



THE POWER OF PLANNING

BY TIM KELLY

I realised when reviewing my previous magazine articles that I have tackled many different aspects of business, and even on how to start one, but not necessarily how to plan one. Did you have a business plan when you started up? Do you have one now? Do you aim to have your own business and want to know where to start?

Everything comes from an idea, but to put an idea into action you need a plan. The “Five Ps” should always come to mind when preparing your plan – proper planning prevents poor performance. Some of you may know the one that has six in it.

The most common thing heard in the industry is around its lack of profitability, and I among others point our fingers in one direction as to the reason why. But does it have to be that way? I would argue that if you plan the right business model, you might find your idea of what you intended to do changes. Mine certainly did when I first started. Originally my business was going to be called “The Total Loss Guru” until research indicated that very few people enter the search term “total loss”. They do, however, often search for the keywords “Motor Claim”.

What I did not realise at that point was that I had designed myself a “job”, and not a “business”. But what’s the difference?

Quite simply, a business should be able to function without you. So where do you start? Whether you have an existing business or not, you need to be organised.

What resources do you need? What back-up do you have if these resources fail? Imagine if your unit got flooded. A paint supplier let you down. A booth suddenly failed. A member of staff becomes terminally ill. Each of these could kill your business, and it pays to plan in advance for what to do to overcome these obstacles.

One of the books I often recommend is called *The E-myth: Why most small businesses don't work and what to do about it*. If you have not heard of it, get it and ingest it.

Have you looked at what roles there are in your business? Are you every role from CEO to parts manager, social media and marketing, admin, painter and panel beater. Have you written a job description along with the expectations on each of those roles and specific responsibilities?

You need to aim to get someone in each of those roles.

How do your staff know you are not happy with them, or whether they are doing something wrong, if you have not told them in advance? From an HR perspective,

should it ever come to the worst and you need to get rid of someone, it is very hard to do if their roles are not defined.

Have you researched what work gets you the most profit? And where you are going to get it from? The first part requires an understanding of your operational cost, your breakeven rate, your recovery rate per hour, overall profit for sales of non-labour items. Are you buying your products cost effectively?

Procurement – buying things at the best possible price is one of the primary keys to profit. Have you researched every single thing you spend your money on to see if you can get the same for less?

Marketing and branding – are you aiming for the customer that makes you most profit? That is, retail work, fleet work, customisation, renovation and restorations, and not an insurer or trader in sight.



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