



Ready, Aim, Fire — The Real Value of Strategic Planning

Ready, fire, aim. Wait, the sequence is wrong! But, does this sequence describe the way you do business? Unfortunately, many of today's businesses "fire" first and "aim" later in an effort to seize an opportunity in the marketplace. While this particular strategy may yield some positive results in the short term, it may have a different effect in the long term. So, what can you do to avoid this? Strategic planning offers options!

Strategic planning may best be summed up by the words of one of the country's most prominent business authorities, Peter Drucker. According to Mr. Drucker, "Strategic planning does not deal with future decisions. It deals with the futurity of present decisions. What we have to do today is to be ready for an uncertain tomorrow." The idea sounds simple enough. In fact, in the 1960s the popularity of corporate strategy sky-rocketed and nearly every CEO earned his keep by categorizing, analyzing, quantifying and predicting. Through these exercises, it was believed that one could plot a strategy that would safely steer a company to the threshold of success and beyond. By the 1980s, however, U.S. companies found themselves fighting for market share with their global competitors. In the struggle to catch up, corporate America began the infamous trend of reengineering. While reengineering may help squeeze a little more profit out of operations, it does little to generate a distinctive competitive advantage. That is where strategic planning comes in!

No longer a top-down, internalized process, today's strategic planning process brushes with a broad stroke and encompasses a variety of perspectives, models and approaches. Goals-based planning is the most popular approach. Goals-based strategic planning offers some striking benefits. By focusing on the organization's mission and vision, it offers a mechanism to establish goals, strategies to achieve those goals and realistic action plans – all while ensuring consistency with the company's core values. Documenting this provides a basis from which progress can be measured.

The real benefit of strategic planning is in the process itself, however, and not the resulting documents. Working through the process ensures that all the organization's leaders are "on the same page" which means that valuable resources are focused on the same priorities. By establishing the process, companies can also react quickly and methodically to changes in the marketplace rather than firing first and aiming second. Finally, resulting from direct involvement in the process, strategic planning may give employees a sense of ownership. Many times, this leads to more efficiency, effectiveness and even greater innovation.

Wondering how to start the process? Companies typically have the most success with outside consultants or facilitators. This is especially true when the process has not been conducted before or previous planning was not deemed successful. Despite the obvious savings of using an internal facilitator, outside consultants offer objectivity and will most likely increase, rather than inhibit, open participation.

Who should be involved and how long will it take? Assembly of the right team is critical and it should always include the CEO and Chairman. Some representation from the other end of the spectrum is a must as well, so that upper management can get a better grasp on day-to-day issues and junior staffers can grasp top-level issues. Most importantly, those individuals who will actually implement the plan must be included. The process, itself, can take several months to complete though numerous factors can impact it including the size of the organization and whether the organization has done this sort of planning before. In general, it is important to have the meetings fairly close together to keep the momentum going and, remember, no plan is perfect so the object is to learn from the process and not to belabor the process until the plan is perfect.



Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.

CFO Plus, LLC

Ted Hofmann - Principal/Senior Consultant

John Morre - Principal/Senior Consultant

Linda Panichelli - Principal/Senior Tax Consultant

1450 Grant Avenue, Suite 102

Novato, CA 94945-3142

Home Office: 415-898-7879

Toll Free 866-CFO-PLUS or 866-236-7587

Email: thofmann@cfoplus.net

jmorre@cfoplus.net

lpnichelli@cfoplus.net

Web: www.cfoplus.net

Ready, Aim, Fire — The Real Value of Strategic Planning (cont.)

Implementation and Follow-up. A frequent complaint about strategic plans is that they produce a document that ends up on the shelf collecting dust. To succeed, the support of top management is essential from the onset. Before the planning process begins, however, a strategic analysis must be conducted. Conducting a thorough SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) is a good start. Relying on what planners perceive about the business environment they operate in nullifies the entire process. Finally, realistic and specific action plans must be established followed by regularly scheduled status checks.

