



The Route to Success – Is it down to Strategy or Serendipity?

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Dear Colleague,

In a previous newsletter we discussed how important it is for owners and managers of small businesses to keep up to speed with our management and marketing skills. I think it is important to come back to this message for the first issue of volume 3 and to take this theme a little further at the risk of boring you all.

Why?

Because over the years we ourselves have become aware of the importance of planning to any operation or organisation; be that a for profit business or not for profit organisation, in fact to us and many of our colleagues it applies to our personal life as well.

Perhaps it's the grey thinning hair which denotes a lifetime of experiences to look back on and reflect that makes me feel strongly about planning, who knows. But I wish I had been able to call on the skills I have now in my earlier years both in business and in my personal life.

In those days it was not easy for anyone to go to university and take a degree. Now we take easy access to higher education for granted, but I fear we (the consumer) do not use that access to education, skills acquisition and personal development too well. In large organisations it is often different, as they have budgets for training etc., but in most small businesses we don't have that budget ring-fenced and whether we do any training with external providers depends much on both its perceived immediate impact on our bottom line and our cash flow.

Satisfaction = Expectation (minus) Delivery

Charles Saatchi

If you concentrate all your objectives and strategies on short term factors there is a strong possibility that a long term kick in the teeth will be waiting for you!

Time to stop and think

Looking after the NOW relies so much on serendipity so is it so surprising that the generations that follow us have latched on to the philosophies we have been preaching over the last twenty to thirty years? Probably not, but we are left with a society that wants much, but is prepared to pay little for it.

“Too many people know the price of everything but the value of nothing!”

OK, but what's it got to do with Success and planning I hear you ask. Well just about everything, is my reply!

The pace of change is accelerating and it can only get quicker as it is driven by new technology, more instantaneous in its demands, more sudden in its appearance and more chaotic in its impact.

No one can argue that being in the right place at the right time (serendipity) can play a part in obtaining success. There is no doubt that it can.

But, being in the right place at the right time consistently has nothing to do with luck – **it requires nothing short of damn good planning and Hard Work.**

Profitability, Competitive Working Practices, Sustainability, New Product design and development can happen by chance or good fortune.

For the majority of us we do not have the benefit of that kind of consistency in lady luck sitting on our shoulder. We must work at it and plan for it.

“Strategy is not the consequence of planning, but the opposite; it is its starting point”

Professor Henry Mintzberg

When he was asked by a reporter if he thought he was just a bit lucky at one or two holes during a competition..... Arnold palmer replied –

“You know, the harder I practice – the luckier I get!”

Planning for a fantastic future

Why plan for the short, medium and long term? Well quite simply -

- The speed of technological change
- Markets which are changing rapidly
- Time pressures on us all
- Lack of resources
- Tighter margins
- Produce more for less demands

These are just some of the reasons why Short Termism at the expense of medium and long term planning has held sway over the past twenty of thirty years and why medium and long term planning has been sacrificed at the alter of *'the NOW'*. However, we now have the opportunity to redress the balance if we can get back to using that most basic tool of human survival: - **Effective Thinking!**

“Whatever failures I have known, whatever errors I have committed, whatever follies I have witnessed in private and public life have been the consequence of action without thought”

Bernard Baruch-1870-1965 (Advisor to Presidents Wilson and Truman)

The pace of change is accelerating and it can only get quicker as it is constantly being driven by technology, which is more instantaneous in its demands, more sudden in its appearance and more chaotic in its impact. Consequently the role of managers in firms of all shapes and sizes is even more critical than it has been in the past and effective strategic planning, excellent all round goal setting and achieving balance in our lives is absolutely essential if we are to be part of the future. If you are not sure that what I am saying is right, then take a little time to look about you and assess how many businesses are no longer around, how many are in trouble and how many are not sure where to go in the future.

If there is one thing which is consistent about the future it is that any organisation that is not driven by *the future* and market needs will inexorably be consigned to the **dustbin of history**.

