

SUCCESS FOR YOUR BUSINESS... DO YOU MAKE IT HAPPEN, WATCH IT HAPPEN, OR WONDER WHAT HAPPENED??

How a new approach to planning can breed success – for you, your team, and the entire enterprise

By Douglas Howe
Principal, Emerson Management Solutions

For many, assembling an annual plan consists of a forecast from sales, projected cost summaries from accounting, and reviews/analyses of mind-numbing financial spreadsheets by a few members of the management team. These are vital activities – no question. However, the planning cycle can be an opportunity for critical team-building and a chance to generate “buy-in” for the entire team, to get understanding, commitment and action by all hands to support not only top management’s ideas, but proposals from all levels of the company.

We present here a formula for planning that will yield a Success Chart for your company – a two-page document that will represent an overview of what your enterprise will be, where it will be, and how it will get there over the future period defined by you. It will be an easily understood “roadmap” for associates in the company to view and understand where they reside in the plan and how they can individually contribute to their Department’s, Division’s and overall company’s success.

DON’T STOP THINKING ABOUT TOMORROW!

Complete this sentence, “If you don’t know where you’re going...”

The two generally accepted responses are:

“If you don’t know where you’re going, *any road will get you there!*”

Or

“If you don’t know where you’re going, *you’ll likely end up somewhere else!*”

Planning provides a number of benefits to the company, including:

- It sets goals from which progress can be measured and success (or lack of it) evaluated, making adjustments as necessary to achieve the desired result(s)
- It creates a focus for the enterprise and aligns company resources with the mission
- It defines direction that helps all associates within the company pull together
- It can promote a “steady strain” work environment instead of one in which the company stumbles from one crisis to the next (i.e. crisis management or firefighting)
- It can build confidence and impose discipline within the system
- It creates metrics for performance evaluations of team members

THE SUCCESS CHARTⁱ

The Success Chart is above all a leadership tool that helps identify the strategic imperatives for the business and gets members of the team literally “on the same sheet.” It is also a tool to empower employees, but unlike the abused concept of “empowerment,” the Success Chart *engages* team members, generating a sense of responsibility for their individual jobs, and also accountability for the results.

The Success Chart starts with:

The Vision Statement: when the owner started the business, or the top manager took over that job, they had an idea for a product or service, they had enthusiasm, a passion for what they wanted to achieve. **WHAT WAS THAT?**

The Mission Statement: What business are you in? Why are you (or your company) here? The Mission Statement generally begins with the words, “We are here to...” The drafting of this statement is also the point at which participation begins to build with the team. The Mission Statement should be drafted with the participation and input of as many associates as practical (e.g. the management team, perhaps with supervisors, etc.)

Core Values and Focal Points: What are the core values that are the foundation of what your business is and what you want it to achieve? What are the key areas on which you want to focus for the planning period?

Vision, Mission, Core Values – this is the grounded purpose of the business and from which the remaining resources within the company will align their core competencies to support not only the future success of the business, but of the customer’s success as well.

So far, here is an example of what the beginning of our Success Chart might look like:

STEP 1: Vision, Mission, Values

**ABC Corporation
Success Chart: FY-06**

Vision

ABC Corp. will be the exception in CE industry; a company that is service oriented, not transaction oriented, with Associates who are customer focused, not product or revenue focused
**Brand the experience...
not just the product**

Mission Statement

We are here to ...