Ready, aim, fire. Now that sounds better and when it comes to business, it's the magic formula. As skilled strategic planners, we can facilitate your next strategic planning session. Give us a call to fire toward your future target.

May/June 2004

The Value of Strategic Planning
Ten Steps to Better Receivables

Systems, Systems, Systems
Coaching: Can You Benefit?

Making Meetings Count



Systems, Systems, Systems

A recent report by the Office of Advocacy of the U.S. Small Business Administration (SBA) shows that over 99 percent of the country's employers are small businesses. If you are the owner of a small business, do you find yourself working *IN* your business or *ON* your business? If you are working in your business, read on to learn how having the right systems in place could help you make the transition to working on your business.

Working IN Your Business Versus ON Your Business. Working in your business simply means that you are involved in the making of routine, daily decisions. After all, who else is going to make them? The word vacation is probably not even a word in your vocabulary because your business would suffer too greatly in your absence.

Working on your business is another way to say building your business. To think about it another way, consider the president of a large, multi-million dollar corporation. He or she has probably never thought once about making their own coffee, answering the phone in the reception area or processing the outgoing mail. There are, of course, people in place to handle these activities, but more importantly, there are processes established to make sure each activity is done the same way each and every time, no matter who does the job. This way, the more mundane facets of the business continue to deliver consistent results without the input of the president and his or her efforts can be concentrated on building the business.

Systems. Systems. Systems. So, you are tired of the daily grind and ready to try something new. Think about systems. No, we are not referring to your computer systems. Systems, in this instance, are synonymous with your business processes. Implementing systems is essential. Instead of depending on random acts – or worse yet luck – to make things happen, systems build a framework that turns random acts into highly defined actions. The documentation of step-by-step instructions allows you, the business owner, to leave the business without the worry that your employees can't mind the company wheel. With good systems in place, your business should become almost like a turnkey operation so that you can spend your time and energy working on the business itself.

To get started with the process, act as if you're going to replicate your business multiple times, having each location perform in the exact same way, regardless of the composition of the staff at each particular location. Your charge is to build a prototype for each functional area that will produce consistent, predictable results. If this task sounds daunting, there is help!

The E-Myth Academy. Michael Gerber, best selling author and founder of The E-Myth Academy, has dedicated the majority of his career to the E-Myth or the myth of the entrepreneur. The myth is that people who run businesses know how to do the work of an entrepreneur. In reality, understanding the technical aspect of a business is completely different from understanding how to build the business itself.

The E-Myth Mastery Program is a business development system that produces two life-changing results. It produces businesses that work and business owners who are free to live the lives they want. The program focuses on seven areas or what Mr. Gerber calls the seven centers of management attention. These include leadership, marketing, money, management, client fulfillment, lead conversion and lead generation. The program also provides information on the business development process for those who need direction after implementing systems in each area of their business.

CFO

Plus LLC

Partners In Growth

Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.

CFO Plus, LLC

Ted Hofmann - Principal/Senior Consultant

John Morre - Principal/Senior Consultant

Linda Panichelli - Principal/Senior Tax Consultant

1450 Grant Avenue, Suite 102

Novato, CA 94945-3142

Home Office: 415-898-7879

Toll Free 866-CFO-PLUS or 866-236-7587

Email: thofmann@cfoplus.net

jmorre@cfoplus.net

lpanichelli@cfoplus.net

Web: www.cfoplus.net

Systems, Systems, Systems (cont.)

Mr. Gerber often uses an overly simplistic and amusing analogy about making coffee to demonstrate how a system can be implemented in a given business. In a nutshell, his coffee making action plan details each critical step required to make coffee as well as accountability and due dates/times. He even covers standards to be adhered to at all times, including ways to differentiate the regular from the decaf and cleanliness issues. If a good cup of coffee is important to you, this process leaves no room for error!

