

BUSINESS PLANNING GUIDE

BEGINNING THE PLAN

Sometimes the prospect of writing a business plan can be enough to put people off doing it! The process of writing a business plan as a recruitment consultant running your own desk or as a team leader responsible for half a dozen recruiters is not complicated. It does not need to be a 100 page document seeking venture capital funding for a start up business!

There are three fundamental questions that need to be answered to write a business plan:

1. Where do I want to be?

2. Where am I now?

3. How will I get there?

SMART goals



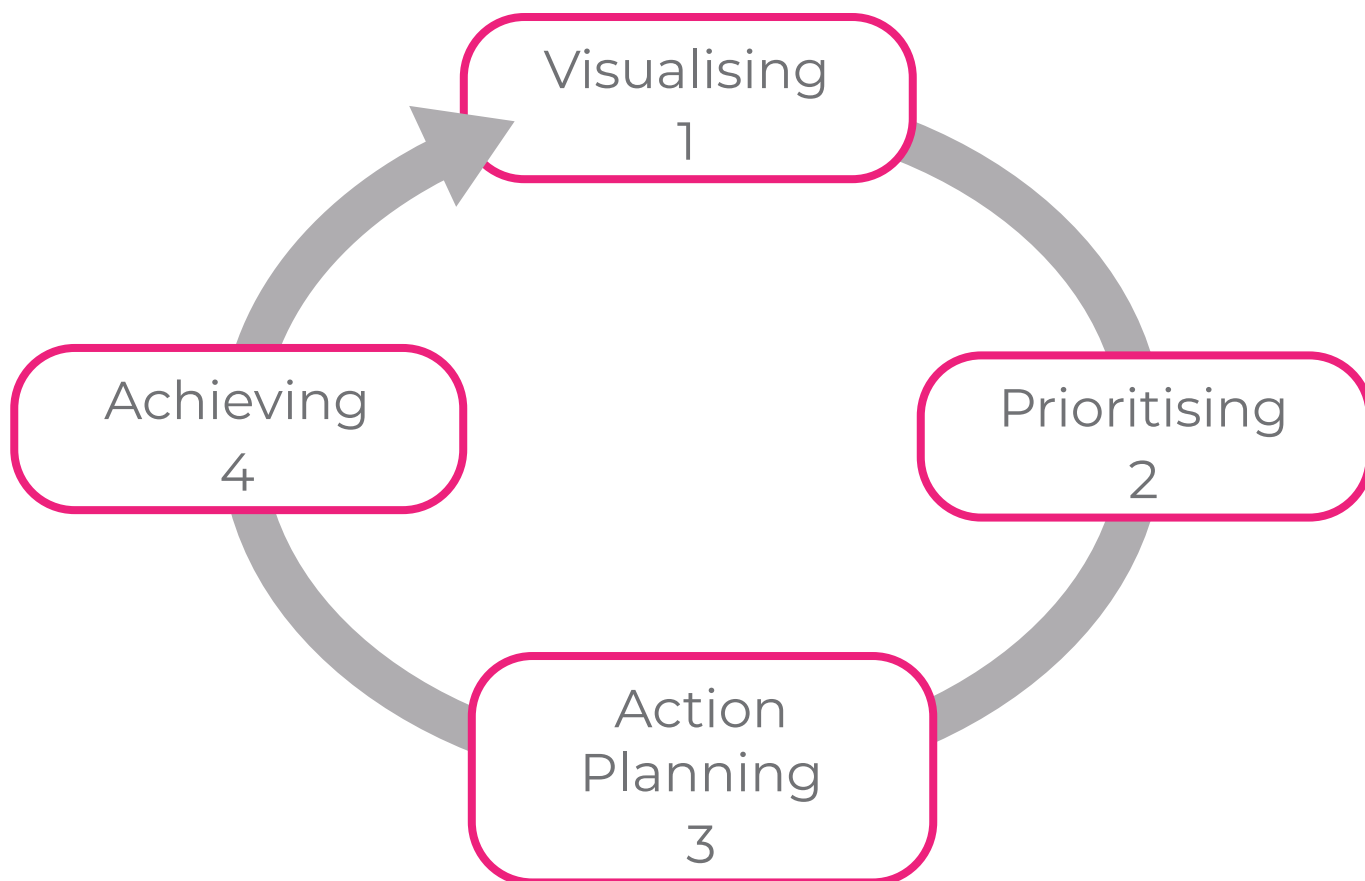
SMART GOALS

Introduction

"If you don't know where you are going, the chances are you will end up somewhere else".

