

A proven process for development of an annual BUSINESS or SERVICE (INCOME) plan for BDA members

BDA Tool Two: "We write annual one-year business plans with definable and accountable goals and targets."

Here's a successful approach to creating business plans together, which does include both a few "definable and accountable goals and targets" and a one-year business or service (income) plan, in which each BDA member and business owner surrenders themselves to the guidance of a fellow BDA member who has created one or more business and / or service (income) plans of their own. This is a practice in surrendering to someone else's guidance, ideally spiritual guidance, as practice for surrendering to the Higher Power's will.

The name of the game is "surrender," and its opposite is "resistance." Take your resistance to your sponsor or PRG or friends in program or outside (non-program) help; bring your surrender to your business planning guide. In the perfect planning format, you'll meet at least once each week, except the week (or two) when the business owner does their expense research, and the start date for the plan is at least a full month after its completion. Longer runways are even better.

During the planning sessions that follow — it's most helpful for the BDA member guiding the development of the business plan to "drive" both the discussion and the entry of details and numbers into the business plan spreadsheet. Again, the business owner making the plan should let their "business plan guide" guide them into new ways of looking at and thinking about their businesses, letting go of old ideas and wishful thinking.

APPOINTMENT 1 — 60 minutes to get to know each other, to establish trust and rapport, to share some of our debt history and DA and BDA recovery and experience. In the second half hour we ensure we're talking about pursuing our visions and businesses in solvent BDA terms — especially being "stewards of God's businesses" (from the BDA Tools pamphlet), guardians of our business's resources, and of service as business owners.

If, at the end of this first hour, either BDA member is not feeling that there's a good fit, please stop. This is not a time for addict desperation in relationships. Pray for the right person to help and to be helped by and continue to "interview" BDAers until you feel ready to be fully vulnerable and transparent. Many of us find creating business or service (income) plans together much more intimate and intimidating than any of the Step work we've ever done in this or any other program. (To be a presenter in the BDA Business Planning Conference series, your planning guide needs to also be a registered participant.)

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APPOINTMENT 2 — 60-90 minutes to "work your services." Really dig into the business's products and services, its income sources, defining them clearly in terms of benefits and outcomes for clients, not just features and processes, not at all in dollars or in benefit to the business owner at this point. The best plans include between three and seven distinct product or service offerings, diversification within the business. Five service lines is the sweet spot, robust and diverse.

At the end of this session, the business owner being guided should be supported in praying several times each day, until the next meeting, as follows: (**NOTE:** The words in parentheses below are descriptions of what goes in the blank line that follows and do not need to be included in the prayer. That is true for all versions of the this or something better prayer.)

"Dear God, my _____ (business or service) plan for _____ (the year or period being planned) is to provide _____ (the products and / or services being sold and delivered), this or something better, if it is your will for me. If this is your will for me, God, please show me the right actions to take on the path toward manifestation of this plan. If this is not your will, please redirect my thoughts and actions to what and who you would have me be. Thank you, God."

APPOINTMENT 3 — 60-90 minutes to "work your service income." Really dig into the sales potential and customer sources for each of the products and / or services defined in APPOINTMENT 2, including projected service income amounts and how those numbers are derived (i.e. price of product or service times number of sales or deliveries per month times number of active clients in the period being projected). Best bet is to calculate these activities on a cash basis (that is, when will the business get paid), and we suggest early plans — during the first year or two in business — be done three months at a time and multiplied times four for the annual plan, then reviewed and revised quarterly, based on calendar quarters. In the long-term, the three-month planning template is always recommended.

At the end of this session, the business owner being guided should be supported in praying several times each day, until the next meeting, as follows: "Dear God, my _____ (business or service) plan for _____ (the year or period being planned) is _____ (gross business service income dollars for one year), this or something better, if it is your will for me. If this is your will for me, God, please show me the right actions to take on the path toward manifestation of this plan. If this is not your will, please redirect my thoughts and actions to what and who you would have me be. Thank you, God."

APPOINTMENT 4 — 30-60 minutes to "work your gross profit." Use this time to check in with each other related to process as well as meditation and inspirations that have come up since your last meeting. Is the planning business owner feeling in alignment with their planned total service income number? In alignment with God's will for them? If yes, move on to cost of goods sold (COGS); that is, any direct costs that are committed to when a sale is made. (For instance, in construction: labor, materials, and subcontractors are all considered costs of goods sold, although there may be others, especially for design-build firms, such as draftspeople and permitting. Projects cannot be completed without these inputs; to commit to build a project is to commit to incurring these costs, which are separate from overhead and administration.)

