

# *Harness the power of a* **SMB BUSINESS PLAN**

by Barry MacKechnie

There are two ways to harness the power of a business plan to generate more profits from your business. First, a well-thought-out business plan will help your company align its efforts to achieve your goals. Second, if your clients have a business plan, you can focus your marketing efforts on how to help them achieve their goals.

## **First: Focus your efforts by creating your own business plan**

When you develop a business plan, you clarify your vision for your company. You then align your efforts and the efforts from all of your resources to help you achieve the goals of your business plan.

Most business owners start their plan by establishing their goal for revenues—usually a projected increase from the prior year by a percentage or dollar amount. But creating a successful plan involves more than simply setting dollar goals for the upcoming year. What most business owners fail to do is to examine whether or not they can actually achieve those projected revenue numbers or what is involved in getting to that higher revenue amount.

As an example, let's say you are currently billing out \$400,000 per year in revenues, and you set a revenue goal for yourself of improving sales by \$100,000. Once you have set the goal, you need to ask yourself how you can achieve that goal. Do you need to add more employees? What will that cost you? Who will manage any new employees? How long will it take them to become productive? When will you start realizing profits from the new employees? If your business is mostly comprised of one-time implementations, with a small amount of annual support and maintenance, you will need to plan for a sales effort that can deliver your base sales of \$400,000. You will also need to plan for a sales effort that will identify new business accounts or additional areas within your current clients that will add \$100,000 to your prior year sales results.

You may end up changing your revenue objectives after you have analyzed what is needed to meet your goals. If you decide you want to add personnel, you might want to set higher revenue expectations, since you will have added sales and implementation capacity

as well as extra costs. If you do not want to add employees, you may decide to set a revenue goal you can meet with your current staffing level by making improvements in how you plan and implement your client projects. As you can see, setting a revenue goal requires an in-depth review that will result in a plan you can follow to achieve your revenue target. The simple act of writing down the goals you want to achieve in your upcoming year starts the creation of a detailed business plan as you answer the questions "What changes do I need to make to achieve that goal? What resources do I need to achieve that goal?"

*"...the moment you put in writing the statement of your desire...you have actually taken the first of a series of steps that will enable you to convert the thought into its physical counterpart."*

**Napoleon Hill, Think and Grow Rich**

The next step in your business planning process is to identify other goals, beyond revenues, that you want to achieve in your current year. Write them down and then repeat the same process you used for determining whether or not you can actually achieve those goals. Let's say you want to improve project implementation by setting up a project planning and reporting system. Your goal is to increase your current revenues by 10% without an increase in payroll costs. How can you accomplish that, who do you need to help you, and how much will it cost? If it involves adding project management software, how much will the software cost and who will install and implement the software? Establish a budget, timeline, and resources as part of your business plan. Also establish an expected outcome, such as how much time you will save by improving your implementation process. Your business plan will help you focus your efforts and expenditures so that you improve your operations and generate more profits.

After you have completed your business plan, hold a meeting with your employees and discuss your plan with them. Gather their ideas and suggestions, then adjust the plan to reflect their valuable input. Let them have regular visibility, at least once a month, into the

impact their efforts are having on your company's ability to achieve your goals.

*"Unless you have definite, precise, clearly set goals, you are not going to realize the maximum potential that lies within you."*

**Zig Ziglar**

## **Second: Market your services to your client's business plan**

Many of your clients may have developed their own business plan. You can market your services into their business plan by asking them what goals they have set for their business and what resources they need to achieve those goals. This will give you a great opportunity to improve your perceived value with the CEO of your client company. When you approach clients on a business owner-to-business owner basis, you establish a higher level of influence on their decisions. When you talk to them about business planning, you will be talking to them as a business owner who has gone through the same valuable process of creating an achievable business plan. You can review with them the importance of aligning all of their efforts to assure the achievement of their goals. Ask them if they can review their goals with you so you can advise them on how you can best help them achieve their business plan objectives.

Let's say you have a client who wants to improve project management performance, with the goal of completing more client work without increasing payroll expense throughout the branch operations. One of the necessary tasks may be to improve communications between multiple project managers and their teams, such as enhancing systems used for voice communication or for reporting and sharing current project data. This could involve Windows SharePoint as well as other Microsoft SMS products. Discussions may also lead you to reviewing managed services with your client and the specific benefits of using your MSP offerings.

By aligning your services with your client's business plan, you will establish yourself as a valued service provider and business partner to your client CEO. You assure yourself a long-term relationship by showing how you can help your client

achieve the company's business plan goals.

### Alignment to your vision

As the CEO, you need a business plan to clarify your vision for your company and to align your company's efforts toward achieving your goals.

Knowing the business plan of each of your clients can be the key to aligning your services to assist them in achieving their goals. These are two ways to harness the power of a business plan so that you can generate more profits from your business. ■

## Barry's Real Worldisms!

I wanted to share a few successful endeavors in this area to make my business plan points.

### Manufacturing and Distribution

I worked with the owner of a local manufacturing and distribution company helping him create a business plan. He had just purchased the company and wanted to set some goals for his company and employees. We worked together to build a one-page strategic plan that had current year goals for each of his main operating channels. We met with his executive team and involved them in the setting of goals and timetables to achieve those objectives. The process took very little time and helped organize the employees of the company to achieve its three main goals. It also helped the owner determine what members of his executive team needed his assistance and what resources they needed to meet their goals in a timely manner. The key to achieving success was that the company focused its efforts and applied its resources based on the goals of a business plan.

### Grocery

I hired a team of product merchandising and marketing experts to help a local family-owned grocery chain improve the profitability of their 6 stores in the Seattle area. When I hired the executive team I had a business plan in place that set out goals and expectations for each position. As the team began to work together we refined the business plan and developed highly integrated operating budgets, advertising and merchandising plans. In the first month of operations under that new business plan the grocery chain showed a profit for the first time in 28 months. The key to achieving success was that the company focused its efforts and applied its resources based on the goals of a business plan.

### IT Consulting

I worked with a local IT consulting company that had 14 branch offices throughout the United States. Their sales efforts and service offerings were very fragmented. Each branch offered a different set of services. I gathered all of the branch managers together for a planning session. We created a business plan that focused the service offerings and sales efforts on 5 main IT consulting services. The business plan set up sales goals for each branch. The branch manager then set sales goals for everyone one of his sales people and also established sales expectations for each of the 5 service offerings. By limiting the service offerings to the 5 most profitable consulting services the company also eliminated operating costs. The company improved its profits from \$850,000 to over \$6,000,000 in just 14 months. The key to achieving success was that the company focused its efforts and applied its resources based on the goals of a business plan.

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Barry MacKechnie has over 40 years of SMB experience in a variety of leadership roles in integrating technology with business strategies. Barry, has experience as a business owner in his CPA firm that specialized in business management and IT Consulting, partner in a major local CPA firm, Director of Branch Operations for BEST Consulting (national IT services consulting company) and CEO of RevX (a small software

company with clients that included global 25 companies such as BP and T-Mobile). Barry was the President of Larry's Markets (a local Seattle retail operation) and served as the COO of BD&A, Inc (product merchandising and consumer-products company).

Barry's experience provides his clients with extensive knowledge in how to create and implement business strategic plans and how to successfully implement those plans throughout all team and individual employee levels of a business. Barry can be reached at [barry@ceo-services.com](mailto:barry@ceo-services.com) and [www.ceo-services.com](http://www.ceo-services.com).