

Plan Ahead

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The New Year is upon us and business is starting to pick up again after the slowdown over the Festive Season. This is when we recommend clients take the time to work out what they want from the year ahead before it gets too busy.

It is time for businesses to set goals for where they want to be this time next year before demands drag them along towards a place they don't want to be. Most have heard the old adage, "failure to plan is planning to fail," which usually applies when you don't. Just think, how can you gauge your success when you have no defined goals? You could just end up going around in circles, stagnating or even risking failure. You need a plan.

Most of us at one time or another have sworn to ourselves, made pledges and kidded ourselves with personal New Year's Resolutions of achieving some pursuit we have been thinking about starting "one day" but never do. When committing to this most people don't consider the steps required to get there, dooming them to failure. The same principal applies with business goals. This doesn't have to be a long and difficult process, just follow this simple plan to assist you in achieving your business New Year's Resolutions.

Firstly, consider what your needs, wants and desires for your business are. Think of these realistically. There is no point for a backyard business to have a goal of being as big as BHP Billiton in twelve months. It is unrealistic and you're setting yourself up for failure. You might be able to achieve it in a few more years, who knows?

Most text books and advisors recommend a five year which some people find quite daunting. If that's the case, start with a one year plan, it's better than no plan at all.

This leads onto the second step which is defining the goals and planning the direction your business needs to take for the next year based on the needs, wants and desires you have identified. Please remember to think in terms of what is realistically achievable. This step is a formalisation of what you need to achieve in order to be where you want to this time next year. You might set a minimum turnover, sales, reduction in costs or even growth in things like employees, resources and structure. Each business and its business leaders are different there is no one size fits all. So work out what is important to you and set your goals and direction accordingly.

The third and final step in this simple plan is to work out what resources and costs are associated with reaching your goals. This is when you set your budget but this step isn't just based on accounting. Yes, it is important to work out how much it will cost and how you will pay for it. However, it is just as important, or even more so, to work out the stages you need to reach and the actions you need to take to reach each stage. Breaking it down into monthly and quarterly objectives will make it easier to set your budget because you will know where you should be at each stage and the smaller objectives will feel more achievable. If you still feel overwhelmed there is always assistance available from accountants and advisors.

So please take the time to set your goals for the next year so it will be prosperous and successful.