ANNUAL BUSINESS PLANNING

It's that time of year when you need to start thinking about having a **"PLAN"** for the coming year.

The start of a new year does offer a natural starting point. and it's always a good time to think about what you do and how to do it better. But planning is really just another goal you set for yourself. And like all goals, the most important step in actually achieving it is… *Good Planning*.

"By failing to prepare, you are preparing to fail." — Benjamin Franklin

What goals are on the top of your list for 2019? And how will you go about setting them?

Business planning is the process of creating a vision of the future, aligning your people, processes, and systems, and creating the necessary steps/goals towards that future. It is like looking at your company and industry from a helicopter to see where it is going, what has changed, and to see if there are other opportunities. Then coming down and setting the direction for your business based on the information.

Business planning answers these 3 primary questions:

- **Current Reality** -- Where are we today?
- **Goals --** Where do we want to be in the future?
- **Action Plan --** How are we going to get there?

Other questions that come in to play as a part of the 3 primary questions are:

- What is standing in our way?
- Who are our competitors; are they better, why are they better, are we better? etc…
- What helps govern our decisions?

Once these questions have been answered, you can start working towards your objectives.

A good annual business plan will help you (and others in your company) make decisions today based on your long and short term goals.

It will help you take your business to the next level.

It is also a means for you to communicate your ideas and your vision to other people who can help you build your business. In addition, the plan helps focus the company, and the people involved, on a direction and helps them commit to making this idea a success.

Getting from Here to There...

"If you don't know where you are going... you'll end up someplace else." — *Yogi Berra*

Now, let's dig into the steps to creating an annual business plan. A critical path item as you work through this process is to tackle each of the 3 Primary Questions separately. The thinking process or Mind Set for each of these is different. So, do your self a favor and do them as separate process exercises.

Step 1. Start with the Current Reality –

Before you can determine where you are headed you must first determine where you are at.

Where are you at? What is your **--HERE?**

What is Current Reality? By definition, current reality is the total of all the elements, metrics, and factors, internal, and external, that are present at a given point in time *"HERE".*

We know that operating from an awareness and acknowledgment of who and what and where your business is, as well as being aware of the factors going on around you, is the only way to be truly in touch with current reality. People and companies who are not in touch with their current reality are deluded. You need to be brutally honest with this process in order to create the platform for identifying the goals in Step 2 that will make a real difference in getting you from**....***Here to There.*

Step 2. Set Your Goals–

There are the big ones**....**like how much do I want to try to grow my business, and how much profit do I plan to make? Each company has to find its own goals based on its own needs.

- To define them, ask yourself three things:
    - What will your company become?
    - When will it happen?
    - Who will make this happen?

- Describe it. Answer basic questions like:
    - How many employees will we need?
    - Who are your customers?
    - What do you sell them?
- Ask lots of questions…
    - Be specific…
    - Write the answers down…
    - Use this model to drive decisions.

There are the Supporting Goals**....**Setting good supporting goals is what keeps your day-to-day operation in line with your long-term vision. This is the hardest part of planning, where you start linking your vision of the future to the actions of today.

Say you have 200 customers now and a $1,000,000 business. To reach $1.5 million in 2019, you might need to add 100 more customers. And how will you do that? If your plan is to get there by 2019:
- Quoting 50 new customers a month
- Generating positive customer reviews
- Building a strong brand

These are supporting goals, and each requires multiple actions to achieve them. Each of your supporting goals leads directly to meeting the bigger goal. You can have multiple layers of supporting goals, each supporting the ones above it.

So to generate 50 quotes a month for example, you plan to
- Add a new estimator
- Get more efficient through software
- Advertise to generate more raw leads

See these goals in a simple goals pyramid...

Supporting goals also help you prioritize investments.

As you look toward the future,

Where do you see gaps?

What does this future company do that you don't do already?

How are you going to bridge those gaps and when will you do it?

And are there things you plan to do in 2019 that don't support these goals?

If so, should you still do them? Prioritize your investments to support your goals.

Finally, Keep Your Goals Simple and Few.
One of the key benefits of goal setting is to help you focus. Trying to pursue too many goals at the same time can be as bad as not pursuing any. Keep your high-level goals few, so you can focus on them.

This may require hard decisions about which goals to pursue now and which to defer until later, so prioritization is also important. We recommend from 3 to maybe 5 upper-level goals, which all support your top-level strategic goal.

