



Business Plans to Game Plans: A Practical System for Turning Strategies into Action

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Jan B. King

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Business Plans to Game Plans is for owners and managers struggling to implement business and strategic plans. With more than 50 exercises and worksheets, the book presents a practical system for taking action and measuring results. It comes out of the author's experience with running a 100-percent employee-owned company for nine years.

The three essential viewpoints in the book:

Create big goals that really matter, give employees the tools to check their own progress toward the goals, and lead courageously.

"This book does something important: it takes abstract information and puts it in language and worksheets that make sense. This gives everyone - including top managers - a complete description of how a company's performing. And there's no better tool for improving performance than understanding."

- **Jack Stack, author of The Great Game of Business**

"When I started my business in 1952, business plans were not in vogue. It would have saved me years of hard-line experience if I had the practical solutions this book offers. Know what is vital to the success of your business, enhance skills for confident prediction, and avert crisis management. This book offers all that for the price of lunch."

- **James C. Collins, Chairman Emeritus, Sizzler International, Inc.**

"Most small business-related books approach the implementation of business plans and strategic planning in a very traditional fashion. This one is different. It illustrates how to realistically turn a business plan into an action plan. But it does not stop there. The author discusses the most current methods of managing a business, e.g., total quality management techniques, not in textbook style but in practical, everyday language. Her style of 'instruction' is nothing short of

excellent. This readable, practical work is useful for all levels."

**- Fred Andrews, Middlesex Community-Technical College, in
Choice: Current Reviews for Academic Libraries**

"This 'how-to' workbook for small businesses shows how to develop and communicate a vision and how to empower people so they can make the vision a reality."

-Arizona Business Gazette

Every Business needs a game plan.

If a business plan is a brochure, a game plan is an instruction manual. Over half of the fastest growing companies have business plans and separate implementation (game) plans. A game plan takes the vision of the company and translates it into every aspect of that business.

What you'll find in this book:

- What is the essence of leadership? Chapter 1
- Maximum number of annual company objectives you should set Chapter 1
- 6 Things You Can Do to prevent employee fraud Chapter 2
- 6 essential measurements of your company's financial well-being Chapter 3
- 4 essentials to making the most of your market research Chapter 4
- 5 critical measures of operational performance Chapter 5
- 10 things to know about your industry to impact your marketing Chapter 6
- 5 essential hiring practices to ensure "state-of-the-art" employees Chapter 7
- 4 things you shouldn't tolerate from employees in your workplace Chapter 7
- What is the single biggest mistake made by CEOs? Chapter 7
- 10 questions you should ask before hiring a consultant Chapter 8
- 10 questions to ask to your Board of Directors Chapter 8
- Top 10 reasons businesses succeed Conclusion
- 5 defining characteristics of great CEOs Conclusion
- 50 Management questions every business must answer to succeed Appendix
- Over 50 tools (worksheets and exercises) for seeing your business in a new way
- More than 400 questions to prompt your thinking about your own business

About the Author



Jan B. King currently leads a consulting practice primarily devoted to helping authors and publishers, writers, and educators with content development and curriculum design for print publications and innovative web sites. In addition she teaches small business management topics such as business planning and writes and speaks extensively on employee-ownership and participative management.

She began her career as Product Development Manager for Transamerica Insurance Group, and then joined Merritt Publishing, a then 30-year-old publishing company, in 1983. When the company's founder retired in 1990, she became President and CEO. Ms. King transformed this small family-run company into an employee-owned business as well as a recognized brand for financial information to professionals and consumers. She doubled revenues during the first half of her eight-year tenure, finally leading the company through an employee-buyout and its eventual sale to a leading computer based training company in 1998.

Ms. King was also a member of TEC (The Executive Committee, a membership organization for CEOs) for six years, and co-founded a women's CEO group. In 1997, Merritt Publishing was named the 44th largest woman owned/run business in Los Angeles by the Los Angeles Business Journal. Her book *Business Plans to Game Plans* was well received by academics and business people alike and is in its 3rd edition (John Wiley & Sons, 2004).

