

One page fits all

Lengthy business plans don't guarantee success for SMEs, strategy expert Deri Llewellyn-Davies told a recent ACCA event

Back in 2007, Deri Llewellyn-Davies completed the legendary Marathon des Sables, a gruelling six-day ultra-marathon through the Sahara Desert. It's widely considered the toughest foot race on earth.

Racing with Llewellyn-Davies were a blind man and a man with one leg. 'It made me realise that we can achieve anything in life,' he told delegates at an ACCA UK event on lean business planning in February. 'The relevance of my adventures to business were uncanny. To achieve something like that you need strategy. But writing long business plans doesn't help with strategy. You need to plan quickly, adapt quickly and execute.'

Llewellyn-Davies, who is founder and CEO of business development consultancy Business Growth International, believes that the digital era has ushered in the 'most exciting time in history' for SMEs. 'There are two billion people coming online over the next two years,' he pointed out, adding that finance is the 'centre of the entire strategy piece'.

But he noted that numbers often baffle entrepreneurs, who like their finance people to explain figures to them in simple terms. That's why having the company's strategy summed up on a single page can be useful for finance people who need to create a business plan. It can also be effective for fundraising purposes, Llewellyn-Davies said. He himself raised £6m over three months by using

the one-page business plan that he has developed. The plan focuses on eight key areas: the business's vision, purpose, values, promise, market space, USP, growth indicators and key actions.

Know the purpose

The purpose of a business is core to what its objectives are, so it's important to ask why the business exists in the first place. 'If you haven't asked that question, what is the strategy going to be about?' Llewellyn-Davies reflected. 'A lot of people are building the wrong business. I'm an advocate of building the right business, from the right point of purpose.'

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According to Llewellyn-Davies, purpose consists of the following:

- 1 **Passion.** 'If we don't like what we do, we should do something else.'
- 2 **Service and values.** 'What is the true service and value that we're giving to the world? If we're not giving service and value, the business hasn't got longevity.'
- 3 **Market opportunity.** 'This needs to be big enough that if we have a passion for something, and we add service and value, then we can build the right business.'
- 4 **Fiscal reward.** 'This needs to be large enough for an

BAD STRATEGY

Strategy expert Deri Llewellyn-Davies defines bad strategy as:

- * *Mistaking a goal for a strategy.* A goal is the end destination. A strategy is the plan for you to get there.
- * *Failure to face the problem.* Many businesses just stick their heads in the sand and think that they need to sell more when a key function, such as operations, may be broken.
- * *To-do list strategy.* This is where people go away to strategy days or strategy meetings, talk tactically and come away with a big to-do list. A to-do list will never go away, it will just get bigger and it won't achieve a major result.
- * *'Blue-sky' strategy.* While a blue-sky vision is important, it is exactly that: a vision, not a strategy.
- * *Fluff masquerading as expertise.* A corporate mission statement is not a strategy. If it doesn't mean anything, it's just fluff.

entrepreneur to build the lifestyle they choose.'

- 5 **Exit strategy.** 'Exit is about the entrepreneur planning their departure and leaving a legacy.'