Strategic Planning

“Long range planning works best in the short term”

Euripides (poet 480 – 406 AD)

Over the years we have heard so much about Strategy and Planning – but many Small Business owners still find it hard to come to terms with strategic planning and some even have a problem with planning full stop, preferring to act on the hoof so to speak.

Whilst I believe we all understand what we mean by the word planning, the only confusion as to what or how much planning is needed in our businesses will probably be down to the depth and type of planning necessary to achieve your objectives. It might help if we look at some simple definitions at his point.

Objectives:

Clear and where possible precise definitions of what it is we want to achieve.

The first thing a military commander wants to know is “what is my objective” until he or she knows that – they cannot plan a battle let alone a war. In your business (and in your personal life) your objectives should be the driving force behind what you do and why you do what you do.

Your initial objective may be to

- be the best butcher in your local town
- be the best engineering company in your market sector
- be the preferred supplier of goods or services to a particular sector

That's fine, but objectives need to be quantified as well as qualified.

Let us continue with this strand for a moment.

How will you know if you are the best butcher in town?

How will you know if you are the best engineering company in your sector?

How will you know when you have become the preferred supplier in your sector?

Perhaps you will know when you have grown your turnover and/or profit to a certain figure.

So your objective might be to: -

- Be recognised as being the best butcher in the town by
 - growing your turnover by 30% per year in the next five years
 - increasing your customer base by 400% in the next 3 years
 - Achieving a consistent gross profit margin of 45% per annum, and
 - Increasing the number of workers by 2 per annum in the next 5 years

Here we have qualified and quantified what the objective will be. Now we have something which we can measure our progress over the coming five years.

Our strategy will be how we achieve the objectives:

Our strategy might be to give added value to our customers in the town shop by: -

- Providing home delivery
- Selling only top quality meats and products at competitive prices
- Providing personal service

However, you are still relatively restricted to the number of people you can get through your shop so another part of our strategy might be to take the business into the 21st century and create an on line shopping facility.

In this case your strategy will involve working with a good web developer to make your online shop easy to use, interesting to visit, easy to buy from and visible to as many people as possible by marketing your web based shop in the correct manner. Other considerations might be: -

- What new skills will you need?
- Will you cope with the added trade the online facility will create?
- How will you deal with Business to business enquiries?
- How will you deal with business to consumer enquiries?
- What carrier will you use to deliver your product?

Strategy:

All too often people get hung up and confused by objectives and strategy. I have found an easy way to differentiate between them by relating them to a game of football, netball, or cricket and you will notice that they all involve teams – like your own business, success is dependent on the effective working of a group of individuals, the team.

The **objective** then is to win the game by scoring more goals or runs than your opponent.

The **strategy** is how you score the goals or runs. Will it be from penalties, free kicks, open play, tight aggressive batting/fielding etc. In the recent cup final between Arsenal and Manchester United, Arsene Wenger the Arsenal manager believed that with the way play was going during the game, the longer it went on the less likely it was that his team would beat United during normal time or extra time of the game and so his strategy was to hold on to a goalless draw and then to win the game on penalties. This they did and won the cup.

Whilst the objective may be relatively easy to establish, the strategy can be more difficult. Strategy is dictated by a number of factors

- What are your teams strengths
- Who is available
- What resources do you have
- What skills are pertinent
- Who will do what
- What are your weaknesses
- How will you know if you are achieving your objectives
- What opportunities are there
- What are the risks

A silly paradox in relation to sport and business is that in reality few football clubs are profitable and many are run by successful businessmen and women. Those successful businessmen who own and run association football clubs would never dream of running their businesses in the same way that they run their clubs; and many amateur football managers give more time to planning strategy in their football hobby than they do in their business life.

The power of emotion can distract from common sense so easily, not just with football clubs but also in our own businesses, **be aware and take care**. Still, for all it has a paradox I hope the sporting parallel makes the difference between objective setting and strategic planning easier to understand for those who were not too sure.

When we are planning our own firms' objectives and strategy for the future what should we consider?

