

# WORKING ON YOUR BUSINESS

7 simple steps to building a roadmap  
for long term success and prosperity



A business planning process for Managing Director Owners (MDOs) of small businesses who want



An operational business plan just for the MDO rather than a third party such as a bank or investor



A business planning process to imbed in the business like every other business process



A business planning process that is simple and formal, that can be replicated, has all the essential elements of a complex business plan, is time efficient and can be done by the MDO himself/herself



A business planning process which increases the MDO's management skills, leadership capability and allows him/her to work on the business not just in the business

Neil Tuckwell  
Seasoned Business Practitioner  
[www.neiltuckwell.com.au](http://www.neiltuckwell.com.au)

## INTRODUCTION

Working on your business not just in your business. We've all heard and used the phrase, but what does it mean?

Most Managing Director Owners (MDOs) of small businesses are so pre occupied with the day-to-day requirements of the business that they fail to pay attention to the big picture of where the business is heading. That is, as an MDO you spend your time doing the day-to-day work of the business (working in your business) rather than managing and growing it (working on your business).

Preparing a business plan is the most effective means for an MDO to focus on the big picture. The business planning process forces you to look beyond your immediate 'to do' list and into the future, empowering you to build a roadmap for the long term success and prosperity of your business.

This booklet sets out a simple business planning process for MDOs of small businesses. It is aimed at those MDOs who want an operational business plan for their own internal use rather than a third party such as a bank or an investor. This business plan is in the following format:

<b>Panning period:</b>	<b>THE GOAL</b> <i>Where do I want the business to go?</i>	<b>THE STRATEGY</b> <i>How will we get there?</i>	<b>THE ACTION</b> <i>What steps do we need to take?</i>	<b>THE SCOREBOARD</b> <i>How will we know we are getting there?</i>
<b>Me and My Business</b>				
<b>Our Customers</b>				
<b>Our Processes</b>				
<b>Our Staff</b>				
<b>Our Financials</b>				

The business planning process is based on 7 simple steps using 6 one page worksheets and is described in this booklet in two parts. The first part is 'the why' and 'how to' of the 7 simple steps while the second part comprises the 6 one page worksheets. In this way the reader can become acquainted with the steps and worksheets and then re-read just the worksheets in the sequence of the business planning process.

To demonstrate how the business planning process works in practice I have used an example business (referred to as SmallCo) through the entire 6 worksheets. This example business comprises elements from various businesses I have worked with in recent years.

The format for these worksheets is:

- a template for use in the business planning process
- where required, instructions in italics
- shaded entries for SmallCo.

This booklet is not about motivation or specific business advice. Rather, it is a manual describing both 'the why' and 'how to' of business planning for those MDOs wanting to develop their own operational business plan. As such, the emphasis throughout is on the 'how to' enabling you to build a roadmap for the long term success and prosperity of your business.

## BUSINESS PLANNING

In his book *thinking business*<sup>1</sup> Brett Chamberlain states there are three keys that are the foundation of all successful businesses:

1. The 'lead' key which is all about leadership and management.
2. The 'lift' key which deals with sales and marketing and which is responsible for lifting turnover.
3. The 'leverage' key which centres on productivity and efficiency, i.e. maximising outputs while minimising inputs.

All three keys must be controlled for the business to achieve any long term success.

An essential part of the 'lead' key is to have a business plan and to communicate it to staff. The three most important requirements staff look for in a leader are honesty, vision and passion. So, your business plan must contain these qualities.

What then is a business plan? Put simply, it is a statement of a set of business goals and the plan for achieving those goals.

Every MDO already has a business plan. It may be anywhere between simple/informal to complex/formal. While some MDOs may prefer to act solely on intuition, it is not enough to have a rough idea or notion as to the direction of your business if you are to control the 'lead' key. Tedious as it may sound, the benefits of writing down your business plan are to clarify your thoughts and enforce commitment. The business planning process set out in this booklet provides for a simple/formal operational business plan.

