

Insurance

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BILL SHORTEN

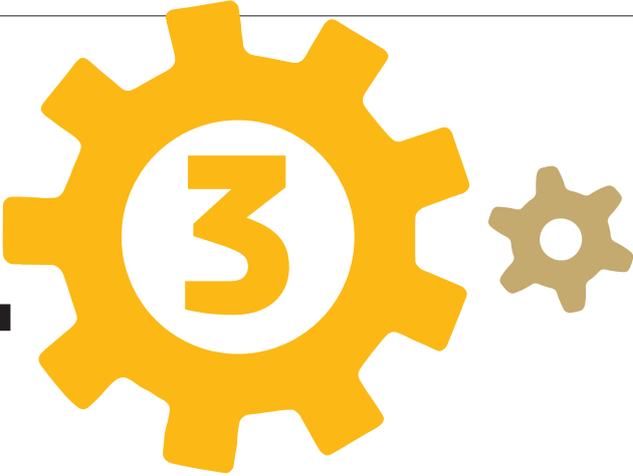
"People know who brokers are,
but not what you do"



FARM INSURANCE
REAPING A HARVEST
FROM THE GROUND UP

PROPERTY INSURANCE
BUILDING AWARENESS
AND BUSINESS

RECRUITMENT
THE HARD WORK IS
KEEPING STAFF



THE KEY ELEMENTS

By combining bravery and ambition with a measurable and strategic approach to business planning, this year can be your most successful to date. Elixir Consulting managing director **Sue Viskovic** explains all

When writing your business plan there are three vitally important ingredients that will ensure your plan is effective. Let's call them the 'three key elements of business planning'.

THE 'WHY'

This is not 'why should we create a business plan?' – I'm assuming you're reading this because you already know that the most successful businesses have an effective business plan, and you're looking for some insight or inspiration to help you create your own effective business plan.

Simon Sinek has articulated the importance of 'why' before 'how' and 'what' in his book *Start with Why*. One of my favourite quotes from his book is when Sinek notes that, "[Martin Luther King Jr.] gave the 'I have a dream' speech, not the 'I have a plan' speech."

In order for your business plan to be truly effective, you and your team must connect with it on an emotional level. The alternative is to just write one because you think you should, and for your staff to look at it/learn it by rote because you told them to. Which option do you think will achieve better results? If you're not clear on the overall vision of

your business, you'll be hard placed to create a business plan that delivers beyond what you've achieved previously.

Remind yourself why you started the business, what it stands for and why you've taken the risk to create it rather than go out and get a job... share that with your team and complete the next two steps with this vision and purpose firmly in mind.

THE 'WHAT'

Now get specific – what is it exactly that you want your business to achieve in this period? We recommend thinking both in quantitative and qualitative terms.

- Quantitative 'whats' will typically be the financial measures you're looking for – your annual turnover, your net profit figure, the average income per client (and therefore number of clients), etc.
- Qualitative 'whats' will be more about the quality of your business experience – perhaps you want to move offices, or you'd like your team to implement a community service of some sort – or the principals want to cut back and enjoy more time away from the office.

In order to generate true power, your 'whats' have to be measurable and definable. 'Increase our recurring income' will not work nearly as well as 'lift our recurring income to 45% of total revenue'.

Your qualitative 'whats' by definition may be harder to quantify, but you still want to be specific. For example, 'principal(s) to play golf once a week'.

Be brave when setting your 'whats'! Don't limit yourself – cast off the shackles of self-doubt and go for it! At this point, don't allow external forces to limit your expectations of what you can achieve. We have worked with many businesses that surpassed their previous highest annual growth figures during the GFC.

You'll get some reality when you look at your 'how', but at least start by aiming high. The worst that can happen is that you fall short of achieving the targets you've set – but you will likely find that by aiming high, you'll still achieve more than what you would have had you set a more modest target.

THE 'HOW'

Get specific about the activities required to achieve the targets you're aiming for. It is at this point that you can have the greatest impact on achieving extraordinary things.

It's one thing to set a BHAG (big, hairy, audacious goal) but the true value is in figuring out – and then implementing – what you'll need to do in order to get you there.

An ambitious target can sometimes appear exciting on one day, yet overwhelming on the next. As the saying goes – 'how do you eat an elephant? One bite at a time!'

There is a reason that the 'what' and 'how' steps are interconnected. You can start with either one – and revise each one after refining the other – until you get to a point where you believe that it is indeed possible to achieve what you're aiming for. No doubt, you'll want to be working smarter than you have in the past – but ultimately, you can see a clear path to achieve your 'whats'.

First, determine your new client revenue target, work out the average amount you charge each new client, then determine the number of clients you need to achieve that figure. Divide this by the number of months that you actively see clients (allowing for holidays, and lead time from enquiry to implementation) and you have your monthly target. Then consider your conversion rate to determine the number of new enquiries you need to generate, and determine your enquiry target.

Then consider the marketing activities you can implement that will generate those enquiries.

Now you have some real information you can work with. Your 'hows' on your business plan will now be specific.

When you break it down to this level of specifics, you can now see each bite-sized portion of your elephant, and your target becomes much easier to swallow. What is really important is to then determine what you will do to enact the 'hows', and note these activities as specifics on your business plan. If you're working to a one-page business plan you may need to simply state 'implement marketing plan', and dig into the detail in a separate document that is your marketing plan.

"Remind yourself why you started the business, what it stands for and why you've taken the risk to create it"

You might find that, when you break it down, the activities aren't all that onerous at all and you have the capacity in your current team to handle the additional workload with ease. At this point you might revise up your revenue target (one of your 'whats'). Alternatively, if you simply don't have the manpower – or the ability to generate the number of enquiries you need – then you can tinker with a few things: Perhaps you need to start attracting clients more suited to your offer, or perhaps it's time to add a staff member (considering the impact this will have on net profit and therefore the income target).

Ensure you articulate the 'hows' to achieve each one of your 'whats' – including your qualitative 'whats'. If you decide, for example, that your principal wants to cut back to four days a week, what has to happen to achieve that? Don't forget to include the 'what' activities you will need to complete in order to maintain or service the existing/recurring income you're generating. There's no point working hard to bring in new clients if your existing clients are walking out the back door!

If you start at the right place – your 'why' – and define what you want to achieve and how you will get there, your business plan will hold meaning for you – and will be an effective blueprint to deliver the results you're seeking in your business. 

