

GROWTH TO THE NTH POWER

Module X

The Power of Planning

“There are some people who live in a dream world, and there are some people who face reality; and then there are those that turn one into the other.”

Douglas Everett

If your vision is the destination, your mission is your reason for being and your goals are milestones along the way, the Strategic Plan is the engine. It is also the roadmap to follow for goal achievement. As valuable as the strategic plan is in taking you to the next level, it is surprising the number of advisors that don't have a plan. According to research conducted by CEG Worldwide, 83% of advisors producing more than \$1,000,000 use a business or marketing plan compared with only 7% of advisors making less than \$75,000.

The entrepreneur should be able to develop marketing strategies that optimize the profit level. There should be a balance between the needs of the marketing mix (sales, advertising, product quality, and service) and business functions (finance and administration) and from stakeholders such as customers, distributors and suppliers. These need to be reviewed with a focus on profit even if you don't select profit as your driving force.

In their book, *Top Management Strategy*, Tregoe and Zimmerman state that there are nine basic strategic areas which fit into three categories and that you and the organization should select one of the nine areas as the driving force. The nine areas and their categories are:

Products/Markets	Products offered, Market needs, Technology
Capabilities	Production capability, Method of sale, Method of distribution, Natural resources
Results	Size/growth, Return/profit

“It pays to plan ahead. It wasn't raining when Noah built the ark.”

— ***Richard Cushing***

“You were born to win, but to be a winner you must plan to win, prepare to win and expect to win.”

—Zig Ziglar

The driving force you select should result in a major change in that area. For instance, if you are good at implementing strategies based on market need, this would not be an area to select as the driving force unless a major change creating a large impact occurred. Since the driving force becomes your main focus, greater results should occur. And you may at some point change your driving force strategy. For instance you might in the past have selected product offerings as your driving force and as a result continued to increase sales. You should still have been aware of the value of the other areas, however the focus was on product offerings. In the upcoming year you might change your driving force to be profits. Again you would be aware of what is going on in the other areas and you might develop strategies in those areas, however, everything must pass the profit optimization test.

Developing a good strategic plan can be tedious and time consuming, however, it is worth the effort as evidenced by the CEG Worldwide study. And the planning process can be fun. This is where you can use your creative juices to come up with ideas and actions that will truly take you to the next level. The aspect of creativity is so important that it might be helpful to spend some time discussing the subject.

Creativity and the Planning Process

Creativity is defined as the ability to think of original, diverse, and elaborate ideas. It would include a series of mental exercises that train your brain to use its creative side.

Quite often I hear people shy away from being creative with such comments such as , “I am not creative,” or “I don’t have the time.” The fact is that people aren’t born to be creative. It is a learned trait. Everyone has the ability to develop their creative side.

Let’s do a few creative exercises:

Exercise 1: Take away 3 of the lines and leave 4.

IV

Exercise 2: Turn the Roman numeral seven into an eight.

Exercise 3: By adding one line, change the Roman numeral IX into a six.

Exercise 4: Come up with ways to alleviate jails.

(Answers are at the end of the section on creativity)

“The best way to get a good idea is to come up with many ideas.”

—Unknown

Techniques for Creative Thinking

There are several techniques for creative thinking that lead to more and better ideas:

- Brainstorming
- Mind mapping
- Challenging the rules

There are some good training exercises that will improve your creative thinking skills:

- Tolerate ambiguity.
- Avoid right or wrong answers.
- Accept ruts and grooves.
- Don't accept ruts and grooves.
- Listen.
- Avoid rigidity in your thinking.
- Ask for input.
- Challenge everything.
- Look at a scene from a different lens or a different angle.
- Read different magazines, books ,and blogs.
- Work creative problem solving exercises
- Move in different social circles.
- Try something new on a regular basis.
- Watch and learn from children. They are full of curiosity and creativity.
- Eat at different ethnic restaurants.
- Question people about their interests and experiences.
- Stop any negative self talk.
- Talk to strangers.
- Be more spontaneous.

Begin your creative learning program today and use those skills to develop a world class strategic plan!

Answers to Creative Exercises

Exercise 1: Take away the top line, the bottom line and the line on the right and you are left with the Roman numeral IV.

Exercise 2: Simply by adding one line on the right we get a Roman numeral VIII.

Exercise 3: There are several answers. By drawing a line halfway through the Roman numeral IX and turning it upside down and looking at the top half you get a Roman numeral IV.



“Productivity is never an accident. It is always the result of a commitment to excellence, intelligent planning and focused effort.”

