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**Listening to Your Business**

**Part II of II**

**WORKSHEETS**

**Listening to Your Business**

**Participant Guide-Part 2 of 2 - WORKSHEETS**

Table of Contents

Welcome to Listening to Your Business

Step 3 Planning Tools and Competencies

Assessment Tool 6: Planning for business success- Part 1 and 2

Assessment Tool 7: Business competencies

Step 4 Transition Tactics

Action Step 1: Vision summary

Action Step 2: Transition tactics

Action Step 3: Actions, insights, and resources

LISTENING TO YOUR BUSINESS

**You want to be here in three years**

**Step 4 Transition Tactics**

o Establish action steps for the transition.

o Identify immediate actions needed.

**Step 3 Planning Tools and Competencies**

o Evaluate current planning tools.

o Identify the way plans will be used for analysis, communication,strategic direction, and control.

**Step 1 Three-Year Vision**

o Envision where you want your business to be in three years.

o Discover where your business is today.

o Determine necessary transitions

to reach your vision.

**Step 2 Business Life Cycle and Transitions**

o Verify the stage of growth of your business.

o Decide at what stage of growth you want your business to be in three years.

o Ascertain the challenges of

transitioning from one stage to another.

**You are here.**

ASSESSMENT TOOL 6

PLANNING FOR BUSINESS SUCCESS

Part 1

The purpose of the entrepreneurial planning process assessment is to evaluate current planning systems and identify issues that have not been covered in the planning process. Those issues that are missing or below satisfactory should be completed or reworked in order to have a comprehensive plan.

**Business planning process**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Rate your process:** | **Don’t have or don’t need** | **Under consideration** | **Satisfactory** | **Excellent** |
| The business has a formal process to identify business opportunities, potential risks, and pitfalls. |  |  |  |  |
| Key management team members prepare appropriate sections of the business plan. |  |  |  |  |
| Goals are written and systematically reviewed by key management team members. |  |  |  |  |
| Success factors are tracked and measured against the business plan projections. |  |  |  |  |
| All business planning documents are in place and can be easily updated. |  |  |  |  |
| The planning process reduces uncertainty and manages continuous improvement. |  |  |  |  |

ASSESSMENT TOOL 6 (continue)

PLANNING FOR BUSINESS SUCCESS

Part 2

Review the table on the next two pages highlighting the entrepreneurial planning tools. Rate the quality of your existing planning processes in the last column by using the following rating scale:

1. ***Don’t have or don’t need,***
2. ***Under consideration,***
3. ***Satisfactory, or***
4. ***Excellent***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ASSESSMENT TOOL 6  PLANNING FOR BUSINESS SUCCESS – PART 2 | | | | | |
| **Type of plan** | **Time frame** | **Goals** | **Content** | **Deliverables** | **Rating** |
| **Feasibility** | Pre-business launch or when introducing new product and service lines. | Determine if a business idea is marketable and could be profitable.  Ten to 20 page plan that analyzes the industry and forecasts potential.  Identify areas of greatest threats and opportunities.  Produce a written plan for further evaluation. | Executive summary.  Management and organization.  Product and service plan.  Marketing plan.  Financial plan.  Appendix. | Written to determine if new opportunities and ideas are marketable and have profit potential.  Identifies start-up costs and projects when breakeven will be attained.  Includes sales projections for the next 12 to 36 months.  States what the next step will be and includes a timeline. |  |
| **Business** | Prior to launch or during growth stages. Review and evaluate at least quarterly. | Road map for operating the business.  Evaluate every aspect of the new business to meet unforeseen challenges and opportunities.  Develop planning skills necessary for launch and growth of the business.  Address critical strategic questions.  Force founder to consider and document every business facet for lenders and investors to review. | Executive summary.  Management and organization.  Product and service plan.  Marketing plan.  Operating and control systems.  Financial plan.  Appendix. | Is comprehensive, evaluates every aspect of the business, focuses on opportunities, and includes financial projections and pro formals.  Identifies needed capital resources.  Identifies fatal flaws and addresses how to overcome them.  Is investor-ready, explains why the investment is attractive, and specifies potential risks.  Is used as a guide to operate and evaluate the business.  Goals are reviewed quarterly and progress is assessed. |  |
| **Marketing** | Prior to launch or when introducing new product or service lines.  Review monthly. | Evaluate market and demand.  Segment target market and align product to  the needs of that market.  Validate price points.  Identify distribution and sales channels.  Strategic positioning. | Profile of target markets.  Timelines and deliverables.  Advertising and promotion.  Competitive analysis.  Distribution channels.  Sales and service goals.  Success measurements. | Identifies and quantifies who has the need for the product/service.  Outlines action plans and tactics to get the product service into the hands of the customer.  Creates a blueprint to follow that includes all marketing messages and sales activities.  Establishes goals and accountability relating to sales and marketing efforts. |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ASSESSMENT TOOL 6: PLANNING FOR BUSINESS SUCCESS – PART 2 | | | | | |
| **Type of plan** | **Time frame** | **Goals** | **Content** | **Deliverables** | **Rating** |
| **Strategic** | Post business launch.  Review and evaluate semiannually. | Long-range plan.  Develop competitive strategies for long-term growth and profitability.  Identify opportunities and resources needed to offer the right products/services in specific geographic areas.  Decide what business(es) the business is in over the next five years.  Determine changes needed to reallocate resources and realign competitive market opportunities. | Vision statement.  Mission statement.  External conditions.  Market evaluation.  Internal evaluation.  Implementation plan. | Includes a longer-range forecast for two to five years in the future.  Contains a competitive growth strategy, and identifies new business opportunities and resources needed for expansion.  Is reviewed and revised annually.  All staff has input into the strategic plan.  Changes in the revised strategic plan are shared with staff. |  |
| **Operating** | Annually.  Review and evaluate monthly or weekly. | Generate detailed, monthly action steps with timetables.  Coordinate all management activities and efforts among the different organizational units.  Provide a control and monitoring tool.  Create peer-pressure management style.  Facilitate a smooth transition among management.  Shorten management meetings.  Provide objective evaluation tools and performance information to the CEO. | CEO’s resume.  Organizational chart of key staff.  Business goals with assumptions.  Financial data.  Departmental planning formats. | Details monthly action steps with timetables.  Includes benchmarks that measure performance.  Includes a contingency plan if projections are faulty.  Evaluate and adjust action steps to reflect changes in the marketplace.  Compensate staff based on goals achieved. |  |
| **Financial** | Annually.  Review and evaluate monthly. | Assess and monitor profitability.  Accurately project sales, cost of sales and operating expenses.  Project cash flows.  Determine need for funding | Financial projections.  Sales and expenses estimates. | Project revenues, costs of sales, gross profit margin. |  |
| **Exit** | During business life cycle.  Periodically review. | Determine exit plan and strategy.  Sell to outsiders.  Sell to family members.  Management buyout.  ESOP.  Merger or acquisition.  IPO.  Close the business. | Select exit plan.  Create a timeline.  List strategic action steps to execute the exit plan. | Identify which exit option is selected.  Outlines the deal structure and elaborates on what the stakeholders will receive.  Contains a timeline with checkpoints.  Includes action steps that measure progress. |  |