Questions to consider:

- What are the future trends and developments that could have an impact on our business in the future
- Do our strengths match these predictions
- What are the major threats we could face in the coming 5, 10, 15 and 20 years
- Who will our customers be
- Who is responsible for exploring the future and signposting direction
- Who will be our competition
- Do we allocate enough time and resources to planning our future
- Is employment flexible enough
- Are they well rewarded
- Is everyone encouraged to share ideas and contribute to new products and services
- Are decision makers focussed on the needs of the future rather than the legacies of the past
- Do we make decisions where they need to be made or do we always have to come back up the line before anything can happen

Having looked at a number of ways to achieve the same thing I still come back to the old tried and tested SWOT Analysis as a starting point. Doing a swot allows you to look objectively at your business internally and externally. Just in case you don't know what a swot is

S is for Strengths
W is for weaknesses
O is for Opportunities
T is for threats
S W O T

Internal focus:

The first part of the SWOT (SW) looks internally at our self or our organisation.

What are our Strengths?

What is it that we are really good at?

What are our Weaknesses?

Where can we improve?

If we can't do it well do should we be doing it?

What should we do about it?

External focus:

The second part of the SWOT (OT) focuses externally

What and where are the Opportunities?

What and where are the threats?

We at Artemis Media tend to involve our customers in this exercise when we carry it out and would suggest that you do the same, you may be surprised on some of their answers. What you may see as being a corporate strength may not be the same from their point of view. And if you were to ask others what you as an individual are really good at you may again be surprised at the answers.

“Another surprising fact is that whilst many companies ask their customers for their opinions on new ideas and opportunities very few ask their employees!”

Looking forward at opportunities for the future can sometimes appear like you need a crystal ball. The truth is that it is impossible to be perfectly correct about everything in life, so go for your best guess when looking into the future and then see how far you can back up your best guesses with market research. Once you have something to latch on to you can start to set objectives and prepare a strategy. Here are some suggestions for consideration when you review opportunities or threats for your businesses now and in the future.

Remember – One man's threat is another man's opportunity!

Our starting point is – “Can we see a threat and does that give us an opportunity?”

- The aging population
- Braodband
- Skills shortages
- Smart materials
- Nanotechnologies
- The networked society and connectivity
- Education and Entertainment
- Security
- Payments
- Intelligent buildings and agents
- Technology that can be worn
- Flexible working
- Health
- Geography
- Added Value
- Management Information Systems
- Knowledge Based Systems
- Information Communication and Technological Systems
- The Environment

Asking questions and getting the answers we need is not always an easy task. Care needs to be taken when drawing ideas from people particularly in organisations where the culture subscribes to the mindset that “Knowledge is power” rather than something to be shared. Thinking of the future must always be reconciled or integrated with our past, if it isn't then we risk throwing the baby out with the bath water and reinventing the wheel.

But one thing we should never do is let the past rule the future (unless it has been brilliant and you want to keep it that way). The fact is that our own personal growth and the growth of our businesses are always linked and all too often we tend to keep them completely separate, or at least we try.

- ***If you own your business – how difficult do you find balancing work and home life?***
- ***If pressures in one aspect of your life increase, do the other areas suffer?***

For example, if you find that you are spending more and more time at the office, shop or factory and there are not enough hours in a day, then presumably your home life will be suffering a bit if not a lot. And if your wife or husband complains like mad about the amount of hours you are spending at work and how the family is beginning to think of you as a lodger; then life at home gets more and more difficult because ***your life is out of balance***.

It can work the other way as well, what happens at home can have a serious impact on the quality and output of work. So why do we treat them separately? The fact is that they are integrated and there is nothing you can do about it - if your family is also part of the business then I don't have to tell you that this is double the trouble when things go wrong.

It's our attitude that determines our Altitude!

Generating the right attitude to succeed and grow is the one critical factor more than anything else that makes the difference. Our Attitude either provides us with amazing breakthroughs or it totally restricts the things we do and our outlook on everything; life in general. But don't let this stop or hinder you. Our future survival depends upon us taking the future firmly in our hands and shaping it the way we want it. We can only do that if we plan properly, set our objectives, establish our strategy, share that information with all in the firm who need to know and move forward together.

