

Management Consultants to the Precast Industry

RESULTS IMPROVEMENT BULLETIN

PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN

Precast Business Results Improvement Bulletins are published by MJS Management Services. Additional bulletins that summarize current management challenges and solutions for the precast industry can be found at www.mjsmanagement.net.

MJS Management Services is a consulting firm that works exclusively with clients in the precast industry to improve business performance and results. For assistance with this or other management challenges please call 206-388-5209 or contact us by email. Visit our web site for a full description of the services we provide.

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ACHIEVE HIGHER PERFORMANCE WITH AN IMPROVED BUSINESS PLAN FRAMEWORK

Precasters with a calendar year end will typically complete an annual planning process (strategic, annual/business and/or budget) sometime between September and December. This Bulletin provides tips for gaining better results from this exercise.

Confusing strategic and operational (annual) plans is a common shortcoming

When we're asked to develop, review or improve the strategic plans of our precast clients we commonly find the existing strategic plan contains a combination of strategic issues and operational issues. Often the strategic plans are heavily weighted toward operational (short term) priorities and under-emphasize strategic topics.

Inappropriately mixing strategic and operational issues weakens both the strategic plan and business (annual) plan. As a result the strategic plan is less effective and management teams often struggle to achieve strategic and short term objectives. The resulting lack of progress frustrates the CEO/President and senior managers find that the annual planning process is not an effective use of time.

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What wins – strategy or execution?

To win in the long run good strategy and strong execution are both needed. However, good strategy with poor execution means trouble. Management teams really show their value when they execute well – they transform and re-shape the business producing tangible improvements in profitability, market share, productivity, organization strength and other key measures.

Strong companies noticeably do things better now than they have in the past and are seen to be “heading in the right direction”. This is in contrast to businesses that look similar year after year with little change. Their financial results tend to rise and fall in sync with the business cycle.

Excel at execution

We often find it helpful for precasters to concentrate on execution success resulting from a very high quality annual business or operating plan. Solid progress can be demonstrated against clear annual goals. The importance of execution is highlighted with operational objectives clearly articulated and separated from strategic issues. With a working operational plan in place key strategic issues can more easily be identified and dealt with.

(Note: Precast Results Improvement Bulletins with tips on creating a high performance strategic plan, that works in conjunction with the annual business plan, are located at www.mjsmanagement.ca).

A “best practice” framework for the annual business plan

MJS Management Services provides a precast “best practice” framework to improve the annual business planning process. The framework will enhance your company’s ability to execute and drive to a higher level of performance.

Our framework is designed to be easily adapted to the needs of individual precasters and saves your management team the time needed to create an improved business planning process.

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The comprehensive annual business planning framework is specifically designed to help precasters achieve the following:

- Supports execution success (tangibly transforming and improving the business).
- Establishes appropriate levels of accountability.
- Identifies topics that are commonly missing from annual business plans.
- Provides a format for documenting and assembling the business plan.
- Links the annual business plan to long term strategic objectives, the annual budget and capital plan.
- Reduces the overlap between strategic and short term objectives.

The annual business planning and budget framework provides a method for the management team to:

- Identify commitments and priorities to transform and improve the business.
- Integrate annual business objectives with the financial plan and long range (strategic) objectives. Address topics including:
 - Revenue and market share growth
 - Productivity and process improvement
 - Organization strength
 - Innovation
- Set profitability targets that will then dictate suitable overhead and capital budget levels,
- Define integration between operating plans and required support from finance, administration, IT and HR functions.
- Define the timetable, roles/responsibilities, format and approval process for preparation of the annual business plan,
- Maintain accountability to achieve the goals that are set out in the annual plan,
- Provide methods to use the annual business plan and budget to drive performance improvements throughout the year.

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Consulting services to improve the annual planning process

We provide a variety of consulting services in conjunction with our business planning framework.

- **Tailor the framework** – We tailor the business planning framework to best suit the needs of your business, building on components already in place and adding missing pieces.
- **Management coaching** – we work with your management team to identify key initiatives and priorities that should be included in the annual business plan. We ensure that achievements are expressed in terms of the business benefits and that expected results are attainable.
- **Facilitation** – we lead your management team through an effective planning meeting.
- **Fresh ideas** – we provide insights on industry trends, tips on how to improve your plan and point out topics and opportunities your management team may be missing.
- **Accountability** – we provide mechanisms to create accountability for achieving goals that are established in the annual business plan and to regularly monitor progress.

If you haven't used external help with your planning processes you may want to try something different this year – the costs are relatively low and much potential benefit can be gained – from an improved process and additional ideas. For more information contact us at by telephone at 206-388-5209 or email info@mjsmanagement.net.