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The Importance of Planning

The idea of planning being important to business success is nothing new. In fact, it seems redundant to write another word about the topic.

But the statistics of business failures continue to rise. Why? For the most part a lack of planning.

Planning in business, as in life, is a strategic choice. You must choose to plan; to manage your time and activities to meet your goals.

According to Webster's New Collegiate Dictionary, planning is as "*the establishment of goals, policies, and procedures for a social or economic unit.*" Most of us fit the definition of both social, and economic units, so we need plans.

Planning is done on a continuum from simplistic to complex. Some people make the decision not to plan, "to let life just happen, to take one day at a time." This is, in fact, a plan. Others choose to plan their life years in advance, and in great detail. Most of us fit somewhere in-between.

The bible abounds with examples of planning from Genesis to Revelation. God left nothing to chance in creation; it was all planned in great detail. And thank goodness, scientists say that the balance of life on earth is so delicate that if the earth were a few miles closer to the sun, we would burn up and if a few miles further away, we would freeze. Yet, with all the planning of planetary placement (Genesis 1:16), and the continuum of life from beginning to end (Revelation 22:13), God knows the number of hairs on your head (Luke 12:7)!

There are dozens of planning "models" available to business people today. Regardless of the type of model, you choose the important thing is to choose; to make planning a strategic choice in your business.

When planning for your business (your life, or your family), it is easiest to think of planning in two increments of time; short term (for up to a year), and long-term (for over a year).



Within each of these time frames it is important to understand that planning is a process, not an event:

- In the short term, what happens this morning may affect plans for this afternoon. Changes in today's business may affect plans for tomorrow, next week, or next year.
- In the long term, changes over the past few years will likely affect plans for the next five to ten years, or even longer.

Plans set a course to a destination. Like a sailboat on the open sea, every movement of the rudder is designed to get the ship to the desired destination, despite detours caused by winds or currents. Your plans must be like the rudder of a sailboat, constantly changing, constantly keeping you on course, always getting you just a little closer to your destination.

Long-term plans

Nehemiah provides an excellent model for how we should plan.

First, Nehemiah receives word from his brother, Hanani, that those who had survived the exile and gone to Jerusalem were in great trouble, and that the city was in disrepair (Nehemiah 1:3).

What was Nehemiah's reaction to this disturbing news? Did he pack his bags and run to Jerusalem? No. He fasted and prayed for days for direction from God (Nehemiah 1:4-12). He then waited five months before he approached King Artaxerxes for permission to go to Jerusalem.

When he approached the king, he knew exactly what he needed. He needed letters for safe conduct and timber to rebuild the city. Nehemiah knew that rebuilding Jerusalem was a long-term project, fraught with many risks.

Nehemiah probably spent those five months planning how and what he would need to rebuild the city, and what kind of obstacles would come up and how he would overcome them.

To complete a long-term plan, you need to do three things:

- Gather information about what might happen in the future.
- Analyze the information.
- Develop long term plans based on the information.

Specific information about the future may not be available, but a wealth of information about possibilities does exist.

The type and amount of information you need to gather depends on your plans for your business. If you are a global manufacturer, you will need to know about the countries you market to, their



cultures, their economies, their politics, etc. In a highly competitive industry, you'll want to know about your competitor's strengths and weaknesses.

Information in the computer age is much easier to attain. Begin your research by looking for government sources, international non-government sources, national trade associations, municipal organizations, libraries, industry experts, and consultants.

Once the information is gathered, it needs to be analyzed. You need to be able to forecast "if this happens, this will be the result." You need to be able to draw conclusions about the importance of any given possible event to your business.

Finally, you need to set a course for your business and develop strategies that will meet your business objectives. The long-term plan for your business may be referred to by a vision, a mission, a statement of purpose, or a business plan.

Make no mistake; you must have a long-term goal, a vision. You must understand what it will take to accomplish the vision, and you must plan how to accomplish the vision.

Short-term plans

Nehemiah shows us four very important aspects of a good planner.

First, he developed his plans based on data that he gathered. As Nehemiah arrived in Jerusalem, he surveyed the situation discreetly; examining the city at night by himself (Nehemiah 2:11-12).

Second, he explained his plans until the elders echoed his excitement for the project. When he had developed his plans, he called the elders together and explained his plans, until they agreed with him, "Let us start rebuilding." (Nehemiah 2:18).

If you can get others this excited about your plans, your battle is half won.

Third, he placed people in charge of rebuilding the city in front of their own homes (Nehemiah 3). Nehemiah knew that people would be most committed to doing work in their own front yard.