Step 3. Action Planning–

High-level and supporting goals are critical. They are also the precursor to the important question of
"How am I going to get to THERE".

"Setting a goal is not the main thing... It is deciding how you will go about achieving it and staying with that plan." — Tom Landry

First things first, now that you have established your goals....Make Sure Your Goals are SMART the SMART test helps you ensure that your goals can be validated and effective.

Ask yourself if your goals are:
> **1. S pecific –** What is expected, why is it important and who is going to do it?
> **2. M easurable –** How will I know if it's done? How will I know if we're on track?
> **3. A chievable –** Is it possible and realistic to succeed?
> **4. R elevant –** Will achieving this goal drive you toward a meaningful objective?
> **5. T ime-Based –** Specifically, when will the goal be met… or be un-met but finished

It is an essential part of creating and action plan to achieve each goal to identify**...**
- The who**.....**Who will champion this initiative?
- The why**.....**Why are we doing this? Will doing it achieve the goal?
- The what**....**What steps and metrics are we implementing?
- Can its progress can be measured?
- Is it possible to accomplish?
- Does it address your big-picture objectives?
- Can you give it a timeframe,

If so, it can be a SMART goal. If it fails any one of these tests, *Try Again*.
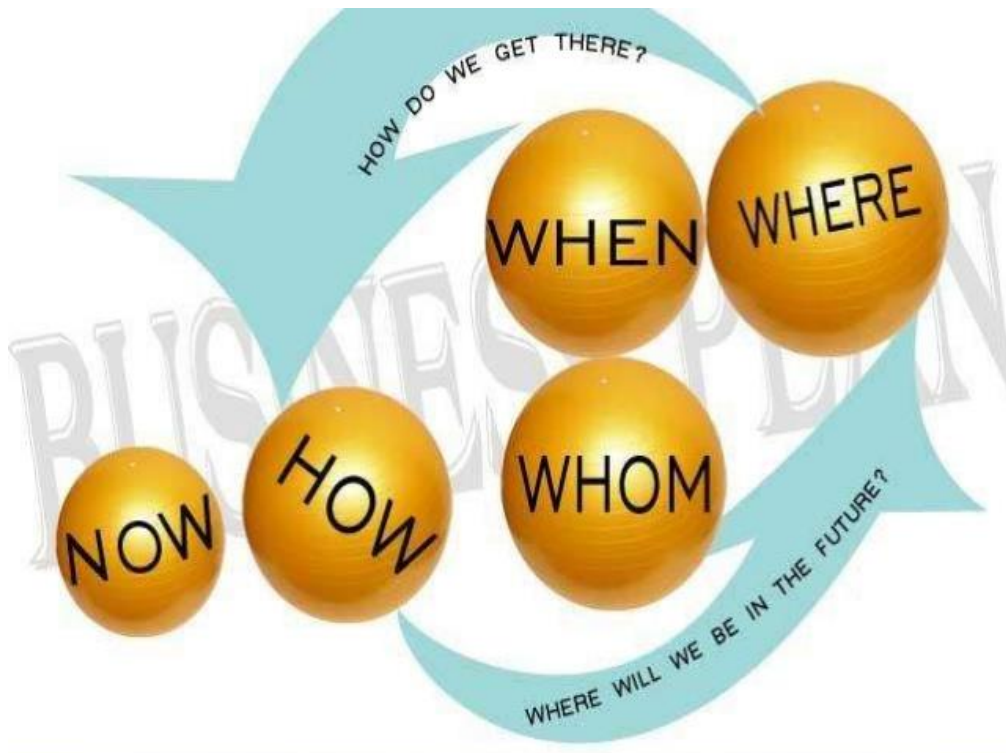
Keep Planning...

This 3-Step model isn't the most-formal or rigorous planning process, but it can give you a quick win for 2019. If the system works for you, use it to create annual and quarterly goals to plan out your growth from year to year and from season to season.

"Few people have any next...   they live from hand to mouth without a plan...   and are always at the end of their line." — Ralph Waldo Emerson

2019 is coming… it'll be here sooner than you think. But you still have time to plan for your success. No plan is perfect, but the biggest mistake is to have no plan at all.

...Get Planning!