We would never consider getting into a car and driving without having at least some idea of where we want to go. But all too often people squander their precious resources of time and energy by working with no clear idea of their goals.

Without a goal to focus upon it is impossible to prioritise effectively, or make adjustments to maintain the most effective course towards achieving it.



SMART GOALS

Goal Clarity

The more clearly you see your goal the more likely you are to achieve it.

Here is a simple mnemonic for setting yourself clear goals:

S	Specific	The more clearly you can visualise your goal the greater will be your motivation to achieve it. Make sure you define it as specifically as possible.
M	Measurable	Aim to have precise quantitative and qualitative criteria for your goals. To achieve a goal you must do a certain amount to a certain standard. eg. To complete the first draft of document X
A	Achievable	Beware of de-motivating yourself by setting yourself an impossible goal. If you know you will not succeed there is little point in trying. Equally make sure the goal is close enough to be attainable. By setting it too far in the future you are in danger of losing sight of it before it is achieved.
R	Relevant	Is it going to help me achieve my greater goals? Does it contribute to success?
T	Time Based	Set yourself a deadline to drive for. Without some limit on time there is unlikely to be any sense of urgency in your work. Again it is vital to set an achievable but stretching deadline. This can be in the short (eg. "by 2pm"), medium (eg. "by the last day of the month") or long term (eg. by my fortieth birthday!)

By setting yourself goals using this formula you have taken the first step towards increasing your productivity, particularly in area where you are either frightened or bored (Areas of Procrastination).

SMART GOALS

Example of poor (not SMART) Goals:

I want to be promoted next year (M,R)

I am going to focus on increasing my client base over the next 3 months (M,T)

The most common time you hear people talk about their goals is at New Year. These resolutions can often be short lived as the goal setting process is much more a wishing session:

I will give up smoking this year

I want to lose weight

I am going to exercise more frequently

I will cut red meat out of my diet

Example SMART goals:

Take time to think about your goals for the next 12 months. Although this Power Pack is designed to help you create a business plan for the next quarter you need to ensure that it is contributing to a bigger goal in 12 months time such as income level, promotion (if realistic) or other success measures.

Be promoted to senior consultant (Specific, Measurable) by 1/4/12 (Measurable, Achievable, Time Based) from my current position of consultant that I have held for the last 18 months (Realistic)

To develop my current client base from 6 to 12 [INSERT YOUR MARKET SECTOR] companies over the following 3 months (S,M,A,R,T)

I am going to increase the number of client contacts in my market on our database from 720 to 949 over the next 9 weeks at a rate of 5 new contacts per day. (S,M,A,R,T)

SWOT analysis



SWOT ANALYSIS

SWOT - an introduction

Strengths, Weaknesses, Opportunities, Threats (SWOT)

SWOT analysis is a tool for reviewing ourselves and our environment. It is the first stage of planning and helps us to focus on key issues. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors. Opportunities and threats are external factors. Use the SWOT to establish exactly where you are now.

