



Goal-Setting and Strategic Planning

Here is this month's question: "If you don't know where you're going, how will you know when you get there?"

A common problem for most of us who own small businesses is forcing ourselves to step back from the daily grind to take a comprehensive and objective look at the business's performance as well as its future prospects.

We say, "We own the business". In far too many cases, however, nothing could be farther from the truth.

We *don't* own the business. The business owns us.

Here are several things you can and really, should do to gain effective control of your business.

Review Monthly Financial Statements

Financial reports are a simple measuring stick, but a shocking number of Small Business Owners don't know their business's financial condition.

So who owns whom?

Set Performance Goals

Here are some good rules of thumb. First, Goals must be specific. "Increase sales" is not a goal. "Increase net sales by 10% in the next 6 months is a goal.

Secondly, goals must have a timetable. Otherwise, how will you know when you get there? And timetables are easy. Time them to coincide with your monthly financial statement review.

Third, don't set too many goals. Three to five goals are a good start if you've never set goals before.

A final very important point: Set goals that are meaningful to your business, and that force you to stretch a little beyond your comfort zone.

But set goals that can be achieved. Meeting goals is a wonderful feeling; falling short is a real downer.

Have a Strategic Planning Retreat

Large businesses have engaged in retreats for their key personnel for years. Why shouldn't you?

Go to some nice place with your key people, arrange for a meeting place separate from your rooms, and conduct a critical review of operations.

Here's a proven technique used by Big Business for years, but applies equally to Small Businesses. Used properly, it can transform the way you look at your business, and at yourself.

This technique is called a SWOT Analysis. SWOT is an acronym for

- Strengths
- Weaknesses
- Opportunities
- Threats

Strengths and Weaknesses constitute an internal

review of your company. In essence, you now have a series of plusses and minuses describing the company.

The Opportunities and Threats are another series of plusses and minuses, only this time you're looking at factors external to your company.

Plan to spend some time on this phase—generating SWOT's. When several people are involved, it's really kind of fun. And you begin to see things that were there all along but that you had never realized!

Once you've identified your SWOT's, take some time off—remember, you're in a nice place, and you've got more work ahead of you.

Here's your next step. You've looked at Inside and Outside the business, and have identified plusses and minuses in each dimension.

Now change dimensions. Look just at the plusses, Inside or Outside. And then look at the minuses, Inside or Outside.

You will end up with two lists: one of plusses, and one of minuses. Prioritize the items on both lists in order of importance.

At the end of this you've got a list of the very best things you've got going for you, and another list of things you absolutely have to protect yourself from.

And guess what else you've got? You've got your goals. All you have to do is write your goals clearly, add a measurement standard, and add a time frame.

You've also got a reasonable assurance that meeting these goals will have a definite and positive impact on your business.

Sounds good, doesn't it? In fact, it is good. Goal-Setting is fun and full of valuable insights. But the hardest part is yet to come.

The Hardest Part

Periodically reviewing progress toward goals does so many people in. They fall into that old trap: "I know this is important, but it's not as important as (you fill in the blank—getting the order out, calling that customer, ordering that shipment, etc.)

It's an old story—invest time and energy developing, solid, workable, worthwhile goals, but never ever review performance toward these goals.

So make a commitment to your fellow participants, and to yourself. Don't even plan a Goal-Setting Exercise unless you are absolutely committed to reviewing those goals.

Once you're in the routine of Goals Review, you'll be working smarter, not harder.

And you're beginning to control the business, rather than let it control you.

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