Ms. King serves on several Boards of Directors, including TreePeople, and the Enterprise Institute Board for the National Association of Women Business Owners, Los Angeles. She has been a mentor with the TEC on Campus program for the Anderson School of Business at UCLA, and is instructor with SCORE. She is a Phi Beta Kappa graduate of the University of Southern California with a BA in History and Economics, is a certified NxLevel Entrepreneurial Training Program instructor and holds the SPHR (Senior Professional in Human Resource) designation from the Society of Human Resource Management. In 2002, she received the award for "Outstanding Performance as a Small Business Woman's Advocate" from the SBA/California Small Business Development Centers.

Ms. King's views on business and on publishing have been widely quoted in Working Woman Magazine, the American Bar Association's Bar Leader magazine, Small Business USA, Business Finance, the Los Angeles Business Journal, and on business web sites such as webhire.com, office.com, ybn.com, portera.com. She has also appeared on Making It! a small business television program on KTTV Los Angeles, The Economic Journal, a PBS business program, as well as on numerous nationally syndicated business radio programs.

The Story Behind The Book

Jan B. King's successes in mastering the dimensions of running a mid-sized, fast-growing company led her to write her own book, Business Plans to Game Plans: A Practical System for Turning Strategies into Action (3rd edition, John Wiley & Sons, 2004). The book details the straightforward system Ms. King devised to help strategize and implement her dynamic business plan for Merritt Publishing, and includes over 50 easy-to-use worksheets for owners and managers of growing firms.

The introduction outlines her story: In 1990 after 7 years as a line manager and Vice President, she was promoted to President and then CEO of Merritt Publishing, a 35-year old company and a recognized brand in the technical publishing field. The challenge was to turn a family-owned business into a professionally managed firm. Recognizing that only about a third companies outlive their founders for any period of time, she knew there would be significant challenges over the coming years.

Ms. King writes: "... I realized that the key to our survival was getting a handle on where our cash was going and reducing our expenses. We needed to change the corporate culture from a happy family business to one where accountability played a significant role. Lastly, but most importantly, we had to have a clear and fundamental understanding of our business – to whom we were selling products, what they would want in the future, and which of our over 200 products were profitable."

"Over time I learned to see the company as a series of five disciplines – finance, marketing and product development, sales and customer service, operations and human resources. I developed system for setting up measurements and then monitoring how we performed in each area."

"This brought me to an important question: How, exactly, could I hold the employees accountable unless I let the employees know how the company was doing?"

Her story continues: "After I had been CEO for two years, the founder of the company died, leaving us without a plan for a change in ownership. The company was already 40% employee owned, and we had decided together to take it to 100%. Some of the money had to be generated internally so we had to become more profitable. Some of the money had to be borrowed, which forced us to put together a written business and marketing plan."

"Creating a goal like this one generates unbeatable motivation. Suddenly, our definition of winning was more similar to an athletic game—there was a real dollar number we had to meet or beat to win. This was the genesis of the game plans I've used. They gave people real reasons to hold tight on expenses, and develop new products—reasons that people could get excited about for personal reasons. Every person working at the company had a reason to step up to the plate."

"An amazing thing happens when an objective becomes as clear as this. People begin to act in concert—truly, like a team. Every action becomes focused on achieving the objective."

Ms. King believes each company should set up its own game plan and she shares hers in this remarkable book: "We decided to set up a group of committees that would meet weekly and make sure the plans we made were being implemented. The two major committees we set up monitored profitability (mostly from the revenue side) and expenses. Reporting to these committees were other subcommittees devoted to new products, customer service, strategic alliances, and other business functions. I asked for volunteers to serve on the major committees, and made sure that members from each department were present."

"Many of the worksheets in my book were used by our committees to monitor performance and progress toward our goal of 100% employee-ownership. The committees and worksheets are forms of self-measurement. They allow employees to be responsible for deciding what work needs to be done, and then for measuring what they do. It worked for us. In 1996, Merritt Publishing became a 100% employee owned company through an Employee Stock

Ownership Plan. But this was not the end of the game - new challenges immediately confronted us that meant, once again, a reevaluation of who we were and where we wanted to go. It meant a new business plan and a new game plan.”