If the business owner is not yet in alignment with themselves and with their Higher Power, return to appointments 2 and 3 above until alignment is reached. This part of the process may have to be done several times if the planning business owner's vision is especially misaligned with the plan being created or vice versa. Gross profit is the amount available to pay the business owner a generous salary and benefits and to pay the business's overhead expenses — without incurring new unsecured debt, one day at a time, no matter what!

OPTIONAL: This might be a good time to test the viability of the business at several levels of service income, COGS, gross profit, owner's net pay, owner's payroll taxes, estimated operating expenses, and estimated taxes on operations. See lines 111 through 122 in each of the income and spending plan template spreadsheets. If the plan guide is not comfortable working through the scenario analysis, please skip this option or ask for help from the business planning conference host. If the plan guide is comfortable with the scenario analysis, this can be a huge contribution to the planning process. Go for it!

At the end of this session, the business owner being guided should be supported in praying several times each day, until the next meeting, as follows: "Dear God, my _____ (business or service) plan gross profit for _____ (the year or period being planned) is _____ (gross profit dollars for the planned year; if no COGS, gross profit is the same as total service income), this or something better, if it is your will for me. If this is your will for me, God, please show me the right actions to take on the path toward manifestation of this plan. If this is not your will, please redirect my thoughts and actions to what and who you would have me be. Thank you, God."

If you are working on a service (income) plan together, rather than a business plan, please move forward to the **GOALS DOCUMENT** portion of appointment 6 (on page 6).

APPOINTMENT 5 — 90-120 minutes to create a custom spending plan framework based on understandable, consistent, and well-defined categories and subcategories. It's important to have a percentage of total service income column. The attached template on the next tab has been successfully put to work by more than 50 BDAers so far, and we are rapidly creating a language of support with one another when discussing business plans. As in previous steps, it's suggested that the planning business owner allow themselves to be guided through the development of categories and subcategories, staying focused on one line at a time, from top to bottom, and to invite experience, strength, hope, and direct guidance in business spending from their "business planning guide."

The known information about the subject business's spending — not the dollars, but the activities — should be included in the "Details and Descriptions" column in as much detail as possible, including vendor and contractor names when applicable. Questions for research and investigation by the planning business owner should be highlighted for follow-up. This step is NOT about the money, nor about entering dollar amounts; it's about what the planning BDAer KNOWS about their business, and what they NEED TO KNOW in order to succeed with their plan.

REMEMBER: "Dollars spent should generate revenue" (from BDA tool 5). Additionally, we believe other reasons for spending include: increasing profits; improving customer service, experience, and satisfaction; increasing operational efficiency; and improving satisfaction and productivity of the business owner, leadership team, and other human resources.

Once the custom spending plan framework has been created with necessary details and descriptions and research topics, the business owner should be given at least one week, but better yet two, to do their research and to prepare the necessary dollar amounts. The best practice is to have the business owner fill their numbers, including suggested rounding, into the columns to the far right of each expense line. Each estimated amount will be discussed with their business planning guide and filled into the spreadsheet by the guide next time.

Before ending this session, planned service income and planned gross profit should be confirmed as the desired business earnings for the period being planned. If the optional viability analysis was skipped, the planning business owner should be asked the amount they want to be paid for the plan year (including taxes and benefits) at this point, *ideally based on the BDAer's personal spending plan*, and how much is desired to be left as an investment for the next and future years (savings, prudent reserve, cushion in checking, other capital investments).

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If they don't have a personal spending plan yet, they can use our other template and seek necessary DA and BDA support to create one. Randomly choosing a salary is strongly discouraged. The business owner's salary, payroll taxes, benefits, etc, can be entered now if desired.

At the end of this session, the business owner being guided should be supported in praying several times each day, until the next meeting, as follows: "Dear God, my _____ (business or service) plan for _____ (the year or period being planned) is to pay myself _____ (cash to be received for the year), while also paying all of my taxes, benefits, costs, and expenses ontime without risk of debting, this or something better, if it is your will for me. If this is your will for me, God, please show me the right actions to take on the path toward manifestation of this plan. If this is not your will, please redirect my thoughts and actions to what and who you would have me be. Thank you, God."

