

Why You Need to Change Your Business Planning Process

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Why Business Planning Matters

He who fails to plan
is planning to fail.

Winston Churchill

quotefancy

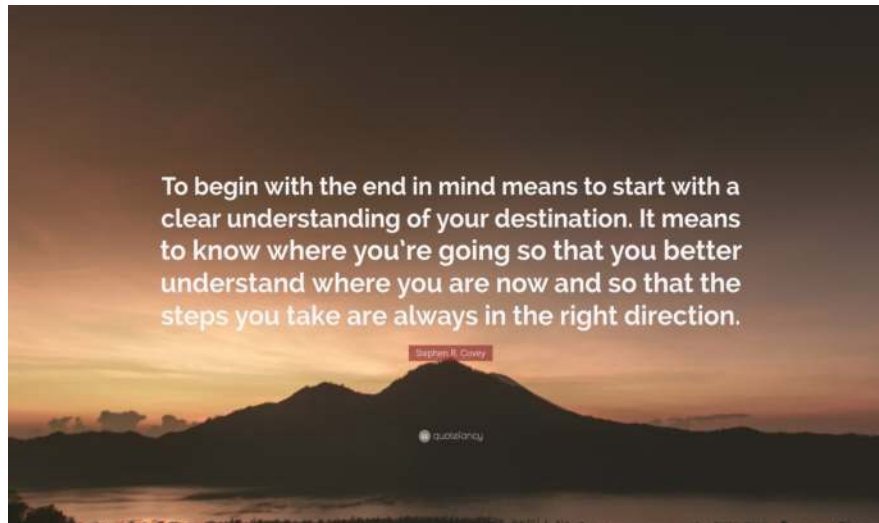
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Why Business Plans Matter



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Start With the End in Mind

- How will you exit your company?
 - What is your exit strategy?
 - Should affect your shorter-term plans.
- For today's discussion, we will look at a shorter term.

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Five-Year Plan

- Why five years?
 - Changing direction takes time.
 - Training people takes time.
 - Driving a car – look at a long distance.
 - When planning a trip, start with the destination.

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What Will Change?

- What will the business world look like in five years?
 - How will the political climate affect business?
 - What will happen in the economy?
 - What social changes will affect businesses?
 - How will technology changes affect business?
 - PEST Analysis – a tool to use

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What Do We Need to Change

- Based on PEST analysis we can start to envision our business in five years.
 - What products will we sell/service?
 - What revenue streams will we have?
 - What will change in the sales process?
 - What will change in the service department?
 - How will changes impact the back office?

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Create an Income Statement

- Build an income statement that:
 - Shows projections for income streams
 - Shows projected expenses
 - Use the ProFinance model as your starting point

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SWOT Analysis

- You know what you want the company to look like in the future.
- Analyze the following areas based on future:
 - Strengths – What are you good at now?
 - Weaknesses – What will you need to improve?
 - Opportunities – What opportunities exist to start moving your company?
 - Threats – What are the risks and what will your competition be doing?

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Build Your Plan

- Create Roadmap
 - Service plan
 - Sales plan
 - Marketing plan
 - Back-office plan
- Divide changes up over the five years
 - Set milestones for each year
 - Set milestones for each month of current year

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What Does the Process Look Like?

- This is not a one-person project.
- Involve your department managers.
 - Each manager should contribute to the PEST and SWOT Analysis.
 - Managers would create plans for their departments based on the company plan.
- Creating a plan together will:
 - Improve buy-in from managers
 - Strengthen the management team
 - Help managers grow

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Ongoing Process

- Every year, add to the plan and make adjustments where you are not on plan.
- Use business planning whenever you add new products or services.
- You will find that following these steps will have a powerful impact on your company and its future.

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