

Hi, this is Wayne Rivers at FBI, and *We Build Better Contractors*.

This week, I want to talk about the seven benefits of strategic planning. I know, I know, I know we talk about this all the time. I do. Dennis does. If there were something out there, if there was a business magic wand that could help you transform your construction company into something bigger and better than it is today, by gosh, we would bring it to you. And right now, to me, the best magic wand that we have at our disposal is strategic planning, business planning. You can call it whatever you want to, but putting your team together and focusing on all the various aspects of your business in a structured way where you need improvement, where your opportunities are, what you need in terms of resources and people, getting your best brains together and focusing on the future of the business. How can that not pay off? And if you think about it in those ways.

But here are the seven tips. These are from John Stump. John Stump leads our strategic planning class in Boot Camp. January 27th, 2022. Sign your people up. And we graduated our first two classes now, and the culmination of Boot Camp is strategic planning. And John has done two of the classes, and man, they were huge hits, really big hits. So, this is from John Stump and the seven benefits of strategic planning.

First, you've got defined values. You've established in your plan, defined values that guide hiring, behaviors in your company, and rewards. And if you think about it, hiring, behavior, and rewards, those contribute to your culture. We talk about culture probably as much as we talk about strategic planning. And those are the key ingredients, your values, those are the key ingredients that describe your culture, that shape your culture.

The second thing, planning provides clarity. In today's world post pandemic, how important is clarity and direction. It provides clarity around a mission or a purpose for the business and a shared vision. If people can see how their personal mission, most people don't have personal written missions, written personal missions that better, but they have a mission. They have a personal mission somewhere in their heart. And if they can sense, if they can believe that their personal mission is aligned with your corporate mission, you've got the foundation for a beautiful marriage there. You really do.

The third thing is planning provides you with a plan, an opportunity to differentiate your company. And Dennis had a blog just a few weeks ago about the importance of differentiating your construction company, because otherwise construction is merely a commodity and you're competing on price and luck. Okay. But strategic planning will give you an opportunity to differentiate your company from the competition.

The fourth thing is planning provides for measurable and manageable. If you don't have things that you can measure, how can you manage? Okay. Measurable and manageable, goals, objectives, and mileposts. I know some of you don't believe in goals and construction is a volatile industry. You just can't set goals in construction. Okay. Okay. I buy that. But there was a great Zig Ziglar story from 50 years ago. And he named a name. Apparently, the person was quite famous at the time, greatest archer in the world. And he said he could hit the bullseye more often than this famous archer provided you blindfolded the archer, you spun him around in circles for five minutes to get him dizzy and disoriented. Given those parameters Zig could outshoot the greatest archer in the history of the world. And the point he was making was how can you hit what you can't see? And I just don't understand why people don't set goals. Got a story about that at the conclusion.

The fifth benefit, the plan will provide an outline of the actions and the decisions the company has to make because growth and we all want growth in some way, at least in our businesses. Growth requires careful allocation of resources. If you're going to grow, you're going to need more stuff. You're going to need more computers. You're going to need more trucks. Mostly you're going to need more people. And that is the key thing. Your plan when you're trying to attract new people, think about this. If you can show them a written documented plan of where we're headed, what our vision is, what our mission is, what our values are, where we're going to be in five years? And what our financial plan is to get there.

If you can show a new applicant that, and they go to a construction company down the street that doesn't have that stuff, who's going to prevail in that competition for talent? So, all of those things will be present in a well-executed business plan.

Your plan will let you have alignment among your team and give them a path forward for all the reasons previously discussed. And the final, the seventh benefit is the ability to measure where you are in the execution of your plan. Again, going back to a Dennis blog, not too long ago, the ability to measure where you are, and course correct. That's the beauty of a plan.

So, thinking about goals in 1988, I was a young aspiring, not executive, but I was aspiring. And I went to a dinner and I sat beside this guy named Jim. He was a legend. He was a legend. There was a dinner. So, I got to sit there with him the whole two hours or whatever all night. I was on his left and we were talking, and they talked about what a goal setter he was and all that. And so, I said, Jim, I was a cocky young guy, Jim, what's your goal for this year? And this is 1988. And he said, my goal is to make a million and a half dollars this year. Well, that's a lot of money now. It's a whole lot of money in 1988 and I was so intimidated. And this gives you insight into the kind of thinking that I had in 1988. It kind of really almost upset me when I thought about this, but I was intimidated. He said his goal was to make a million and a half dollars that year.

And my first thought was, holy golly, that's so intimidating. And my question to him is get this. What if you don't hit your goal? It was a fear-based question. What if you don't hit your goal? And he started laughing and he did his hands like this. So, he's laughing. He goes, ha, ha, ha. I'm laughing all the way to the bank. I'll never forget that as long as I live. I'm laughing all the way to the bank.

And to me, that's the beauty of strategic planning, not the money. But you've put together your people, your team, you've put together a plan. You've analyzed every piece of your business. You know how you're going to differentiate, you know what your targets are, you know what your mileposts are, you know what your mission, vision, and values are. And it's all crystal clear in writing for everybody on your team to share. I think if you do all those things, you're going to be laughing all the way to the bank too. And you're going to have a better, more rounded, more balanced life along the way. So, I'd like to hear what you think.

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