

# INvaluable

## Make this year **different**

Using the Now Strategy to achieve momentum and change in your business

A Now Action plan manages exception rather than business as usual. Next, enlist the aid of an advisory group to hold you accountable, says Mark Robotham

**Too many business owners** are masochists slogging it out year after year, for mediocre results and are not building shareholder value. What are you doing to make this year different from last year?

Many business owners suffer from the fated "knowing doing gap". A great example of this is they know and admit that they would benefit from an advisory board and a business plan but do nothing about it. Are you one of the ones who are putting it off until things get quiet? Reality check – things never get quiet!

Business management processes do not need to be all time consuming and a chore. Likewise advisory boards are the best way to share the load and keep you to the business owner motivated, on plan and delivering results.

### Create Actionable **NOW** Plans

Business plans should be created for a reason. A formal 30–60 page plan is an essential tool when making a significant change in direction of your business, seeking external finance or you have reached a size that warrants a full plan each year. A template is available for writing formal plans on the NZTE website: Planning for Success, [www.nzte.govt.nz/section/14709/19211.aspx](http://www.nzte.govt.nz/section/14709/19211.aspx).

To create momentum and manage your business "mid flight" you should create a short form plan, managing by exception and change. Create a 2–5 page action plan that you are willing to completely throw out every six months. This NOW Action Plan documents the change that needs to hap-

pen to achieve your goals, rather than describing your business and context for broader audiences. Also when you need to adapt your business you are not hung up over that novel you created and is gathering dust on the shelf.

This concise plan is useful, for not only you and your team to focus your activities but also as a tool to help your advisory body add value and – yes – hold you accountable. This management by exception plan can also be used at appropriate times to seed the more formal business plan if required.

### Involve your team

Make sure your team contributes to the creation of any business plan; they will more likely own the output and deliver on it. Use your team wisely to create your plan. For small companies, it is often more efficient to create a straw man, that can be critiqued and added to.

### Review or set the aspiration goal

So what is your big hairy audacious goal (BHAG) for the next three years? Do not limit yourself with your current financial position. What if you got someone to invest \$500K or \$1M in your business, how would it change your goal?

### Limit your targets and achieve them

Focus, focus, focus. Too many companies set themselves too many goals, targets and actions, then end up

achieving none of them. Limit your self to 5–10 tactical change tasks over the next 12 months. An elephant can only be eaten a spoonful at a time.

This also holds true for markets



– segments and geographies. You cannot be expert in every geography and its specific logistical, compliance and cultural needs. Limit your choice, achieve and excel.

Once you have your short list of tactical actions challenge yourself to prioritise them, no equals, face reality and then delete 25 per cent of them. A great practice is at the end of any planning session, is to do a honesty deletion process. Many ideas are valid and make sense, but in your gut you know that they will never get done. Admit this up front and alter your plan accordingly.

### Strategic review questions

Some questions to challenge your goal and strategy:



- Is our long term BHAG goal still valid?
- Does the core business solution we offer solve a real bankable customer problem? Can it be quantified in saving or making your customers money?
- Does the business model stack up for you?
- Are you operating "on brand"? Does your plan and actions reflect your brand and company values.
- Have you looked at growth alternatives – external capital investment or strategic alliances? Would they make a big difference or not?

Once you have a confirmed three-year goal your past goal is still valid, generate the 5–10 tactical projects or actions that will enable you to get there.

These will form the basis of your NOW Action plan.

