

The holidays are rapidly approaching and for many companies, the fiscal year is quickly coming to an end. And this, of course, means that another year is right around the corner.

With every new year comes another round of round of operations and financial planning. Hopefully yours is in full swing or already completed. In case its not, however, we'd like to offer a few pointers.

## **1. Look Beyond Next Year**

Confirm that your long-term goals are still consistent with where you *really* want to be 5, 10, 20 or even 50 years from now. Are there new technologies, new competitors, or new laws that require a shift in your long-term focus?

This look to the long-term future doesn't have to take a long time...particularly if things haven't changed from since the last time you looked ahead. The simple act of forcing yourself and your staff to think strategically will give you a better perspective on the potentials, problems and issues you're facing today. It helps you see the forest, not just the individual trees. And every once in a while, you might just find that your current "big problem" is really the middle start of a world-changing opportunity.

## **2. Understand Past Failures**

Whether they're major disasters or small setbacks, try to learn from your failures.

Identify & understand the root cause of the failure, then fix those causes. Whether it's as simple as developing a short checklist to help employees remember critical product delivery steps or as complex as adding a new design process, do what

it takes to make sure you don't repeat the same mistakes in the coming year.

And remember, failure is one of the most effective - and often one of the least expensive - ways for people to learn. Understanding why you failed in the past can pay big dividends in helping you avoid future mistakes.

## **3. Write it Down**

Take the time to record your plan...preferably in an electronic format that's easy to use. One of the primary reasons we for regular planning is to make sure the entire organization is working to achieve the same goals. And the most effective way to make sure everyone has the same goals in mind i

if your company doesn't already have a standard format for an annual business plan, take the time to create one...or find someone (like Spinning Disc) who has templates you can use. We've added an Annual Planning Checklist to this newsletter to help you

make sure your plan covers all the critical operational areas.

## **4. Tell Everyone Who Needs To Know**

A plan only has value if it's used. Folks can't "work to the plan" if they don't know what's in the plan. Make sure your plan is readily available to the people who have to make it work.

Unfortunately, with the exception of financial plans (budgets), too many companies have no formal way for making sure all the people who need to work the operational plan have access to the plan.

If your company does, great. If it doesn't, it will be well worth your time and effort to put one in place.



Whether it's as simple as the receptionist e-mailing the entire plan to everyone in the company, or as complex as creating a fully indexed interactive document for the company's intranet, get the plan into the hands of the people who have to implement it.

And give the folks who use it a way to give you feedback on the accuracy and quality of the plan and allow them to suggest improvements, as well.

## 5. Review It Regularly

No plan is perfect. Set time aside monthly or quarterly to formally review the plan, comparing what you expected to happen in your business against what's actually happening. Identify problems, unexpected successes & areas that need change.

Look at the feedback provided by the people working the plan – they're often your best source of "intel" about impending success or failure. Pay particular attention to areas where current reality is dramatically different than what you expected...whether better or worse.

Most people are "pre-wired" to deal with things that go worse than planned. Business schools, business consultants and life itself teaches the value of analyzing our failures and understanding the underlying cause. We expect things to go wrong.

In your own job, you know the places to look, the people to talk to and the questions to ask: "Was my plan too optimistic or aggressive?" "Do I need more or better training?" Does my equipment need repair or replacement?

Positive deviations from plan need to be looked at at least as closely as negative ones. When things go well, human beings tend to credit their own *exceptional abilities* for the success, rather than admitting they were riding some short-term fluctuation in the market or some short-lived stumble on the part of a competitor.

First, of course, make sure that you really do have a "positive variance". Check the data again. Make sure it success is real and not an anomaly in a

computer program somewhere or a failing employee "fudging" the numbers to protect his job.

Once you've verified the good news really is good news, take the same care to find the root causes for the improved performance. You might find that with a few internal changes you can duplicate these spectacular successes in other area

throughout the company, dramatically improving your entire business.

## 6. Adjust As Necessary

Once your review is completed, use what you've learned to adjust the plan.

Fix the problems, duplicate the successes, change the long term focus...whatever it takes to make your plan match the new reality.

Many companies take a "Continuous Planning" approach to their business. They maintain a "rolling one year plan", adding details for another period (month, quarter, year) at each review.

This approach ensures these companies have a detailed plan the next 12 (or 18 or 24) months available to the people doing the work. This approach also virtually eliminates the disruptive year end "mad-dash" to close the previous year and plan for the next. And, finally, it forces your people to always keep an eye on the future as they regularly compare planned accomplishments against actual performance...and adjust their efforts accordingly.

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