



WHITEPAPER: A PLANNING PROCESS THAT WORKS

This document outlines a process to develop an annual operating plan or a longer-term strategic plan that will engage managers and produce results.

ICG Consulting
Investment Capital Growth
34 East Main Street #213
Smithtown, NY 11787
(631) 338-2114

E: Cliff@InvestmentCapitalGrowth.com

A Planning Process that Works

The Context for Planning

Planning is hard work - whether at the annual operating plan level or the longer term, strategic level. A process-driven approach to planning can help alleviate the angst associated with planning and get a plan completed in a reasonable timeframe.

Planning simply maps out the path to answer these questions:

- Where are we now?
- Where do we want to go?
- How will we get there?

Strategic planning envisions the company in 3-5 years. An annual operating plan maps the Short-term plan for the current year.



- Vision. Mission. Values.
- Long-term goals
- Senior management driven
- 3-5 year timeframe

- Operational department goals
- Stepping stones to strategic goals
- Middle manager driven
- One-year timeframe

- Front-line
- Monthly and daily focus
- Individual performance goals

The Annual Operating Plan

The annual operating plan synchronizes department plans and budgets to meet the company's growth and financial goals. As part of the planning process, key assignments and metrics are developed for each department. These will be tracked and reported on at least a monthly basis to the company, although many departments will track progress towards goals on a daily basis (for example, sales and manufacturing) The final plan document is a very concise document, including:

1. Key Objectives for current year
2. Key Strategies from the Strategic Plan
3. Department Plans
 - Sales and Customer Service
 - Marketing
 - Engineering
 - Product development
 - Manufacturing
 - Finance and Administration
 - Information Technology
 - Human Resources

4. Key Challenges
5. Financial Plan
 - Economic Assumptions
 - Pro Forma Income Statement, Balance Sheet, and Cash Flow Statements
 - Capital Expenditure Plan
 - Revenue Targets by Key Partners/Customers
 - Industry Forecast/Assumptions Used in Revenue Target development

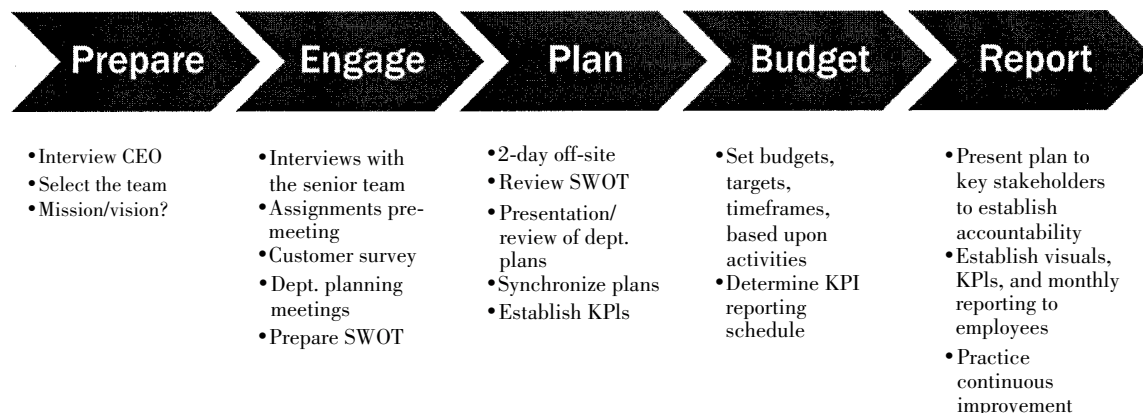
ELEMENTS OF THE ANNUAL PLAN



The keys to an effective planning process are simply having a concise plan document that is developed jointly by department managers, shared with all employees for visibility, and reported on regularly.

The Planning Process

The planning process includes pre-work for each department manager; a 2-3 day planning session to bring the department plans together; a phase to develop budgets and key performance indicators (KPIs) after the plans have been completed; and a plan to report results to employees and shareholders.



All departments should be involved in the planning process and represented at the planning meeting:

- Sales and quotations
- Marketing
- Customer service
- Engineering
- Product development
- Manufacturing
- Finance
- Human Resources
- Information Technology and Data Management

HOW ICG CONSULTING HELPS

ICG Consulting helps by providing the framework for the planning process and by driving the organization in a short timeframe to complete the plan. In addition to facilitating the planning meeting, ICG Consulting engages managers in the process through interviews and pre-meeting assignments, helping to develop customer focused key performance indicators (KPIs) to measure performance towards important growth targets. In addition, ICG Consulting can help with research or creating a plan document, if needed.

ICG Consulting designs and facilitates a process to create a roadmap for growth, engagement, and buy-in from managers to achieve goals; and a measurement/reporting process to assess progress towards goals.

Cliff Locks
Managing Director



ICG Consulting
Investment Capital Growth
34 East Main Street #213
Smithtown, NY 11787
(631) 338-2114
Fax (631) 360-4974
E: Cliff@InvestmentCapitalGrowth.com