

Business Planning You Can Do

Indian Hills SBDC

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I suppose every business owner feels somewhat guilty that he or she is not doing long-range planning, or strategic training, or developing a written business plan. If you pick up any business publication concerning planning, all of these terms are used and they imply that if you don't use them, you are going to be headed in the wrong direction. This is unfortunate, because from a practical standpoint, business planning should be something else. I'd like to discuss what that something else should be.

First, business planning is not something you do and have done. It's something you are constantly doing. It should start from the standpoint of conducting research and doing self-evaluation, which can be an ongoing process. In doing long-term planning, we are usually thinking 5 years or 10 years down the road. Even though this is a good undertaking, things are changing rapidly. The value of a plan that far out is very questionable because of the changes that could be taking place in some of your basic assumptions. On the other hand, if you read much in business literature now, we're talking about shortening time spans of new product development from years to months, which means that an important period is the next 2 to 12 months. The problem with the 5-year plan is it's easy to set it aside when it is done and not work on a new plan until year 4. A short-term plan needs action today to make it happen.

Strategic planning implies that if you come up with some noble strategy, the strategy itself will accomplish your goals. The problem with strategic planning is you begin to look at things in terms of goals, objectives, strategies, and tactics, and you immediately get into a problem of defining these terms. I've been involved in these kinds of planning processes, and it seems that by the time the plan is supposed to be implemented, that time comes and goes before the plan is even done. I think strategic planning's concept of breaking things into goals, strategies, tactics, often is a good way to describe things that have been planned, but it's not the way we think about what we're going to do.

I always go back to the model of what, when, why, where and how as a planning model. The place to begin is: What is to be done and why do it? These two have to come together as the research you do builds the why for the what that you are going to do. Any attempt at planning should cause an immediate change in behavior that can end up taking you in a good direction. Sometimes you need to do your research before you make a decision, but many decisions can be made and implemented or tried out before you actually make the commitment to follow through. This also can be dangerous because you can get into a pattern of trying something, and then you reach an obstacle and give it up and go onto something else. So part of the planning process is a commitment to carry out the plan. Keep in mind that at times you cannot gather enough research or facts to support a decision. You're going to have to make it on your own intuition. That's what makes business fun, though, and can be your competitive advantage based upon your business experience. You can make decisions that others would have to spend time investigating.