

Hello. This is Wayne Rivers at The Family Business Institute. As always, thanks for tuning in. Please subscribe to our YouTube channel. And we'd like to have your comments below. We'd like to have your thoughts on this subject.

So, question for you. Does goal setting work? And you know where I'm going to come down on this. I'm a huge fan of Zig Ziglar and all those guys back from the old days. And a second corollary question, does strategic planning work? I want you to think about this. I've been going around the country doing speeches for a number of years now. We always talk about strategic planning as a kind of a magic bullet. Well, finally we have some hard numbers, some hard-documentable numbers on the impact of strategic planning for family and closely held businesses. So, I want to talk about that.

First, I want to talk about goal setting. Well, I heard about this 20 or 30 years ago, that there was this study done at Harvard or Yale, I forget which. And they studied the three percent of the graduating class that set goals. And then that three percent, they studied them again 20 years later and they had achieved ten or twenty times the amount of success that the other 97% of their graduating students had. Turns out that's a total myth. That study was never done. It's just a total myth. I guess maybe some of the success gurus, gosh I hope it wasn't Zig. But some of the success gurus may have made it up. But, finally though, somebody at Dominican University actually did that study. And it wasn't a 20-year study, it was a short run study.

But what they did was, they set up five different groups, five different groups of people. One was just going to think about goals, kind of like New Year's resolutions. The second group was actually going to write their goals down. The third group was going to write their goals down and then form in their minds some action commitments. The fourth group was going to write their goals down, form action commitments, and then send those action commitments to a supportive friend. And the fifth group was going to do all those other things but also send weekly progress reports to their supportive friends. Well, guess who achieved the most?

Well, first things first. All of the groups that wrote down their goals outachieved the group that just thought about their goals by a significant margin. The group that actually performed the best and achieved the most was the ones that wrote down their goals, created an action plan, and sent weekly progress ... that weekly progress report is important. I'm going to come back to that. So, group five is the winner but long and short, anybody who wrote down their goals achieved more than people who simply dreamed about them or set these weak New Year's resolutions, or something like that.

Now, along those lines, does strategic planning work? Well, to me, strategic planning is how a team sets its goals. Not just for 2018, but for the next five years or even longer. We had a client who celebrated a fiftieth anniversary and they were thinking about what's our next 50 years look like. I love that. I mean, that's the right way to go about it.

So, we finally put together some statistics about strategic planning. Instead of us just empirically believing that our clients do better when they do strategic planning, we wanted to document that. So, we tied down our

research to one industry, a specific subset, the construction industry, which is our number one industry. And then we narrowed it down to building contractors only. And then we narrowed it further to people that did strategic planning three years or more ago. So, we narrowed, narrowed, narrowed it until we got a perfect little cohort to study. And what we found was that the people that were in our peer groups outperformed the industry in general by about two times in both sales and profits. But the people that went on and did strategic planning outperformed even the peer group members by two times. They were four times as successful as the industry in general. And then they were three times as successful as the industry in general when it came to profits.

So, whether it's just a peer group, and there's that weekly accountability, it's just that peer groups only meet every six months, but there's that accountability measure being in a peer group. And I can tell you, from being in my own peer group, that accountability is key because you never want to have to look your peers in the eyes and tell them that you had not succeeded on one of your commitments. But then going on and doing that strategic planning with the team at your company, that produced enormous benefits. And that's what it's all about. Getting everybody going in the same direction, having everybody subscribe to the same mission, vision, and values. I know you think that's all consultancy and nebulous, and icky and soft. It's not. It's legit and it's real.

When you get everybody on your team pulling in the same direction with the same plan in mind, and then every single week you check in on how that plan is performing, every week, every month, every quarter, et cetera, then you're going to do better. So, what are the key takeaways whether it's goal setting or strategic planning? You need three things. The plan has to be written, there has to be accountability in the plan, and you have to check in every week, 52 weeks a year to make sure you're on plan. And by doing those three things alone, you'll see your performance in your family business, sales and profits, and most important, quality of life all will change for the better.

This is Wayne Rivers at The Family Business Institute. Thank you.