In SWOT, strengths and weaknesses are internal factors. For example:

A **strength** could be:

- Your specialist sector expertise
- A new, innovative product or service
- Location of your business
- Quality processes and procedures
- Any other aspect of your business that adds value to your product or service

A **weakness** could be:

- Lack of sector expertise
- Undifferentiated products or services (i.e. in relation to your competitors)
- Location of your business relative to customers
- Poor quality goods or services
- Damaged reputation

In SWOT, opportunities and threats are external factors. For example:

An **opportunity** could be:

- A developing market
- Mergers, joint ventures or strategic alliances
- Moving into new market segments that offer improved profits
- A new international market
- A market vacated by an ineffective competitor

A **threat** could be:

- A new competitor in your home market
- Price wars with competitors
- A competitor has a new, innovative product or service
- Competitors have superior access to channels of distribution
- Taxation is introduced on your product or service
- LinkedIn

SWOT ANALYSIS

Simple rules for a successful SWOT analysis

- Be realistic about the strengths and weaknesses of your organization when conducting SWOT analysis.
- SWOT analysis should distinguish between where your organization is today, and where it could be in the future.
- SWOT should always be specific. Avoid grey areas.
- Always apply SWOT in relation to your competition i.e. better than or worse than your competition.
- Keep your SWOT short and simple. Avoid complexity and over analysis
- SWOT is subjective.

SWOT ANALYSIS

Considerations for a SWOT analysis

- Current clients
- Prospect clients
- Candidates
- Yourself
- Your business
- Your team
- Product/service
- External environment

SWOT ANALYSIS

SWOT analysis

Strengths

Weaknesses

Opportunities

Threats

Business Planning Template



BUSINESS PLANNING TEMPLATE

The Aim - Level One

Define your aim - clearly and measurably.

My aim/vision/goal	Measures	Timescale

- Write down your aim or vision.
- Describe it.
- Clearly define it so that a stranger could understand it and know what it means.
- Attach some measures or parameters or standards (scale, values, comparative references) to prove that it is achieved.
- Commit to a timescale even if it is five or ten years away.

Then ask yourself and identify:

What factors would directly cause the aim to be achieved?

 Insert them on the next page.

Direct Cause Factors - Level Two

Define your aim - clearly and measurably - the factors which would directly cause the aim to be achieved.

Factors which will cause the aim to be achieved	Measures	Timescale

- Consider realistically and identify the factors which would cause the aim to be achieved.
- If necessary research this - you will only be kidding yourself if you guess or ignore an unavoidable aspect.
- Write these factors down and clearly define them, again so even a stranger could understand them.
- If necessary add more rows.
- Attach measures or parameters or standards as necessary (scale, values, comparative, references)
- Attach timings
- Then ask yourself and identify:

What enabling factors must exist or be achieved for these level two causal factors to happen?



Insert them on the next page.

Enabling Factors - Level Three

Identify the factors - clearly and measurably - which will directly enable the directly causal factors to happen or exist. It is natural for causal factors to depend on a number of enabling factors. The plan therefore develops like the roots of a tree, or the tributaries of a river. The numbering is merely a suggestion. Your own plan will be different. Some plans may contain lots more factors and levels - some plans will contain far fewer.

Factors which will cause the aim to be achieved	Measures	Timescale
1.1		
1.2		
1.3		
2.1		
2.2		
2.3		
3.1		
3.2		
3.3		
4.1		
4.2		
4.3		
5.1		
5.2		
5.3		

