

# Business Planning

## Benefits Snapshot:

- Establishes clear accountability based on shared, predetermined milestones
- Unifies the Board and management team around what it's going to take to deliver the organization's vision of the future
- Establishes clear priorities, tangible responsibilities and clear implementation steps for each member of the management team
- Determines the detailed allocation of resources for a defined period
- Focuses your financial and human resources into the key areas that will improve member service and value and organizational growth
- Clearly links the areas of strategy, operations and people development

## Definition:

Business planning is the extensive and detailed documentation that gives the strategic plan “legs.” It is the formalized discipline of documenting the impact of the environment and the needed financial allocation or redeployment of resources based on the direction identified in the strategic plan.

*“A goal without a plan is just a wish.”*  
**Antoine de Saint-Exupery**

*“What gets measured gets done.”*  
**Tom Peters**

*“They always say time changes things, but you actually have to change them yourself.”*  
**Andy Warhol**

*“Drive thy business, or it will drive thee.”*  
**Benjamin Franklin**

## Overview:

The business plan details how the organization will work toward its vision, reach its desired future, enhance its strategy and systematically allocate its resources. The business plan also describes how the organization will achieve its strategic plan. Your business planning process should include ideological conflict, solid teamwork, detailed planning and intentional self-assessment that combine to thoroughly create the *how* of your organization's plan.

## Nice Approach:

In business planning, Nice Enterprises, Inc. will guide you through the pragmatic process of defining what it will take to deliver your strategic initiatives. The team will facilitate rigorous interactions and group exercises to determine the key areas of change required for organizational growth and people development. It will focus the credit union's resources into the key areas that generate the highest returns and clarify which areas must be addressed to deliver appropriate trends in efficiency and productivity.

Business planning with Nice Enterprises, Inc. establishes a robust system for delivering milestone-based accountability across all levels of the organization – from Board to CEO, CEO to management team, and management to staff. It is the link between high-level strategy and front-line implementation priorities.

## Core Competencies

### Benefits Snapshot:

- Give your organization the context of area in which you already excel
- Help define who your organization is at its core
- Provide a direction and context for organizational and personal development

### Definition:

Core competencies are a collection of skills and technologies that enable an organization to provide a particular benefit to customers.

### Overview:

Core competencies are the actions at which the organization is better than the competition, or what the organization is exceptionally good at doing and at being.

Competencies can be things at which you already excel or they can include things toward which you and your organization want to strive.

### Nice Approach:

Nice Enterprises, Inc. will help your team document what your current core competencies are so that you will have the strategic context needed for the rest of your organization's plan. Nice Enterprises, Inc. can also assist your organization in outlining those competencies that will be necessary for your organization to develop in order to achieve your goals.

## Goals

### Benefits Snapshot:

- Represent the key steps in implementing strategic initiatives and direction
- Define who will do what and by when
- Create a clear outcome and measurement of success for each team member

### Definition:

Goals are the concrete action outcomes that are critical to the achievement of your organization's vision. Each goal must document who will achieve what result and by which date.

### Overview:

A set of goals that provide full-coverage for your strategic direction are a critical asset for identifying and monitoring, in detail, how you will progress and for assuring that the right outcomes are achieved by your implementation.

Together, the goals in the business plan effectively implement the organization's strategic initiatives and direction. The timing and content of the goals should be tiered over time to enact the organization's very real waves of change. Your goals should be implemented in groups that solidly establish the psychological and tangible results required for real organization-wide growth.

During implementation, each individual goal is a critical point of accountability for everyone from the CEO to the management team member (the "goal owner"). The CEO needs to assure that everyone is on track with the achievement of each goal. This is important because achieved goals are the milestone accomplishments that move the organization toward its desired future and long-range vision.

### Nice Approach:

Based upon extensive industry knowledge and experience, Nice Enterprises, Inc. will take your organization through a well-structured, guided process to create goals that are understandable, attainable and that provide personal accountability.

## Action Plans

### Benefits Snapshot:

- The steps required to achieve each goal are documented
- Each step within an action plan is assigned to a person and has a due date creating accountability
- Every goal has a means by which to complete it – an action plan that outlines the steps necessary for goal completion.

### Definition:

Action plans document the individual steps you will take to complete each goal. Each goal must have an associated action plan to ensure its accomplishment. Each action step within the plan describes who will take what action and by what date. Together, all of the action steps produce the desired result of the goal.

### Overview:

Action plans serve a critical role in management-to-staff accountability. The completion of each individual action step is an essential commitment that a staff person makes, and is a key item on which the goal owner can hold the staff person accountable. This is essential because action steps are the individual (or day-to-day) strides the organization makes to achieve goals and, as a result, achieve the organization's desired future.

