

## Active Business Planning – a Better Way

Business Planning is traditionally taught as a series of actions –

1. Define Corporate aims
2. Market research
3. Product Development
4. Write Business Plan
5. Marketing strategy
6. Investment strategy

The purpose being to secure funding. After funding is secured, the plan is put in a manager's drawer and forgotten.

In practice it is difficult to predict accurately in advance – product specifications and product mix, acceptable pricing, effective marketing, labour costs, sales etc.

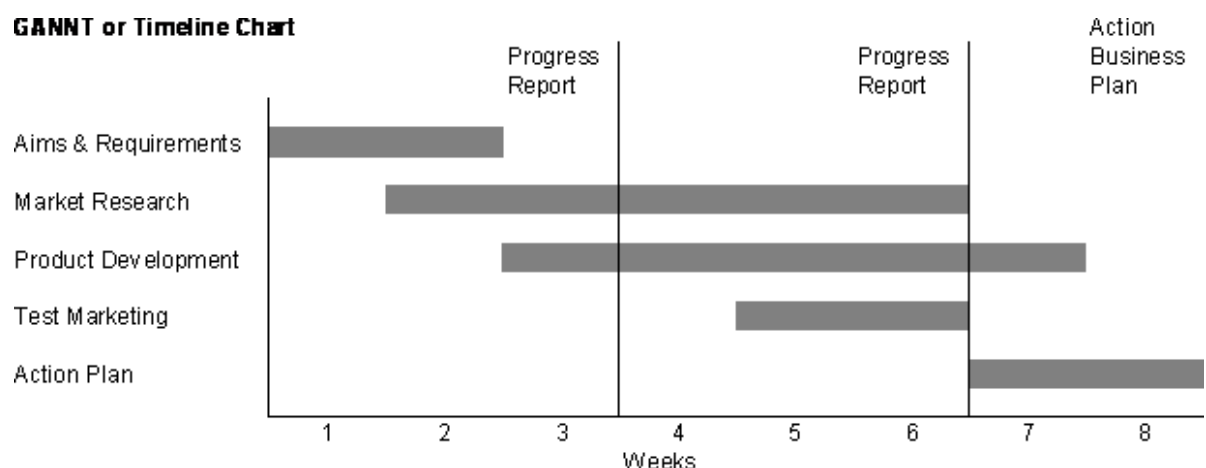
This knowledge is only gained with experience.

A more effective method is to use project management techniques, to run these actions at the same time to use the knowledge gained in one to amend another.

For example:- market research shows consumers want a highly specified product. Product development reveals the high cost of such. Marketing strategy reveals the marketing costs would be excessively high to cover those costs. Return to market research to assess if consumers would buy a lower specced product.

We use a timeline chart (a GANNT chart) to identify dates when we propose to begin and end each business planning action.

**GANNT or Timeline Chart**



At repeated (iterative) intervals we take a snapshot assessment, a progress report, which we use to review and amend the timescale and relative investment of effort in each action.

The final stage of this phase of Business Planning is writing an Action Business Plan that describes in detail how the enterprise will operate in the next phase – Commence Operations.

An Action Business Plan is a great resource to create a sense of direction and purpose, build teamworking and gain agreement and alignment behind the objectives of the enterprise.

It rarely is allowed to sleep in a manager's drawer.

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