However, we must always remember that all the planning in the world will not bring in business on its own, ***sales*** are the life blood of business and doing what needs to be done when it needs to be done is critical winning business and driving sales.

Recognising What Customers Want

Customers buy, solutions to problems, satisfaction for needs, peace of mind, improved image, security, in short they buy BENEFITS. Every product or service has Features, Benefits and Incentives (FBI) and all too often we tend to “sell” the features of a product or service rather than the benefits.

An example of this would be:- ***The Latest Technological design in a Steam Iron.***

Many would start by telling potential customers of its ability to force steam through its base plate at varying degrees of heat and pressure ensuring smooth finishes to garments and linen. Some might start by informing the customer of its ergonomic design, colours and

safety aspects. Others would focus on the technical details demonstrating their knowledge of the product. These are All Features of the product! People don't buy features.

What is the client really waiting to hear?

Probably the fact that with this iron he or she will have the ironing done in much less time, the time they save they can then use to pamper themselves in a hot bath or doing something they really want to do.

Get Your Chores Done Quicker!

It's a simple explanation but it demonstrates one thing; **we assume too much** when we try to sell to our customers.

We assume that they are interested in features of whatever it is we want them to buy; we assume what they might want it for and we don't take the trouble to find out why they might be interested in the product or service, so we have a miss-match of expectations on the potential customer's part and on our part. Then we wonder why we can't sell! The answer -

- Satisfy the need and you have a sale!
- Solve the problem and you have a sale!
- Explain the benefit and you have a sale!

To take this a stage further,

If you sell "bottled water" why do your customers buy it?

We automatically assume that people buy bottled water to take it home and drink it, but is this the only reason for buying bottled water. We would probably sell the water by telling the client how healthy it was, how it would help with their complexion, how the minerals occurring naturally in the water can help us live longer etc. All of these are FEATURES!

Find out why they want the water and you can find the benefit to them, not everyone might want to drink it.

List all the things you could use bottled water for and you will begin to see what I mean.

We would like to share with you a tool to help you manage your Work / Life balance

The Wheel of Life:

Wheel of Life is a simple tool which helps us measure where our efforts should be focussed if we want to achieve goals which do not have detrimental impacts on our lives.

How do we use the Wheel of Life?

The outer-most circle on the wheel scores TEN and each circle working in towards the centre reduces in value by one. So the inner-most circle has a value of ONE.

Under each heading on each line crossing the circle, insert where you think you are – so mark off with a pencil/pen somewhere between 1 and 10, then join up the dots with a line linking them all (Just like you would in a child's Dot to Dot picture. Remember this is "where you are NOW").

Once you have done that do the same again in a different colour where you would like to be and join those up. Where there is a gap is where we have to start building improvements. It could be that you are exactly where you want to be and there is no gap on any of the points around the circular matrix, if that is the case fine, but keep monitoring things as they are always likely to change.

You use the Wheel of Work in exactly the same way but slant the questions you ask towards your business.

Wheel of Life:

Points to note:

Score yourself – zero for really bad and 10 for really good

Health

- What's your health like?
- Can you run a mile?
- Can you run up stairs?
- Do you get up in a morning feeling well and ready for the day?
- What are your energy levels like, are they really good, are you on top form?

Or do you wake up in a morning feeling: -

- Oh no not another day like yesterday?
- I'm tired
- I really don't feel like getting out of bed
- I think I need to take a sickie!
- I feel absolutely trashed after work

Close Family

- What sort of relationships do you have with your family?
- Does everyone care for one another?
- Do you support one another?
- Are you all understanding and considerate – most of the time

Or are there confrontations occurring regularly with

- Spouse
- Kids
- Parents

Article-The Route to Success

- Others
- Does everyone or some of them always get on your nerves, do they continuously wind you up?

Money

This is not about the amount of money you have, or your assets, it's about your attitude to money and your relationship with money.

- Are you a saver?
- Do you plan for emergencies?
- At the end of the month do you have a lot or a bit to spare?
- Do you sometimes worry about money?

