

1. Grab Your Pen
2. Delivering the Goods
3. When It's Time to Say Goodbye
4. Krispy Kreme
5. Maximizing Resources



Our Business is to Improve Your Business

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.



Grab Your Pen – Your Five Year Plan Starts Right Now

“By failing to prepare, you are preparing to fail.” It is likely that Benjamin Franklin wasn’t talking about business plans when he made that statement, but he could have been. If your greatest desire is to take your business to the next level, then you simply must prepare a plan or some kind of a “blueprint” that describes what you plan to do and how you plan to do it during the course of the next five years. Starting the process is easy enough. Grab your pen and the nearest piece of paper. Then, simply describe your business goals and the strategies you will use to achieve those goals. Now that you have your ideas and thoughts written in their most basic form, transfer it to a Word document and call us to help you make the most of your planning!

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

Fax: 415-898-0229

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

Web: www.cfoplus.net

The Real Value of a Five Year Plan. The value of your five year plan does not come from its ability to collect dust. It should be a “living” document that is used to:

- Manage your company better.
 - Decision makers will be able to analyze current performance indicators with the long-term picture in mind.
- Management will be able to react quickly to changes in the marketplace.
 - Better management also results from the ability to review each facet of your business at once. What if you have projected 1000 new customers by the end of plan year two, and you only have one sales person in place?
- Convey your vision to potential investors.
- Take out a loan.
 - Banks and other lending institutions typically require companies to produce a business forecast that covers the duration of the loan. This is how they assess their risk.
- Attract employees.
- Prospect for new business.
- Obtain credit lines with vendors.

Where to Begin. Okay, so you know what the five year plan can be used for. What exactly should it consist of? In general, it needs to address three major areas:

- **The Business Concept:** This should include information about your industry, the structure of your business, the products or services you will sell, what needs your product or service will fulfill, and the specific strategies you will use to perpetuate your business into the future.
- **The Marketplace:** This section needs to include specifics about your target market. It also needs to include an environmental assessment including details about the competition. Specifically, how will your company differentiate its product or service offering in the marketplace? How will your business build mind share and ultimately, market share?
- **The Financials:** The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It is not unusual to find a break-even analysis included as well.

Still Dragging Your Feet? It has been said that most business forecasts are composed of roughly one part science and three parts wishful thinking. With that formula in mind, some business leaders question the wisdom of employing the resources necessary to develop five-year plans. It becomes even more tedious when you consider the need for pro forma financial information. They say that business plans can take months to prepare, are impossible to get right and become obsolete in less than two years. So, why should they bother? Well, according to the United States Small Business Administration, the importance of a comprehensive, thoughtful business plan cannot be overemphasized. It helps you allocate resources, make good business decisions and adeptly handle those unforeseen complications.

If you are concerned about all the guess-work required to build a five year plan, don't be. No one can account for every possible scenario. To compensate for this, many companies conduct interviews with industry experts, trade associations, suppliers and economists. They incorporate this knowledge right into their plan.

Are you concerned about getting your five year plan right? Worse yet, are you worried about it becoming obsolete? There is no need. One CFO discussing the merits of a five year plan recently said, "The hardest part is knowing what you don't know." That is exactly why an effective business plan is a "living document." It must be flexible and subject to changing conditions.

Unless you are preparing to fail, your five year plan needs to start right now. While length and content may vary according to your intended use of the document, there is no doubt about the necessity of it. We can work with you to ensure you plan increases performance, minimizes tax implications and sets you on a path toward future success. Give us a call to get started today. ■