

WHICH ROAD TO GO?

In the book *Alice In Wonderland*, there is a scene where Alice comes to a fork in the road, she looks down the right road as far as she can see, and sees nothing. She looks down the left road as far as she can see, and sees nothing. In the center of the fork is a large oak tree with the Cheshire Cat grinning a grin as big as a grin can be. Not knowing which way to take the fork, she asks the Cheshire Cat, "Which road should I go?" his reply; "which road do you want to go?" and Alice says "I do not rightly know which road to go." The Cheshire Cat's response to her was, "if you do not know which road you want to go, then it makes no difference which road you go." The moral of the scene is: If you do not have a Goal set, or a direction to go, it makes no difference which way you go, nor will you know when you get there.

Planning and goal setting are essential parts of every business. A "Plan of Action" must be established so that work, effort and resources are directed in a controlled and coordinated manner towards the accomplishment of these goals and objectives.

A good business plan establishes Goals and Objectives to be reached. Good managers direct their personnel. They manage their business every day without losing sight of their Goals and Objectives. They make decisions and changes as required to keep the business progressing toward present goals. With goals and objectives set, the manager can now anticipate instead of reacting to events; he remains in control.

Without a business plan, a business tends to run on historical experience or on a crisis management basis, constantly putting out fires, rarely finding the person with the matches. Employees work in different directions due to lack of common goals. This creates confusion, inefficiency and, in effect, excessive costs and reduction of profits. Does this sound familiar?

The lack of a business plan limits growth. Efforts are based on day-by-day situations without planning. Essentially, without a plan, you are "flying blind". Although businesses cannot plan for all contingencies, planning will reduce risk and provide guidelines for staying on course.

The next step is to establish the long range goals. Usually, they are done for a period of three to five years. The goals raise questions in at least three domains: labor, facilities and financial.

LABOR: Do we have the personnel available to support the growth, or will we have to increase staff? If we increase, from where will they come? Are

our compensation programs competitive? What will the training needs be? Who will do the training?

FACILITIES: Do we have the equipment and space to support the business forecast? What replacements will be required? What new or expanded equipment or facilities will be required?

FINANCIAL: What are the three to five year cash requirements necessary to support the projected growth? What type of major capital expenditures will be required for additional equipment? Will long term borrowing be required? Is it available? At what costs? How will cost of living factors affect my costs? Do I have administrative personnel and facilities to support the volume figures? Where do I acquire them? At what cost?

Planning and setting goals is the first function of your company. Whether documented or not, there must be a purpose to be accomplished by the business. To facilitate communication, it is desirable that the purpose be specified in writing. The first goal of your company is to survive; the second is to grow. The prime objective is to make a profit. The success and future of your company, ultimately depends on its ability to be profitable.

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