**ASSESSMENT TOOL 7**

**BUSINESS COMPETENCIES**

To be successful, entrepreneurs need a solid business foundation on which to build. It is critical for you to understand the key entrepreneurial management skills needed for success. This competencies exercise will help you assess business strengths and weaknesses and target areas for improvement.

Listed below are the key indicators of entrepreneurial success. Rate your business for each competency by checking whether it is

* weak,
* in need of improvement,
* satisfactory, or
* excellent.

Any items that were scored weak or needs improvement in each category should be incorporated in the transition tactics in Step 4.

ASSESSMENT TOOL 7 (CONTINUED)

**BUSINESS COMPETENCIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Rate your competencies:** | Weak | Needs  improvement | Satisfactory | Excellent |
| **Entrepreneurial management competencies**  Leadership and vision  Planning  Communication  Motivating others  Goal-setting  Coaching  Team-building  Decision-making  Delegating  Problem-solving  Conflict management  Negotiation  Feedback  Human resources management  Listening |  |  |  |  |
| **Marketing competencies**  Market analysis  Market research  Target marketing  Market penetration  Sales management  Competition analysis  Customer service  Pricing  Distribution.  New product planning |  |  |  |  |

ASSESSMENT TOOL 7 (CONTINUED)

**BUSINESS COMPETENCIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Rate your competencies:** | **Weak** | **Needs**  **improvement** | **Satisfactory** | **Excellent** |
| **Financial competencies**  Developing financial strategy  Budgeting  Cash flow management  Financial forecasts  Raising capital  Establishing banking relationships  Understanding financial documents  Creating value |  |  |  |  |
| **Technology competencies**  Computer literate  Word processing  Spreadsheets  Databases  PowerPoint presentations  E-commerce  Internet  Website  E-mail |  |  |  |  |
| **Legal competencies**  Leases  Contracts  Employee agreements  Human resources: local, state, federal regulations  Intellectual property protection |  |  |  |  |
| **Operational competencies**  Systems management.  Inventory control  Quality control  Credit and collection  Cost analysis and control  Manufacturing  Production scheduling  Purchasing |  |  |  |  |

Step 4

Transition Tactics

ACTION STEP 1

VISION SUMMAR**Y**

**Summary of three years from today**

Summarize where you want your business to be in three years.

**Summary of current state of business**

Summarize where your business is today.

ACTION STEP 2

TRANSITION TACTICS

Develop transition tactics by listing each goal. Then consider the action steps, cost, deadline, and responsible party for each goal.

|  |
| --- |
| **Transition tactics for entrepreneurial management**  Date: |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |

|  |
| --- |
| **Transition tactics for marketing One**  Date: |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |

ACTION STEP 2 (CONTINUED)

|  |
| --- |
| **Transition tactics for financial**  Date: |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |

|  |
| --- |
| **Transition tactics for computer technology**  Date: |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |

**ACTION STEP 2 (CONTINUED)**

TRANSITION TACTICS

|  |
| --- |
| **Transition tactics for legal**  Date: |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |

|  |
| --- |
| **Transition tactics for operations**  Date: |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |
| Responsible  Goal Action steps Cost Deadline party |
| 1.  2.  3. |

ACTION STEP 3

ACTIONS, INSIGHTS, AND RESOURCES

The goals and action steps identified in the Transition Tactics on pages 44–46 will help you move your business forward to your desired stage. One critical final action is needed—prioritize the goals you have listed and select three items for immediate action.

|  |
| --- |
| **List three critical actions you can accomplish (or at least get started on) immediately:** |
| 1 |
| 2 |
| 3 |

**Insights discovered**

|  |
| --- |
| **Record insights you have gained while spending time working on your business.** |
|  |

**Resources found**

|  |
| --- |
| **Identify resources you have discovered that can assist you in reaching your business goals.** |
|  |