The Harvest Group
Landscape Business Consulting

BUSINESS ACTION PLAN TEMPLATE 2019

The 10 Buckets...

1) FINANCIAL MANAGEMENT:

2) CLIENT MANAGEMENT:

3) SALES / MARKETING MANAGEMENT:

4) EMPLOYEE MANAGEMENT:

5) QUALITY CONTROL

6) PRODUCTION AND SCHEDULING:

7) EQUIPMENT MANAGEMENT:

8) SAFETY MANAGEMENT:

9) BRAND AND APPEARANCE COMPLIANCE:

10) OFFICE AND ADMINISTRATION:

The Process...

- ✓ **CURRENT REALITY:** Where are we at? What is our ...HERE
- ✓ **GOAL:** Where are we Going?
- ✓ **ACTION PLAN:** (Relentless Follow-Up) How are we going to get ...THERE?

BUSINESS ACTION PLAN TEMPLATE 2019

FINANCIAL MANAGEMENT:

CURRENT REALITY:
- **2017 Revenue overall and by service stream?**
  - **Year over Year changes % and $**
- **2018 Projected Revenue overall and by service stream?**
- **2017 Gross Margin overall and by service stream?**
  - **Year over Year changes % and $**
- **2018 Projected Gross Margin overall and by service stream?**
- **2017 Net Profit?**
  - **Year over Year changes % and $**
- **2018 Projected Net Profit**
- **Wins / Losses, Trends and Pain Points?**
- **Retention Rates of Recurring Revenue Streams**

GOAL:
- **2019 Revenue Goals overall and by service stream?**
  - **Year over Year projected changes % and $**
- **2019 Gross Margin Goals overall and by service stream?**
  - **Year over Year changes projected changes % and $**
- **2019 Net Profit Goals?**
  - **Year over Year projected changes % and $**
- **Retention Rate Goals of Recurring Revenue Streams**
- **Goals related to Addressing or Exploiting Wins / Losses, Trends and Pain Points**
- **Other Specific Goals and Targets**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**

CLIENT MANAGEMENT:

CURRENT REALITY:
- **Retention Rates of Recurring Revenue Streams**
- **Retention Rates of Top 25 Clients by Dollar Volume**
- **Penetration Rate (Extras / Up sells to Base Contract Clients)**
- **Percentage of Sales Volume with Largest Client**
- **Wins / Losses, Trends and Pain Points?**

GOAL:
- **Retention Rate Goals of Recurring Revenue Streams**
  - **Year over Year projected changes % and $**
- **Retention Rate Goals of Top 25 Clients by Dollar Volume**
  - **Year over Year projected changes % and $**
- **Penetration Rate Goals / Targets**
  - **Year over Year projected changes % and $**
- **Goals related to Addressing or Exploiting Wins / Losses, Trends and Pain Points**
- **Other Specific Goals and Targets**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**

SALES / MARKETING MANAGEMENT:

CURRENT REALITY:
- **New Sales Growth of Recurring Revenue Streams**
- **New Sales Growth of Non-Recurring Revenue Streams**
- **Closing Ratio by Salesperson by Revenue Stream**
  - **By number of Jobs Sold and Revenue**
- **Proposal Activity Ratio by Salesperson by Revenue Stream**
  - **By number of Jobs Proposed and Revenue**
- **Trade Group / Show Participation**
  - **Local Chamber, BOMA, IFMA CAI, Home & Garden Show, Etc.**
- **Previous Sales and Marketing Plan / Campaign.**
  - **Timelines / Methods / Cost / Results**
- **Wins / Losses, Trends and Pain Points?**
-

GOAL:
- **New Sales Goals of Recurring Revenue Streams**
- **New Sales Goals of Non-Recurring Revenue Streams**
- **Closing Ratio Goals by Salesperson by Revenue Stream**
  - **By number of Jobs Sold and Revenue**
- **Proposal Activity Ratio Goals by Salesperson by Revenue Stream**
  - **By number of Jobs Proposed and Revenue**
- **Trade Group / Show Participation Opportunities and Targets**
  - **Local Chamber, BOMA, IFMA CAI, Home & Garden Show, Etc.**
- **Proposed Sales and Marketing Plan / Campaign Goals.**
  - **Timelines / Methods / Cost / Results**
- **Goals related to Addressing or Exploiting Wins / Losses, Trends and Pain Points**
- **Other Specific Goals and Targets**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**

