

TIME to redo that PLAN?

“No plan survives contact with the enemy.” – Field Marshal Helmuth von Moltke.

Field Marshall von Moltke was speaking of battle plans and war. The quip, however, can apply equally to business plans. Substitute “real world” for “enemy” and you pretty much have a universal observation.

So how can a business planning consultant admit no plan survives? Well because it is true.

In his pithy phrase von Moltke tells us that every plan must be adaptable. Having the best, most professional, well-thought-out plan, but one that can not change, will not work. Most plans fail in execution and one of the roads to failed execution is not being adaptable.

All plans must be adaptable. Action plans have time horizons; monthly, quarterly and annual reviews of results are common. These reviews are meant to adjust actions so that objectives can be met. Firms must also review their chosen strategy. It may also be time to reset goals and objectives.

A simple example should illustrate the process. Assume that our company, *Example, Inc.*, has a strategy based upon internal growth. *Example, Inc.* is strong financially and its lines of business are centered in a growing segment. However, current (November of 2008) conditions don’t look all that good. (Even growth industries experience downturns.) Shouldn’t *Example, Inc.* pull in its horns to preserve cash?

Well that would be a change of plans for sure. But has it been thought out in detail? Using its financial strength may offer *Example, Inc.* unique opportunities.

It is time for *Example, Inc.* to reconsider its plans, but in an orderly way. The growth goal may need to be adjusted downward, but maybe not. Consider the possibilities. A competitive analysis may show that a number of competitors are much weaker financially. This suggests at least two possible courses for *Example, Inc.* A simple one is changing its marketing plan from being focused on the quality of service to one based on the stability and history of the firm. *Example, Inc.* might also consider acquisitions; market share may never be cheaper than it is now.

However, *Example, Inc.* might not recognize these opportunities unless it actually takes the time to revisit its plans. The normal reflex of reducing head count and taking a bunker mentality may cause *Example, Inc.* to miss tremendous opportunities. It's time for *Example, Inc.* to replan.

Is it time to revisit your planning?

-Greg Meurer, November 2008