In 1998, the company was approached by a larger computer-based training company and the employees voted almost unanimously to sell. They believed in their abilities and wanted to participate as a player in the Internet market.

Again we had to develop a game plan to position ourselves for the highest possible value in this transaction, and I believe we succeeded. The company was sold in 1998 and most of the employees continued on with the brand they had helped build.”

Some final thoughts from Ms. King on business success: “In times of great opportunity and growth as well as in times of business downturns and consolidation, solutions to problems come from all segments of your business working together. This makes the point that all employees should see the results of all areas of your business, not just those that directly relate to them.”

Q & A for Business Plans to Game Plans

1. Why did you write this book?

Primarily because I watched so many companies with great business plans fail. Businesses don't fail all at once – they fail one bad decision at a time. I saw a study recently that said that only about half of the business decisions are never fully implemented, which means we are using up a lot of scarce resources trying out things that don't work. This headline recently appeared in the Wall Street Journal (3/8/04): Martha's “Company Will Need a New Game Plan Should its Founder go to Jail”. The phrase “Game Plan” is commonly used in business, but what does it really mean?

I faced a significant business challenge in my own career and used a business plan to get through it, so I knew they worked. The key is to do it before your company is in trouble.

A business needs a great business plan, but it doesn't cover half of what is needed to have a successful, profitable business. What you need to increase your chance of success is a game plan. According to a

recent survey, half of the fastest growing firms not only have business plans, but also have separate game plans.

2. What is the difference between a business plan and a game plan?

A business plan is a sales brochure and a game plan is an instruction manual. You send a business plan to potential investors and others to excite them about the business. A business plan is about strategy. You create a business plan at a high-level management meeting. A game plan is created by and for the people on the front lines.

The other day I bought a new ergonomic office chair. I bought the chair after looking at the brochure and talking to the salespeople. It moves up and down, and it looked great. But then they delivered a box to my home and I had to put the thing together. The brochure gave me an idea of what the finished product would look like, but didn't help me at all in getting there. I had to have an instruction book to get it assembled correctly.

A game plan talks openly about the good, the bad, and the ugly in the business and is used by people in the business to make decisions every day. It talks about what to do in a crisis. A business plan or a strategic plan is often developed by the CEO or with the managers, but it doesn't mean anything (and often isn't seen by) employees, suppliers, partners – people making most of the customer-related and expense-related decisions for the company each day.

Knowing whether a business will succeed or not based only on its business plan is like knowing how a potential employee will work out just by looking at his or her resume. It may rule he or she out, but it doesn't really tell you how they will handle the job – the character issues, the persistence issues, resourcefulness, how they work in collaboration or individually.

3. How do you create a game plan?

The book has all the particulars, but the secret to moving from a business plan to a game plan is to focus on 3 important things:

1. Creating big goals that really matter to you and to your employees
2. Giving your employees the tools to check their own progress toward these goals
3. Real leadership

The trick is that in the day-to-day management of the business you may only be able to concentrate on one area at a time, but you need to know what effect a change in one area will have on the others. Imagine someone juggling four balls. Since we each only have two hands, the greatest number of balls the juggler can control directly with his hands is two. But in order to keep going, he's got to know exactly where the other two balls are at all times and when they need attention. The successful entrepreneur has got the same kind of juggling act going.

Game plans focus on defining what is true for that business, warts and all, and then planning concrete actions for change. First, they define what is true in each major aspect of the business by looking both at relevant numbers and perceptions of what is going on. The "what to do next" part of the process will only be completed by discussion and consensus between all parties.

4. How does a game plan help?

A game plan takes the vision of the company and gives each person a role in achieving that vision. It makes sure the vision and the goals get translated into every aspect of the business. So a company puts together a business plan, gets funded, puts together a great management team and it's off and running. Things look good and sales are starting to grow. The 1st quarter is more profitable than expected so they launch some new products earlier than they planned to capitalize on all these willing customers. 2nd quarter growth is even better than anticipated, but then some things start to go wrong. There isn't enough inventory and customers have to wait two weeks for shipments. Because the workload is much greater than expected, the people in shipping start to make errors. This leads to unhappy customers and frazzled customer service people. Repeat business is down to almost zero, so the CEO puts pressure on the sales people to find more new customers. The business plan didn't address any of these issues, but a game plan does.

