

Part two

BUSINESS PLANNING

In part two of his look at business planning , Andy looks at what the objectives should be for your garage in the short, medium and long-term



There is no unique formula for preparing a business plan. There is no perfect size or level of detail. There is no single magic list of contents. There is not even a single, ideal way of ordering the content. However, by understanding the intended audience for the plan, your future customers, possibly your bank, the expected uses is possible for any competent person to put together a very satisfactory, realistic and achievable business plan.

A dictionary definition of a business plan is: "A business plan sets out the method for running a specific activity over a specific future period."

The specific activity will be your garage business or whatever sector you are in or going to be in. The future period could be 12 months, 18 months, three years or longer. As I



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have previously stated, a plan usually reviews the current status of a business and sets out an overall business strategy for the future with a more detailed operational and financial plan for one year ahead. The strategy and plan will cover all areas business. The key focus should be on management, service, finance, marketing and sales.

Objective

The central objective for driving business is to maximise profits – isn't that what running a business is all about? You would have heard me ask for a good few years now, "is PROFIT a dirty word?" However, maximising profit in the short term will in my view probably kill the business in the longer term, unless the profits are continually re-invested wisely in such areas like, staff training, equipment, tooling, premises and marketing

activities.

Planning is about a journey. The plan is your starting point. It charts a route to your destination. It identifies the major hazards that you should watch along the way. It gives you strategies for coping with storms and obstacles. It gives you landmarks to confirm your progress. It helps you expect the unexpected. With a good business plan, you know where you started, where you are going, and how to get there.

Question

Start developing your plan by answering an obvious question – what and why are you planning? When you define this concisely you are well on your way to developing a valid plan. You then need to work through the planning process. Here is the framework that I used back in 2009 before I opened Brunswick Garage

and still use today. Each task is relatively straightforward when you tackle them individually and in order. My advice would be to kick off the planning process by documenting the history (unless you're a start-up), the current status of the business, the marketplace and your vision.

This will give you a solid start. Just tell your story. That's exactly what I did.

1. Define your business activities
2. Define the current status of your business
3. Define the external market, your competition and your market positioning
4. Define your objectives for the period of the plan
5. Explain your vision, mission and objectives
6. Carry out a **SWOT** analysis: **S**trengths, **W**eaknesses, **O**pportunities, **T**hreats
7. Project costs
8. Set out your financial projections
9. Reach a conclusion
10. Document it concisely
11. Use it

Not many people work in your business for love. We are all in it for specific reasons – success, personal achievement, financial gain etc. You can encourage your employees to work towards your common objectives by using appropriate carrots as incentives and rewards, however I have seen many of these incentive schemes fail in aftersales environments. Such incentives are often linked to the achievement of that individual, if we take a technician – he or she is often rewarded on their productivity however, what most people do not understand is a technician's productivity can be affected by not only their technical ability but many more barriers over which they have little or no control.

I cannot emphasise the power of never forgetting to say thank you, well done or a simple arm around someone's shoulder. Showing suitable

appreciation to those who are helping you achieve the goals of your business plan is pure gold.

Cycle

Business planning is similar to a dog chasing its tail. The end is always in sight but you never arrive there. A new business-planning cycle always starts before the old is over. Targets are continually shifting in our ever-changing automotive world. Plans should always be revised. You never quite know whether your original plan

Its objectives are your destination. What happens in the middle is down to your good captaincy – with the aid of your crew. Without a good lookout you might founder on the rocks. Good luck in your business planning journey.

Last words: "With careful and detailed planning, you can win, with careless or no detailed planning you cannot win."

Bon voyage.



was accurate. You always think that it was, because you measure the present against the latest modification to the plan.

Once in a while, grab the tail and see what you can learn from the current divergences from the very first plan. Congratulate yourself if you have successfully steered a course through the changing environment.

Sir Alex Ferguson, regardless of winning multiple trophies in an incredible football career and arguably being the greatest football manager of all time, always planned for the following season even while the current one still hadn't ended. He seemed to always have a competitive advantage over his rivals throughout his long career.

The plan is where you start from.

FOR THOSE READERS who may not know me, I offer several business improvement services for garage businesses including, one day business training days in, finance, marketing and customer excellence. These courses have been specifically written and are delivered for independent garage owners, managers, technicians and reception staff by me. Please visit www.thegarageinspector.com for much more information