- provide quality, cost-effective products/ services that deliver genuine value to customers
- form mutually profitable relationships with our customers and alliance partners
- foster a culture of entrepreneurship and to provide employees with an exciting, energetic place to work
- ensure profitable growth in commercial markets and worldwide recognition for the company

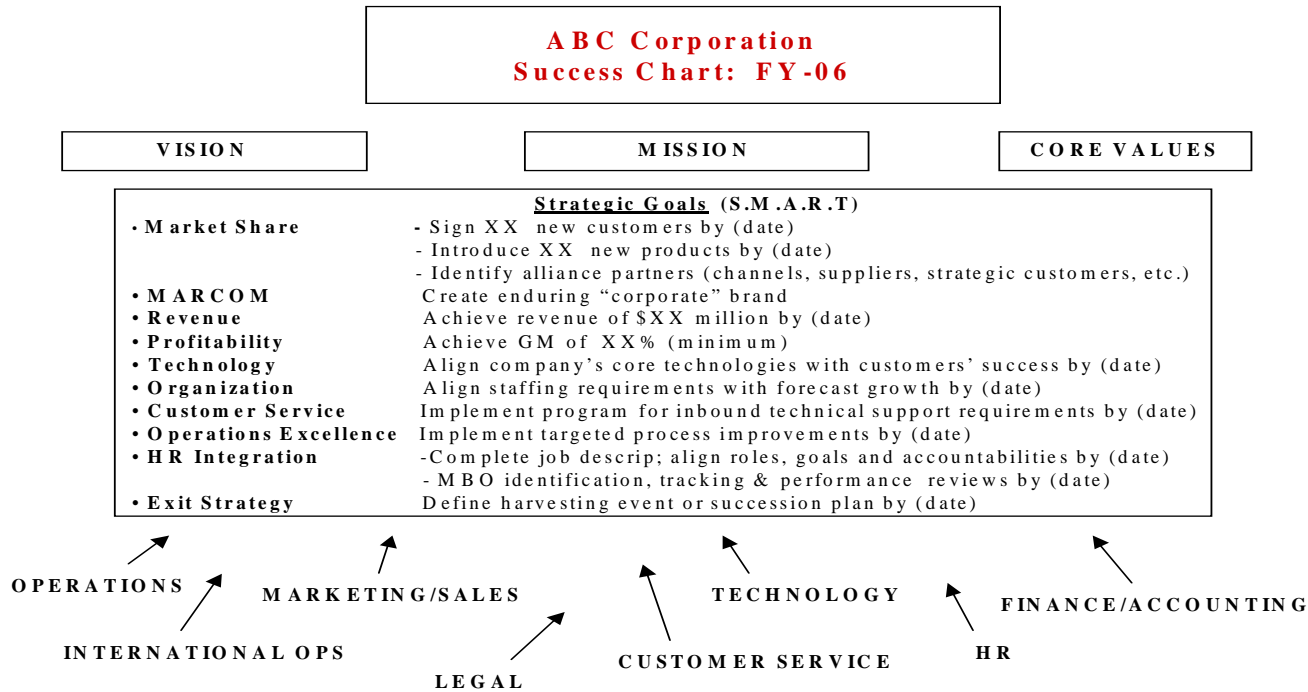
Core Values / Focal Points

- Integrity
 - Teamwork and Innovation
 - Mutual Respect
 - Efficient Operations
 - Accountability
 - Superior Results
 - Delegation