—Paul J. Meyer

Another way to solve the problem is to using only one line draw an “S” in front of the IX and you get a SIX. Even more , put the number “6” in back of IX and you get IX6 (multiplying I times 6 and get six). Ther are several points to make with this exercise. One is that many people think, after working on the first two exercises with both problem and solution dealing with Roman numerals, that the answer will be a Roman numeral. They get in the Roman numeral rut and have trouble thinking outside the box.

Exercise 4: I got this exercise out of the book, *The Magic of Thinking Big* by David Swartz, PhD. Most people immediately begin thinking of reasons why we can’t get rid of jails instead of trying to think of ways to eliminate them. Maybe and probably they can’t be eliminated, however by opening our minds to possibilities we can challenge long standing rules and traditions and find better ways to run or businesses and our lives.

Developing the Strategic Plan

As you review your goals, they may appear to be daunting. You may wonder where the business will come from. If you have planned for a large increase in productivity for the year, the best way to put it in perspective is to break the goal into manageable numbers. Assume an increase in the goal of 25% would have you going from \$200,000 in revenue to \$250,000.

Step one would be to break it down by target market and products. See Worksheet XI for calculating this breakdown. An example is shown on the following page.

Marketing Sales Matrix Example

		Products						Total
		Mutual Funds	LTC	Med Sup	Annuities	UL	WL	
Target Markets	Over 65	\$15,000		\$10,000				\$25,000
	Age 50-70	\$15,000	\$10,000		\$15,000	\$10,000	\$10,000	\$60,000
	Widows		\$5,000	\$5,000	\$15,000			\$25,000
	Newlyweds					\$15,000	\$10,000	\$25,000
	Grandparents	\$5,000						\$5,000
	Business Owners	\$10,000						\$10,000
	Other							
	Total	\$35,000	\$15,000	\$15,000	\$30,000	\$25,000	\$30,000	\$150,000

Worksheet XI

Marketing Sales Matrix

Products

Target Markets

							Total
Total							

A strategic plan is a broad statement explaining how marketing objectives will be achieved.

Using this breakdown, you should be getting clarity of where you can expect the revenue to come from and the goal becomes less daunting. Step two will be to develop strategies that will guide you in bringing in revenues from the various target markets and the products you will be using. For instance, what strategies can you develop that will lead you to realize \$10,000 in revenues by selling Universal Life to the age 50 – 70 market?

Strategic Plan Defined

A strategic plan is a broad statement explaining how marketing objectives will be achieved.

Examples of strategic plans might be:

- We will earn \$20,000 in revenues from four well planned client events.
- We will earn \$100,000 in renewals and residuals.
- We will earn \$15,000 in annuity sales to the age 50 – 70 market.

Your strategies should address several issues:

- How will it attract and keep your target market?
- How can you expand your market segments?
- It should address in some way the following:
 - » Seasonality – Are sales to a target market seasonal or is a particular product seasonal? Strategies might be developed to expand the season through:
 - › Promotional timing
 - › Developing products to promote in the off season to the seasonal target market.
 - » Spending – How much will you spend to promote a product or marketing to a target market?
 - » Competition - What are they doing? Focus on developing and improving your UVP.
 - » Products - Do you have the best products for your target market? Can multiple products be packaged together for a more attractive offer?
 - » Selling/Service/Operations – How will you sell the product and service the customer? What processes are in place or what processes need to be developed for optimum effectiveness?
 - » Promotions/Events – What type and how many promotions and/or events will you have? Where will you have them and who will be invited? What will the follow up process be? What will be the objective of the promotion or event?
- Simplicity – You should keep the strategies as simple as possible.
- Strategies should be developed with the customer in mind.

“Even the longest journey begins with the smallest step.”

—Chinese Proverb

Tactical Plans

Tactical plans are the action steps that drive the strategic plans. For each strategy you should list the detailed action steps that if taken, should help you reach your objectives. *Worksheet XII, Strategic Planning Worksheet* is a good format to follow in developing your strategic and tactical plans. Using it as a living, breathing document – meaning you review it at least weekly to monitor your activities – will take you to the next level.

In completing the form, use the following explanations:

Target Market—This is the segment for which you are developing a strategy.

Target Market Objective—This would be the goal for the market. It might address retention, new sales, revenue, commissions, staffing needs, etc.

Strategy—Define the strategy you will use to achieve the target market objectives. If you will be defining more than one strategy for the same objective, use more than one form.

Action Step—These are the detailed action steps you will take to drive the strategy.

Person Responsible—This would be the person that will take ownership of the step.