Few MDOs have such a business plan for the following reasons:

1. Most business plan templates are daunting. They are usually too long and too complex, and intended for a one-off rather than operational purpose. Further, they are usually designed for banks, investors or seeking grants rather than for internal use by the MDO.
2. Many MDOs are, in essence, super operatives with limited management skills and hence they are inclined to go straight to an action plan without any formal planning.

What most MDOs require is:

1. An operational business plan just for the MDO rather than a third party.
2. A business planning process to imbed in the business like every other business process.
3. A business planning process that is simple and formal, that can be replicated, has all the essential elements of a complex business plan, is time efficient and can be done by the MDO himself/herself.
4. A business planning process which increases the MDO's management skills, leadership capability and allows him/her to work on the business not just in the business.

In my work as a business advisor and mentor I have found that most MDOs have great difficulty with business planning. The business planning process set out in the following chapters helps MDOs to overcome this difficulty by being designed to meet the above four requirements.

---

<sup>1</sup> *thinking business* Brett Chamberlain published by Business Advisor Network Ltd  
<http://www.businessadvisor.net.au/>

## THE BUSINESS PLANNING PROCESS

Before you start business planning you must have a vision for your business. A vision is the way the business will look at some time in the future and is the source of inspiration for the MDO. It may change over time through necessity or opportunity, but to paraphrase a proverb from the Old Testament *where there is no vision the business will perish*. The business planning process should ensure that the MDO is always working to achieve the vision.

Next, you should have a clear understanding of your business model (BM), your unique selling proposition (USP) and your sustainable competitive advantage (SCA).

**BM** describes how the business creates, delivers and captures value (i.e. it gives a complete picture of the business from a high level perspective). The BM is also used to explore possibilities for business development. If the BM is not sustainable, is inappropriate or inadequate, then the business will be at risk.

**USP** is a marketing concept that describes how the business is differentiated from its competitors in the eyes of potential and existing customers. If the business does not have a USP it will have difficulty attracting and retaining customers and may have to compete solely on price.

**SCA** is defined as the strategic advantage the business has over its competitors in the medium to long term. It may include business processes, stakeholder relationships (e.g. suppliers, staff), patents, rights, etc. If there is no SCA, how will the business prosper against its rivals?

The vision, the BM, the USP and the SCA together are the key drivers of the business. Therefore they must all be specific and well understood by the MDO. Generalisations or platitudes such as 'grow the business' or 'we provide friendly service' serve no purpose.

You are now in a position to give attention to the following essential considerations in any business plan:

1. The Now - where are we now?
2. The Where - where do I want the business to go?
3. The How - how will the business get there?

In addition, it will be necessary to monitor and review progress in implementing your business plan.

The business planning process set out in the next six chapters is based on **7 simple steps**:

1. A description of the business.
2. An honest assessment of where you are now.
3. Setting goals.
4. Determining strategies to achieve the goals.
5. The business plan.
6. Action plans to implement the business plan.
7. Monitoring and review.

Each step in this process is important and builds upon the previous step. Each step should be done formally as stated in the previous chapter.

The most difficult steps are 3-5 which are at the core of the planning process. If we take a drawing or painting as an analogy, these steps are the broad strokes with the fine detail in Step 6. Unfortunately many MDOs undertake Steps 3-5 informally and go straight to Step 6 focussing on the doing (i.e. working in the business) rather than on the planning (i.e. working on the business).

Before discussing the first step, it is important to consider the planning period. The reality is that MDOs in small businesses are busy with day-to-day operations and if they look too far ahead nothing gets done.

My experience is that 90 days (or 3 months) is a manageable planning period for most MDOs. As such, it is recommended that Steps 3-5 use this time horizon for setting goals and strategies, and for the business plan<sup>2</sup>. The action plans in Step 6 can then provide the fine detail in shorter time frames such as 30 days (or one month). Monitoring should be carried out regularly and a full review of the business plan should occur on a 90 day cycle.

A helpful analogy is that of climbing a ladder. If the top of the ladder is the vision it is easier to achieve the vision by only looking forward three rungs (90 days), taking one rung (30 days) at a time, and then repeating the process.

