

John Hey
Strategic Business Associates
www.strategicbusinessassoc.com



The New Business Plan

It's a Process

Business Planning

Growing Your Business

- Growth – A business imperative
- Growth – Must be chosen
- Going forward or going backwards
- Growing or aging
- Growing requires a plan
- Planning leads to growth



The New Business Planning Process

» Elements

- > Vision
- > Mission/Purpose
- > Team/People
- > Metrics/The Dealer Model
- > Focus/Key Initiatives
- > Process/Accountability
- > Consensus/Buy-In
- > Execution



Old Business Planning

Statements vs. Questions

- » **What** we're going to do
- » **How** we're going to do it
- » **(Why** we're doing it)

New Business Planning

Questions vs. Statements

- » **Why?**
 - > Purpose, Heart, Feelings
- » **How?**
 - > People, Tools, Technology
- » **What?**
 - > Client Service, Be the Best, Solve Problems

Leaders Start with Why!



Vision

Where are you going?

- > MFP
- > Color
- > Solutions
- > Products
- > Acquisitions
- > Systems
- > Talent
- > IT Capability
- > Productivity

- > MPS
- > MNS
- > 3D Printing
- > One year plan
- > Three year view
- > Ten year picture
- > Your Best Possible Future
- > Exit strategy



Mission

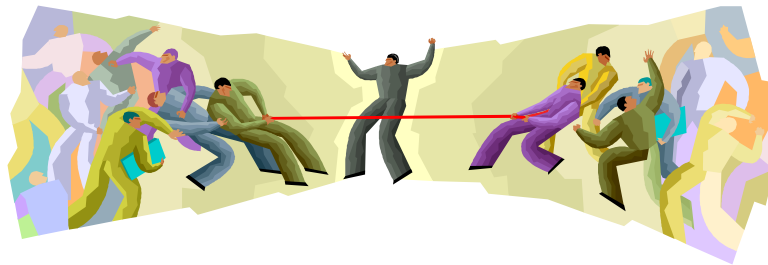
» Why are you in business?

- > Core values
- > Trust
- > Purpose
- > Clear message
- > Right message
- > Simple message
 - Repeated 700 times
- > Culture = Everyday behavior
- > Profits are the OUTCOME of a successful business



Team/People

- Right Person / Right Job / Right Relationship
 - They understand
 - They want to win
 - They have the capacity
- Developing new skills/knowledge (Growing)
- Sharing information
- Creative confrontation
- Loyalty – *Don't let it lead to mediocrity*
- Timely career adjustment
 - > *Can Do*
 - > *Will Do*
 - > *Team Fit*



Metrics

Know Your Numbers

- The **Dealer Model**
- Industry standard
- What good looks like (**14% OI**)
- Diagnostic tool
- Team engagement
- Reward total performance
- **ProFinance 2.0** (Sept. 10 & 11 in Vegas)



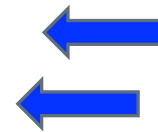
The MODEL – A great business planning tool!



CLARITY ABOUT WHICH INDUSTRY WE ARE IN

» Imaging – 95%

- > Traditional MFP business – 90%
- > Managed Print Services – 5%



Benchmark Model Focuses Here

» Office Productivity / Solutions

- > Document Management
- > Business Process Optimization (BPO)

» Managed Network Services

- > Hardware as a Service (HaaS)
- > Insourced / Outsourced Managed Services
- > Traditional IT Service & Support



Watching this closely, Developing trends

» Other – Furniture, Water, Mailing, etc.



MFP PROFITABILITY MODEL

MIX of Sales	48%	18%	32%	2%	
» Category	<u>Hardware</u>	<u>Supplies</u>	<u>Service</u>	<u>Rental</u>	<u>TOTAL</u>
» Sales	100.0%	100.0%	100.0%	100.0%	100.0%
» - COGS	<u>(65.0%)</u>	<u>(55.0%)</u>	<u>(48.0%)</u>	<u>(50.0%)</u>	<u>(57.5%)</u>
» = Gross Profit	35.0%	45.0%	52.0%	50.0%	42.5%
» - Sales Exps	<u>(25.0%)</u>	<u>(0.0%)</u>	<u>(0.0%)</u>	<u>(0.0%)</u>	<u>(12.0%)</u>
» = Contribution	10.0%	45.0%	52.0%	50.0%	30.5%
» - Admin	<u>(16.5%)</u>	<u>(16.5%)</u>	<u>(16.5%)</u>	<u>(16.5%)</u>	<u>(16.5%)</u>
» = Operating Profit	(6.5%)	28.5%	35.5%	50.0%	14.0%
Weighted Profit	(3.1%)	5.1%	11.4%	0.7%	14.0%



HOW DO COMPANIES COMPARE TODAY?

Based on 2012 Dealer Surveys:

<u>MFP Category</u>	<u>Avg Dealer</u>	<u>Model</u>	<u>High</u>
Eq Contribution	7.4%	10%	18%
Service GP	47.5%	52%	55%
Admin Exp	19.7%	16.5%	15.8%
Sales / Employee	\$197,000	\$220,000	\$234,000

High Performers data represents groups of businesses measured.

Certain individual company performances are even higher!