I worked with a company a few years ago that had stagnant sales. Their expenses continued to increase each year and profits had declined to almost zero. Their strategy and the mandate from the CEO was to increase revenue. So the sales manager decided the best way to do this would be to set up an incentive plan for the sales people to give them 15% commission on new sales, and only 10% on repeat business, so they would really ratchet up the new sales. So what happened? Repeat business is most profitable, and by increasing their new sales they had all the new sales expenses of acquiring new

customer, etc., plus the higher commission. They were losing the profitable repeat customers due to neglect – the sales people didn't have a good reason to keep servicing them. We set up a game plan that matched the incentive with the real goal – higher profits and the situation turned around in 6 months. They increased sales by a third in repeat business, and increased profits by 50%.

5. How else do game plans determine why some businesses succeed and others don't?

Let's face it: What gets measured gets done. Game plans provide tools right in the plan for people to be able to measure themselves and self-correct performance in every aspect of the business – marketing, finance, operations, and people. They measure both objective and subjective characteristics.

Look what happens when you try to lose weight? Your doctor tells you to lose 20 pounds. You know the goal, and can imagine it clearly, but let's say the only scale you have access to is at your doctors' office. You eat less, your clothes are looser, but you don't know if you've lost 5 pounds, 20 pounds, or 30 pounds until you go back for an annual physical a year later and step on the scale. So while your intentions are good, how do you think this will actually turn out? You will be excited at first, but without validation that you are on the right track, it will be a lot easier to just eat donuts and forget about it. Your next annual physical is a long way off.

So take this analogy into the workplace. Think of the typical employee working at a mid-sized company: The CEO says your department needs to cut expenses by 20% to help meet the overall goals of the company, but doesn't give you a way to measure progress until the next quarter, or year end. So you buy fewer office supplies and cut down on travel, but you don't really know how close you came to the 20% goal until the next reporting period. It will be a great day and you'll get a raise if you met the goal, but heaven help you if you didn't. Unless the CEO has the tools to measure progress, and makes those tools available to the person doing the work, the goals likely won't be met.

6. Your book says that the biggest problem at companies today is that employees aren't connected to the business objectives.

According to a recent survey, over half of employees see no link between the company's business objectives and their jobs. Almost 2/3 of employees don't trust the seniormanagers. And that number has

been increasing. Even senior managers feel disconnected from their work, and their responsibilities to other employees and society –just look at Enron. People become disenchanted and unplug relatively easily. The purpose of the game plan is to create or recreate that link between your objectives for the business and people’s motivation at work. Your people are your #1 competitive advantage, especially the CEO.

One of my favorite stories about what can happen when people are connected happened at my own company. About 2 years after I started teaching and sharing the financials with my employees, we had an operations meeting where we were discussing how to increase the amount of cash we had on hand. One of the clerical employees suggested that we reduce inventory since a reduction of inventory meant more cash. He understood a balance sheet concept that many CEOs don’t see that clearly. I knew I was doing the right thing.

7. Specifically, how do you get employees reconnected?

First, only hire the best people you can find and you give them goals and a company worth their time and energy. Second, give them the tools to do the job and measure their own success – the way you would measure it.