Or is it a case of: -

- At the end of the month I still have too much money left?
- Do you need to plan better with/for your money?
- Do you need to increase income?
- Do you need to cut costs or outgoings?

Relationships

What are you like at relationships

- What kind of Friend are you?
- What kind of work colleague are you?
- Do you go to the aid of friends and colleagues when you feel they need it?
- Are you helpful and do they share confidences and experiences with you?

Or is it a case of:

- When I come close every one shuts up or changes the subject?
- Do you find yourself thinking – were they talking about me? I wonder what they were saying.

Contribution

Let us assume that the secret of living is Giving: If this was the case how would you score?

- Do you give your time to good causes?
- Do you give your time to help those less fortunate than yourself?
- Do you help with cash?
- Do you help your neighbours without them asking?
- Do you give without expecting any payback?

Vision

Do you know where you are going?

- Do you have a plan?
- Do you hold the big picture in your head?
- Do you know where you will be in 5 or 10 years time?
- Do you know what you want to do?
- Do you know what you want to achieve?
- Can you articulate it?
- Can you visualise it?

Career

When Monday morning comes are you ready for work or do you think – oh no, not again.

- Do you create a buzz around you at work?
- Do you feel energised about your job?
- Are you in control?
- Are you moving forward in the ways you want to?

Or is it a case of

- Oh God, not again
- Is it Monday already?
- I really don't enjoy this job at all
- Life could be so much better if work would improve

Personal Development

- Are you ready to learn new things?
- Do you feel passionate about finding out about new skills and acquiring them?
- Do you strive to improve?
- Do you need to develop?
- Are you happy with changing to meet your needs for the future?
- How comfortable are you about changing?

Work your way around the wheel of life and wheel of work, then check where you are monthly. Use it with your workforce to address any problems they have which could be impacting on performance at work.

The critical factor is ***“doing it” – Remember – If you do what you have always done, you will get what you have always got!***