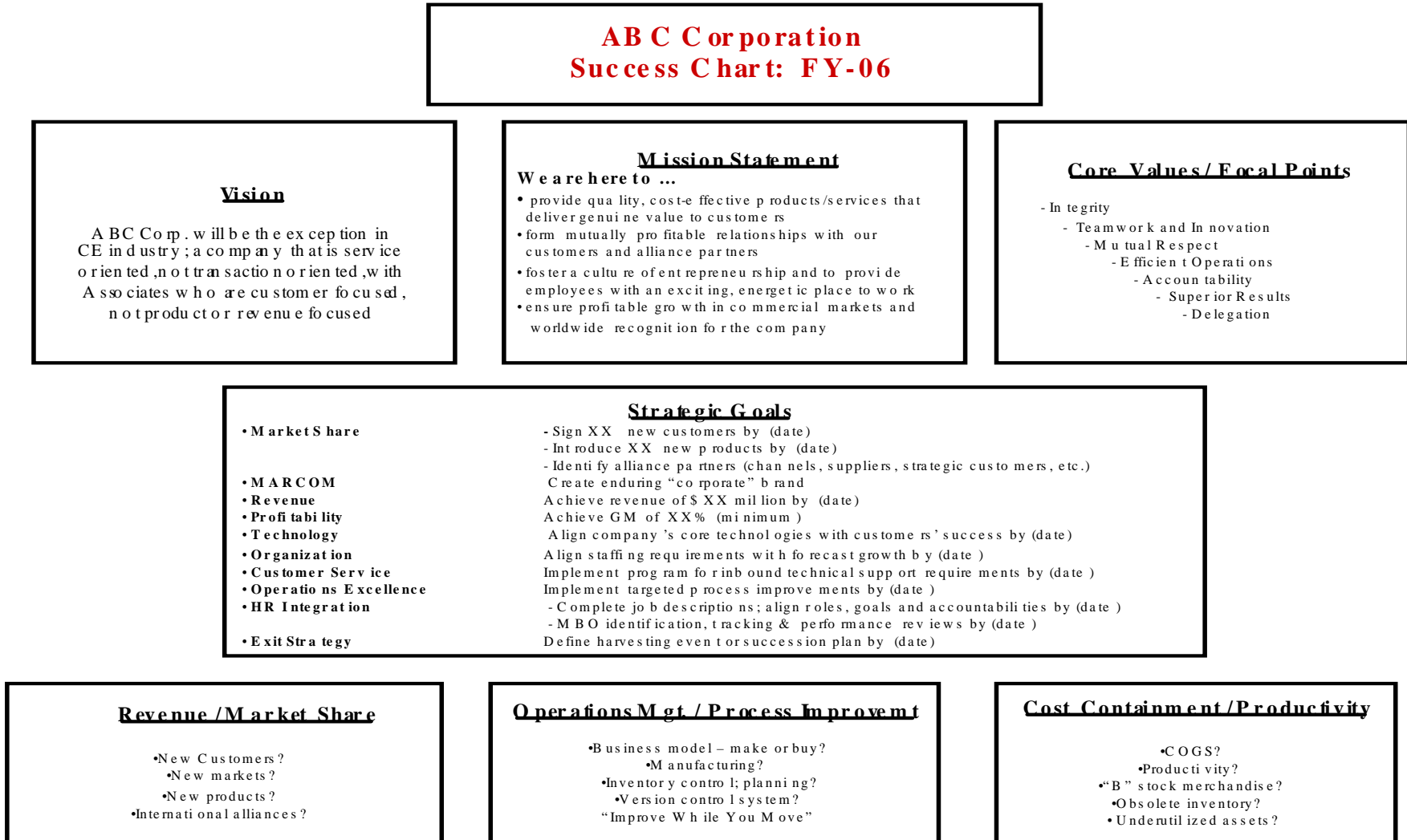
Next come the:

Strategic (long-term) Goals: These are the primary goals you wish to achieve by the end of the planning period (generally one year). Team participation now builds with Division/Dept. managers contributing what they see as their key objectives for the planning period. These are based on the overall business strategy and direction of the enterprise.

STEP 2: Strategic Goals



Finally, we align the company's remaining resources to the Mission, Values and Goals. This is the "buy-in" of company associates to define their contributions to the success of the business over the next 12 months. Each Division/Department head has convened their respective teams to create the strategies and action plans that contribute to the achievement of the strategic goals:



Marketing / Sales / Prod. Develop

- Revenue?
- Gross Margin?
- Pricing strategies
- Key customers?
- New markets / existing or new products?
 - MARCOM - brand identity / equity?
- Sales: management, staffing, training?
- Channels: domestic / International ?
 - Whole product solutions?
 - “UCSB Test” ?

Customer Service / Technical Support

- Response path for customer support
- FAE & technical support resources ?
 - Trend monitoring?
- “Whole product solution” needs
 - Website utilization

Finance / Accounting

- Reporting systems?
- Document control?
- Working capital forecasts ?
- Capital expenditure decisions?
 - AR, AP policies?
 - Budget forecasts?

