



**SHEPHERD  
& GOLDSTEIN**  
*Business Consultants and  
Certified Public Accountants*

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# Grow your Business

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## Active, Positive, Focus

We hear the messages in every turn: our employees are over tired, the European market is in crisis, Occupy Wall Street has spread to cities across the United States. When there are so many down trodden messages, it is very uplifting to choose to make a positive impact. So how can you? What steps can you take to have a positive impact when so many messages are demoralizing? This issue is about small steps you can take in your business to be an active, positive, beacon of light for your family, your business, and the people you work with every day, both team and customer alike.

First break the Myths by writing down a 1-3 page formal plan and share it with those involved in helping you stay the course. Second, take the 10,000 foot view of your business. Operational tasks will overshadow and detour your path if you can't commit to a regular, high level review to confirm you are strategically directed. Third, and finally, put some thought into what comes next. We're here to support you and expect the wisdom in this issue's articles will prove helpful.

Joseph Vajda, MBA  
Editor

## Small Business Planning— 3 Myths

It's estimated that up to 70% of SME owners don't have a formal strategic plan. That means they have little idea where they are headed, change priorities constantly, have confused their employees about the purpose of their jobs and are chasing goals they have little or no chance of achieving.

There are a number of common reasons SME owners give for failing to develop this vital business tool. Here are 3 that are pure myth – and why.



## Myth 1: My business is too small to need a strategic plan

From the SOHO on up EVERY business can benefit from a strategic plan. A strategic plan can help you make informed decisions about time management and budget allocations to different activities. You can use your strategic plan to help you determine whether it's worthwhile attending a particular event or advertising in a particular medium.

It can be used to outline for employees the specific set of goals you want the business to achieve so as to provide them with direction and focus for their activity. Your strategic plan can really form the basis of all measurement activity in the business and keep you informed of how the business is performing.

Doing the right things and doing them efficiently and economically are activities that every business needs to get right and a strategic plan is the basis for achieving that.

## Myth 2: It will take forever to produce

The real value of a strategic plan for your business is in taking some time out to think about your situation – to work ON the business instead of just IN it.

There will be some time involved pulling together information about your current way of operating, about what's happening in the wider market place, about your customers – but gathering and analyzing it is actually not a burdensome job, especially with the assistance of a trained advisor who can help you do a SWOT (strengths, weaknesses, opportunities, threats) analysis and draw up a strategy with an unbiased eye.

Thinking strategically doesn't involve working out all the individual tasks you will need to do to achieve them right there and then. For example, suppose a goal is to grow revenues at an annual rate of 7%. This sets off all kinds of nitty gritty task-oriented thinking about labor needs, promotional materials, space planning, etc. that can immediately bog you

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down; whereas the strategies work on a higher level – developing a new product to broaden the service base and decrease reliance on ageing lines for example. Only when a true strategy is decided is it time to think about the individual tasks needed to accomplish it.

### **Myth 3: A strategic plan is out of date from the time it's finished**

Too many small business owners treat their business plan as a closed book. That's not what they are about. A business plan should be an active document that gets reviewed and updated at least monthly.

Your strategic plan won't be doing what it is supposed to be doing unless you have regular meetings with the people responsible for making the goals in it happen and checking progress against the planned goals. When you track the results of your efforts you can make mid-course corrections to get back on track if you need to. Regular meetings give the opportunity to make the best decisions you can as you progress, and manage the plan as a team.

A plan's purpose is action. Without action, the plan is useless and the dollars invested in creating the plan are wasted.

### **Treat your business like a real business**

SME advisors who work with different sized businesses know that those that perform at the highest level usually have some sort of formalized strategic plan in place and have implemented it well. On the other hand, those businesses that struggle usually have no plan in place and seem to flounder in their attempts to be successful.

## **Think Strategically To Define Your Vision**

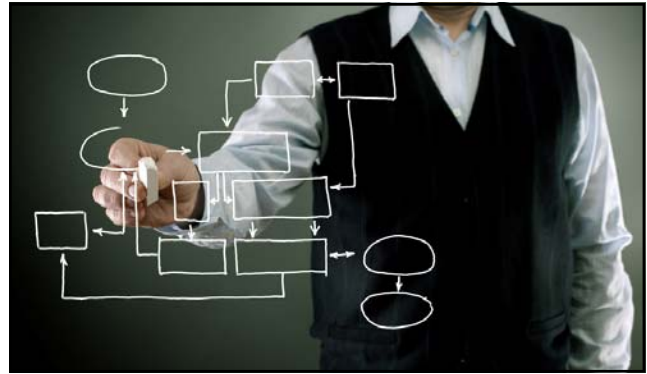
Most business owners have a vision for their enterprise but often lack the strategies that will enable them to realize that vision. The problem is usually a failure to think strategically.

Strategic thinking is a process. You can apply it to any part of your life whether it's a personal goal or a business goal you're trying to achieve. It helps you adapt to changes in your life and make transitions from one stage to another; it also enables you to more clearly see the opportunities that lie ahead.

Essentially what strategic thinking asks you to do is to define your vision with as much clarity as possible, then work inwards to create the steps that will allow you to get where and what you want. You do this with the power of your imagination.