Some MDOs may prefer to operate on a 180 day planning period. This will allow for more goals in the business plan but will require more time devoted to monitoring and review. The risk is that little gets done because each planning period requires more to be done.

The choice of a 90 day or 180 day planning period is personal and should be based on the preference of the MDO. The essential point is there should be a regular cycle for the business planning process.

---

<sup>2</sup> For those MDOs planning to exit their business in the near to medium term it will be important to consider an overarching planning period of 2-3 years during which the primary goal will be to maximise the value of the business.

## STEPS 1 AND 2 : A DESCRIPTION AND ASSESSMENT OF THE BUSINESS

The first step in the business planning process is to write down a description of the business, your vision for the business, your BM, your USP and your SCA. While this may appear to be a simple task, I cannot overstate its importance as it requires clarity on the key drivers of the business. Any shortcomings here flow through to the rest of the business planning process. Worksheet 1 provides a simple template for this description using the example business SmallCo<sup>3</sup>.

The second step is to write down an honest assessment of the business as it is currently operating by asking “where are we now?”

I recommend this assessment be undertaken in two parts:

- the economy and the industry in which your business operates
- the business.

Worksheet 2 sets out a format using SmallCo to illustrate this approach.

Worksheet 2 uses the 5 pillars of the business plan shown in Worksheet 5 as the basis for assessing the business, thus providing a common thread through the business planning process. These pillars are:

- Me and My Business
- Our Customers
- Our Processes
- Our Staff
- Our Financials.

A full explanation of the 5 pillars is in Step 5.

Your vision, BM, USP and SCA form part of the assessment and each can be included under one of the 5 pillars. My suggestions on this are:

- vision and BM as part of Me and My Business
- USP as part of Our Customers
- SCA probably best as part of Me and My Business, but could be under any of the other pillars depending upon how the business is differentiated.

These are only suggestions to help guide you through Step 2, the important point being that they be part of the assessment.

It is essential the assessment includes **all** important planning issues impacting the business. If not, the assessment will not provide the necessary basis for the next step in the business planning process. Do not include minor planning matters as these should be dealt with outside the business planning process.

Once this worksheet has been completed you are ready to move to Step 3.

---

<sup>3</sup> An excellent tool for detailing your BM is the business model canvas described at [www.businessmodelgeneration.com/canvas](http://www.businessmodelgeneration.com/canvas). Worksheet 1A shows the business model canvas for SmallCo and is included as an optional worksheet.

### STEP 3 : SETTING GOALS

Having completed The Now you are ready to address The Where (i.e. where you want the business to go). This is done by setting goals for the business.

Most business planning processes start their goal setting with an analysis of:

- Strengths
- Weaknesses
- Opportunities
- Threats.

This is referred to as a SWOT analysis and traditionally takes the form of a 2x2 matrix.

Most users of a traditional SWOT analysis have difficulty translating it into a set of goals for the planning period. This is because there is no simple method for converting the SWOT entries into goals, and usually there are too many entries in the matrix (many of which are generalisations or platitudes).

To assist in converting SWOT entries into goals it is recommended that the traditional SWOT analysis be extended as follows:

1. Each entry listed should have some **Implication** for the business.
2. Next, some **Indicated Action** should be linked to the Implication.
3. Then identify the **Resources** required to carry out the Indicated Action.
4. Finally, include any considerations of **Opportunity Cost**<sup>4</sup>.

The purpose here is to provide sufficient information from which to set the goals. Worksheet 3 includes a template for this extended SWOT analysis<sup>5</sup>.

Before considering the number and quality of SWOT entries, recall that the assessment in Worksheet 2 should include all the important planning issues impacting the business. Each issue will be able to be categorised as a strength, weakness, opportunity or threat.

In undertaking your extended SWOT analysis it is important to keep in mind that the long term success and prosperity of your business requires you to:

- maintain and build upon your strengths
- overcome your weaknesses
- seize your opportunities
- address any threats.

