories. For each project on your list, rate it on each category. (Putting them all in an Excel sheet and having one column per category is one way to go, with a numerical rating system.) By sorting on different categories you will hopefully see some patterns. For instance, suppose your categories are “value in achieving the goal” and “risk level”. It’s pretty obvious that the low-risk, high-value projects are the ones you should do for sure, and some high-risk, low-value ones should get dropped! The others need some more analysis to see if they can be modified to reduce the risk, combined to increase the value, or just prioritised.

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Other things influence your list as well. Money and resource allocation are prime examples. Also, some projects will depend on other projects, or external factors, such as the date of a Trade Show. You may need a special skill or machine. These extra factors can be added as extra columns to your spreadsheet or just used as a reality checklist. A good way to sort out scheduling and dependency issues is to put each project on a sticky note and move them around on a whiteboard, with lines joining projects which depend on other projects.

What you want to end up with is a *workable* list of things you have to do, with dates for when you have to do them, and a really good idea of what resources you will need to get each one done. You should be able to check that no two projects need a unique resource at the same time and that your cash flow or line of credit will pay for each one as it starts up. You will know why you are doing each one, and which projects you can drop or delay when you hit that inevitable snag. Don't necessarily get married to your original goal, either. This process may have made it clear that it's not realistic, and you may have to change it. The important thing is to have a goal, and a plan for achieving it. Then work your plan!

While I can't tell that this approach will make your fortune, I can pretty much guarantee that no planning will eventually lose your business for you. By keeping it simple, you will at least have made a start.