

“The added value of a business plan”

-Savvas Thalassinos

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Lessons from the crisis...

If to the common question: “What has your business plan forecasted?” you reply with the epic question “Which business plan?”, then you must be really concerned with “Where your company is heading to?”. And it is at this very moment that you find yourself in a vicious circle since your response will be surely handicapped.



Anyhow, it's you that neglected to construct a comprehensive

business plan (BP) that would enable you to have an all-rounded and thorough opinion, isn't it!

The BP has been pronounced, especially by the western business world, as the Bible, the Magna Carta and many more which very aptly apply to the BP the status of the driver, if you like... (and very rightly) of the handbook of strategic engagements of the company. And if it truly works as the compass then the BP can only be the responsibility of the person leading the organization, the person who shows the way forward, the one we call the Leader. And to avoid misinterpretations, of course it's one thing to assume accountability for the assembly of the BP and a different thing to make it a restricted personal business affair. But this issue I would say lies with another “chapter” of entrepreneurship. The essence to keep at this stage is that the Leader should produce the BP through its structures and of

course to recycle and inject it back to the same structures for implementation.

Now...as far as the traditional punch line: “But we are too small to deal with a BP!” is concerned, this is by nature an unfortunate I would say even untimely position. I am wondering whether such a positioning could be done on purpose and as a means to renounce one's own responsibility? In such a case the issue becomes really complicated. Nevertheless, it is a fact that many small to medium enterprises have disappeared in the absence of a BP. When things run well and smooth for everyone, i.e. times of economic growth, most probably failure is not so obvious or many times may just impose partially on the bottom line- if any one has the courage to pinpoint it. But when things are really stormy, then negative performance many times heads towards the bottomless black hole threatening even the company's survival. I am sure that many of you have nodded agreeably.

“So... is everything due to the absence of a BP?” Of course not, but a well-documented, thoughtful and balanced BP foresees (should foresee) all those factors that build up success (and failure of course!). Those elements that make the leader to shape an all-inclusive picture, all those happenings that take and will take place around his company, and surely the general environment in which it operates. It provides good and bad scenarios to identify those indicators which determine where and how his company is heading to, when interventions and corrective

actions are required –and of equal importance- if more resources are required to specific functional or business lines so the success of the moment can flourish and multiply.

Oh...and something else: The BP is not just numbers! A BP should be constructed on a qualitative basis, information and rational. Discussions, exchange of ideas, brainstorming and creative thinking are all integral parts of a BP. A BP is a methodological approach that should convert into applied entrepreneurship. It forces you to think and consider the greater picture of your organization



but at the same time not to neglect at all the important side-and sub- parameters. The BP should travel you there, where it is not enough to have just a good picture of, your operational costs for example or of your capacity to draw more revenues from the market. It should travel you even further, where like a spotlight you can identify and redefine the identity of your company, of your products and services, to discover that competitive edge which differentiates you and allows you to claim more! A good BP should force you to search more, to troubleshoot, to doubt and to test. And at the very end it should be reproduced and reformed (the BP) in such a way that it is supported by numbers.

I ‘ve heard many times friends to rationalize the results of the crisis with the endearing statement: “Who in the world could predict such a crisis...”. But no one of course should necessarily predict the crisis. What was needed it was just a plan. A comprehensive and well-thought plan. Such a plan, which amongst other things would project how to encounter the very pessimistic scenario! The so-called exercise on paper is made during periods of “peace” so we can be up and running for “wartime”. Nowadays more and more organizations apply even deep risk analysis when they plan, and don’t tell me

that this is for the banks only! For some refusing ears the whole concept still doesn’t sound so appealing and applicable? Well, I would agree then that, even if there was a BP in place the harsh results of the crisis might not be fully encountered... if you agree that the odds of a successful handling of the detrimental and decisive issues would be more enhanced with the presence of a BP and therefore the end outcome could be much different and diverse.

The business plan is the compass of the commander and as such it is an integral prerequisite for entrepreneurship!

If there is something that we should have been already taught is that:

- a BP is a must-do;
- a BP has to be comprehensive and well-thought;
- a BP needs know-how to be valid

Experience shows that the absence of a business plan is one of those fundamental factors that lead a company to the so called deep and uncharted waters, many times to the unknown, to the ...nowhere.

And if there is something that I have personally learned and consolidated in the many years of my diverse experience is that, if you let things to the blind you can only get results (good or bad) by chance...