International Operations

- What product(s)?
- What markets?
- Mode of market entry?
- How fast to enter?

Legal

- Support for sales / marketing?
 - IP issues?
- Agreements; contracts?

Technology

- System architecture, mod requirements (H/W, S/W, services)?
 - Enterprise support systems?
 - Accounting processes/
 - Technical resources?
- Improve operational effectiveness/efficiency?
 - Disaster Recovery System?

Human Resources

- Employee appraisal system?
- Employee policies, procedures?
 - Regulatory compliance?
 - Recruiting, training needs?
- Align roles / responsibilities; goals & accountabilities?
 - MBO program?
- Safety / Emergency comm plan?
- Business succession planning?

BENEFITS OF THE SUCCESS CHART:

Business planning using the Success Chart format includes the following benefits:

- Gaining participation (i.e. engagement) of employees at all levels of the organization
- It sets agreed-upon goals against which progress and performance can be measured
- It focuses and aligns both human and capital resources to the company's mission
- It reduces the tendency to manage from crisis to crisis by focusing the direction and activities of all hands
- With awareness of other Departments'/Divisions' activities, it can encourage "out-of-the-box" thinking by management
- It can force decision-making further down in the organization
- It can create a "farm club" of future leaders for the enterprise who gain insight and understanding for the business by being more engaged in its overall planning and execution

THE SUCCESS CHART - A POWERFUL TOOL FOR PLANNING, ACTING AND ADJUSTING

The Success Chart becomes a two-page overview document with some level of detail that summarizes the company's business and marketing plans and from which, at a glance, members of the team can see where they fit in the process and what their contributions will need to be for overall success of the enterprise. More detailed plans and budgets, again based on the strategic imperatives above, are more department or division centric.

The document can be the foundation for a management-by-objectives program for performance evaluations during the planning period and for year-end reviews.

The enterprise can now operate with a technique called "Bifocal Vision" – the short-term is clear, but the long-term horizon is always in view. Decision-making is no longer myopic. It does not take place in a vacuum. The team can practice tactical attention to detail while having the long-term strategic outlook available to them.

Planning should not be a mysterious process. The Success Chart promotes activity conducive to team building at all levels of the enterprise and helps define what the company is, where it is going and how it will get there.

ABOUT DOUGLAS HOWE:

Douglas Howe, Founder and Principal of Emerson Management Solutions, has specialized in marketing, business development and general management, including turnarounds and restructurings of established companies and launches of high growth pre-revenue start-up operations. From idea inception to harvesting event, he is a practitioner of "bifocal vision" – providing tactical attention to detail in the short-term while maintaining the long-term strategic outlook for the business. His successes include projects across a variety of industries and applications and include companies such as Crown Zellerbach Corporation, General Electric Company, Nikon Inc., Van Camp Sea Food Company, Olympus America Inc., Rockwell Scientific Company and Vivitar Corporation. As a former combat aviator in the U.S. Navy, he has acquired at an early age the success essentials of confidence, self-discipline, attention to detail and expertise in crisis management. He can be reached at dhowe@emersonms.com

ABOUT EMERSON MANAGEMENT SOLUTIONS:

Emerson Management Solutions is a retained consulting and interim management practice that provides timely, cost-effective advice and guidance to small and medium-size businesses. Services include 1) The Business Support Program for business owners/managers who do not have the "bandwidth" of or funding for a full-time employee or who lack the expertise in a particular skill that is critical to future growth; and 2) The Interim Executive Program for companies needing a temporary infusion of top executive talent that can "hit the ground running" with the expertise of a seasoned executive on a part-time or short-term basis. For more information, please visit www.emersonms.com.

ⁱ Acknowledgement: The original Success Chart design was introduced by a colleague, Raphael Osso, in 2002 to be used in the context of a job search. This paper expands the concept for use as a key planning and team-building tool for the enterprise.