

Introduction:

There are no great works without deliberate intention.

A plan is the thinking through and plotting the steps to a desired outcome. The intention is made deliberate through planning.

Regardless of experience, complex problems require team synchronicity; training and practice must focus on repetitive fundamentals. Regardless of experience the fundamentals rarely change, and can be practiced by the experienced and inexperienced alike. Individual and team drills that are effective in peewee basketball encompass the same drill concepts that work well in the NBA. The same is true in business. The four step plan described here has components that will provide insights to people from new trainees to seasoned entrepreneurs.

There are hundreds of strategic planning methods, but the sole purpose of any good business plan is to create long term value, or owner's value. In order to create that value, the plan must provide continuity and create cooperation, it must prepare for and create opportunities and stimulate productivity. It should document, communicate and inspire. A good plan starts with owner's value, and results in team solidarity with ability for management teams to provide direction and delegate, effectively engage team member skills, and realize purpose of accomplishment. The *plan* consists of the following steps:

1. Owner's Value (OV) describes the purpose of a business. This is a conscious set of owner's decisions about the reasons for starting or continuing a business.
2. Vision that describes what the successful accomplishment of OV looks like in the end.
3. Strategy to focus effort and strategic goals to measure successful movement toward vision.
4. Operational policies and procedures that will achieve the goals.

In this approach a documented justification guides all decisions, big and small. Whether a venture or project, simple or complex, OV is the fundamental guide. OV directs the vision, or what the OV will look like when successful. Vision and OV together create purpose, and provide boundaries for governance. Strategic goals provide both guidance in drafting operational procedures and policies, and waypoints to measure progress. That's it!

Owner's Value

Don't lose sight of the prize. In any team or partnership scenario, it's not possible to live well or have success without first deliberately identifying and reaching agreement on expectations. To this end, the foundation of any business planning is *always* owner's value (OV). OV is an entrepreneur's conscious decision of what a venture will provide from a very personal standpoint. In Agland's business planning scenario, all business owners become entrepreneurs with new choices in every ownership succession.

OV is not necessarily moral value. There is a significant difference between OV and an owner's moral value. For example OV may be monetary only; e.g. 'to make as much money as rapidly as possible'. Although OV does not start with morality, the result may and probably ought to be morally based in any enterprise other than SEC governed corporations; but even providing short term profits to shareholders (the OV if public corporations) serves a moral integrity of purpose.

OV Integrity is fundamental. It allows teams to win. Integrity means that it must be clear for executive team planners and participants to see, contemplate and engage-with. In complex endeavors it must be written or spoken and transcribed. Teams are either inspired or not. OV provides clear incentives or disincentives for individuals to make conscious choices about whether to spend their lives participating to achieve it or not; potential owners, management and staff alike.

When OV is unstated or unclear, separate owners, managers and staff wander about creating their own idea of what the company is about. Power conflicts are inevitable and company behavior is schizophrenic. When owners and General Managers of professional sports teams have contention it is because of unidentified or unclear OV. Whether conscious or not, world champion sports and other champion business teams have OV clarity at their roots. Every time!

If there are more than one potential owner as in a partnership, LLC or S-Corp, where's the common ground? Only common ground can be OV. Otherwise, the venture will be excruciating and fail in the end. The fundamental application of a business plan can be simple or complex. For example a road trip can demonstrate how a plan can be applied to almost any team situation. For example the 'owners' could be parents. Parents 'own' the planning of family experience. The OV could be fulfilling family love, rich experience or adventure. The strategy could include safety, timeliness and fun, the implementation might be a week at Disneyland. A road trip is so simple that describing the fundamentals are academic, but always necessary when ownership is shared by 2 or more people; only an individual can wander about aimlessly without infringing on others. The more complex the endeavor, the more important the fundamentals are in achieving a favorable outcome. Marriage for example is a complex endeavor. Husband and wife are *owners* of the marriage. Contention and divorce is the result of either unclear OV or failure of loyalty to it. What is the OV of a marriage?

Defining, documenting and communicating OV is most basic and fundamental business planning task. It must be done to ensure meaningfulness of purpose, conscious team buy-in, and effectiveness and efficiency of planning and implementation. Without the hierarchical planning and governance structure of OV-vision-strategy-implementation, leaders cannot delegate and teams cannot compete.

Company long term value or OV and vision are participated in by invitation only.

Key Procedural Discussion Points

1. In business planning, OV is fundamental.
2. Can successful long term businesses be sole proprietorships?
3. What happens if two or more owners can't reach a consensus on common ground?
4. What happens to OV when there is a partial ownership succession?

Strategy

How do we create and deliver value?

The extent to which an entrepreneur wants feedback is the owner's prerogative. The same is true with vision. Strategy however is where the executive component of the team talent becomes necessary. With the clear focus of OV and vision, the executive team's mission is *only* to come to consensus on what strategies to employ and how strategic success will be measured. Strategic goals are the waypoints that keep the strategic (AKA executive) team on task and on track to delivering value. Strategic goals are the measure. They also dictate operational procedures and policies described below.

