



Phone Link Ups

Business Planning

Discussion Paper

Questions Posed

1. What are the differences between strategic and business planning?
2. What are elements of a plan?
3. What are some common mistakes to avoid?

Good plans shape good decisions. That's why good planning helps to make elusive dreams come true.

(Lester R. Bittel)

What is Strategic and Business Planning?

A strategic plan sets a direction for a company. It is usually written for the mid to long term future; spelling out the mission statement, primary goals, and measurable objectives.

A typical table of contents reads like the following:

1. The Company's situation
2. Our Values
3. Our Vision
 - a) Our Mission Statement
 - b) Goals
 - c) Strategies
4. Objectives
5. Action plans by function
6. Budgets/resource allocations
7. Controls

A successful strategic plan requires the participation of key people. These people could be committee members (if a not for-profit organisation), the service manager or leader, key personnel, parents. Different viewpoints on directions, goals, and strategies usually occur but often lead to

creative results. Alignment starts when a consensus is reached on vision, values, mission, goals, strategies, and objectives. A strategic plan must utilise facts and data not on feelings, impressions, and approximates.

The Business Plan

The purpose of the business plan is to set forth objectives and defining the steps necessary to achieve them. A business plan is the best tool to reassure families, staff, or other parties interested in the service's ongoing viability. A business plan should enable the service to measure its progress toward short-term objectives and control the activities of the service. Business plans are usually written by the Director or service manager and they would involve key personnel in the process.

The business plan is built to improve the effectiveness of the service without significantly changing its direction. One can think of the business plan as a translator of the strategic plan or a short-term management control tool. Here's a typical table of contents:

- Executive Summary
- The Service
- Services offered
- Market Analysis including local competitors
- Business Strategy and Implementation
- Organisation Financial Analysis
 - Current position
 - Income and Expenditure projection
 - Profit and Loss
 - Cash flow forecast
 - Break-even analysis

Common Business Planning Mistakes

1. Neglecting to plan
2. Veering away from core business
3. Ignoring or neglecting families and the local community
4. Underestimating other service providers
5. Replacing the plan with a budget
6. Resisting change
7. Shying away from risk
8. Forgetting to look in the mirror
9. Trying to handle it all
10. Overlooking the merits of reward

From Bryant et al, (2009). *The Manual: Managing a Children's Service*

Tasks to complete between now and next time we meet:

1. Review your service vision and values – does everyone share the vision?
2. Conduct a SWOT analysis on your service
3. Review your current business plan – if you have one
 - 🌈 Look at your objectives/goals – which ones have been achieved
 - 🌈 For objectives not achieved – what do you need to do?
4. If you don't have a business plan start to consider goals that could be put into a plan format

Further Reading

There are many books, resources and websites you can obtain or visit to assist with business planning including:

- 🌈 Bryant, L., Semann, A., Slattery, C., Madden, L., & Gibbs, L. (2009). *The Manual: Managing a Children's Service*. Marrickville: Community Child Care Cooperative (NSW) Ltd.
- 🌈 http://www.score.org/template_gallery.html - has great templates (USA based)
- 🌈 www.smallbiz.nsw.gov.au - NSW government small business website (has tools and explanations)

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Program for Isolated Children, Families and Communities

