

Newsletter # 15: New Year's Resolution – a Business Plan! January 7, 2009

It's the beginning of January, and I just finished writing my business plan for 2009. I closed out the 2008 budget and developed my 2009 budget. As a consultant, my business is fairly uncomplicated, so why do I do this?

Many people – even companies -- think they don't need a plan, or perhaps feel overwhelmed by the prospect of sitting down and developing it. They are doing just fine without one, thank you! Or -- the plan is in their head, why write it down?

Here are three important reasons to have a written annual plan:

- 1) **Do you have a short-term and long-term vision for your business?** Is it articulated in writing? If not, then how are you going to focus your efforts throughout the year to make it happen?
- 2) **We all have limited resources.** You want to spend your time and energy where you get the biggest return – and that takes some thought and planning. I am not saying, don't take advantage of opportunities as they happen throughout the year. But always have a benchmark (i.e., your business plan) by which to assess them.
- 3) **How do you judge success?** If you don't have a plan, how do you know if you had a successful year?

You may be surprised to hear that a business plan need not be lengthy or complicated. A short, focused plan is better than none at all.

These 6 action steps will give you a basic plan:

- 1) **Write down a description of your business.** (This can be similar to your elevator speech.) This is what you're all about, so keep it in mind throughout the year to help you focus.
- 2) **Write down your goals for the next year.** They should be a mix of financial and strategic goals. Some examples are:
 - Grow revenues by xx%.
 - Increase client base by xx%.
 - Grow profitability by xx%.
 - Diversify into at least one new area. (e.g., new target group of customers)
 - Add one or more new services to offer customers.
 - Take one educational seminar / attend a professional conference to update skills.
- 3) **Review where your marketing and administrative money was spent the previous year.** Are you satisfied with the results? Where was your money best spent?

- 4) **Review your revenue sources/client list from the previous year.** Which ones were most profitable? Most aligned with your goals for the business?
- 5) **Repeat for next year** the activities you are happy with; set aside budget dollars accordingly.
- 6) **How do you want to grow in 2009?** (Refer back to your list of goals.) What will you do to get there?
 - Formulate a game plan for doing your homework (e.g., research), and set a deadline for completion.
 - Set aside budget dollars to fund both the research and later marketing tactics.

Note that this is not a full-fledged business plan. It is not suitable, for example, for presentation to potential investors. Rather, it is a “bare bones” plan for those of you who don’t normally operate from a plan.

I promise you, just doing this written exercise will give you value: clarity, focus, hopefully some energy and enthusiasm going into 2009. These days, we all can use that, agreed?

So if you don’t have a Business Plan, add this task to your New Year’s Resolutions!