

Getting it Right

It's true getting it done is good, but getting it done right is better

Brian Hamilton, CA, CFA

Henry Ford got it right. Walt Disney nailed it. So did the guys at Google. They had the right business plan at the right time, so why can't we? On the one hand, despite an absurd amount of facts and figures, we remain ravenous for real wisdom. Then there is another daunting dilemma: getting it right takes time, but who has that luxury?

Getting the business plan done is good, but getting it right is better. It is like the words of Robert Frost, "Two roads diverged in a wood and I -- I took the one less traveled by, and that has made all the difference."

Brilliant business guidance is available for CEOs today from luminaries like Jim Collins, Ken Blanchard, Tom Peters, Peter Drucker, and Michael Porter. However, here we narrow the focus to some principles for the business plan itself in our quest to get it right.

A Humble Mindset

"We cannot become what we need to be by remaining what we are", according to Max De Pree in his book *Leadership is an Art*. Let's face it. All too often we think we have it right with the way we are. However, at times the exact opposite attitude will set our feet on the better path. The business plan is an action-oriented blueprint CEOs can use to hold ourselves accountable and "become what we need to be."

The Seven Second Window

We have one brief moment - perhaps only seven seconds - to ignite the interest and imagination of the reader. What's said may not be read, if it's on page two. Like a trumpet call, the voice from page one needs to spotlight the company's key strategic edge. Then - with chess-like precision - the first page should articulate a complete and bullet-proof case for commercial success by highlighting the company's unique factors of competitive advantage. For the investor, a five to ten page executive summary of the business plan is enough for their initial review. For the CEO, a one-page summary of purpose, priorities, and financials is sufficient for day to day operations.

A Complete Talent Pool

Great people are rare. We think we have them but we often don't. Investors pay far more attention to the people behind the business plan than the written plan itself. All the bases need to be covered with tried-and-true talent: vision, operations, quality, sales & marketing, finance, and human resources.

In addition, threading its way through the team should be a relentless passion for improvement and a tenacious customer care philosophy. No CEO can do it all. By recognizing latent deficiencies, it is a wise CEO that builds a surrounding team with off-setting strengths.

Priorities before the Prize

Alarming problems can develop when the CEO or other leaders have their eyes on the prize, rather than on the priorities. "Individual commitment to a group effort – that is what makes a team work, a company work, a society work, a civilization work." said Vince Lombardi, one of history's greatest motivators. Potential stakeholders love to see the CEO and the team having a passion for the business itself, rather than a thinly veiled pursuit of the quick buck. It's a deal-breaker if they don't. Ongoing advances come with a constant focus by the whole team on top priorities.

Doorway to Discipline

It happens. Great growth. Crazy hours. Low hanging fruit everywhere. But along the road is an ever-widening wake of exhausted employees, headaches with quality and incessant customer complaints. At some point we face the doorway to discipline. Is our organization going to get serious about adding discipline to balance the entrepreneurial free-wheeling flair that propelled the firm to its early successes? If we ignore this priority it will be like the mouse that sees the cheese but is blind to the trap. Taking the doorway to discipline helps companies stay clear of pitfalls and build the kind of consistency craved by customers. "At the core of every great customer service organization is a package of systems and a training program to inculcate those systems into the soul of that company. That's what guarantees consistency." (Blanchard & Bowles; "Raving Fans", Morrow; New York; 1993)

Honesty and Values

Back in the early seventies when oil prices were rocketing to \$12 a barrel, President Nixon became embroiled in the Watergate affair. A convicting factor was the smoking gun tapes that came out at the climax of the investigation. At this time, an Indiana congressman and one of the last remaining Nixon defenders, when confronted with this new evidence, said, "I have made up my mind; don't confuse me with the facts." A common failing - and it comes out in our business plans - is not being honest with ourselves. Frequently this can be avoided by having a brutally honest advisory board or some other outside check on our optimistic or arrogant assumptions and attitudes. The very life of our business is in the hands of an honest analysis of ourselves and our markets, customers, competitors, and suppliers.

An Early Entrant

History has shown that being an early entrant in a new market is a key to gaining a dominant market share, whether it is a company's initial product or a brand new product or service. The business plan can't fail to overlook documenting this crucial contribution to our strategic edge.

De-Risking

Consider the words of Peter Drucker, "People who don't take risks generally make about two big mistakes a year. People who do take risks generally make about two big mistakes a year." While investors are quite prepared to accept ongoing market risks, they fully expect management to have action plans within their business plans to eliminate or diversify from all major risks which are specific to our individual companies. A common example is relying too heavily on one customer or one supplier. A more subtle example is found with our personnel hiring habits.

We have a tendency to look for people just like us, potentially resulting in a management team that is skewed one way or another. Making a point to find managers with opposite viewpoints often brings a healthier balance and potentially fresher problem solving skills.

Elegance on the Inside

A business plan that looks good, or even great, is one thing, but it is elegance on the inside that counts. This becomes the proof of success that investors, partners and key employees are looking for. Elegance on the Inside means having an uncommon quality from the inside out, including a great team of committed people with proven track records, an honest, accurate understanding of the key success factors for the industry and clear evidence, including testimonials, that our company's products and services are a superb solution for the needs of our customers.

Perseverance, Not Perfection

"We learn from history that we do not learn from history." These are wise words of warning for CEOs from the eighteenth century philosopher, Georg Hegel. However, if one is willing to pay attention, history can teach us perseverance as we construct and implement our business plans. For instance, Henry Ford's first car company actually went broke. So did his second one. Once upon a time, Walt Disney was turned down over 300 times before Disneyland found financing. Even Walt's older brother Roy was opposed to the plan. Turning to the guys at Google, apparently their initial business plan didn't even include paid search revenues. With a closer look into history, we see that the leaders of yesterday had to stare down the same dilemmas that confront CEO's today.

In reality, getting it right with our business plan is not about perfection. It is more about having the right people, principles, and priorities in place. Then we put pen to paper and get it done.

Brian Hamilton is the CEO of Corplan Advisors Inc, a Calgary-based firm dedicated to helping CEOs and their small cap companies in Western Canada.