



The Business Plan

Background

As noted in previous papers, the Business Plan addresses the question; How will we move the practice from where we are now to where we want/need to be?

There are few aspects of business so confusing as that of the business plan. There are so many templates and views of what a business plan is (and what its components are) that it is almost impossible to make sense of them. We believe that this is partly driven by the history of the business plan. Business plans have traditionally been prepared for external parties such as banks, investors etc. These are not the type of plans we are referring to here - we see these plans as being specific purpose plans designed to meet a specific need e.g. support or acquire finance etc. They are generally not the appropriate format for managing your practice. The type of plan we are referring to in this paper is the plan for better managing your practice.

The business plan is the 'sharp end' of the planning process as it identifies the specific actions or projects that need to be undertaken on a day to day basis in order to move toward the Vision. As such it should contain 'breakthrough' projects and actions - those projects or actions that are going to genuinely make a difference in taking the organisation to its vision/goals. It should not contain policies and procedures. Policies and procedures belong in the firm's Policies and Procedures Manual, not the business plan. Many plans we have read include a mixture of programs, projects, actions, policies and procedures. As such they become largely unusable.

A business plan is essentially a management tool as opposed to the strategic plan which is a leadership tool. A business plan generally covers a twelve month timeframe but it should be seen as a rolling plan rather than a fixed document.

A plan is a process not a document therefore place the emphasis on the process.

Q: So why do we need a document?

A: To support and keep the process on track.

Q: How long should that document be?

A: As short as possible so it can be efficiently and effectively updated and used to support the process.

We suggest that if a person doesn't know what they are 'on about' in their business one of the indicators is the size of the business plan. The best way to conceal incompetence is volume. The number one skill to survive in business today is the ability to prioritise - knowing what is really important. You would probably agree that there are more 'things' hitting your desk, on a daily basis, than you can handle in a month. Drafting large business plans is an indicator that, perhaps, the writer is unable to discern what is important and what is not. Equally it will probably mean that so much effort has gone into developing the business plan that there is little time or motivation left to implement and monitor the plan - it, in effect, becomes a 'paperweight' or gathers dust in the filing cabinet and is rarely, if ever, referred to again.

Such a plan is of little value.

Format of a Business Plan

We have developed a one page plan and, what we have called, one page+ business plan. To refer to and download a Word version of each of these plans please refer to the template section of this segment of the website.

These templates have explanatory notes that should provide sufficient guidance to enable you to complete the plans.



The Business Planning Process

The essence of the Business Planning Process (sometimes referred to as the Business Improvement Process or BIP) is to identify the key projects that need to be undertaken to achieve the business plan goals and move toward the Vision. Then manage these projects using the disciplines of project management. This is done using cross-functional teams within the practice. In so doing we are engaging those in the organisation that may not have been involved in the development of the strategic and business plans. This is a key step in getting buy-in or ownership in the plans across the practice. To support this process you will notice that a one page project plan template has been provided. For the purposes of the Practice Planning module of the PPP it is not necessary to complete the one page project plan. It is simply supplied to provide an understanding of other key elements of the planning process. You will also note that there is a one-page personal plan template, again provided for your information only. This shows that the process can, if desired, be extended to include individuals in your firm.

We tend to differentiate between three different levels of 'action' in a plan:

- Actions - those very specific things that require minimal resourcing in order to complete and can be done almost immediately.
- Projects - a collection of actions designed to achieve a larger but nonetheless specific and measurable outcome. Projects will generally require greater resources - time, people and money than actions.
- Programs - two or more projects grouped under one heading that has a less specific outcome. For example we may want to improve communication in your firm - this, in our view, would be a program with a series of projects sitting underneath it.

This distinction becomes quite important when managing the implementation of the business plan.

Once completed, the plans need to be maintained. They should be used as the 'roadmap' to the future of your practice, consistently being reviewed and updated as projects are completed, new ones started and new issues identified.

Developing the Business Plan

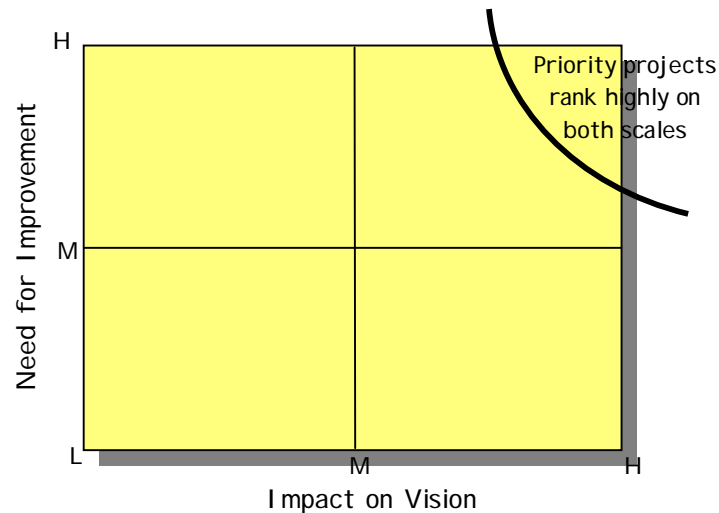
As stated above the business plan templates provide a description on what to place in each section of the plan.

In addition, the Strategic Plan should provide the focus of the business plan by identifying the major (three to five) priorities on which business plan needs to focus. However, we still have our 'magic wand list' to address. Two ways to deal with this list are to:

1. Allocate each of the issues in the list under one of the three to five priorities above, identifying any issues that don't fit under any of the priorities or priorities that have little or no issues allocated to them.
2. Prioritise the issues in the magic wand list.

Prioritising the Issues

To complete the Now, Where, How process we now use the Where to prioritise the magic wand issues (the Now). Using the matrix below plot each of the magic wand issues:



The 'Need for Improvement' scale refers to how well the issue is being addressed now - if it being addressed well the need for improvement is low. Conversely if the issue is not being so well handled now, the need for improvement is high.

An alternative to using the 'Need for Improvement' scale is to replace it with an 'Ease' scale. This refers to how easy it would be to implement the change. Using this latter scale the matrix moves from an Impact/Need matrix to an Impact/Ease matrix. Please use whatever you feel is most appropriate - both work well.

The 'Impact on Vision' scale identifies the potential for the issue to impact on the achievement of the Vision. This is obviously the most significant measure in the prioritization process - this is the way we use the 'Where' to identify the most important 'Now' issues in order to build the 'How'. Issues are prioritized on their ability to deliver the Vision. Select the top three to five issues (those that are closest to the top right hand corner of the matrix) and develop project/action plans in order to address the issues.

We find the real value in doing this plot is often not the outcomes but in the dialogue amongst the team when they do the plot. This can be a most valuable information sharing activity. Therefore it is highly recommended that you engage other members of your firm in this process.

Complete the Business Plan

You should now be in a position to complete the first draft of the business plan. As you implement the plan use it as a learning opportunity so that you can revise and improve the plan based on real life experiences. Keep evolving the plan in real time. Think about the infrastructure and systems needed to support such a process.

One key rule we always observe - you cannot have the words "ongoing" or similar in the "By When" column of an action plan. If you do then it is an indication that you have either inappropriately worded you action/project or it is a policy/procedure. Either reword it or if it



is a policy or procedure please place it your Policy & Procedure Manual. The reason we don't allow such terminology in a business plan is because you can't hold someone accountable for something that is marked as "ongoing".

Having developed your business plan you now need to tie it into your budget process. Again we would recommend a rolling budget process rather than a once a year process.

Warwick Cavell
Linnergy Pty Ltd
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