Think about this famous quote by Benjamin Franklin, "*The definition of insanity is doing the same thing over and over and expecting different results.*" If working in your business is driving you to the brink of insanity, consider breaking free from those binding business chains through systems implementation. Let your business work for you – not because of you. Besides that, your travel agent is waiting to book that long overdue vacation.

Give us a call today. We'll use our knowledge of performance management to unleash the processes and systems that are sure to unlock your business shackles. We've helped successful entrepreneurs increase cash flow, improve productivity and enhance their business lives in as little as two months. We can do the same for you!



Making Meetings Count

For a majority of America's workforce, the weekend offers a much needed opportunity for relaxation and rejuvenation. Quite often during the course of a weekend, we find ourselves wrapped up in conversation for hours on end with someone near and dear. Generally, the conversation will meander through a variety of topics from current events to more abstract discussions including what you plan to do when, not if, you win the lottery. Now, imagine the weekend is over and you are sitting in your Monday morning staff meeting struggling to keep your eyes open.

Sound familiar? Well, think about this. Does your meeting format bear some striking similarities to the conversation you had over the weekend? If you are unclear about the purpose of the meeting or find yourself and your colleagues failing to make any decisions, you might just be passing time again. Without a doubt, that is not the intended purpose of any meeting.

To Have a Meeting or Not to Have a Meeting? Today, it seems as though the resolution to each and every business issue begins with a meeting. While some meetings simply can not be avoided, others can – and should. Before you organize a potentially unnecessary meeting, consider some other ways to accomplish your objectives. If it is advice you seek or you have a need to disseminate information, many tools are at your fingertips including a simple email, phone call, or impromptu hallway conversation. So, when is it appropriate to conduct a meeting?

- To inform workers about changes that will impact them directly.
- To build consensus – the success of a project may depend on it.
- To assemble the information required to make a sound decision.
- To brainstorm. The synergy of the team may yield results greater than those provided by each individual.
- To deal with highly complex topics.
- To provide a forum for conflict resolution.

Okay, so you think having a meeting is the right course of action. What can you do to conduct an effective meeting in addition to having a well-defined purpose? You must plan for the meeting, assign action items during the meeting and make provisions for assessment afterwards.

Planning – The Benefits of an Agenda. To have an effective meeting, there needs to be a clear understanding of the objectives to be accomplished. Following that, there must be a determination of who needs to be in attendance. Other logistical arrangements such as time and place may follow at this time along with the designation of someone to take minutes. It is very important to document who was there and exactly what decisions were made. What else? An agenda.

An agenda is always a good idea to keep focused on the task at hand. An agenda typically includes such items as a review of notes from previous meetings, a discussion of new issues and an evaluation of progress toward goal achievement. To build an effective agenda, it may be a good idea to seek topic ideas from team members. If participants know that their topic of concern will be addressed, they are less likely to interrupt! On the other hand, if the topic does not fit into the overall purpose of the meeting, it should not be included. Finally, the agenda should be distributed well in advance of the meeting. This allows participants to prepare, thereby making the meeting far more productive.

CFO

Plus^{LLC}

Partners In Growth

Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.

CFO Plus, LLC

Ted Hofmann - Principal/Senior Consultant

John Morre - Principal/Senior Consultant

Linda Panichelli - Principal/Senior Tax Consultant

1450 Grant Avenue, Suite 102
Novato, CA 94945-3142

Home Office: 415-898-7879
Toll Free 866-CFO-PLUS or 866-236-7587

Email: thofmann@cfoplus.net
jmorre@cfoplus.net
lpanichelli@cfoplus.net

Web: www.cfoplus.net

Making Meetings Count (cont.)

Conducting the Meeting. Many meetings fail because no one person is facilitating the meeting or because someone is dominating the meeting. Acting as a facilitator, you may want to establish and enforce some ground rules at the onset to enhance productivity. The starting time and planned duration needs to be decided on and adhered to. In addition, participants should be prepared and, at all times, mutual respect should come into play. Finally, as facilitator, it is your job to keep the discussion on course. Sticking to your agenda is a good way to do this. And remember, as a general rule, new issues that arise during the course of a meeting are best handled in another meeting or off-line.