Creating action plans assures that the implementation steps are thought through ahead of time and that the organization will take all the actions required to achieve its organizational goals.

### Nice Approach:

A goal is useless unless the steps needed to complete it are carefully and diligently documented. Nice Enterprises, Inc. will help you take the goals you have created and put people, places, actions and times to every step necessary to complete that goal. This process assures that all of your goals can be completed on time and in good order.

## Financial Projections

### Benefits Snapshot:

- Provide full 3 to 5-year financial projections
- Accurately illustrate the cost to benefit of pursuing the recommended business plan
- Clearly show the recommended allocation or redeployment of resources needed for plan implementation for Board approval

### Definition:

Financial projections show the detailed cost to benefit assessment of why a business plan makes sense. They are monthly or quarterly projections for the next five years of the credit union's income statement, balance sheet, and extensive ratios that illustrate what management anticipates will happen if the organization puts the entire business plan into action.

### Overview:

Financial projections, which include a planned allocation or redeployment of resources, is critical because it forces management to truly think through the costs and returns of each goal (including all associated action steps) and the major resulting future changes that will occur in the organization's financial statements. It also highlights the key variables in what's ahead for the organization (both what's controllable and not by the credit union), so the entire Board and management team are on the same page.

**Nice Approach:**

Drawing from our experience, Nice Enterprises, Inc. can show you the best practices for creating trackable and realistic financial goals for your organization. This includes helping you create projections for areas such as ROA, profitability and expenses all guided by potential scenarios that your organization may face.

## Metrics

**Benefits Snapshot:**

- Measure success across the entire organization
- Monitor the agreed upon measures used by all Directors and staff for organizational success
- Provide a scorecard that is used for determining incentive pay

**Definition:**

Metrics provide ongoing clarity for how actual results compare to planned outcomes.

**Overview:**

Performance measurement is the mirror, or genuine reflection, of an organization. This mirror reflects clarity and light, showing where the organization truly stands relative to its vision. It gives the ongoing feedback that is needed to continually strive toward and realize the organization's vision and strategic direction. Performance measurements through metrics serve as an ongoing voice that refines an organization's focus in order to successfully continue pursuing its strategic direction.

Metrics continually make the contrast between vision versus current reality glaringly stark. It enables you to clearly see the state of your current reality (actual results) relative to your vision and plan.

**Nice Approach:**

Based on over two decades of experience, Nice Enterprises, Inc. has developed a measurement system specifically for credit union organizations, measuring four primary areas: Financial, Internal, Learning and Membership, or FILM. These areas reveal what has been done in the past, how the credit union is doing currently, and how prepared the organization is to achieve their desired future. FILM captures the story of the credit union's strategic plan by turning abstract strategies into quantifiable outcomes or measurements.

## Technology Tools

**Benefits Snapshot:**

- Implement the strategic plan in tangible, trackable ways
- Monitor the actual outcomes and results of the strategic plan
- Deliver accountability from Board and senior management to the entire organization
- Assure that Directors have the strategic information they need to govern without encouraging them to micromanage

- Assure that management and staff have the information and accountability they need to get the work done in-line with the organization's strategic plan
- Assure that the organization is not blindsided by major, unanticipated problems

**Definition:**

Technology tools are those systems and processes that help you and your organization track, implement and carry out your plans. These tools can include things like core systems, data management, online banking, Strategic Plan Tracking, organizational measurement and many others.

**Overview:**

Technology is one of the key drivers of change in the financial services industry. From smart ATMs and online banking solutions to advanced ALM systems and integrated MCIF solutions, technology tools for business execution abound.

The credit union industry garners low margins, thus credit unions rely on high volumes. To succeed in this high volume world a credit union must rely on the effective organization of information. It must organize and rapidly access member records, product information, account balances, ALM standings, organizational metrics, performance measurements and strategic progress. To accomplish this, organizations rely on numerous levels of integrated technology solutions. Each tool is a form of information technology that tracks and retrieves information logically. If you're feeling chaotic, stressed or disorganized, ineffectively used information technology may be a weakness in your system.

**Nice Approach:**

In the process of business planning, Nice Enterprises, Inc. delivers industry expertise about what tools can help you as well as provide advice on how industry best practices might be implemented in your organization.

Nice Enterprises, Inc., along with its partners, are in the process of creating new tools to help your organization follow your plan. Some of these tools include organizational performance tracking, strategic tracking, overall planning framework creation and tracking, and many others. If you would like to be updated when these tools become available, or for more specific information, please contact Rich Scholes at [rich.scholes@trynice.com](mailto:rich.scholes@trynice.com) or at 303-980-8100 Ext. 202