



## Getting from here to there

*Don't be scared off by the idea of improvement. It only takes four steps!*

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Principal

Recently, I spoke to a group of business owners on the topic of “radically simple planning.” But in hindsight, I admit that the presentation’s title was a tad scary.

I say that because most business owners and managers cringe at the idea of **planning** for improvement. It’s true they want their organizations to get better. But planning – even if it is radically simple – just sounds overwhelming. Especially considering the workloads and responsibilities that most managers carry.

So my message that day – and today in this newsletter – is not to get caught up in the word planning. Just think about progress – getting from here (where you are today) to there (where you want your business to be).

See? Isn’t that better?

### Just four steps from here to there

Let’s make it even easier. Would it help to know that getting from here to there only takes four steps? It’s true.

Step One is understanding the state of your business. The first task in “going from here to there” is defining what we mean by “here.” So where is your company today? There are some key ways to discover the answer.

Assess your financial health by tracking items such as sales revenues, fixed expenses, cash flow, accounts receivable and net income. And review your current budget. Are there areas where improvement is needed?

Then identify the limitations that keep you from generating new business, delivering products and services effectively and managing finances. Are you

staffed appropriately? Does your team lack training in certain areas? Are there inefficiencies in your operational or financial processes?

Now that you’ve determined the “here,” it’s time for the “there.” Get creative. What would you like your organization to accomplish in the short and long term?



## Step right up

Four steps to improvement in '06

1. Know your business
2. Define what's worth doing
3. Figure out how it'll get done
4. Follow-up to stay on track

Outline your ideas – as well as those of other key stakeholders such as employees and customers – and create a picture of where you want the business to be in the future.

Step Two is defining what is worth the effort. Figure out the “quick hits” you can make this week, 15 days from now, 30 days from now and 12-18 months from now.

Focusing on the quick hits not only delivers results fast. It also motivates you to keep going.

Step Three is figuring out how you'll get things done. For each change you want to make, determine the end result, who is responsible and who will help, the basic “how-to” steps, interim and final due dates, resources you’ll need and potential obstacles.

Step Four is agreeing how you'll stay on track. Set a standing date and time for monitoring progress, and create a checklist of questions to ask at each progress meeting.

### The common mistakes

There. It sounds easy enough. So why do so many business owners and managers struggle with implementing improvements?

Let's look at some of the key mistakes that managers of entrepreneurial businesses make when trying to lead change. We'll take it step-by-step based upon the four points above.

### Step One – Tripped up by a lack of communication

The most common mistake managers make from the start is a lack of communication with key stakeholders.

Many managers rely only on their own thoughts and impressions of where the company currently stands, or what can be improved.

But it's critical that you get a more complete picture of your business by talking with key managers and employees, customers, financial or legal advisors and even vendors. You need to ask others for their thoughts – and their help – in identifying how your business can improve. You might be surprised at how eager they are to help you make changes that benefit them!

You also need to communicate your ideas and objectives with all employees, so they know what you are trying to accomplish for the business and how the process will work.

You need input – and most importantly – buy-in before you can proceed.

### Step Two: Underperforming by over-committing

Make sure you're getting the most from this effort by involving the people who can help make things happen.

Some managers believe they must limit their ideas to improvements only they have the time or abilities to undertake. That not only adds stress; it also eliminates the input and effort of your full team and takes the responsibility for improvement away from your staff.

Other managers will overestimate what's possible and set ambitious goals that are de-motivating. Or, they will commit to doing too many things at one time, and the lack of prioritization means that nothing gets done.

Finally, it's critical that you clarify the business benefit of every step you take, so that everyone involved understands the value of the activity and how it will help improve operational performance, financial performance or the overall stability of the company.

### Step Three: Letting the momentum slip away

This is the step where the rubber meets the road, so to speak. If you slip up here, your improvement efforts will no doubt slip away.

There are lots of little obstacles that can cause execution of your ideas to fall by the wayside. Some of the most common include:

- Not documenting how activities will get done
- Ignoring conflict between objectives and priorities
- Relying on one or two "go to" people
- Relying on only yourself
- Starting big (if you start small, you can get immediate sense of satisfaction and momentum)
- Making vague plans by not defining the details of what is supposed to be done, by whom, when, etc.
- Not defining the desired "successful outcome" of the change
- Setting unrealistic due dates
- Not assigning people to projects and tasks
- Letting daily work get in the way of making long-term progress



The key to success in Step Three is frequent and consistent monitoring of the team's activities, which takes us right to ...

### Step Four: Schedule? What schedule?

Even the best-intentioned managers often find that an idea for improvement that sounded great in October has stalled by February and is forgotten by June.

How does that happen? The main reason is a lack of follow-up and monitoring. It's critical that you set a follow-up schedule.

Not only should you put each task on the calendar with clearly defined due dates, but it's important to schedule how and when you will meet to monitor progress. Lots of great things get done in business when employees know they have to report on their activities by a given date.

So set a follow-up schedule, and follow it. If deadlines are missed, hold people accountable.

And make sure you use an action progress checklist to keep follow-up meetings productive and focused. Don't try to remember important items like tasks or dates off the top of your head.

### **You can get there from here**

Now is the perfect time to begin thinking about where you are, and where you want to be in 2006. Spend some time this month identifying your current status and gathering ideas for improvement, and in December, put your teams in place to carry out those activities when the new year begins.

And keep this newsletter handy so you can refer back if necessary. You don't want to get lost along the way!

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**More Information?** If you'd like to learn more about identifying and implementing improvements in your business, please send an E-mail to [tim@plaidgroup.com](mailto:tim@plaidgroup.com), visit our web site at [www.plaidgroup.com](http://www.plaidgroup.com), or call us at 713-627-3569. The Plaid Group publishes a free bimonthly e-mail newsletter filled with insights and ideas you can use to enhance your company's operational performance, spur growth and increase bottom-line profits. To subscribe, change your e-mail address or unsubscribe, please visit The Plaid Group web site at [www.plaidgroup.com/newsletters\\_subscribe.asp](http://www.plaidgroup.com/newsletters_subscribe.asp).

**Author's Note:** **Tim Smith** is a Principal with The Plaid Group. The Plaid Group helps companies simplify and stabilize their business operations to improve financial performance and gain a competitive edge.