APPOINTMENT 6 — 120-150 minutes (best done in one session) for the guide to fill the planning business owner's projected expenses into the customized spending plan framework, ideally in the three-month format, again remembering that "money spent should generate revenue" or should contribute to one of the other suggested outcomes above. It's best to start at the top and work to the bottom of the spending plan framework, discussing and monetizing one spending subcategory at a time. Skipping around, combining and mixing topics, etc, is counterproductive to effective planning.

With a desire for a "balanced budget," unless the BDAer is planning to invest from their personal accounts during the planned year, or to seek other investment sources, tweaking will commence once all subcategories and categories have been monetized. The only way to balance the budget, of course, is to increase projected service income or to decrease projected spending. There's no other way.

It is recommended, whenever possible at this stage, to leave at least 10 percent of projected revenue unspent in the plan. This will provide contingency coverage in case of shortfalls in income or higher than anticipated expenses. Again, our first priority in using this tool is to remain solvent, to avoid incurring any new unsecured debt, either personally or in our businesses.

Once more, special attention should be paid to the business owner's salary and benefits, including planning for paid time off and ensuring they have enough support, especially in the areas of lead generation and administrative assistance. It's also recommended to look deeply at any category in which the planning business owner has historically overspent or is currently overspending. (This is often in the education and training category, yet also might be in transportation or travel, or even in overpaying sales and support staff.)

GOALS DOCUMENT: As preparation for your next and final business planning appointment, the business planning guide should lead a discussion on development of a goals document for the business owner to bring next time and to pursue during the plan year. It is often productive to create goals related to each section of your income and spending plan: improvement or addition of services offered; ensuring we are charging service income in alignment with market and the quality we provide; better relationships with vendors and contractors; sales and marketing goals in the lead generation section; purchasing, both general and specific. Additionally, goals might address: your gross profit and pre-tax margins; time management; research and development related to services not currently active; milestones on a longer-term plan; short-term savings; and much more. For best results, keep goals simple and easy to measure.

At the end of this session, the business owner being guided should be supported in praying several times each day, until the next meeting, as follows: "Dear God, my _____ (business or service) plan for _____ (the year or period being planned) is to generate _____ in total service income (gross business service income dollars for one year) and to pay myself _____ (cash to be received for the year), while also paying all of my taxes, benefits, costs, and expenses ontime without risk of debting, this or something better, if it is your will for me. If this is your will for me, God, please show me the right actions to take on the path toward manifestation of this plan. If this is not your will, please redirect my thoughts and actions to what and who you would have me be. Thank you, God."

APPOINTMENT 7 — 60-90 minutes to complete your work together — Use this time to check in with each other related to process as well as meditation and inspirations that have come up since your previous meeting. Is the planning business owner feeling in alignment with their plan numbers? In alignment with God's will for them? If the plan has been balanced to an acceptable gain or loss, and the service income percentage column and bottom line have been reviewed together satisfactorily, the planning business owner should be asked to "own" their plan. Not to commit to the plan they've created before lots more prayer and meditation. But to "own" their plan and to become the driver.

Not the words, but the spiritual approach we encourage, is something like: "I have created this plan in faith, and it is my plan, at this moment, knowing that my plan will change and my actual income and expenses will change even more." We also encourage some specific prayer and meditation topics personal to each business owner. But that is encouragement, not homework.

Part of this ownership is that the planning business owner should take an opportunity to present their plan, including their goals document, to their "business planning guide" just as they would to an investor or other interested party. The business planning guide can then give final feedback at a very high level. Finally, the planning pair can agree to next steps in activating the new business plan or thank each other for this recovery experience and move on to help others.

ADDITIONAL NOTES:

There are three spreadsheets in the business spending template for business planning workbook. All categories and subcategories are editable. The three tabs will allow us to choose to plan:

- ✓ For three months and then be multiplied by four.
- ✓ For a single month and then let the computer calculate twelve months for us.
- ✓ Specific amounts for each active subcategory for each of twelve individual months. (The months are numbered rather than named since we can start our annual business plan in ANY MONTH. If we're not ready in January, we can get ready and start in ANY MONTH.)

In all three cases, all formulas are built into the spreadsheets. In the numeric columns, the cells for entry have been highlighted in green. **Planning for three months and multiplying by four is always RECOMMENDED.**

NOTE: We cannot offer training on the use of any software. Please seek that support elsewhere.