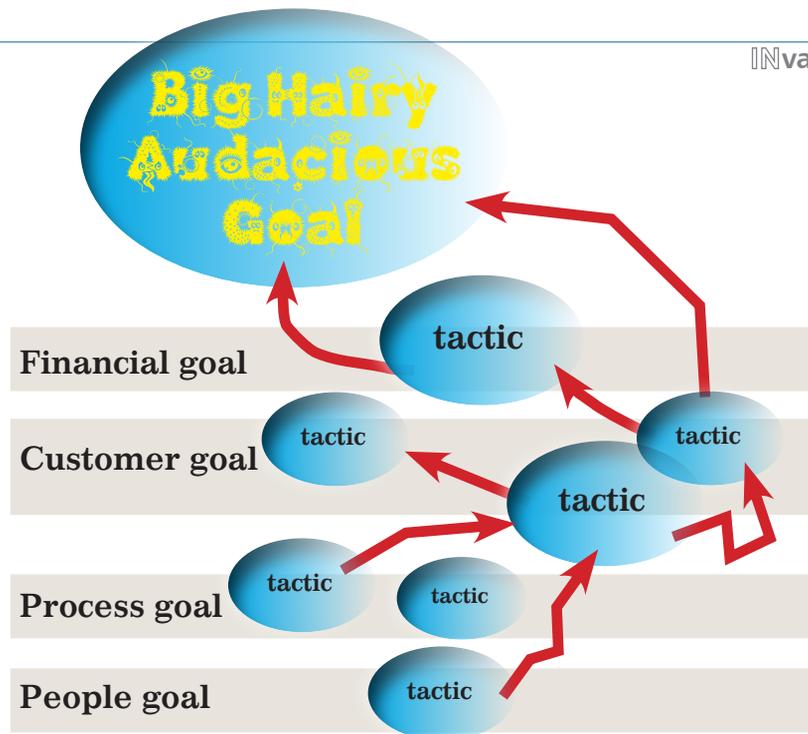
Visual Plans work better than bulleted lists (see for example the diagram opposite).

Create a master goal or strategy for: finance, customer/marketing, process, and people/staff. Then separate out your 5–10 tactics over the four areas. Link tasks across the areas and ultimately to your BHAG showing what tasks influence each other. Remember this is a change plan, not business as usual.

The split of four disciplines comes from the balanced score card theory, and when combined with a bubble chart shown below creates a great communication tool and encourages capability development of the company in a balanced manner.

**Numbers rule**

Finance accountability cannot be delegated. As part of your regular plan-



THE VISUAL ACTION NOW PLAN

ning, review your two main financial inputs: Sales forecast and expenses.

Make sure your accounting system does not have too many code areas, minimise the task. As a rule of thumb do not use code areas that account for less than five per cent of your budget.

Note: Having an accountant does not absolve you of your responsibilities for owning cashflow and profitability. Sharing your financial position with your team, gains great buy in and smart decision making in the execution of the plan.

**Show us the money**

Is it worth your while?! Take this chance to look at your profitability short and long term. Do you get a palatable and viable return, in both short and long term? If not, do something about it: tweak margins or prices, or at least gain input from your advisory group (they are there to help you).

**Create an advisory board NOW**

Do not get hung up, over the mechanics of an advisory board. Start simple and expand out from there. In the simplest form meet with two trusted advisors and discuss your business on a monthly basis. Why two? If you only use one advisor the tendency is they will end up running or over influencing your business. Having two means you create an environment of challenge and debate and true outside perspective.

Make sure you are clear what you

want from the people: unlike employees if you find it's not working get rid of them quick.

Target people who can empathise with your resource restrictions, are willing to challenge your thinking and they have hands-on experience at growing companies. Having formal board experience is not necessary, although make sure one of the members is aware of formal process and boundaries between advisory boards and acting as directors.

I advocate paying these advisors at least a nominal fee to gain greater buy in and commitment for you and them, it will be your best HR investment ever.

If you are struggling to find some one appropriate, meet with another business owner and discuss each others businesses.

**Act NOW and become a rock star**

The payback from simply creating a plan is worth it by itself. Let your advisory group groom your plan and hold you accountable for delivery against it. A functional advisory board will help shed the mental stress and fatigue so commonly experienced in leading a growing business. And you will be well on your way to become the next Rock Star business.

Mark Robotham is General Manager of the Escalator Service, an NZTE funded initiative to help companies raise Angel Investment.

KEY ELEMENTS OF THE NOW ACTION PLAN

Take out **two to four hours** with your team to discuss options and create the plan

Create a **visual chart** with 5 to 10 tactics prioritised. What do you need to do NOW that you are not doing to achieve your BHAG?

**Review** your Budget for next 12 months

**Identify** what you can stop doing

Work out how can you **protect against** the major risks to your business