Ever watch a kid playing a video game? He can’t focus on his homework for three minutes, but he won’t take his eye off of a computer screen for 2 hours. If you ask him why, he will tell you because it’s fun. What makes it fun is that he is fully engaged and he knows the score. You want every person in the game, motivated, excited, producing 100% every day. It isn’t easy to create this kind of company culture, but it is the only way to make your company a great place to work long-term. Have meetings devoted just to people management. Acknowledge who is doing well and who isn’t and why. You know where the problems are, so talk to people before the problems occur. Get feedback about what people like and what they don’t like. I worked with a very stuffy old-fashioned law firm several years ago. They felt it was very important to keep the professionals, the lawyers, at a clearly higher status than the administrative staff. So the professional staff had leather chairs, and the administrative people had fabric chairs. The professional staff had signed original artwork in their offices, and the administrative staff had prints. You get the idea. And they couldn’t figure out why the turnover was so high and they were losing some of their best legal secretaries. Well it seemed pretty clear to me, but I decided I’d better interview these

people and see if I was right. Do you know the biggest source of their dissatisfaction? They didn't care at all about the furniture or the artwork, what they cared about was a new microwave oven. They only had one for 50 people, and it wasn't working very well. They thought that showed a lack of respect for them as a group. As soon as 2 new microwaves were purchased and plugged in, the situation began to change.

Ask the tough questions in your company. Have the employees review the company and find out if they think you really care about customers, if there is financial mismanagement going on, or whether promises aren't kept. What if in an employee survey you asked if they thought employees were accepting gifts from suppliers, if supervisors were allowing unsafe working conditions, if managers lives up to the mission statement?

Rank order your employees from best to worst. Now ask yourself, why are the bottom 1/3 still at your company?

8. You also say in the book that leadership is the most critical element to making sure this connection stays strong.

Leadership is critical because the leader sets the standard for the behavior of all of the other people in the company. Lead the way you'd like to be followed and you'll build a culture worth people's time. In other words, don't ask employees to do what you aren't willing to do yourself.

It is both the right and the duty of the CEO to lead the company. What you say and what you do set the standard for the company. Set the bar high. And actions speak louder than words. All the rest won't get you anywhere unless you have the courage to take a stand, to behave ethically yourself, in a way that inspires trust.

But the key to great leadership, as to many things, is personal maturity. Great CEOs suffer disappointments gracefully, they give credit to others, they don't expect others to do what they aren't willing to do, and they genuinely care about other people. Mature people don't have temper tantrums in the office when things don't go their way, they don't yell at people in front of others, they don't badmouth people.

Some of the best examples are leaders who are willing to take a stand and do what they believe in regardless of the outcome. You can only

see what a leader is made of in the tough situations. A tremendous amount of trust is gained at these times.

Toby Lenk was the CEO of eToys, a company in Southern California that went public in 1999. On that day, Toby's 10.5 million shares of stock in the company were worth \$850 million. However, when the company filed for bankruptcy two years later, Toby still had the 10.5 million shares, now valueless. It was his belief that a lot of people were counting on him, and that as their leader, he had an obligation not to sell any of his shares of stock – it was the only proof he could give them in his ultimate faith in them and in the company. He made a lot of other people wealthy with his idea, but he suffered just as much as the employees who lost their jobs when the company folded.

9. What can CEOs do to improve their own skills and mature as people?

First and foremost, seek feedback. Find people you trust who don't have a lot at stake if they tell you the truth. You need to have some people around you who will risk being honest and learn to honor them and their feedback. Secondly, find a group of other CEOs with whom you can share problems and solutions with people who get what your challenges are. Finally, take annual personal retreats where you can plan for your own development.

10. You discuss the importance of communicating the game plan.

You can create a great plan, but if people don't see it in action and aren't constantly reminded of the goals in ways meaningful to them, it was just another plan.

One of the methods I used to use to illustrate the plan and how interconnected it was, was something I called the Game Plan Circle. This was a wall-sized circle. In the very center we put the company's vision, one concentric circle out, we put the mission, another circle out contained the company goals and objectives. Ultimately each department and then each individual was named with his or her own action items, placed to show how they related to the corporate objectives. This gave a visual connection between the vision and each employee's plan of action. We kept these in a conference room where they would be seen often.

11. How did you come to write this book?

When I ran my own company I was shocked at how few books or speakers talked about what was really happening out there. There was

a lot in terms of motivation, and how to manage in one minute, but almost nothing that says running a business is hard work, takes a lot of maturity to forego immediate gratification and stay in there for the long haul. It took me a long time to realize that most other CEOs didn't know what to do day-to-day, and they didn't want to admit it.