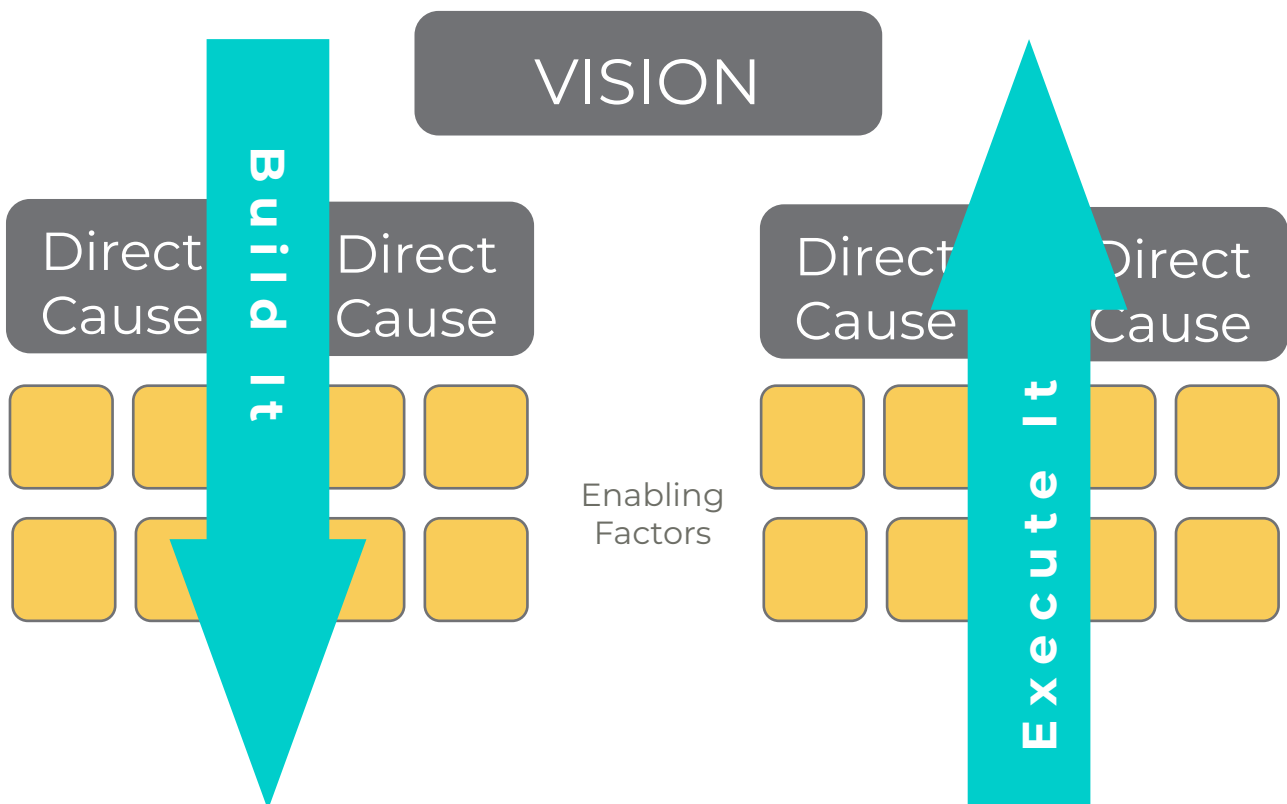
This is a sample template not a fixed structure - adapt and develop the model to suit your own situation. Add more or remove factors and levels as you need.

You should add a fourth level if any third level enabling factors are not already possessed and cannot easily be achieved.

- Consider realistically and identify the factors necessary to enable the causal factors.
- Write these factors down and clearly define them, again so even a stranger could understand them.
- You can improve the lineage of the factors through the levels by colour or number referencing.
- Attach measures or parameters or standards as necessary (scale, values, comparative references)
- Attach timings
- Then ask yourself and identify any earlier enabling factors which need to happen before level three. If so, add a fourth level and complete the enabling factors accordingly.
- When you have completed your plan, you can then start to work through the levels - from the bottom to the top.
- Adapt your plan as required - especially add new factors as you discover them, and plan how each can be achieved by incorporating them into this model.

Create your plan from top to bottom.

Implement your plan from bottom to top.



Goal Planning - In Summary

Start with a clear aim.

Define it and understand what will cause it to be achieved.

Break down these causal factors and identify what will enable these to happen.

Ensure every listed item can be tracked back to achievable enabling factors - achievable in terms of size and time.

Remember that causal and enabling factors come in all shapes and sizes. If necessary research what they are for your own aim.

Success is mostly based on understanding what is required for it, before setting out to achieve it.

Where you already possess an identified enabling factor, then re-direct and prioritise it 'upwards' towards your aim and the next relevant causal factor(s) in your plan. This can even apply for factors like money and time, where such enablers are often possessed but are currently misdirected or wasted. The decision and commitment to re-direct and prioritise become the enabling factor.

Conversely (and perhaps more commonly) if you do not possess a factor and cannot attain it easily then identify what will cause it to happen, and extend your plan to a prior level. Apply the logic of the planning method - identify the prior enabling factors, and extend the plan to a prior level.