Assigning Action Items. All right, your meeting is going well and decisions are being made. If no plans are being made to implement those decisions, however, the train is leaving the tracks. To resolve this, specific action items need to be assigned along with dates for completion and plans for assessment and reporting by the appropriate parties.

Meetings can be a positive communication tool! Planning allows for more accomplishments in less time. By working to improve your meeting skills, your whole team benefits.

Want to improve your efficiencies in other places as well? As performance management consultants, we can help you maximize productivity in many areas of your company. Give us a call today.

Ten Steps to Better Receivables

We should've known a recession was coming. All of a sudden, our best clients who usually paid in 10 days were paying closer to 30 – sometimes 45 days. In every industry, cash flow plays a role, but in some such as health care and auto dealerships there are many areas where outstanding receivables can wreak havoc.

Slow payment is one of the toughest issues small businesses face. However, you don't have to take it lying down. There are ways to better manage payments. Follow these guidelines to securing prompt payments month after month.

1. **Revise terms.** With the recession, many companies changed terms from 30 days to 10 or 20 days. Some even made invoices payable on receipt knowing that customers would pay in 30 days.
2. **Extend credit only when necessary.** Credit is a privilege – not a right. An increasing number of companies face more stringent guidelines related to obtaining credit terms. Many companies routinely work with companies that do not extend credit or work on a cash-only basis. Depending on your customer profile, this may work to help you increase cash flow.
3. **Check references before extending credit.** From office supplies to printers, more and more companies require businesses asking for credit to complete credit applications and provide references. Join them to ensure your customers are credit-worthy.
4. **Ask customers to sign a credit agreement.** If, in the future, you need to collect money owed, a signed credit agreement will put you on solid ground. A credit agreement also ensures that all credit details are fully disclosed.
5. **Set a credit limit for each customer account.** Limiting customer credit accounts allows you to manage risk and exposure. Even large customers need limits. Vendors for Enron discovered how just how quickly one large customer can put a company out of business.
6. **Establish purchasing processes.** Ensure all orders are made in writing and adhere to both your purchasing policy and your customer's.
7. **Send invoices immediately.** Some companies have become so good at this one dimension of collecting that they put the invoice on any goods delivered. The client receives the good and the bill all at the same time. There's no room for float on receivables handled this way.
8. **Make invoices easy to read.** Invoices that don't clearly denote the purchase order number, or that fail to list the good or service provided have a chance of ending up in the "problem invoice stack," which means a delay in payment for you. Revamp invoices if needed to ensure they are paid without delay.
9. **Keep collections tidy.** Establish a process, keep records of customer contact, and follow through on the collections process – even if it means hiring a collections specialist. You'll earn the reputation of being a fair yet firm company. If an invoice is partly disputed, ask for immediate payment of the undisputed part, then resolve the dispute separately.
10. **Resolve problems early.** If a company regularly pays promptly, and has started to pay more slowly, investigate to see what has changed. It may be a precursor to problems ahead.

As simple and straightforward as these steps are, they can help you increase cash flow and avoid problems with receivables. If your business has many divisions or areas where cash flow can be an issue, give us a call so we can help you collect more even faster than before.



Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.

CFO Plus, LLC

Ted Hofmann - Principal/Senior Consultant

John Morre - Principal/Senior Consultant

Linda Panichelli - Principal/Senior Tax Consultant

1450 Grant Avenue, Suite 102
Novato, CA 94945-3142

Home Office: 415-898-7879
Toll Free 866-CFO-PLUS or 866-236-7587

Email: thofmann@cfoplus.net
jmorre@cfoplus.net
lpanichelli@cfoplus.net

Web: www.cfoplus.net



Coaching: Can You Benefit?

