



Management Recovery Planning: The need to take control

BY TERENCE SHEPHERD

In working with thousands of business owners as a CPA and business consultant, I've found that many owners envision writing a business plan as a task or chore much bigger than it needs to be. In a current survey I'm conducting, the top three reasons given for why they have no plan are: time, cost and/or knowledge.

To the contrary, I believe an owner can put something together very simply and cost effectively.

By following the "4 Step Process," a one- or two-page outline can offer a concise and powerful plan providing needed direction and guidance in

moving forward through the recovery. It will take some owner time, but not a large investment. Also, it is something that can be done on their own or with limited guidance.

First, think about where you want to be in the next year or two; set your goals or objectives. Are you striving to get to breakeven, grow at a 3 percent rate, etc.?

Second, lay out the actions needed to accomplish that. How many new clients do you need at what average sale? What needs to be done to stop client defections? What do you need to do to get them to visit or call your business? What

activities are time wasters? This process helps identify those factors that are critical to get right to ensure success.

Third, assign responsibility and a timeline for each activity. Look at what things you need to continue to do, what things you need to start doing, and what things you need to stop doing. The secret here is to work on only those things that are critical to your business' success.

Fourth, set up an ongoing reporting procedure to ensure the plan's execution and to hold those responsible accountable. Tracking leading activity

indicators will tell you in advance what your results are going to be and what adjustments need to be made. If you are on your own, report to your CPA, attorney or other business adviser.

Taking the time to draft a plan now will give you direction and guidance. Two years from now, you'll be glad you did. ■

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