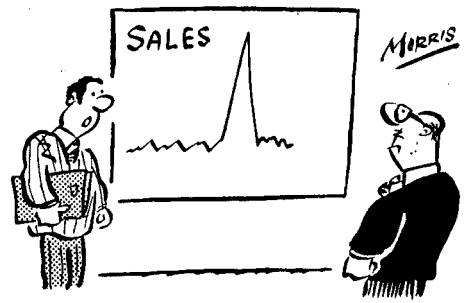


Plans aren't just for the bank...



'That was the month you were away, sir'

Business plans are a fact of life for anyone trying to raise a loan – your bank manager won't give you the time of day without one.

But once your plan has achieved its objective, it often goes into long-term storage on a shelf – and that's a mistake.

Having an ongoing *internal* business plan means that you have a structured process to help you intelligently assess whether your business is developing according to plan (pun intended).

Properly put together, it will tell you what is going on with your customers and your competitors and how you need to react.

Benefits of a plan

The benefits of having an internal business plan include:

- Defining clearly what you want your business to achieve so that you and your staff are excited about the future and inspired to reach your goal;
- Analysing what is getting in the way of your business's progress so that you can work out how to eliminate or surmount those stumbling blocks;
- Understanding how all the different areas of a business's activities are contributing (or not) to its ultimate goals;
- Helping you assess the strategies you are using and how effective they are;
- Developing an implementation plan so that you can get going on all the things necessary to make your business more successful.

The benefits of having an internal business plan are both tangible and

Many people regard business plans as a necessary evil – but they can make the difference between success and failure, as Francis Miller explains.

intangible. Nick Rampley-Sturgeon, who has a wide range of commercial interests as well as being a business adviser, attributes his recent 30% increase in turnover to using his internal business plan as a core management tool.

Allan Mackintosh, a business coach and sales trainer, says his plan has enabled him to develop a professional image which he can project to his clients and his bank. Just as importantly his business plan has given him confidence – 'it makes you feel professional because you are in control of your business,' he says.

Use a familiar format

A process you can use to develop your internal business plan is outlined alongside. Here are some important tips.

- It's your plan, so you need to develop a format that you are happy with. Nick Rampley-Sturgeon uses a 22-page document that he updates regularly, while Allan Mackintosh maintains his plan on a few Excel spreadsheets. You can even keep it to one page if that works best for you.
- If you're writing a plan for your bank manager, it is natural that you will try and paint a rosy picture. As your internal business plan is just for you, you will need to be rigorously honest about any problems so that you can take steps to deal with them.
- It's a working document, so you need to refer to it regularly, use it as a guide for action and update it when conditions change.

As the business environment gets more challenging, can your business afford not to have an internal business plan? ❖

Drawing up an internal business plan

This simple six-stage process outlines the essential components of an internal business plan. The process doesn't necessarily have to be done in this order – for example, you may want to conduct an external analysis before you work on your vision.

1. Establish and develop your business identity

- Your vision – what do you want to achieve in the next one, three and five years?
- Your mission – what areas do you operate in and what value do you provide to customers?
- Your values – what is important about what you want to achieve and how you want to achieve it?

2. Analyse your external environment

- How are your customers' needs and your competitors changing?
- What are the general trends (for example social and economic) affecting your business?

3. Analyse your internal environment

- What objectives do you need to achieve?
- What are the strengths and weaknesses of key areas such as finance, marketing and operations?
- How can your objectives be achieved?

4. Develop your action plan

- Who needs to do what by when and what resources are needed?

5. Assess progress and make adjustments

- Check progress weekly or monthly and, where necessary, adjust your plans.

6. Review

- Every six or 12 months, celebrate your achievements and then write another plan to incorporate all the changes that have happened both internally and externally ❖

Contact

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