In the traditional SWOT analysis the usual practice is to provide a complete list of strengths, weaknesses, opportunities and threats. This may be useful for a third party but is not necessary for an operational business plan solely for the MDO.

Instead, it is recommended the MDO identify an initial priority list of issues from Worksheet 2 and only these issues be included in the extended SWOT analysis. Do not include any issue not addressed in the assessment.

---

<sup>4</sup> Put simply, opportunity cost is the cost of not implementing the next best alternative available. Opportunity cost forces you to think about where else your limited resources can be spent, possibly with a better result. This ensures an assessment of the true cost of a chosen course of action.

<sup>5</sup> This template is taken from *Marketing Works Unlocking Big Company Strategies for Small Business*, authored by Chris Lee and Daniele Lima.

A set of criteria for selecting this initial priority list is:

- urgency
- the level of ‘pain’ in the business
- cost/benefit
- preferred SWOT sector (e.g. preference for seizing an opportunity over addressing a threat)
- preferred business plan pillar (e.g. preference for customer considerations over processes).

This will ensure that for the planning period, selected issues are realistic and timely.

Then proceed as follows:

1. Ensure your initial priority list is appropriate for the planning period. My suggestion is no more than six issues if your planning period is 90 days, with at least one entry in each of the four SWOT sectors for balance.
2. Populate the four SWOT sectors ensuring that each entry is specific, relevant and actionable in the planning period. You should keep each entry to a single sentence and at a high level (remember the reference to broad strokes in the third chapter).
3. Complete the extended SWOT analysis, again keeping all entries to a single sentence and at a high level.

Worksheet 3 shows this analysis for SmallCo.

You are now ready to convert the SWOT entries into goals. For each entry:

1. The Indicated Action is the starting point.
2. Restate the Indicated Action in terms of a goal which is specific, attainable and can be measured.
3. Taking into account Resources and Opportunity Cost confirm that the Indicated Action can be resourced and is still preferable to the next best alternative.

The above steps will result in a set of SMART goals - specific, measurable, attainable, realistic and timely.

You can now determine which of these goals are to be included in the business plan. This is your final priority list. Where the planning period is 90 days I recommend no more than four goals for the business plan. Any more will be too challenging to work on concurrently with the risk that nothing gets done.

Worksheet 3 includes a summary table to assist in determining this final priority list. It shows:

- each goal as a restatement of the Indicated Action
- whether the goal can be resourced and is preferable to the next best alternative (yes, no)
- contribution to achieving the vision (high, medium or low)
- the criteria used for having included the goal in the initial priority list.

Finally, a section is provided in Worksheet 3 for you to write down how you chose your final priority list - this is important for the review process. SmallCo is shown as a worked example.

Now carry forward these goals to Step 4.



## **STEP 4 : DETERMINING STRATEGIES**

Having completed The Now and The Where, you can move to The How. This step involves determining a preferred strategy for each goal and should reflect the MDO's passion for achieving the vision.

Worksheet 4 provides a template for determining the preferred strategy for each goal, and is based on the following approach:

1. **Goal.** Use a separate worksheet for each goal.
2. **Reality.** Examine the reality relating to the goal. This includes input from the previous two steps.
3. **Options.** Evaluate different approaches to achieving the goal.
4. **What/When/Who/Where/How.** List the key actions and measurables required to implement the preferred strategy.

It is likely the preferred strategy will emerge at the Options stage – indeed there may only be one feasible strategy. If not, it should become apparent from the What/When/Who/Where/How considerations

Worksheet 4 lists the issues to consider in each GROW sector and uses one of the SmallCo goals as a worked example<sup>6</sup>.

Finally, review all the goals carried forward from Step 3 together with each preferred strategy, to decide which will be carried forward to Step 5 - the business plan. It may be that all goals are included, or only a selection. The main consideration here will be the MDO's ability to work on concurrent goals within the designated planning period. A summary section is included in Worksheet 4 for this purpose as this is important for the review process.

---

<sup>6</sup> To allow Worksheet 5 to be completed as a fully worked example the remaining goals in the SmallCo final priority list have also been reviewed to determine preferred strategies, but these worksheets are not shown.

