

## **Small-business Savvy: Getting Ready for 2016**

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What plans are you making for your business in 2016?

For many of us, the idea of developing a plan is just overwhelming, scary and something we often just don't do. It sounds tedious and time-consuming, and is seen as something that's useful only as a doorstop.

Yet ask a business owner who takes the planning process seriously and he or she often will say he or she considers it was time well spent. But, the person usually clarifies, and experts agree, that the process is what offers the benefit, not the plan.

The planning process involves gathering information such as financial data, including monthly cash-flow statements, profit and loss statements, and balance sheets.

You also should pull together a customer list with total sales for each one. What is even more helpful is if you add a category on that list for what each customer bought. And as long as you are working with your customer lists, it would be a good time to pull together any customer satisfaction surveys or studies you may have gathered during the year.

It's also time to examine the return for each marketing campaign you did. Which campaign brought in the most customers? Which one had the lowest cost per customer? Which one had the greatest sales? You also want to examine things such as the number of likes, retweets and engagement.

Check out your competitors for changes they have made or are planning to make. It's also time to examine the trends in your industry, as well as related industries. And don't forget to look at overall trends as well. Don't stop with just trends in the U.S. We live in a global economy, so capture a broad picture.

Of course, today, part of your examination of trends is to look at technology and the changes that are occurring.

Pulling the information together is just the first part. The second part is the crucial step. This step is the analysis: deciding what the information is telling you and what steps you need to take in the coming one, two or possibly three years.

Let your mind wander, bring in some advisers, don't set any ground rules, and start laying out some action you might take, given what the data tell you.

As you come up with the ideas, jot them down. This is not in a formal document; it's just to get the idea and enough information so that you will remember what you were talking about. Set some milestones and, if you decide to make assignments, add those to the list as well.

My suggestion is that you write everything in pencil. Penciled notes are a way to reinforce the idea that anything and everything can be changed, not only in the initial process but also throughout the year.

Flexibility is key to planning. You may be lucky and go 90 days without finding the need for adjustments, but changes will be needed; it is only a matter of time. Always be ready to go back to the drawing board. Successful business owners are those who can change and adopt to new situations quickly.

By now, your eyes are glazed over and you can't see any way of getting it all done. The reality is that how much you do is your choice. If it seems overwhelming, don't skimp on the analysis side. Instead, gather less information focusing on some key metrics. Second, remember to be flexible, which is why you wrote it in pencil. The faster you respond to changes, the greater your odds of success.

As you can tell, planning is a year-around activity. There is no one best time to start, but the beginning of the year often works well because it's quiet. Plus, you already are pulling your financial records together.

So let's ask the question again: What plans are you making for your business in 2016?

For more help, visit our website, <https://www.ag.ndsu.edu/smallbusiness>, and sign up for the monthly newsletter.

More information is available at your local Extension office, as well as at <http://powerofbusiness.net> and [www.eXtension.org/entrepreneurship](http://www.eXtension.org/entrepreneurship).

The Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, along with many other state agencies, also can be valuable resources.

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