

# Small Businesses Can Have Their Cake and Eat It, Too

*Tiered planning offers a layer-by-layer success strategy in small organizations.*

As year's end draws near, many organizations are looking closely at the future. During the course of this reflection, they realize that the competitive environment has changed: the workforce issues they once dealt with are not the same anymore, and the products they will be introducing to the market need a different approach to reach their targets and be successful. In short, what worked in the past is not part of the future.

How can your company cope with its own array of issues that require in-depth, thoughtful approaches to avoid failure and achieve financial success?

The answer lies in the way you tackle the planning process.

A successful planning method for companies without a dedicated staff to do the exercise uses a tiered model. By taking the planning process and accomplishing it in pieces, your organization can produce a plan that's both actionable and not burdensome. How do you start?

Think of a tiered wedding cake, with its smaller layer on top and successively larger cakes beneath. Your plan also needs to be done in layers, with one level supporting another. The following diagram will help you visualize the process:

## **Creating the Layers of the Plan**

1. First state the *goals* for your organization—financial as well as non-financial. For example, a goal could be to “Increase employee retention.”
2. Next list the *objectives* you need to accomplish in order to reach your *goals*. These items relate to the goals but have a narrower scope. For example, elements that relate to the goal above could be improved training, better benefits and enhanced compensation.
3. Breaking the picture down even more, begin to consider the various ways you can accomplish your goals and objectives. These components of the plan are your strategies. There should be a variety of strategies for the various objectives you have listed. For example, if a particular goal's objectives are increased income, bigger market share and wider profit margins, ask the team how to accomplish each. From that discussion will come the *strategies*—“introduce new products,” “revise pricing,” “expand geographically,” etc.
4. The next step is the most important layer of the planning process: identifying *tactics*. These are the very specifically defined activities that are needed to implement the strategies you have already listed. Before you detail your tactics, make sure your goals, objectives and strategies have all been agreed to and written down. The tactics are the most important since they are the action steps to success. Many companies with a polished set of goals and objectives are frustrated by inaction because they do not have timelines, budgets and assigned responsibilities. Plans linger and die when no one department or person has the responsibility or resources to accomplish the desired strategies.
5. *Resources* form the foundation component of the plan. Without them, the plan and those responsible cannot achieve the objectives. For example, do you have adequate computer support? Sufficient marketing dollars to communicate your message? Enough competent staff in the key positions to achieve the desired results? When you get to the resources-required level, you may need to revisit the previously stated tactics and adjust to ensure they are achievable. If more resources cannot be allocated

to accomplish the desired outcome, consider adjusting the number of strategies to be addressed during this business cycle.

### **Making the Process Productive**

When you undertake the planning process, schedule parts of it over different segments of time, and do it in several venues (e.g., some offsite, some in-house). Assign duties beforehand, and have fun rethinking what the company could be, and will be, with various issues addressed.

This is the future of your organization. Include your staff, make it an enjoyable process, and you will end up with a plan in which everyone believes and feels a part of. Your plan thus will be actionable and launch you to higher productivity and profitability.

Dream what can be accomplished, delegate the parts and delight in the results!

*By Richard Delaney*