There are five focus areas that will guide you to the definition of your vision, and as you go through them you also create an awareness of how your vision can be brought to

reality. Each focus area should be taken separately. Don't rush and be sure to go through these steps in as much detail as possible. Record your thoughts as you go; a voice recorder is often helpful in this procedure.



### **The big picture**

The first task is to step back. You're going to see the big picture first, then drill down to the details after you've observed your ideal outcomes from a distance.

Close your eyes and imagine that you're looking down on your business as you want it to be in three years' time with everything working perfectly and generating good profits. Now apply this technique to the people in your business, then to the systems that make it work. Always start on a broad scale and work inwards from there.

### **Viewpoints**

These are tools that you apply as you work down from the big picture. Viewpoints are different ways of looking at the same thing as you develop your vision. Four are listed here, but you can create as many as you need to ensure that every angle is covered:

- The project viewpoint – what individual projects are needed to build the vision and bring it to completion?
- The process viewpoint – what processes must be in place to make your vision function? How do they work?
- The resources viewpoint – what resources (financial, personal) are needed to make your vision happen?
- The environmental viewpoint – what are the conditions in your business environment? What are you competing against and what will make you successful?

### **Structure & resources**

Your business requires an organizational structure and human resources to fulfill the vision you have for it. What is

the structure of your business when the vision is achieved? Imagine the way it will be managed, the support team in place, the production processes all working smoothly. This is your ideal so go into all the detail necessary to cover every aspect.

### The drivers of your vision

Drivers are the forces that power your vision. They are the intangible elements and values that will be in place when your vision is complete. What skills will your ideal business possess? What will be the focus of your team? What will be the mission of your business? What will build spirit and morale in your ideal enterprise? What ethics will be in place?

### Ideal outcomes

By working through the first four focus areas of the process you have built the foundations of your ideal business. You know the structure, the resources, the values and the market in some detail. The final step is to do a summary of everything you want to have and what you've learned as you worked through the process.

By working through these five focus areas, you have developed a picture of exactly how your business vision can be fulfilled. Your vision has been created using a process that also gives you the strategies to accomplish it.

## Handing Over The Family Business

According to the Small Business Administration in the USA, only a third of family-run firms make it to the second generation. What are the strategies to ensuring your firm is one of those that survive? The key is succession planning.

Succession planning can limit dissemination and downfall, and can be a simple step-by-step process that will ensure future success. It requires a long term approach: investing in mentorship and leadership can reap benefits as many as 20 years down the line.

*“To assume there will be a natural successor is a common mistake.”*

Start by taking time to consider your ultimate goals (but be aware that goals, and therefore plans, will fluctuate). Build flexibility and evaluation periods into your plan. To assume there will be a natural successor or that your most desired candidate will want the position is a common mistake, especially in family-run firms.

Factor a wide range of possibilities into your plan. In order for a next of kin to seamlessly take over and generate a flourishing legacy, they must have the willingness, desire, training and know-how required for any entrepreneurial position.

Set milestones in your plan that include evaluation times and periods of consideration. You need to account for changing situations - have one or more of your children now enrolled in college, entered a master's program or taken a job at a competitor's firm?

If your planning leads you to selection of one family member over another, try not to let feelings, favoritism and emotional attachments play a part. Remain as impassive as possible yet respect family bonds. Try to stay true to your original succession ideal, and make the decision based on who has demonstrated their ability to maintain your desired legacy.



Keep family members and important players in the know, sharing your thoughts and ideas along the way. Minimize the element of surprise or you may create hurt and dissatisfaction. When a decision has been made, be prompt and clear and do not hesitate to put the orders in motion. Do not leave things in a period of limbo and uncertainty.

A sound suggestion is to set up a board of trusted team members or colleagues to be your counsel. This keeps you informed and also allows your colleagues and team members to feel that they have a part in the decision making process.

And don't write yourself out of the plan. Keep yourself in mind as you make decisions and craft out how you will remain part of your legacy after the changeover.

(more...)

### An Important Message

While every effort has been made to provide valuable, useful information in this publication, Shepherd & Goldstein and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

Remember to give thought and equal consideration to all options, even if the years eliminate some of them. You never know what financial environment you might find yourself retiring in, and in some cases the selling of the firm may prove the most profitable and stable way to take care of your loved ones.

As experienced professionals we have the expertise to assist with succession planning. With our assistance, you can increase the chance that all parties will achieve their desired outcomes.

### System Improvements

At S&G we are always looking for ways to improve our systems and processes so we can take full advantage of the synergy of the 4 Ways To Grow A Business. This fall our team embarked on a firm-wide system improvement that will replace many of our existing software packages to an advanced suite of connected components.

The implementation of this suite will take several months of designing, testing and training to fully capture all of the benefits. We are committed to a successful launch. However, should there be glitches, we see them having limited affect on the level of service our customers expect and deserve.

We are very excited about this challenge and expect to see increasing improvements as we raise the bar on the service we provide. We vow to inform clients in advance should the process affect your ability to reach us electronically. Please remember our guarantee to respond to your inquiries within one business day remains in place and we'll make every effort to keep you informed of our progress.

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### Comments? Changes?

We all want to improve what doesn't work...but we need YOUR help! Share your improvement ideas and topics you would like to read in future issues with:

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