



Castle

Sound Solutions *Responsive Service*



Successful Business Planning

CNG Chicago, 21 January 2010

Steven Schoolcraft

Board of Certified Safety Professionals

Robert Pedigo

Castle Worldwide

The 100,000 Foot View

“Vision without action is a day dream. Action without vision is a nightmare.”

- Japanese Proverb



Business Planning

- Why do it?
- What is it?
- What makes it work well?
- How does it often under-perform or fail?
- How can I apply best practices to my testing program?



“Change is inevitable. Change is constant.”

- Benjamin Disraeli

Whether you drive it, anticipate it or just react to it, know that *change is assured*.

Those in the driver's seat have a greater likelihood of reaching a desirable destination.



What Is Business Planning?

- A tool.
- The managerial process of developing and maintaining a fit between an organization's strategic plan, its resources, and its changing business environment by engaging in research, analysis, justification, selection and implementation of a course of action.



What is Strategic Planning?

- A blueprint
- The vision oriented process of developing goals and organizational objectives to define what the organization will look like and when.



Business Plan Elements

- Executive Summary
- Business Overview
- Financial Data
- Supporting Documents



Business Plan Elements

- Executive Summary
 - Your Statement of Purpose
 - Your Mission Statement
 - The opportunity and the strategy
 - Economics, profitability, and exit potential
 - The offering to prospective investors
- Business Overview
- Financial Data
- Supporting Documents



Business Plan Elements

- Executive Summary
- Business Overview
 - Product/service descriptions
 - Target markets and customer profiles
 - Location of business and competitive analysis
 - Marketing, sales, and operations plans
 - Management team and personnel
 - Investment requirements and expected use of funds
 - Summary
- Financial Data
- Supporting Documents



Business Plan Elements

- Executive Summary
- Business Overview
- Financial Data
 - Balance sheet
 - Break-even analysis
 - Income projections (Profit & Loss Statements)
 - Cash flow projections
 - Sensitivity analysis (Best-Planned-Worst Case Scenarios)
 - Historical financial reports for existing business
- Supporting Documents



Business Plan Elements

- Executive Summary
- Business Overview
- Financial Data
- Supporting Documents
 - Executive team resumes
 - Supplier, customer, and/or partnership letters of intent
 - Job descriptions
 - Leases, contracts, and legal documents



A Pearl of Wisdom



“No plan survives first contact with the enemy.”

- Helmuth von Moltke



Business Planning Should

- Be feasible considering internal and external constraints.
- Lead to a long-term competitive advantage.
- Add value for stakeholders.
- Be sustainable in the long term.
- Be adaptable to cope with a changing environment.