Focus

- The Model = Problem Solve
 - > Problem ID
 - > Causes
 - > Options
 - > Action Plans
- 4 – 6 Key Initiatives
- Excellent Client Service
- Increased Profitability



Process/Accountability

- **Functional Areas**
 - > Sales/Marketing
 - > Technical Service/IT
 - > Operations
 - > Finance
- **Departmental Plans (Supportive)**
- **Collaboration**
- **Alignment of Incentives**



Consensus vs. Buy-in

- **Consensus**
 - > We all agree on the decision 100%
- **Buy-In**
 - > We discuss, argue, object, disagree, and decide.
 - > All support the decision –
even though we may not be 100% in agreement
- The Team speaks with One Voice



Execution

» Weekly Team Meetings (The Weekly's)

- > Departmental reports
- > Company updates
- > Review actions plans
 - + Change or adjust
 - + On schedule
 - + New actions
 - + Team agreements



Growth

Every Choice / Every Day

- You move toward growth or away from growth
- Growth must be chosen (choice not capacity)
- The brain is always doing something
- Being busy tricks you into thinking you're productive
- Busy distracts you from moving forward and towards what matters most
- Avoid CPA (Continuous Partial Attention)
- Lose momentum and you're in big trouble



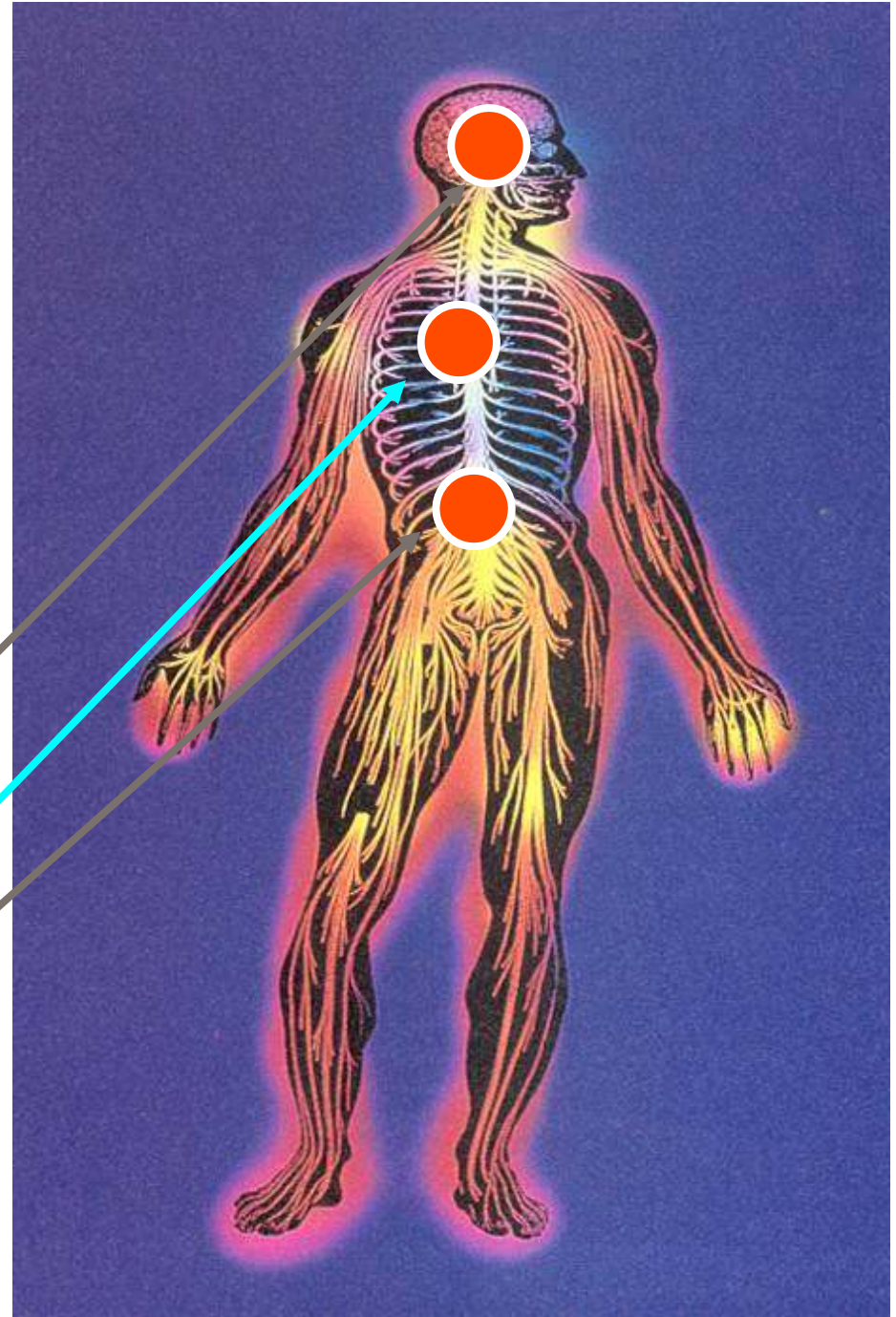
Leadership

- Feedback/Communication
- Vision/Mission (at every opportunity)
- Adult to Adult (vs. Parent/Child)
- Failing Forward (take measured risks)
- Avoid “Ready, Fire, Aim!”
- The Deliberate Pause (5 seconds)



Use Your Brains, All of Them

3. Head
2. Heart
1. Gut



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The Question

**Was the trip worth investing a piece
of your life in?**



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