

Planning Considerations

Planning is about intent. Planning is about getting people to think about the right things. Planning is about putting structure in place so that it can be picked up and used in response to needs.

1 Planning

1.1 About Planning

For any organisation or group of more than a few people conducting routine tasks, the need to share ideas and to have people working towards common outcomes can often become a communications challenge. Business planning is about defining what an organisation or group is looking to do, how they want to do it and then providing a basis for communicating this information to all interested parties. Business plans are about being able to share information so that people know what others are doing and what is expected of them. For people who have an interest in the outcomes, it is about understanding and communicating what is happening.

It is good to be ambitious, it is good to set goals and to have dreams but a goal without a plan is just a dream. Planning is about the steps required to achieve goals and ambitions. The steps need to be realistic and achievable.

Planning is not a theoretical exercise that is done every now and then. Planning is a practical business tool. Planning is about setting a framework that guides and helps people. It is true that a plan seldom survives intact when moving from drafting to practical application, but that is not the point. Planning is about getting people to think about the right issue so that they can prepare. Planning is about putting structure in place that people can readily use and adapt to meet their needs. Planning is about intent. Planning is not for telling people what to do and for micro managing. Planning is about a framework for delivery and empowering people to utilise it for delivery.

Plans address three major areas of operation: the core activities to function, the activities that have become routine (business as usual)

and the new activities. All three areas need to be addressed in a business plan and all can have strategic initiatives.

Plans evolve to meet needs. Plans are dynamic documents that change according to varying circumstances. Plans provide a consistent platform for communicating to interested parties. Plans set achievable goals and are a tool for professionally delivering services, whilst making the most of available resources. Careful planning reduces the duplication of effort, ensures proper resource allocation, facilitate operations and delivers better outcomes for members. Plans make life easier for all those involved and provide accountability for all.

1.2 Explanation of Terms

In business planning some key terms need to be understood as their confusion leads to problems with the planning process.

1.2.1 Strategy - Plan

- **Strategy** – A direction, intention or objective(s) that is to be achieved. Strategy tends to be “big picture”, longer term in focus and is about the goals that are to be achieved. Strategy needs to be regularly reviewed and evolves but strategy does not reverse because of short-term noise and volatility. Strategic goals are long term and often exclude other options. Tactical goals are the shorter term and steps needed to achieve the strategy.
- **Plan** – Defines the steps to go through to obtain the strategy. Plans change and are regularly reviewed. Plans often change to meet tactical needs.

1.2.2 Objective

An objective is a statement of what it is that it is to be achieved. From clearly defined objectives can come a resolution of the activities to be undertaken and the formulation of the expected outcomes for the exercise. Seldom should the objective be ill-defined. It is poor and ill-defined objectives that lead to poor planning and failure to deliver outcomes.

1.2.3 Activity

This is what is undertaken to achieve the objectives, i.e. the doing.

1.2.4 Expected Outcomes

Expected outcomes define what people want or hope to achieve. Expected outcomes are a measure of performance for planned activities. When defining expected outcomes, please consider the following:

- Outcomes need to be clearly defined.
- Outcomes need to be aligned with where you want to go because outcomes are the steps you take to get you to where you want to go.
- Outcomes need to be realistic and achievable. It is better to under promise and over deliver.
- Defining several smaller outcomes to take you to a bigger outcome is a successful approach to defining outcomes. It is best to do a few things well.

1.3 Performance Measurement Techniques

Associated with business planning is the issue of performance and how performance is measured. A commonly used measure is Key Performance Indicators or KPIs. KPIs can be considered as expected outcomes but KPIs go beyond that because KPIs are more a lower level management tool. KPIs have a role to play in planning but they need to reflect the purpose of the exercise and not become an end in their own right. Consider the following when using KPIs:

- KPIs do not measure strategy. KPIs measure outcomes from activities. The success of a strategy is seen from having the objectives realised.
- KPIs are not a minimum standard to which people operate too.
- KPIs are not a limit on performance.
- KPIs can be degrading to people because they can be used to say “you would not do a good job without the KPIs to motivate you”.

- KPIs should not encourage contrary (nefarious) activity.
- KPIs should be values focused.
- KPIs should reflect mission outcomes.
- KPIs empower delivery.
- KPIs need to be clearly defined. Ambiguity and vagueness leads to problems and disputes.
- KPIs need to be easily measured and quantitative.
- KPIs should define the criteria for success or failure of an expected outcome.
- KPIs need to be realistic. Those that are not obtainable are just demoralising and become a joke, negating the whole point of the exercise.

1.4 Plan Application

Plans are not a document that is created once a year and then left in a draw to be looked at again in a year’s time. Business plans are a dynamic tool for guiding a business and its operation. Consider the following.

1.4.1 Budget

From a plan comes the activities that are to be implemented in a given period. Once the activities have been defined, the cost can be estimated and budgets set. Whilst not all business plans, include a budgetary component, budgets come from the planning process.

1.4.2 Resourcing

Aligned to budgeting, is the issue of resourcing and the specific resources needed for the proposed activities. Resources include people, plant and equipment as well as other expenditure items.

1.4.3 Performance

Plans detail the expected activities and outcomes for a given period. By definition, these form criteria for assessing performance.

1.4.4 Management and Reporting

Plans detail what the expected activities and outcomes are expected to be. This then forms the basis of reporting and management and the respective Operating Bodies. Plans form an agenda for meetings and for reporting on issues, including resources, expenditure and operational issues.

2 Business Planning Framework

2.1 Introduction

Aspects of the framework for the business planning process are presented in this section of the document. Considerations around completing a business plan are noted, together with details on the population of the business plan template. Implementation, change approval and annual review of the business plan are also mentioned.

2.2 Considerations

The following points need to be considered with the business plan development process:

- Developing a plan is often a consolidation process so that the best activities are done to the highest standard for maximum return.
- Define clear goals that you want to achieve.
- Consider carefully the proposed activities and focus on the benefits.
- Set priorities on activities.
- If you can NOT do an activity properly, do NOT start it. It is better to have a few high calibre activities that deliver excellent results than many mediocre ones.
- A quality activity does not need to be expensive, it is about Return on Investment and often the simple things are best.
- Do NOT “boil the ocean” over this process. It is a framework.
- This is NOT about detailed planning per an activity. It is about intent and a

coherent framework for use as a management tool.

2.3 Implementation

A plan is only as good as its implementation. There comes a point when your plan is enough to work with and go deliver.

2.4 Change Approval

Change is inevitable. Change is often good but a process for review and approval of change is needed so that people know what the changes are and how to respond to change.

2.5 Review

Plans need to be reviewed and are an evolving dynamic document.

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