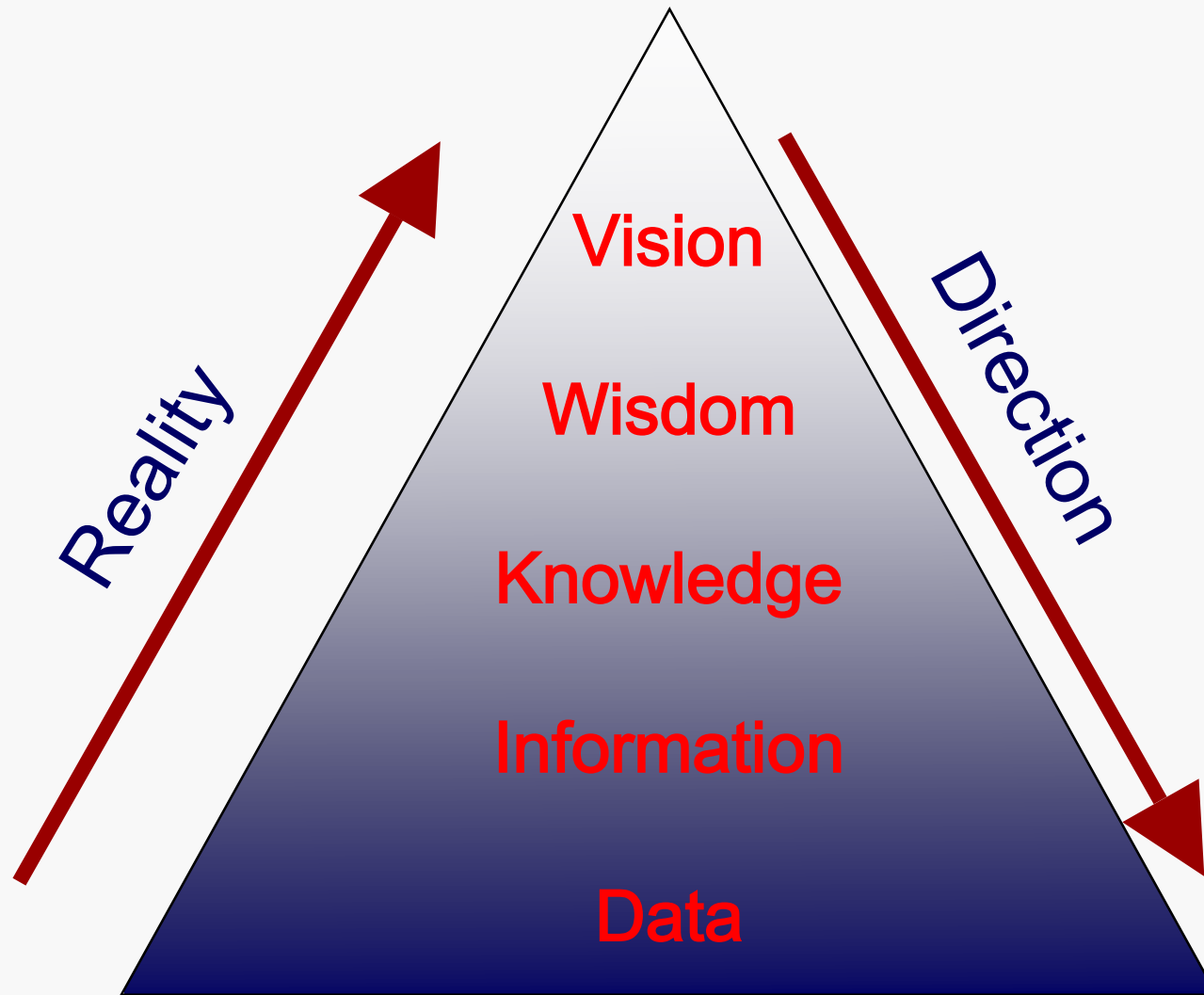


What Works Well

- Continual planning
- Communication across the organization
- Get and maintain stakeholder involvement
- Planning for change in the face of uncertainty
- Recognition that changing conditions are an opportunity
- Vision and direction should be set at the top and be based on reality



Leadership



Leadership: Board & Staff

- Establish an encompassing, articulated direction for the organization
- Set the working agenda and focus the organization's attention and effort
- Personal commitment to leading change
- Teach knowledge and skills throughout the ranks
- Genuine empowerment of their people





“Before you build a better mousetrap, it helps to know if there are any mice out there.”

- Mortimer Zuckerman



Pitfalls

- Most planning efforts are fantastic
- Change aversion
- Conflicting agendas
- Not invented here
- Lack of business planning skills
- Faulty or misapplied processes
- Over confidence
- Big hurry
- Gridlock
- Absence of clarity regarding roles and responsibilities



Planning Polarities

- Long term - Tomorrow
- Hard data - Intuition
- Diverse perspectives - Focused decisive team
- Optimistic - Realistic
- Specific goals - Flexible and adaptable
- Niche - Large growth market
- Core competence - New learning
- Leverage current trends - Spark new movement
- Research data - Experimentation



Practical Considerations

- Plan for changing conditions
- Consistent terminology
- Start small
- Get buy-in
- Make plans: start-up, roll-out, maintenance
- Don't under-estimate the effort
- Balancing plan and action



Plan and Action

- Conventional Ideal
 - ready, aim, fire
- Guesswork
 - ready, fire, aim
- Analysis paralysis
 - ready, aim, aim, aim, aim...
- Successive approximation
 - ready, aim, fire, aim, fire, aim, fire...
- Rapid reaction
 - ready, fire, aim, fire, aim, fire, aim, fire...



Change Pitfalls to Plusses

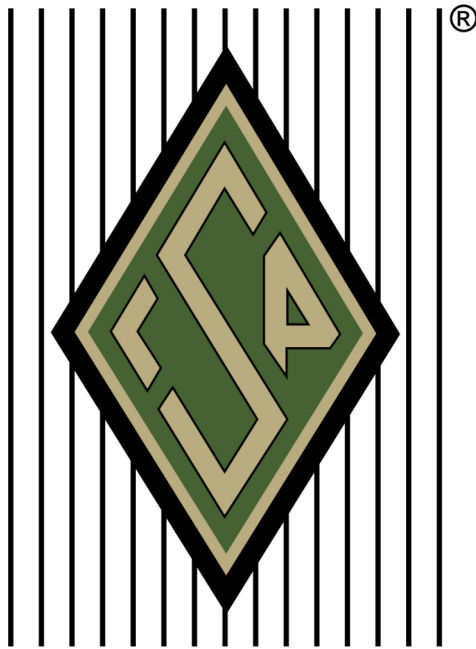
- Most planning efforts are fantastic
- Change aversion
- Conflicting agendas
- Not invented here
- Lack of business planning skills
- Faulty or misapplied processes
- Over confidence
- Big hurry
- Gridlock
- Absence of clarity regarding roles and responsibilities



“Know your enemy,
know yourself, and —
your victory will not
be threatened. Know
the terrain, know the
weather, and your
victory will be
complete.”

- Sun Tzu





Steven Schoolcraft, CSP, P.E., CAE
schoolcraft@bcsp.com
217.353.3950

Robert Pedigo, MBA
rpedigo@castleworldwide.com
919.657.6920

Castle

Sound Solutions *Responsive Service*