Are you a professional athlete? Or a performing artist? Chances are good that you don't fit into either of these categories so why, in the normal course of your life, would you need a coach? Well, not all coaches go to work in a jogging suit or leotards. There is a whole new category of coaches out there ready to motivate and guide you down the path to success. Today, you can hire a coach to help you achieve your personal, family and business goals. Coaching provides the support and structural mechanisms that are needed to help you focus on your priorities, remove barriers and learn from your own experience. The ideal coach will listen to you and challenge you. They will also encourage you to take control of both your professional and personal life so that you can strike a healthy work/life balance.

What can you accomplish while working with a coach? If your goals are personal, coaching can help you:

- Clarify priorities
- Deal with personal problems that are interfering with productivity
- Determine career direction, strategy and income goals
- Establish and achieve personal goals including ones relating to relationships, health and spirituality
- Help you create daily habits to support your goals

If it is professional assistance you seek, a coach can help you:

- Clarify your business mission, goals and strategy
- Communicate effectively in the workplace
- Cope with difficult co-workers and employees
- Develop leadership skills
- Increase productivity
- Make better decisions
- Tap into hidden strengths

Why hire a coach? Well, coaching is different from seeking advice from a consultant, a therapist or a friend. Consultants usually offer answers to specific problems. Therapists help you understand and deal with the anguish of past problems. Friends typically lend a sympathetic ear. Some describe a coach as part consultant, part motivational speaker, part therapist, and part rent-a-friend.

How does coaching work? Coaching is normally done privately though not always. Professional coaches typically conduct an initial face-to-face meeting. Then, most of their work is handled over the phone. Following the first meeting, a coach can begin to develop a plan for you to accomplish your goals as well as set up a structure for working together. You can expect coaching fees to range somewhere between \$250 and \$1000 per month if you average one session per week. Highly specialized coaching can approach \$2,000 per month and may include several face-to-face sessions and 24/7 on call availability.

What to Look for and Where. Coaches typically have a specialty – career, relationship, business, etc. It is best if they have had some coursework in their area of expertise as well as some training in psychology and counseling. Though coaching has been recognized as a profession since the late 1980s, coaches are not licensed by any state or national agency. They do, however, typically belong to organizations such as the International Coach Federation (ICF). This organization offers a free coach referral service so you can select one that will mesh with your specific needs.

CFO
Partners In Growth

Plus LLC

Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.

CFO Plus, LLC

Ted Hofmann - Principal/Senior Consultant

John Morre - Principal/Senior Consultant

Linda Panichelli - Principal/Senior Tax Consultant

1450 Grant Avenue, Suite 102
Novato, CA 94945-3142

Home Office: 415-898-7879

Toll Free 866-CFO-PLUS or 866-236-7587

Email: thofmann@cfoplus.net

jmorre@cfoplus.net

lpanichelli@cfoplus.net

Web: www.cfoplus.net

Coaching: Can You Benefit? (cont.)

A Business Coaching Success Story. The value of a business coach is documented by a recent article in Illinois Realtor Magazine. According to this article, Dr. Fred Grosse, a clinical psychologist and renowned business coach, has dramatically improved the life of many realtors and insurance agents around the world. Dr. Grosse uses a sports analogy to explain the importance of business coaching. "No one at the Olympics got there without a coach." He continues on to say that you need a coach to be a superstar in the business world as well. Dr. Grosse coaches in a group-setting and covers topics including: reframing thought patterns, focusing, establishing a morning ritual, and establishing systems within our businesses. A single realtor from one of his group sessions claims to have increased the number of transactions made from 43 to 95 during the course of a single year. Not bad!

To hire a coach and be successful, you must have at least one goal that requires you to grow and improve as a person. You must also be committed to achieving your goal and willing to try new things in the process. Regarding your coach, it is imperative to select one that not only has the appropriate experience, but with whom you feel mutual respect and trust. Your coach must be equally committed to your success. And remember, you are hiring someone to motivate you, so enthusiasm is a must as well. No matter what type of coach you select, you can bet that you will reap benefits in many facets of your life.

We have coached many businesses to increased performance, if this is one of your goals for 2004, it's not too late. Give us a call today!