EMPLOYEE MANAGEMENT:

CURRENT REALITY:
- **Current Head Count by Job Class?**
- **Current Vacancies by Job Class?**
- **Overall Retention Rates of Employees**
- **Retention Rates of Key Employees? (Managers, Crew Leaders, Etc.)**
- **Status of Recruiting Program / Process / Methods?**
    - **Employee Bonus for Candidates?**
    - **Job Program Participation? H2B / Other?**
    - **Use of In-House / External Recruiter?**
- **Status of Training Program / Process?**
- **Status of On-Boarding Program / Process?**
- **Status of Bonus Program / Process?**
- **Status of Review / Evaluation Program / Process?**
- **Wins / Losses, Trends and Pain Points?**

GOAL:
- **Staffing Goals by Job Class?**
    - **New Hires for Growth? Replacement?**
- **Overall Retention Goals of Employees by Job Class?**
- **Retention Rate Goals of Key Employees? (Managers, Crew Leaders, Etc.)**
- **Goals for Recruiting Program / Process / Methods?**
    - **Employee Bonus for Candidates?**
    - **Job Program Participation? H2B / Other?**
    - **Use of In-House / External Recruiter?**
- **Implement or Improve Training Program / Process?**
- **Implement or Improve On-Boarding Program / Process?**
- **Implement or Improve Bonus Program / Process?**
- **Implement or Improve Review / Evaluation Program / Process?**
- **Goals related to Addressing or Exploiting Wins / Losses, Trends and Pain Points**
- **Other Specific Goals and Targets**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
    - **Time Lines for Implementing and Evaluating Plans**
    - **Assigned Champions or Teams**
    - **Measurements for evaluating results**

QUALITY CONTROL:

CURRENT REALITY:
- **Average QC Scores**
  - **By Contract Jobs**
  - **By Enhancement / Extra Jobs**
- **Client Survey Scores**
- **Average Response Time for Client Calls / Complaints**
- **Call Backs / Service Call Ratio to Billed Jobs**
- **Status of QC Program / Process?**
- **Status of Client Survey Program / Process?**
- **Wins / Losses, Trends and Pain Points?**

GOAL:
- **QC Score Goals**
  - **By Contract Jobs**
  - **By Enhancement / Extra Jobs**
- **Client Survey Score Goals / Targets**
- **Response Time Goal for Client Calls / Complaints**
- **Call Backs / Service Call Ratio Goal**
- **Implement or Improve QC Program / Process?**
- **Implement or Improve Client Survey Program / Process?**
- **Goals related to Addressing or Exploiting Wins / Losses, Trends and Pain Points**
- **Other Specific Goals and Targets**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**

PRODUCTION AND SCHEDULING

CURRENT REALITY:
- **Status of Production team?**
- **Status of Production systems and processes?**
- **Status of Routing / Scheduling Program / Process?**
- **Average Travel Time for Route Jobs**
- **Current Status of Job Budget performance**
    - **Weekly Crews**
    - **Landscape Crews**
    - **Irrigators**
    - **Lawn and Tree Technicians**
- **Current Status of Job Site Sequencing program**
- **Current Status of AM / PM Process**
- **Wins / Losses, Trends and Pain Points?**

GOAL

- **Implement or Improve Routing / Scheduling Program / Process?**
- **Implement or Improve Job Site Sequencing program**
- **Implement or Improve Job Budget performance**
    - **Weekly Crews**
    - **Landscape Crews**
    - **Irrigators**
    - **Lawn and Tree Technicians**
- **Average Travel Time Goal for Route Jobs**
- **Implement or Improve AM / PM Process**
- **Goals related to Addressing or Exploiting Wins / Losses, Trends and Pain Points**
- **Other Specific Goals and Targets**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
    - **Time Lines for Implementing and Evaluating Plans**
    - **Assigned Champions or Teams**
    - **Measurements for evaluating results**

EQUIPMENT MANAGEMENT:

CURRENT REALITY:
- **Current Motorized Equipment Inventory**
  - **Reporting condition and current hours**
- **Current Vehicle Inventory**
  - **Reporting condition and current mileage**
- **List of Equipment / Vehicles Requiring Retirement**
  - **Replacements required.**
- **List of Equipment / Vehicles usable as back-ups**
- **Status of Preventative Maintenance Program**
- **Status of Shop and Mechanic Staff -- If in-place?**
- **Status of Dealer Relationships**
- **Status of Licensing and insurance Coverage**
- **Wins / Losses, Trends and Pain Points?**