## STEP 5 : THE BUSINESS PLAN

Step 5 in the business planning process is to produce the business plan - a statement of goals and how to achieve them. For most small businesses this is equivalent to producing a strategic plan.

Worksheet 5 provides a one page business plan template<sup>7</sup>, allowing the MDO to summarise in an integrated form the goals, how they will be achieved, and how progress will be measured. This single sheet allows the MDO to keep the whole business plan in a simple form for effective management and control.

For small businesses all activities can be categorized into one of 5 broad pillars

- Me and My Business
- Our Customers
- Our Processes
- Our Staff
- Our Financials.

This approach reflects the BM - how the business creates, delivers and captures value. It is preferred to a functional approach which would categorise the business by functions such as operations and administration.

If required, a more detailed plan can then be developed for any of the broad pillars. For example, a standalone marketing plan can be produced based around the high level entries in the Our Customers pillar.

Use of the 'me' and 'my' descriptors provides an MDO perspective on the business and reinforces the fact that the business plan is for the MDO and not a third party.

The four columns equate to The Where and The How in the business planning process.

The goals and strategies come from Worksheet 4. I suggest no more than four concurrent goals for the reasons set out in the previous chapter.

The actions also come from Worksheet 4. Each action can then be divided into a set of tasks which are discrete, manageable, can be allocated to other staff, and can be readily achieved (see Step 6).

The scoreboard also comes from Worksheet 4 and can consist of Performance Indicators (PIs), milestones, completion dates, indicators or any other such measurable.

Because the previous three steps are built upon honesty, vision and passion the business plan will be too.

Worksheet 5 uses SmallCo as a worked example.

---

<sup>7</sup> This template is derived from the template in the e-book *Business Planning on a Postcard* authored by Kevin Lovewell <http://www.businessplanningonapostcard.com.au/>.

## **STEP 6 : THE ACTION PLAN**

The next step is to produce a detailed action plan for implementing the strategies, actions and scoreboard in the business plan. Worksheet 6 provides an action plan format which can be used for each goal and a separate sheet for each is recommended. As with the earlier worksheets, the SmallCo example is used to demonstrate how it works.

Actions which are outsourced should be included with the MDO or a staffer as prime responsibility.

Actions from the business plan are divided into a set of discrete readily managed tasks and cross links with other goals should be identified. In this way the actions are broken down into a number of small achievable steps which will ensure progress in achieving the goal (remember the ladder analogy in the third chapter).

The scoreboard entries in the business plan are included in the completion date, milestones or status columns.

Many MDOs already have an action plan worksheet for managing day-to-day operations of the business, and this may be used instead of Worksheet 6. However, to be effective as part of the business planning process described in this booklet, it must include (as a minimum) each element of Worksheet 6.

## **STEP 7 : MONITORING AND REVIEW**

Step 7 is the final step in the business planning process, and it involves monitoring and review.

Monitoring the action plans should be done regularly (I suggest weekly) with the status column updated accordingly. If a task needs to be amended, it can be done readily as part of this monitoring.

It is recommended that a full review of each action plan occur every 30 days to ensure the currency of the plan.

As stated in the third chapter, a full review of the business plan should be undertaken every 90 days. This involves all 7 steps in the business planning process and ensures the MDO is allocating a regular period of time to working on the business. All worksheets should be reviewed with note taken of the reasons for decisions (Worksheets 3 and 4).

My experience is that the first pass at undertaking the 7 steps in the business planning process set out in this booklet will be challenging and time consuming. As a guide I would suggest at least two full days (or their equivalent) will be required.

However, subsequent reviews undertaken every 90 days will become easier to manage as the MDO becomes more skilled and many changes from one period to the next are likely to be incremental rather than substantive. As a guide I would suggest between one and two full days (or the equivalent) will be required. For a 180 day planning period the review will require a greater commitment.

## **SUMMARY**

The 7 simple steps using 6 one page worksheets as set out in this booklet provide a business planning process for those MDOs wanting an operational business plan for their own use, with the focus being on planning rather than doing.