Behind every factor lies a cause. When you approach any aim in this way it becomes achievable.

This is a simple yet powerful approach. Be careful what you wish for - if you follow this method you will get it.

Attitudes to Develop

Use winning self talk! This should not be an exercise in unrealistic self delusion.

As mentioned earlier, it should be an honest appraisal of your strengths and weaknesses, relative to the goals you are striving for.

Think of the rewards of success rather than the penalties of failure. This approach allows you to use winning self talk, and fuels the desire to achieve your goals.

Much has been written and spoken about the power of positive thinking. The challenge is to use this power in your own life, starting from now.

Some people would appear to be born with more natural talent than others. The qualities of optimism, enthusiasm and assertiveness can more than make up for a seeming lack of talent. Some people seem more 'naturally' optimistic, enthusiastic and assertive than others. However, these are qualities that can be learnt. Even if they have small beginnings, these qualities can become habits that ultimately shape your life.

Given this solid foundation, you will still have to display several further qualities and attitudes in order to finally achieve really worthwhile goals.

Action and Energy

You can plan both short and long term goals, but you have to start the action steps now. Most worthwhile goals require sheer hard work. Many goals demand the ability to withstand pressure and cope with a degree of stress.

We have mentioned that in broad terms you should try and operate within your stress levels – the setting of goals beyond your present capabilities is counter productive.

Your energy level is directly related to your state of health. The fitter you are, the more you can achieve.

Managing your stress level is a challenge to which you should give serious attention. We are assuming that your action and energies are being channelled into achieving your goals. The principles of effective Time Management are vital here – energy and action in the wrong direction will get very few results.

Flexibility and Adaptability

Single minded determination is a very fine quality. It is even more powerful when you can be flexible and adaptable in your approach. These two qualities are key to ongoing success.

There are often many ways to achieve the same goal. Lateral thinking, and searching for variables can overcome huge obstacles. Eagerness to learn (no matter what your age) and willingness to listen to others are key aspects of flexibility and adaptability.

Perseverance, Tenacity and Patience

'If at first you don't succeed, then try, try again' is a cliché – but how true! The best laid plans can fail; unforeseen circumstances do occur. You should learn from your mistakes, take a fresh look at your action steps, take a fresh look at your action steps, and refocus on the rewards of achieving your goal, perhaps using a different approach.

'Problem' should read 'challenge' or 'temporary set back'. Within the 'challenge' one should seek for the good. It is amazing that so often out of the chaos, so much good emerges. Sadly you often only realise this in retrospect, after you have given up.

A Sense of Humour

Sometimes this needs lateral thinking in its purest form! The ability to see the funny side of things, whether they involve you, others or 'cruel' circumstances, is perhaps one of the greatest gifts of all. On a practical level, it is impossible to be anxious and chuckle simultaneously. Even if the circumstances make a belly laugh difficult, the ability to be relaxed, calm and friendly under pressure is one that will stand you in good stead on the way to your goals.

Pulling it all together

A useful first rule of business planning is to **decide what you are actually trying to achieve and always keep this in mind**. Write your aim large as a constant reminder to yourself, and to anyone else involved. Keeping your central aim visible will help you minimise the distractions and distortions which frequently arise during the planning process.

The basic methodology of business planning is identifying **causes and effects**, according to your relevant business requirements (financials and ethics) and strategic drivers (what we are actually aiming to achieve).

Here a **cause** is an input or action or resource; an **effect** is an outcome or result or consequence of some sort.

We want to achieve xyz **effect** (for example a given return on investment, or a certain sales level or market share, whatever) - so what should we plan to **cause** this to happen?

Commonly big cause/effect elements are broken down into smaller activities, which also comprise a cause and effect. The goal planning exercise we did earlier helps chunk down the original goals into manageable, measurable activities.

- What do you want to make happen in your market?
- What can you do to cause that to happen?
- How could your strengths help to make it happen?
- Which weaknesses need to be dealt with to remove the chance of failure?
- What opportunities have you identified that could be exploited?
- What threats could prevent you succeeding?