

## The Power of Planning

I am surprised how few sales professionals, independent consultants, and small business owners take the time to plan the strategy for their business. Most people spend more time writing out a grocery list or planning a vacation than they do planning the direction or outcome of their business. Many will determine a vague or general idea of what they want to accomplish but very few actually identify the specific action steps they will need to take in order to achieve their goals. I'm not suggesting you create a 25-30 page business plan like a good friend of mine writes every year, but I do recommend that you begin outlining the goals you want to accomplish and how you plan to get there.

It is one thing to set a target for yourself, it is quite another to actually plan how you will achieve it. When I establish my annual goals (which get more challenging every year), I ask myself, "How will I accomplish these goals?" This forces me to plan the tactics, strategies, and actions I need to undertake in order to achieve my targets. For example, if your business relies primarily on referrals, identify what you can do to increase the number of referrals you receive.

In her book, *Get Clients Now!*, author C. J. Hayden suggests using a monthly tracking sheet. This means setting specific monthly goals, planning what action you will take to generate new business, and tracking your progress. She suggests that you engage in a minimum of ten different marketing activities each week. This can include; networking, prospecting, cold calling, sending mailers, speaking, etc. A speaker I know spends most of his Monday planning and strategizing his week, determining exactly what activities he will execute in the upcoming few days.

How should you plan your business? It all depends on what you want to accomplish and what is important to you. I know I could probably increase my revenue significantly in the next 12 months, but it would require spending less time with my family. Only you can determine what is important. And this will change depending on what stage of life you are in. What is important to you now may be completely irrelevant six months from now. Here are a five key areas to plan.

Revenue. If you are like most businesses, you likely have more than one product or service. Therefore, breaking down your sales into specific categories makes sense. This allows you to track your progress in each area and see where you can improve year over year. Plus, I can also determine the products or services I should stop selling because they don't generate very good sales.

Profit. Obviously, determining your gross sales is important. More importantly, though, is the amount of money you have left over at the end of the day. In other words, what profit are you going to generate? A professional speaker I know plans his business by deciding what profit he wants to earn by each year. He then creates his plan backwards to determine how he will achieve this. Remember, you can incredible sales but still go out of business.

Expenses. Controlling expenses is a critical aspect of running a profitable and successful business regardless of the size. All large organizations budget expenses but most independent business owners "wing it" and pay the bills as they come in. If you want to increase your revenues, you need to know how much it will cost you to generate your targeted sales. I remember talking to another trainer a few years ago who had learned this lesson. She began analyzing all of her expenses and found several areas she could trim. This freed up cash which she used to market her business. The result was more revenue with no additional out-of-pocket expense.

Vacation or Personal Time. How much free time do you want for yourself in the next year? I have learned that it is very easy to get sucked into the vortex of running a business and forget to take a vacation or personal time to recharge my batteries. Block those days in your calendar early in the year. This signifies a commitment and allows you to plan your business around these personal days. A friend of mine spends most of his summer scuba diving so he plans the rest of year accordingly. He works extremely hard but this frees up almost 3 months for him to partake in his favorite past-time.

Personal Development. I have found that the people who invest in themselves consistently outperform those who don't. Identify the skills that will help you become more successful. Determine what books, programs, courses, or people can help you learn these skills and take action.

Planning does take time. However, it is time well invested. Make the time in your hectic life to create a plan for next year's business. Review it regularly and make the necessary changes as you progress forward. You'll be glad you did.

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