Fourth, Nehemiah anticipated opposition to his plans. When the Ammonites, Arabs, and the men of Ashdod plotted against the Jews, Nehemiah prayed and posted guards (Nehemiah 4:9). Further, he had half the men standing guard and half working (Nehemiah 4:21-23).

Net, Nehemiah completed reconstruction of the entire wall around Jerusalem and the rebuilding of all the city gates in only 52 days.



Getting started

Dennis Waitley said, “Most people overestimate what they can do in a year and underestimate what they can do in five.” He is exactly right. The reason is that most of us get so caught up in the day-to-day struggle of running a business that we neglect both short and long-term planning.

If you want to make planning a strategic choice for your business here are five steps to get you started:

1. Vision

Many business people know where they want their business to be five to ten years from now, at least in general terms. Unfortunately, this valuable information is often found only in the founder’s head.

If you are running a business, your first planning step is to develop a written vision statement. A specific, concise statement of your vision of the business. For example, “To be a global supplier of food products that best meet the needs of the world’s consumers.”

2. Mission

If vision is the what, the mission is the how. A written mission statement should describe the major work to be done, how your vision should be accomplished; what principles, values, etc. will be upheld as you go.

A personal mission for example, “To be the president of a conglomerate of businesses in the travel industry, a husband, a father, and active in my church and community. I will always demonstrate the highest of moral and ethical standards in all aspects of my life.”

3. Strategy

Strategy is defined as, “*The science and art of employing resources in a carefully devised plan toward the accomplishment of a mission.*” There are no simple formulas for developing strategy. It is as much an art form as it is science.

To develop a sound strategy:

- You need to understand the resources available to you. Consider not only the resources that are available now but the resources that you have available in the future.
- You must develop detailed plans that include “what if” contingencies. This is where many business people fail. We plan as though the sun will always come up shining, and rain will always fall on someone else’s parade!
- Plan for disaster. If your strategies include planning for the inevitable disaster two things will happen. 1) You will avoid some disasters altogether because by planning for them, you build the strength needed in your organization to avoid them. 2) You will be



prepared to mitigate damages when disaster does strike; you can act quickly, with soundness of mind because your reaction was planned.

- Strategies need to be written down and used as working document throughout the organization to help guide decision making.
- Finally, good strategy is aimed at the accomplishment of the mission. Strategy that does not move you closer to the accomplishment of your mission takes you further from your vision.

4. Tactics

Tactics are defined as, “A *method of employing resources toward the direct accomplishment of a strategy.*” There are many roads leading to the same place. A good tactician selects the method that utilizes the resources available, at the least cost, most likely to deliver the desired result.

Like strategy, tactics need to be clearly communicated to the organization in written form. People must know “how” you expect to accomplish a goal if you expect them to help.

5. Tasks

Tasks are the “*action steps.*” They are activities that must be performed to accomplish a tactic.

Think about the seemingly simple task of driving to the store. It is very easy to list 50-100 things that need to be done to get to the store and back.

For most of us, this planning is done in the background of our minds; it is nearly automatic. But how many times have you gotten six blocks from home only to wonder, “Did I turn off the coffee?” “Did I lock the door?”

Unfortunately, many also leave planning business tasks on autopilot. As though even if you don’t think about them, they’ll get done. Nonsense!

Plan your tasks daily, weekly, and monthly. There are dozens of excellent commercial time planners available. Find one that suits you and make it a part of your life!

Write it out!

In the five steps above are suggestions to write out your vision, mission, strategy, tactics, and tasks. Stop right now and go do it.

Planning does not work unless it is written down. Too many people fall prey to the idea that they can remember, you can’t, so write it down. When you do, your thoughts will crystalize, and you will be in a better position to share your plans with others.



Profile of a planner

Whether you are a top executive, a beginning manager, a pastor, or a professional you need plans, written plans.

Once your plans are written down, you'll need to review them occasionally.

Take a day every six months to evaluate the vision and mission statements. Changes may be few and far between, but that shouldn't stop you from keeping them in the forefront of your planning system.

Take a couple of hours a month to evaluate each strategy. Ask yourself if changes need to be made. Either adjust strategies or select new ones that will keep you focused on your vision and mission.

Spend an hour a week reviewing the tactics being used to accomplish your strategies. Be critical. Stay focused.

Spend fifteen minutes once or twice a day reviewing the tasks associated with accomplishing tactics. If you are not staying focused on the right things, get back on track!

Use this five-tier system, and you will accomplish more by accident than most people without a plan will ever accomplish on purpose!