It provides a business planning process which can be imbedded in the business, which is simple and formal and can be replicated, and which will improve the MDO's management skills and leadership capability. Adopting this process will ensure you will be working on your business not just in your business.

While the 7 simple steps using 6 one page worksheets have been designed for an MDO 'do it yourself' operational business plan, this business planning process can also be used within an MDO and staff environment. For example, as a group planning session either with or without an external facilitator.

The business planning process set out in this booklet has all the essential elements of a complex business plan. If at some future time the MDO has a requirement to provide a business plan for a third party such as a bank or an investor, the 6 one page worksheets provide the core of such a business plan.

Additional information and resources are available at [www.neiltuckwell.com.au](http://www.neiltuckwell.com.au).

Neil Tuckwell  
January 2013

## WORKSHEET 1 : THE BUSINESS

### **Description of the Business**

*A short description of the operation of the business (equivalent to a 30 second elevator speech).*

SmallCo provides managed services to mid-size enterprises in and around Melbourne. The company specialises in information services such as backup, security, network management and systems management. SmallCo has been in business 6 years and currently generates annual turnover of \$1.2m. The company employs 4 IT specialists and 2 support staff and leases premises. Most of our work is undertaken online or on site.

### **Vision**

*A short 1-2 sentence statement.*

To grow the business to \$2m annual turnover within the next 3 years by continuing to offer high quality managed services.

### **Business Model (BM)**

*Describes how the business creates, delivers and captures value.*

SmallCo provides a limited range of high quality managed IT and Internet services. We deliver our services online and on site, and only employ highly skilled IT specialists. We target mid-size companies and operate on high margins. Customers are charged a set-up fee and fixed monthly payments in advance.

### **Unique Selling Proposition (USP)**

*How the business is differentiated from competitors in the eyes of customers.*

Small Co provides a written guarantee on all work and commits to specific response times. If we do not meet our guaranteed QoS or committed response times we offer the customer a refund.

### **Sustainable Competitive Advantage (SCA)**

*The strategic advantage the business has over its competitors.*

SmallCo's competitive advantage is our specialist staff. Their skills and motivation differentiates us from our competitors. To encourage staff commitment SmallCo offers bonuses based on sustained company performance.

### **Other**

Other considerations may be included in this worksheet, e.g. Values.

### WORKSHEET 1A : BUSINESS MODEL CANVAS

<p><b>Key Partners</b></p> <p>ABC supplies our technology needs and tools XYZ supplies our training</p>	<p><b>Key Activities</b></p> <p>Staying on top of technology change Ongoing training of specialist staff Fully understanding the role of IT and Internet in clients businesses Client communication</p>	<p><b>Value Propositions</b></p> <p>Specialist staff skills Guarantee on all work and specific response times Otherwise a refund Service provided both online and onsite Focus on limited range of services</p>	<p><b>Customer Relationships</b></p> <p>Customers require deep relationship Requires onsite presence Regular and transparent reporting</p>	<p><b>Customer Segments</b></p> <p>Market segmented by size of enterprise Large clients require national presence and full service provider Mid-size clients mix of high and low value, and by location (current target high value) Small clients usually low value</p>
	<p><b>Key Resources</b></p> <p>Highly skilled IT specialists CRM system</p>		<p><b>Channels</b></p> <p>Direct from our IT staff to client IT management Real time Potential clients all acquired through referrals</p>	
<p><b>Cost Structure</b></p> <p>Specialist IT staff costs Acquiring and training specialist staff Technology tools CRM</p>		<p><b>Revenue Streams</b></p> <p>High value clients will pay for reduced risk and making their lives easier Payment is for guaranteed QoS and response times provided by highly specialised IT staff Set up fee plus fixed monthly payments in advance to reflect commitment from both sides</p>		

## WORKSHEET 2 : ASSESSMENT

### **The Economy**

*Issues include consumer & business confidence, interest rates, value of \$A, IR laws.*

Business confidence is low and interest rates for business are high so customers are cautious and look for value. The recent changes to IR laws will impact our arrangements with quality staff.

