



## It's not too soon to start thinking about 2005

*Follow these planning steps today to ensure next year's success.*

**By Tim Smith**

*Principal, The Plaid Group*

The four months between Labor Day and New Year's Day sweep past like a holiday shopper at a last-chance clearance sale.

One minute it's the lazy days of summer. Turn around, and you're staring at the end of the year.

So it's easy to get caught up in the bustle of meeting social obligations and professional objectives and forget one very important task.

Planning for next year.

That's right. Your 2005 success begins now, as we make our way toward the end of 2004. The right plan can make all the difference.

### Getting Started Is As Easy As 1-2-3-4

In my planning work with clients, I start with four simple questions:

- 1) What are the current strengths of your organization – the qualities upon which to build?
- 2) What are the current weaknesses of your organization – the areas that undermine your best intentions and keep you from achieving your objectives?
- 3) What ideas for improvement have never been implemented? And what ideas out there in the organization have never been forwarded to management?
- 4) What obstacles have kept your company from realizing the benefits of those ideas?

The goal is to identify existing "hot spot" issues – the weaknesses or needs that are distracting and de-

motivating to your workforce. That's why it's important to include your management team and key employees in the self-assessment.

### BLUEPRINT FOR SUCCESS

#### To create an effective plan for 2005:

- Identify strengths, weaknesses, ideas and obstacles
- Generate specific tasks for enhancing strengths, shoring up weaknesses
- Seek input from employees, customers
- Communicate key action items to management and staff
- Follow up on progress throughout the year



The next step involves analyzing each of the three major functions of any business:

- 1) Getting customers (and sales)
- 2) Providing the product or service
- 3) Managing the financial aspects of the business (receivables, payables, cash flow, etc.)

Again, the goal is to uncover any issues or obstacles that are keeping your business from succeeding. And again, this is where managers and key employees can play a vital role.

For example, your employees may recognize problems with serving customers far more quickly

than management can. Their input may enable you to make changes before those customers leave you for someone else.

Some companies even involve their customers in this annual “discovery process.” A brief, structured survey or focus group of customers can help you gain a better understanding of your company’s strengths and weaknesses.

### Let’s look forward

Once Steps 1 and 2 are complete, you’ll have a clear – and shared – view of the company’s current state of affairs.

That’s critical for effective planning, because it’s difficult to develop a workable roadmap if you don’t have an accurate picture of your starting position. So the analysis is an important reality check. Now you can look to the future. What challenges did you discover that you’d like to overcome? What ideas for growth surfaced that you’d like to pursue?

What do you want or *need* your organization to look like 12-18 months down the road?

As part of that definition, develop measurable goals that can help everyone in the company understand where you are headed and what it will take to make your vision a reality.

Here’s an example.

Let’s say that your analysis revealed that only 70 percent of customer orders were delivered on time. Your employees say that most delays are caused by incorrect or missing information when orders are entered.

Part of your plan for the new year might be to error-proof and streamline your order fulfillment workflow, starting with order-entry procedures.

Then, by including a measurable goal – for example, 95 percent of all customer orders will be delivered on time – you provide everyone involved with a meaningful way to track progress.

### Plan for growth, too!

The plan-goal approach doesn’t just work for solving problems. It can also help you achieve proactive results.

For example, if your evaluation shows that 80 percent of your revenue comes from only three large accounts, you might want to diversify your customer base since losing one large customer could be disastrous to your bottom line.

Diversifying so that **seven** customers generate 80 percent of your revenue would reduce the impact of losing one of those large accounts. Specific activities required to reach that goal could include:

- Identify the “Top 30” accounts on which to focus your marketing and sales efforts
- Finish implementing the marketing program you started last year, including quarterly meetings with key contacts at those “Top 30” companies
- Develop and implement a sales management process to focus sales efforts and increase sales force productivity

### Want growth?

*Let The Plaid Group help you develop a workable plan for your organization’s 2005 success.*

*Call 713-627-3569 today to learn more about our unique planning process.*

Now, your related goals to reach by the end of 2005 might be:

- Increase overall annual sales by 20 percent
- Generate 80 percent of sales from at least five customers by June 30, 2005
- Generate 80 percent of sales from at least seven customers by December 31, 2005.

See how it works? If you’ll do this plan-goal for each issue you uncover in your analysis, you’ll have a solid plan for solving problems and creating growth for 2005.

### You need buy-in to succeed!

But that’s not the end of the process.

It’s critical that you share your plan with all employees. Take the time to communicate the importance of each objective, and outline the plans in place to make sure goals are met.

Then, as you track progress throughout the year, communicate those milestones – or progress toward

them – to visibly recognize your employees' efforts. Such recognition also lets employees know that you are serious about following through.

One of the biggest mistakes business owners make in planning is not explaining company goals and the actions necessary to achieve them. Your management team and employees can't help you reach your goals if they don't understand them. So, if the plan is worth doing – and your vision for the company is certainly valuable – it's worth communicating to everyone.

### **2005 Can Be Your Best Year Yet**

The time you invest to plan for 2005 will pay off with a more focused effort from everyone in your company. You'll be more effective, more productive ... and more profitable.

After several years of no- or slow-growth, the economy appears to be on the road to recovery. Will your company be able to take advantage and benefit as the economy builds?

With the right plan, 2005 can be your most successful year ever.

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**More information?** If you'd like to learn more about planning for 2005, please send an e-mail to [tim@plaidgroup.com](mailto:tim@plaidgroup.com), visit our website at [www.plaidgroup.com](http://www.plaidgroup.com) or call us at 713-627-3569. The Plaid Group publishes a free bimonthly e-mail newsletter filled with insights and ideas you can use to enhance your company's operational performance, spur growth and increase bottom-line profits. To subscribe, change your e-mail address or unsubscribe, please visit [http://www.plaidgroup.com/newsletters\\_subscribe.asp](http://www.plaidgroup.com/newsletters_subscribe.asp).

**Author's Note:** **Tim Smith** is a Principal with The Plaid Group. The Plaid Group helps companies simplify and stabilize their business operations to improve financial performance and gain a competitive edge.