

Title: Plan Your Work and Work Your Plan
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Have you ever driven a car blindfolded? I hope not; it would be a crazy thing to do—right? How would you know where you were going? Where would you turn? What about other cars, stoplights, pedestrians?

With that harebrained notion in mind, have you ever tried to run a business without a plan? Great ideas abound, opportunity is out there, and motivation is rarely lacking. Good business plans, however, are rather scarce. Without a plan, how would you know where you were going? Which way will you turn at decision points? What about your competitors, cash flow, and customers? Having no plan at all is most definitely crazy.

To maximize business opportunity and success, it is essential to establish a clear set of goals and objectives. A well-defined plan, used as a touchstone, helps to stay focused on the ultimate goal. Once you go to the trouble of actually creating a plan, don't pat yourself on the back, place it in a drawer, and go on to something else. Read the plan regularly—live it, breathe it, and keep it up-to-date. Regular reviews should be part of an overall strategic planning process. Take a hard look at your plan once per quarter. Ask yourself if you performed to expectations, and if not, why. If you came upon a “stoplight” in your path, make course corrections, revise the plan, and move on.

Many people avoid detailed planning, as they think it's complex and too difficult to accomplish. It does take some effort, but it's far less complex than you may think. Sure, major corporations have a huge staff with years of experience, and MBAs dedicated to planning, but it is still possible for every business—no matter what size—to have a comprehensive plan.

Your business may have specific needs that must be addressed. However, start with a solid foundation on which these specifics can be built. There's a methodology that you can use and adapt called “6 Ps and an S.” Every business should plan around these seven fundamental elements.

Product The definition of the product or service your company makes or sells. Make sure you know what your product is. Write it down and define its extremes so you know what you do not or will not sell. Many companies fail because they try to do too much. Too many products and not enough customers is a bad recipe.

Place The market, segment, geography, and channels where your products are sold. Have you researched your market to find how big the opportunity is and who else is already there? Identifying an untapped niche can be worth its weight in gold. If there are a lot of people already there, what will you do differently?

Position How you will position your product against your competitors and differentiate yourself in the marketplace. Once you have identified where you will play, make sure you know as much as you can about the other players. Then decide on your approach for combating them and showing your potential customers why they should buy from you and not your competition.

People Staff members are resources required to ensure optimal success of the business. Make sure you identify all the staff and resources you will need to keep the product flowing. Do you need special skills on your team? How many customers can you service or how many products can you ship, and with what head count? Plan your staffing growth based on specific business-level triggers. Plan for different scenarios. Which of them will generate more cash flow, and which more profit?

Price Financial analysis of costs, revenue, overheads and, ultimately, profit—the money stuff. All these are business fundamentals. Build realistic projections. Make sure you price to match your position. Think ahead and plan for where you may invest when the cash comes in faster, or cut when it doesn't.

Promotion Choosing the optimal vehicles to promote your brand and products to your selected target audience is the marketing plan. Nobody will come knocking if he or she doesn't know you exist. Allocate a specific budget. Think outside the box, and create a mixed portfolio of marketing options. Don't be tempted to spend it all in one big advertising bang.

Service What services are required to support your product and generate extra revenue? Delivering product is only half the battle. How will you deal with questions, returns, and onsite repairs? For many offerings, it is possible to create service plans for your customers and have them pay. Consider whether you could generate extra revenue this way. It may also generate greater customer loyalty.

There is much thought and effort required to build your plan, but it is easier than you think. Use the 6Ps and an S to guide you, and you will have all the major bases covered. Think through each of the elements and be as comprehensive as you can. Once you have the plan, execute it, and remember to revisit it regularly and make changes as appropriate. The end result will prevent you from driving your company blindfolded.