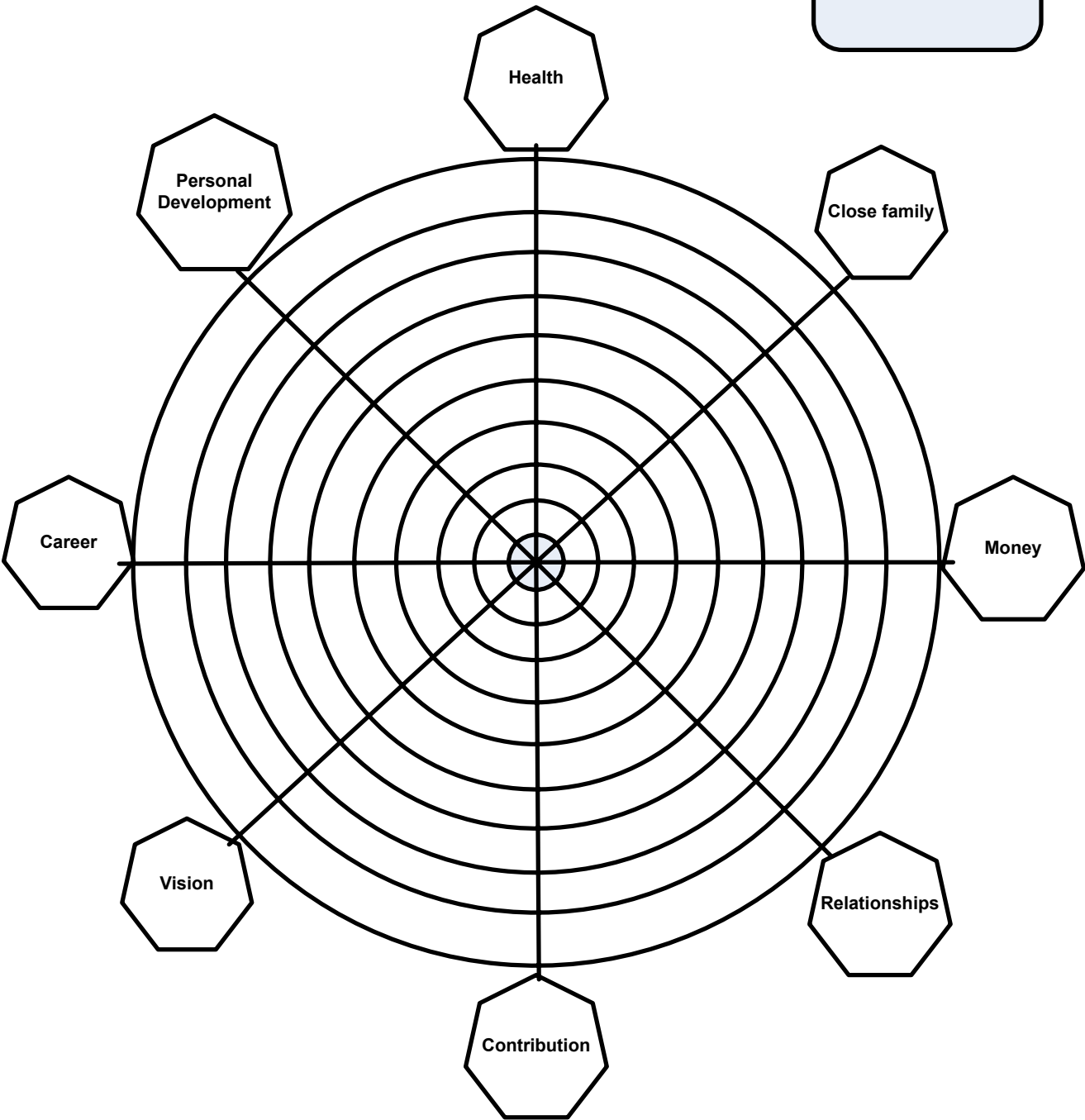
Wheel of Life and Wheel of Work are quick and simple tools you can use to see how you are doing on a regular basis. All too often we get entangled in fire-fighting, which eventually then moves to Fire Lighting and have difficulty in seeing our way out of situations or it clogs up our time and we don't feel we are getting any further; but again, it is about doing something differently and wheel of life/work can help you get started and on the path to good planning on a regular basis.

How to use the wheel:

On a score of 0 to 10, mark off with a small cross or line where you believe you are on each line where the concentric circle passes over the line. The innermost circle is 0 the outermost is 10. This is where you feel you are in that particular area of your life. Do this in black ink. Once you have worked your way round the circle join up the crosses. You will have what looks like a spiders web.