Be Strategic or Go Home!

Think, plan, and act. Do Not react! There are not many opportunities for young people to be exposed to strategy. We are trained to be operational thinkers. Operational skill sets are where most of us are proficient so it is where we are most comfortable. Planning is in itself a strategic act. Are you a strategic thinker?

The #1 cause of business failure is operational thinking. Business pendants are all over the WWW; Top 10 causes of business failure, # 1 reason businesses fail, etc., etc.. The vast majority of these, literally more than one can read or watch, literally miss the mark altogether and focus on symptoms, not the cause.

According to former IBM CEO Sam Palmisano,

"At the core of a company is the business model. while the business model receives the white-hot spotlight of attention during a company's startup phase, it's typically ignored once the organization is launched"

The problem is that all of us are by nurture operational thinkers, even many top executives¹. Plans that fail to hold their value loose relevance because they are operational plans created by operational thinkers. The only way to become a strategic thinker is through training and practice.

Strategic Procedure

The first rule: ***The purpose of any business enterprise is to achieve OV!***

The second rule of a strategic team is that in the end, the CEO or management team leader makes the call. There are times to build consensus and other times to dictate consensus. Knowing how and why to make this decision is the job of the leader.

Effective strategic teams adopt a procedure, for example where the team adheres to the following rules:

3. The third rule: Get the language right. Getting the language right means having a communal understanding of what strategy is, what its components are and how they are used. since there are many interpretations of strategy, objectives, goals, tactics etc., the terms are defined within the team so the team doesn't get bogged down with semantics. Strategic planning without clear understanding of defined terminology will become cat wrangling.
4. Strategy sessions are facilitated. The facilitator is the most important person in the room. She is not the CEO or executive team member. He is an exceptional strategic thinker without conflict of interest with any participant and has no skin in the game.
5. Expected outcomes of strategy meetings are agendized. Keep the topics one or minimal. Focus on decision.
6. 100% confidentiality and 100% participation on topic all the time every time.. No back channel conferencing. This is an integrity issue. Why?
7. Develop and use a process. For example
 - a. Establish criteria to reach a decision.
 - b. Discuss options and weigh their risks and benefits
 - c. Employ some of the numerous activity tools (e.g. 9 Box Talent or SWAT Analysis).
8. Strategy is employed by consensus only! Outliers have an opportunity to storm and persuade, but in the end there are no outliers. Lack of strategic solidarity is necessary grounds for termination.

Key Procedural Discussion Points

1. Strategy is the arena of the executive team.
2. In business, revenue is always the first strategic consideration. Talent is second.
3. Operational thinkers are not effective managers. Utilize training and coaching as necessary.
4. Strategy is created by thinking abnormally; reaction is normal human behavior.
5. Keep it simple! Strategy describes only two things; the opportunity, and how to capitalize on it.
6. Write it down. There can be no integrity unless it can be repeated after being challenged.
7. Radical Transparency; make it public, don't keep it a secret.
8. Why is back channel conferencing an integrity issue?
9. Strategic thinking is daily; not annually.
10. Strategy should be layered with the org chart.
11. Have some grit! Are you a challenger or a yes-man?

¹ Strategic Business Consultant Rich Horwarth sites compelling references in <https://www.youtube.com/watch?v=z2NYJJ7XTrc>

12. Good strategic thinking takes practice.
13. There is an operational aspect of good strategy.

Mission

Mission can be defined as the overriding strategy, or all-encompassing strategic goal; the goal at the top of the list. Mission can be omitted but may be very useful. Just like other strategic goals, mission can be layered by management team or be reinvented in the present, weekly etc.

What will the business mission be? What will people focus on every day?

Operational / Tactical Planning

For this approach Operational = Tactical.

Operational planning starts with understanding the company OV, vision and strategies. The Operations Planner is a member of the Management Team and thus participates in and becomes in agreement with strategy.

1. Connect the management team at least weekly.
2. Set goals that are specific and achievable by operations staff.
3. Create tactical plans for taking action to achieve goals (tactical plans show whom, how, how much & by when).
4. Standardize practice and publish in procedures and policies so that operational people can:
 - a. practice and become competent.
 - b. be observed on standardized performance.
 - c. participate in solutions; provide feedback in a purposeful manner.
 - d. take on self governing and thus be self starting.

Key Procedural Discussion Points

1. What is the most significant urgent action step that would contribute to success?
2. What are the obstacles or limitations faced in completing the tactical plan?
3. What are the consequences of not overcoming the limitations?
4. What support will we need to ensure success in overcoming obstacles
5. What are we in denial about?
6. What are the operational planner's weaknesses that need to be augmented?