

## Challenges and opportunities for SMEs- PART 1

# PLANNING

*A series of practical articles by Chris Elphick, Breadfruit Consulting.*

During this series I will look at a number of issues relevant to all SMEs and identify both the opportunities and challenges associated with each issue.

Topics to be covered include planning; staff and recruitment; customers and service; marketing; competition; new products and services; being well organised; collaborating with others; understanding and analysing risk; managing the money; going into business with family or friends; grants, loans and investment; expansion and growth; technology and exporting.

Because planning is such an important part of any business it seems the obvious place to start.

I have written several articles about the importance of planning – ***we fail to plan, we plan to fail.***

Yet the reality is that many small businesses do not plan – why is that? What are the challenges associated with planning?

There are several issues that are often seen as blockages to planning.

Lack of time, inexperience, lack of confidence and ‘what’s the point’ are four of the more common planning challenges.

Most people who plan set up a system for planning – something that works for them. Obviously, this can take a little time but, once set up, an effective planning system will save you time and, therefore, money! A simple but effective planning system should make life easier and, above all, should help us be proactive when it comes to making decisions.

An hour a week spent planning your business will easily be time well spent but it will require some personal discipline to keep it going. Having access to someone as a business mentor or coach can be really useful here.

Inexperience and lack of confidence are a pair of related challenges. Many of us see planning as a daunting, complicated task that 'we are no good at and we won't enjoy anyway!' Yet planning is something we all do – we plan to plant crops, we plan to travel, we plan the future of our children, we plan to build a house. Planning our business is no different. If you are fortunate enough to have done a diploma or business qualification you will have certainly learned about business planning. However, the problem with many business plans is that they are over complicated and with no obvious practical end use. The process is often too remote from what the business is all about. Confidence comes with practice! Stop worrying about what others will think! Start with a blank sheet of paper headed 'my plan' and begin to write down everything you know about your business or business idea. If you get stuck ask a friend to help! Keep your focus on why you are in business at all. Ideas will soon flow and that is the beginning of your plan!

The fourth planning challenge I want to look at briefly is the "what's the point" attitude. Every time there is a cyclone or an extreme weather event I am sure many of us ask ourselves that question.

'Why bother – I just get myself organised and something comes along that I have no control over'. Yes, there are many things that could affect our businesses that appear to be out of our control – however we mustn't use this as an excuse for not planning.

The reality is that the better planned we are before a crisis or emergency, the more likely we are to survive it!

There is one other challenge to consider and that is the challenge of boredom! Some of us want action – planning is often seen as too passive – action is exciting!! However unplanned action can often be short-lived, expensive and damaging in the long term.

Excitement is important – action keeps us going!! Our goal must be for planned action – plan it, do it, review it, re-plan and more action.

It becomes a productive cycle of actions that work because they have been thought through in advance. The more our planning produces lasting results the more we will do it and the better we will become at it.

Another way of removing boredom is to plan with others – create a small team, have planning activities, share ideas, have fun, be social, be outrageous!!

If we plan well our biggest opportunity is to be as proactive as possible for as often as possible.

Being proactive means taking charge of our own lives, making our own decisions, creating our own luck. If we take the 'what's the point' attitude we become reactive – we allow other people or other circumstances to set the agenda and often dictate the outcome.

When I ask people why they go into business the answer is usually something like ‘to be my own boss – I’m fed up working for other people – I want to benefit from my own efforts’. Yet if we don’t plan we might as well work for someone else!

If we put the effort in to start our own business, then let’s go a step further and put the effort in to securing the business outcome we want!

If you need help with planning or you want some feedback on your own plans then please get in touch. Happy planning in 2018!!

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