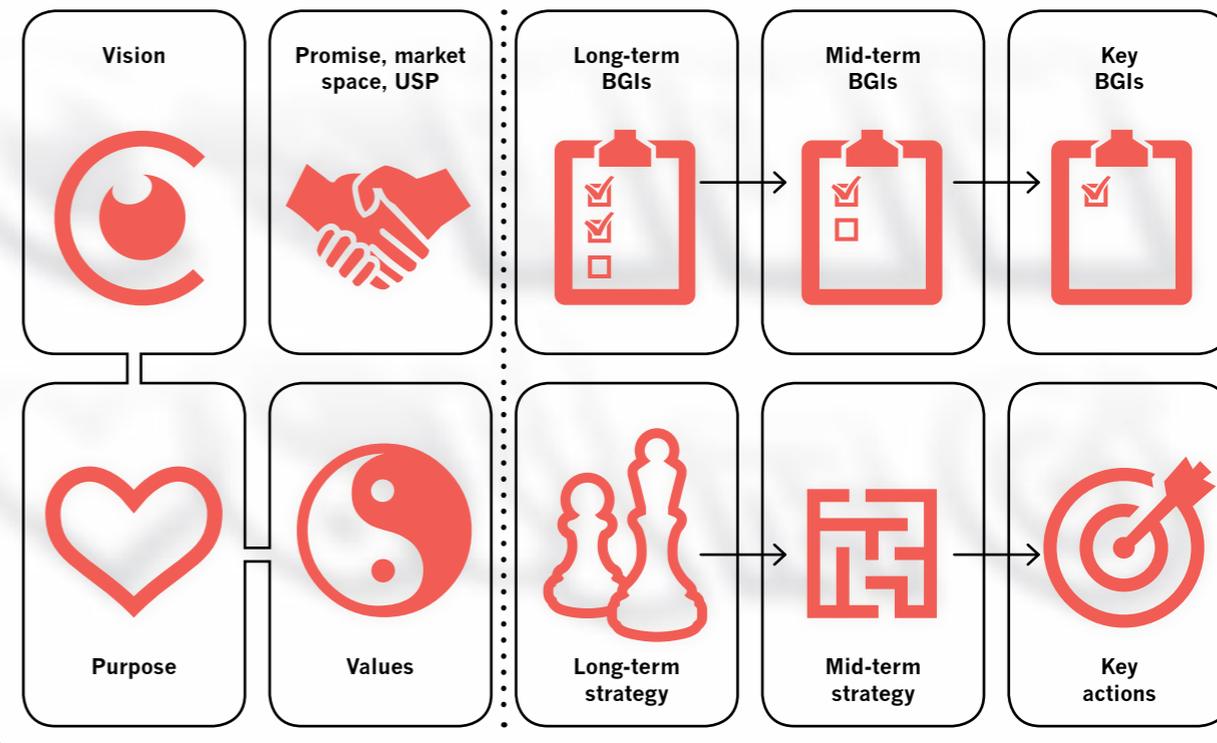
What is strategy?

Referring to a dictionary definition, Llewellyn-Davies defined strategy as 'a plan for obtaining a specific major result'. He said sales, marketing, operations, finance and HR will all look at strategy from a very different perspective, as will people who are visionaries, so strategy needs to be viewed as 'the whole element', not as a sum of component parts. Many

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BGI'S STRATEGY ON A PAGE



the business, and divided into short-term, medium-term and long-term goals.

Aligning vision, values, actions, business growth indicators and company promise to the purpose is the secret to creating a 'killer strategy', emphasised Llewellyn-Davies.

Vision and values

A vision is better than a mission statement, according to Llewellyn-Davies because it's visually expressive and asks the question: 'what does this look like?'

Values are what the business stands for. 'They mean something,' Llewellyn-Davies said. 'You need to be able to execute it,' Llewellyn-Davies said. 'If you can't, it's a vision, not a strategy.' The strategy needs to be stated simply, so it can be understood by everyone in

When considering their values, businesses should remember that people are both their most valuable asset and their greatest expense, so the way in which they treat their people is key.

Businesses also need to identify what their company promise is to all the stakeholders who come into contact with it. Everyone in the company should understand the promise because it's powerful from a marketing perspective.

Words and actions

Three-year plans are commonly used as long-term strategies, one-year plans as medium-term and one-month plans as short-term. 'When you map out a long-term strategy, bring it back to the now,' Llewellyn-Davies said. 'Otherwise it's futile.' Great businesses combine the perspectives

of sales, marketing, operations, finance and HR in their strategies.

Growth indicators

Business growth indicators are the core numbers that can be used to track how the business is progressing. They are also a measure of strategy. For the indicators to be effective, finance needs to work with sales so that it has figures to feed into an accurate, up-to-date cashflow forecast that is live and checked.

One-page strategy

Getting the plan to fit on to one page is where businesses move from strategic thinking to strategic execution. It is

bringing the strategy alive. 'Strategy on a page is simple and engaging, and everyone in the company can buy into it,' said Llewellyn-Davies. 'Everyone in the company should have a role that aligns to the strategy on a day-to-day basis.' Typically, it takes three months to adopt a single-page business strategy with full execution extending out to six months.

In the fast-moving world that we live in, strategy-on-a-page methodology is a good way of reacting to rapidly changing market conditions, concluded Llewellyn-Davies. 'The moment you write a business plan, it's out of date.' ■

Sally Percy, journalist

FOR MORE INFORMATION:

Business Growth International
www.bgiststrategyonapage.com/ACCA