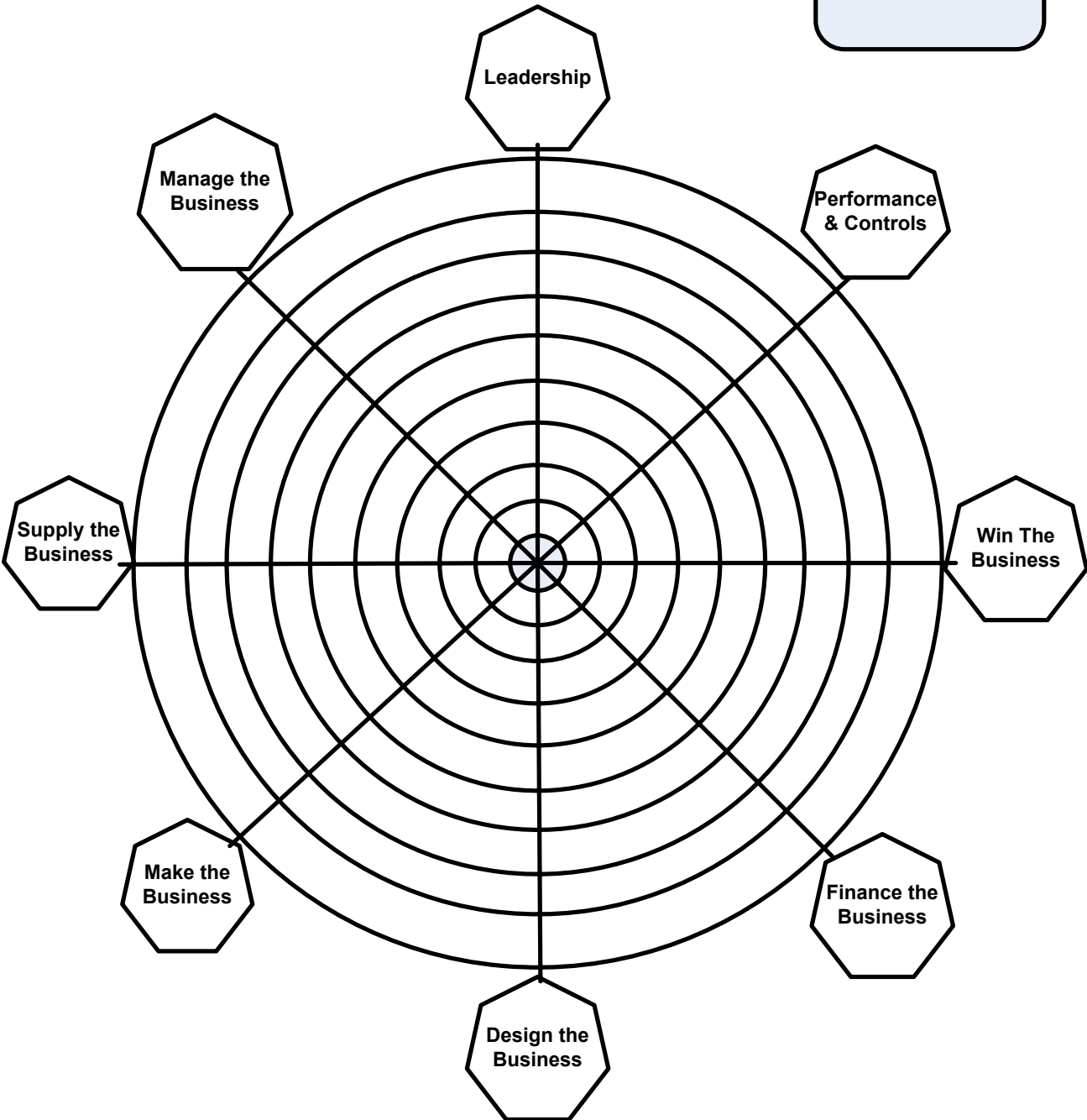
Now take a different colour pen and mark up where you would like to be. You may find that you are exactly where you want to be, that's fine, on the other hand you may find that you are not, this is the “difference”. So if you want to get to where you want to be then you have to work on that particular area to raise it or lower it.

The Wheel of Life



Name: _____

The Wheel of Work



Name:

Setting Life Goals:

- What is it that you want from life?
- Are your life goals consistent with your work and family life?
- Are your goals Specific?
- Are they Measurable? If you can't measure it you can't manage it!
- Are they achievable and acceptable to everyone around you who will need to help you?
- Are they Realistic?
- Have you set timescales on achieving them?
- What plans have you put in place to bring them to fruition?

If you look at these questions the critical factors spell out SMART which stands for Specific, Measurable, Achievable, Realistic and Time Bound.

If we set goals which are too open to timescales then we simply put them off until we can find the time, the fact is that we never do. We also need to set goals which are achievable, perhaps just out of reach but if we stretch ourselves then they are perhaps within our grasp.

Ideally we should break our goals down into bite sized chunks and start working on achieving them that way. **How do you eat an Elephant? Answer - One Bite at a Time!**

Making it Happen

Its all very well in working through all of these tools or methods of planning, the truth of the matter is that*nothing will happen until you carry out your plans, so the other important factor in planning is IMPLEMENTATION.*

Plan how you will implement your plans in the same way that you will have identified what it is you want to achieve. Finally –

Practice makes Perfect!

Nothing is more certain, the more you do something the better you become at doing it! Practice in role play, practice in your thoughts and keep practicing when you start to deliver you plans, it's the doing that make the difference.

Regards

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