GOAL
- **List of Equipment and Vehicles required for Replacement**
  - **Types specified and timing of purchase**
- **List of Equipment and Vehicles required for new growth**
  - **Types specified and timing of purchase**
- **Implement or Improve Preventative Maintenance Program**
- **Implement or Improve Shop and Mechanic Staff**
- **Implement or Improve Dealer Relationships**
- **Goals related to Addressing or Exploiting Wins / Losses, Trends and Pain Points**
- **Other Specific Goals and Targets**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**

SAFETY MANAGEMENT:

CURRENT REALITY:
- **Current MOD Rate?**
  - **Work Comp Rate / Cost?**
- **Lost time Accidents?**
- **Status of Safety Management Program?**
  - **Designated Safety Officer in place?**
- **Status of Tailgate meetings**
  - **How are they Documented?**
- **Status of Accident Reporting Process**
- **Status of PPE availability and usage?**
- **Status of Reward Program for Safety**
- **Are MSDS packets located on each truck / trailer and shop?**
- **Are Safety Rules Posted**
  - **In each truck / trailer?**
  - **Are copies distributed to each new / returning employee?**

GOAL:
- **MOD Rate Goal?**
- **Goal for Zero Lost time Accidents**
- **Implement or Improve Safety Management Program?**
  - **Designate A Safety Officer**
- **Implement or Improve Tailgate meetings**
- **Implement or Improve Accident Reporting Process**
- **Implement or improve PPE availability and usage**
- **Implement or Improve Reward Program for Safety**
- **Implement or Improve how MSDS packets located on each truck / trailer and shop?**
- **Implement or Improve how Safety Rules Posted**
  - **In each truck / trailer?**
  - **Are copies distributed to each new / returning employee?**

ACTION PLAN: **(Relentless Follow-Up)**
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**

BRAND AND APPEARANCE COMPLIANCE:

CURRENT REALITY:
- **Are all trucks and trailers fully decaled and visible?**
- **Are the crews in the proper uniforms including outerwear?**
- **Are the leaders in the proper uniforms including outerwear?**
- **Are trucks and equipment washed regularly?**
- **Is there a process for crew demeanor / behavior on job sites?**
-

GOAL:
- **Implement or Improve trucks and trailers decals and visibility.**
- **Implement or Improve the crews uniforms including outerwear.**
- **Implement or Improve the leaders uniforms including outerwear?**
- **Implement or Improve how the trucks and equipment are washed.**
- **Implement or Improve a process for crew demeanor / behavior on job sites?**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**

OFFICE AND ADMINISTRATION:

CURRENT REALITY:
- **Status of Administrative team?**
- **Status of Administrative systems and processes?**
- **Status and timeliness of information flow**
  - **Monthly and Weekly Operational Reports?**
  - **Monthly and Weekly Financial Reports?**
- **Status of AP / AR systems and processes?**
  - **Cash Flow forecast and management**
- **Status of Payroll Systems and Process**
- **Status of Billing Systems and Process**
- **Status of Job Costing Systems and Process**
- **Status of Computer Systems and Process**
  - **Hardware**
  - **Software**
  - **Security and back-ups**

GOAL:
- **Additions or changes to Administrative team?**
- **Review or upgrade of Administrative systems and processes?**
- **Improvements to quality and or timeliness of information flow**
  - **Monthly and Weekly Operational Reports?**
  - **Monthly and Weekly Financial Reports?**
- **Improvements to AP / AR systems and processes?**
  - **Cash Flow management**
- **Improvements to of Payroll Systems and Process**
- **Improvements to Billing Systems and Process**
- **Implement or Improve Job Costing Systems and Process**
- **Improvements or changes to Computer Systems and Process**
  - **Hardware**
  - **Software**
  - **Security and back-ups**

ACTION PLAN: (Relentless Follow-Up)
- **Specific Actions, Plans, and Steps for achieving the stated goals**
  - **Time Lines for Implementing and Evaluating Plans**
  - **Assigned Champions or Teams**
  - **Measurements for evaluating results**