### **The Industry**

*Issues include growth, technology change, market segmentation, level & intensity of competition.*

The industry is forecasting continued growth and technology change. The market is segmented by size of enterprise with different requirements. Competition at all levels is strong with a small number of national full service providers and a large number of small local specialist service providers.

### **Me and My Business**

*Issues include MDO arrangements, vision, BM, SCA*

I started the business as an IT specialist and I continue part time in this role. I am also responsible for marketing & sales and business management. In essence I am a super operative and am finding time management a major problem.

The business is now poised for faster growth. Our BM has served us well but may need change. Our SCA has also served us well and is vital to achieving growth.

### **Our Customers**

*Issues include market segmentation, competition, USP, existing v's new clients*

We have high value customers who place value on our USP. The business faces strong competition from full service providers. To grow the business we will need to look beyond our current market segment as well as extract more revenue from existing customers (new services).

### **Our Processes**

*Issues include business planning, customer relationships, operations, training*

Company processes are adequate but lack flexibility and are not robust. In particular, the CRM is a source of frustration to our specialist staff.

### **Our Staff**

*Issues include acquiring & retaining, motivation, skill sets, OH&S*

The company must retain its specialist IT staff. As part of this we may need to improve our bonus scheme. If we expand our range of services the company will need new skills and more specialist staff while keeping support staff to a minimum. I am concerned about the threat from the new IR laws to our retaining and recruiting technical specialists.

### **Our Financials**

*Issues include profit margins, cash flow, funding, reporting*

Profit margins are good and must be retained. Cash flow is good but its reporting is poor.

## WORKSHEET 3 : SWOT ANALYSIS



**VISION :** To grow the business to \$2m annual turnover within the next 3 years by continuing to offer high quality managed services.

Issue	Implication	Indicated Action	Resources	Opportunity Cost
<b>Strengths:</b> 1. Specialist staff	Retention a key factor	Review current bonus scheme for adequacy and sufficiency	External advice, internal consultation, funding	Direct resources to staff training
<b>Weaknesses:</b> 2. MDO time management  3. CRM system	No management time to direct at growth  Vital to support customers and specialists	Organize a program for MDO to improve time management Improve or replace current system	MDO time plus some funding  Funding requirement	Divert funding to other processes
<b>Opportunities:</b> 4. Introduce new services	Potential to become a full service provider	Undertake market research	MDO time plus research funding	Advertising to secure new customers
<b>Threats:</b> 5. New IR laws	May have adverse impact on employing specialists	Research for key provisions impacting SmallCo	MDO time plus research funding	

**Note:** Opportunity Cost refers to the next best alternative in this sector. Where there is more than one entry in a sector, use the next best alternative combination. Opportunity cost may not be an appropriate consideration where an issue must be addressed.

## SUMMARY

Goal	R/OC	Vision	Criteria
1. Improve the current bonus scheme.	Yes	High	Cost/benefit
2. Put in place a program to improve MDO time management.	Yes	Medium	Level of 'pain'
3. Achieve a major improvement in the CRM system.	Yes	High	Level of 'pain'
4. Research the introduction of new services.	Yes	High	Preferred SWOT sector
5. Review new IR laws and determine impact.	Yes	Medium	Urgency

**Note:** R/OC indicates whether the goal can be resourced and is preferable to the next best alternative.

Vision indicates contribution of the goal to achieving the vision.

## FINAL PRIORITY LIST

*Your final priority list and reasons*

Resolving the MDO's time management is a precursor to other activities. Pain and urgency issues must be addressed. Decision is to park goal 4 (new services) at this stage and pursue the remaining 4 goals within the planning period.

## WORKSHEET 4 : GROW ANALYSIS

**GOAL:** Achieve a major improvement in the CRM system.

### REALITY OF THE CURRENT SITUATION

*How much control do you have? What obstacles are to be overcome? Current situation in more detail. What has stopped you from doing more?*

Current system was built in house by me to help start the business. With help of our specialists I have modified and upgraded the system but it lacks flexibility and is not robust. To date, I have treated any major improvement as secondary to growing the business and securing/retaining specialist staff.

