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SPECIAL
REPORT

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FOURTH EDITION

BUSINESS STRATEGY

YOUR COMPLETE GUIDE
TO BUSINESS SUCCESS IN 2015

PLANNING
AND STRUCTURING
YOUR BUSINESS

BRANDING
AND CHANGING
YOUR APPROACH
TO CLIENTS

DISRUPTING
DIGITAL DISRUPTION
THROUGH
INNOVATION

LEADING
A TEAM WITH
CHARISMATIC
COMMUNICATION

BUSINESS PLAN

FAILURE TO PLAN MEANS PLANNING TO FAIL

You can't win in war without a battle plan and you can't win in business without a business plan, according to **Roland Hanekroot**

PLANNING IS CRUCIAL. No general has ever won a war that didn't have a plan in place. Yet the famous general Von Clausewitz stated "No battle plan ever survives the first contact with the enemy".

However, if planning is that crucial, why is it that so many business plans, once written, never get looked at again? And why do so many business owners have such strong resistance to business plans (even if they know they 'ought' to have one or update the one they wrote a few years ago)?

The first thing to understand is that there are two distinctly different reasons to write a business plan, two different functions, if you will: internal and external.

EXTERNAL PLANS

In most cases, when we think of a business plan, it is more of an external document which is used to communicate to a third party what the current state of the business is, what the future of the business is expected to be and what the future needs of the business are. This type of plan is usually formulated in order to

get money, whether it is from a bank, an investor or to impress a new business partner.

This type of external plan may also include a balance sheet, profit and loss and cash flow, as well as an executive summary, various supporting documents, and addenda by accountants or other advisers.

Useful as they may be in order to gain finance for your business, external business plans have little or no impact on the running and direction of the business on a day to day basis

They also tend to be impressive looking documents, presented in nicely bound folders and can cost thousands of dollars to produce. Once the loan application has been made, the chances are they won't get looked at ever again. Well, until the next time the bank needs to review it and you rush around trying to update the information contained within it.



Templates and sample plans

Useful as they may be in order to gain finance for your business, external business plans have little or no impact on the running and direction of the business on a day to day basis. Your accountant, business advisers and your bank will be able to provide you with standard templates and samples of this type of business plan. You can choose to complete this yourself,



I have seen whiteboards with different coloured sticky notes all over them, mind maps on computer screens and plans that were all expressed in one-word statements. All of them were successful as they were dynamic documents which were being used on a day to day basis.

So, how do you go about writing a living and breathing effective internal business plan?

The simplest process I know is to get yourself a piece of paper or a bunch of yellow stickies, a white board, turn your phone and email off for half an hour, make yourself a cup of tea and ask yourself the following questions:

- What is most important to me in my business? Aim to name your top three
- What gets me most excited in my business? What do you get out of bed for every day?
- What does my business uniquely exist for and why would anybody else care about that? (Hint: it's not money and profit)
- Who are our target customers?
- What promise do we make those customers?
- How do we make money, sustainably?
- What are my big goals, 10-15 years, three years, this year?
- What are the major things to focus on to achieve my goals, this year?

The outcome of answering these questions and putting the answers together on a single page or white board or mind map is now the basis of your living Internal Business Plan.

Answering those questions for yourself and with your team, succinctly and committing to updating the answers every month, will mean your business and your life will never be the same again... I promise you.

The most important take-away

If you take nothing else from this article, I hope you'll remember this: a great plan is one that is started and then is worked upon at least monthly. **MPA**

Roland Hanekroot is a highly experienced business coach and mentor for small business owners and the author of *The Ten Truths Books for Business Owners*. Download the latest of Roland's books: "The Ten Truths for Making Business Fun" for free here <http://funinbusiness.biz> or visit www.newperspectives.com.au/



or if you need to apply for a loan or talk to an investor, I suggest you do get your accountant to help you create one which shows your business in the best light.

However, just to make it crystal clear, the external business plan does little to motivate you and drive your business forward.

INTERNAL PLANS

Internal plans exist to engage people in the organisation in the operations, strategy and focus of the business on a day to day basis. They are live documents and are placed on business owners' desks where they can reach them easily. They are being constantly changed and updated and usually have coffee stains all over them.

Internal plans are often short, sharp

documents with mostly bullet points or one-word descriptions. Ideally they fit on one page. If you need more than two pages it means you haven't tried hard enough yet (and don't cheat by going down to 6pt font with 2mm margins).

The truth is that it doesn't matter what the actual business planning document looks like. Effective business planning isn't about the document at all. It's about the process of planning.

The word 'planning' is a verb, not a noun, and this is why a business plan should live on everyone's desk and have scribbles in the margin. It should also be constantly updated in monthly meetings and revised and re-written, at least every year (or more often in fast-growth businesses).