Start Date—Studies show that we have a better chance of completing a task on time or to achieve a goal if we define the date we will take the first step. This is also critical because as strategic plans are developed, there is a tendency to lump every project in the first quarter. More than likely, this is not feasible and in fact causes organizations to get behind in their goals quickly. Setting the start date will allow you to strategically determine when each project should start and help spread the workload throughout the year.

Completion Date—This is the date the action step must be completed

Comments—This would be used for any comment that would be helpful as the project moves along.

Organizational Strengths—What strengths does the organization possess that will help the project be a success?

Organizational Weaknesses—What weaknesses does the organization have that will potentially limit the successful completion of this step? Should you implement a plan to overcome the weakness or should another action step be defined that might have a better chance for success given your skills and resources?

“It’s not the situation...it’s your reaction to the situation.”

—Robert Conklin

You should review the plans. Are the action steps detailed enough to act as a guide towards goal achievement? Are the plans achievable in the time frame, given skill and resource restraints? What plans do you have in place to overcome the constraints? What is not in the plan, but should be?”

The Strategic Planning Worksheets should become a process. Keep your eyes on the goal but stay focused on the process!

Summary

Goal setting as well as strategic and tactical planning are essential elements of a winning organization. However the best laid plans can be derailed. Things happen that will disrupt the plans, and often cause an organization to abort the plans.

The four major difficulties that commonly occur:

- Getting started with goal pursuit. This can be addressed by focusing on start dates.
- Staying on track. By constantly measuring activities and results, getting off track can be avoided. Peter Gollwitzer, Caterina Gawrilaw and Gabriele Oettinger, in their paper, *The Power Of Planning: Effective self regulation of goal striving*, May 2008, referred to a method of staying on track as implementation Intention. Within this method they suggest using the ***if – then*** response. To use this method to effectively stay on track, you would define a goal relevant situational cue (the ***if*** component} and a related planned response to that cue (the ***then*** component).

For instance say I am on a diet and I want to lose 20 pounds. I attend a social event and they break out the cupcakes. I have already established my ***if – then*** response as ***if*** they serve desserts, ***then*** I will I will drink an extra glass of water so I will be full and I will decline the dessert. Or ***if*** they serve desserts and I accept one, ***then*** I will run an extra 2 miles in the morning.

A work related example might be that your plan will be to call 20 people each week to get 5 interviews and to make 3 sales. You might decide that after reviewing your activities and results for 3 weeks, if you are not getting 5 interviews after making 20 calls, then you will question your technique, and if you don’t see a way to improve, then you will increase your call volume to 25 calls per week.

The point is that you help keep on track by continuing to monitor results and activities and by having pre-defined cues, keeping you in a proactive mode.



“If you are riding a dead horse, the best strategy is to dismount.”

—Dakota Indian Wisdom

- Calling a halt. Sometimes there becomes a point that the objective should be abandoned. The objective may no longer be valid, or the necessary resources don't become available, or maybe the organization got too far behind goal and it is no longer feasible to pursue.
- Overextending The final review of the plan should include an honest look – can I achieve goals given my time, skills, and resources?

This method is valuable , but it can be time consuming. Knowing that some might prefer a shorter version I have developed a Marketing Plan shown as Worksheet XIV. It is self explanatory and it does have you commit to key activities, which will lead to success.

Module Project

Complete *Worksheet XI, Marketing Sales Matrix* and *Worksheet XII, Strategic Planning Worksheet*.

2-Page Marketing Plan

Name _____ Year _____

GOALS

Income	\$ _____
Projected renewal commissions	_____
Projected First Year Commissions (a – b)	_____
Average commissions per sale	_____
Number of sales needed (b-c)	_____
Closing ratio (projected)	_____
Closing interviews needed (d / e)	_____
Average interviews per sale	_____
Total interviews needed (g x f)	_____
Interviews per week (h x number of weeks)	_____

SALES STRATEGIES

1. _____

Activities	Start Date
a) _____	_____
b) _____	_____
c) _____	_____
d) _____	_____

2. _____

Activities	Start Date
a) _____	_____
b) _____	_____
c) _____	_____
d) _____	_____

3. _____

Activities	Start Date
a) _____	_____
b) _____	_____
c) _____	_____
d) _____	_____

SERVICE STRATEGIES

"A" Clients

- | | |
|-----------|-----------|
| 1) _____ | 2) _____ |
| 3) _____ | 4) _____ |
| 5) _____ | 6) _____ |
| 7) _____ | 8) _____ |
| 9) _____ | 10) _____ |
| 11) _____ | 12) _____ |

"B" Clients

- | | |
|----------|----------|
| 1) _____ | 2) _____ |
| 3) _____ | 4) _____ |
| 5) _____ | 6) _____ |

"C" Clients

- 1) Annual check-up

Comments