### OPTIONS

*What are the different approaches? Advantages/disadvantages of each. What will give the best result?*

Option 1: Continue to modify and upgrade using internal resources.

Not viable long term to achieve my vision. Poor utilization of specialist staff. We are not experts in this field.

Option 2: Replace the current system.

Long term solution which will allow for growth. Off the shelf systems now readily available. May cause disruption during implementation. Funding an issue.

### WHAT, WHEN, WHO, WHERE, HOW

*What key actions are required? What support is needed? What are the measurements for success? When are you going to start and finish each action?*

I must drive the process, with support of specialist AF. Key actions are the standard procurement process and securing required funding. The brief must be comprehensive and contract conditions will be critical. Strict adherence to timetable and milestones will be essential if we are to procure during the current planning period for implementation next planning period.

### SUMMARY

*Summary of the reasons for choice of preferred option*

Preferred strategy is to replace the current system with an off the shelf system.

The current system is a source of frustration to our specialist staff. It must be replaced to remove this frustration if we are to maintain our SCA. We must also have a CRM system which will allow us to grow and achieve our vision. It is essential we proceed with this major improvement this planning period.

## WORKSHEET 5 : BUSINESS PLAN

**VISION :** To grow the business to \$2m annual turnover within the next 3 years by continuing to offer high quality managed services.

<b>Panning period:</b> <i>July/September 2011</i>	<b>THE GOAL</b> <i>Where do I want the business to go?</i>	<b>THE STRATEGY</b> <i>How will we get there?</i>	<b>THE ACTION</b> <i>What steps do we need to take?</i>	<b>THE SCOREBOARD</b> <i>How will we know we are getting there?</i>
<b>Me and My Business</b>	Put in place a program to improve MDO time management.	Hire a business coach.	Undertake a program of 6 coaching sessions.	Program to be complete end August. Milestones and PIs agreed with coach.
<b>Our Customers</b>				
<b>Our Processes</b>	Achieve a major improvement in the CRM system.	Replace the current CRM system.	Prepare the brief. List of suppliers. Request for tenders. Evaluate tenders. Secure funding. Let contract.	RFT to be issued by mid-August. Contract to be signed by end September. Implementation in next planning period.
<b>Our Staff</b>	Improve the current bonus scheme.  Review new IR laws and determine impact.	MDO to undertake an internal review.  Commission report from a labour lawyer.	Identify issues. Take account of lawyer report. Consult. Evaluate options. Determine changes.  Write brief. Select and contract lawyer.	All actions completed by end September. Intent to introduce next planning period.  Report to be received by end July.
<b>Our Financials</b>				

## WORKSHEET 6 : ACTION PLAN

**Goal:** Achieve a major improvement in the CRM system.  
**Strategy:** Replace the current CRM system.  
**Prime Responsibility:** MDO  
**Others Involved:** AF, Lawyer  
**Review Date:** 30 July

Actions and Tasks	Completion Date	Milestones	Resources Required	Status	Responsibility
<b>Prepare the brief</b>			MDO time		
Specify future requirements	15 July	Forecasts		C	MDO
Consult with staff and clients	31 July			C	MDO, AF
<b>List of suppliers</b>			MDO time		
Prepare list of potential suppliers	31 July	Review market		C	MDO
Forward brief for expression of interest	31 July			C	MDO
<b>Request for tenders</b>					
Prepare tender documents	7 August		MDO time, Legal	IP	MDO, Lawyer
Forward to suppliers	15 August			S	
<b>Evaluate tenders</b>					
Determine preferred supplier	15 September		MDO time	NS	MDO
Negotiate terms and conditions of contract	22 September		MDO time, Legal	NS	MDO, Lawyer
<b>Secure funding</b>	15 September	Determine \$\$	Finance expert	S	MDO
<b>Let contract</b>	30 September			NS	MDO

Status: A approved; S started; NS not started; IP in progress; C complete