

Time for your Year-End Planning Tune-Up

As the calendar year draws to a close, there's no better time to take a brief look back and a close look ahead to the coming year. This process separates the best from the rest when it comes to top-performing organizations and individuals. First, checking the year in review sends a strong message and provides several opportunities for you and your team:

Reinforcement of positive performance

When individuals or teams have really come through to meet or beat stated goals and objectives, there's no better way to repeat the achievement than by reinforcing and recognizing the accomplishment. By reviewing and noting such successes, you send a strong message that the goals were important in the first place, that the performance was measurably positive and those responsible for the achievement are to be congratulated. Of course, if you have a performance incentive tied to a particular result, this opportunity is all the more valuable. (A reminder here that you may recall from Management 101: Praise in public.)

Lessons learned from performance below expectations

The goal was a realistic target, yet the performance didn't live up to the intended result. Take this opportunity to drill down and determine what led to the below-par performance. Review all elements that may have had an adverse impact and consider them in your future planning to be sure that your team changes its approach so as to avoid repeating mistakes. These lessons learned can often provide a very clear path forward for those responsible for hitting the goal.

Lessons learned from unrealistic goal setting

When a result substantially misses the goal, high or low, you have the opportunity to see what led you to setting a particular target. When you are either overly optimistic or overly conservative, you create unnecessary expectations throughout your organization. Rather than duplicating the event, walk through your earlier reasoning, use your actual results as an additional instructor and revise your thinking as you prepare to set your next target.

Improve business literacy

By reviewing the numbers with your people at year-end, you provide a key opportunity for greater understanding of how your organization generates revenue, spends money, saves expenses and creates a profit. As your people gain a greater knowledge of the financial elements of your business, they become better able to see how they have an impact on those numbers and why it's important for critical numbers to meet budgeted levels. Of course, if you believe that effective management involves hiding all of your numbers from the very people who are supposed to help you hit them, it's likely you will have fewer chances to celebrate successes.

Set the foundation for goal setting and resetting

Knowing your current position gives you a solid base from which to set targets for future performance. As obvious as this may seem, there are those who set targets with little or no basis in fact and tied to nothing in particular. Their goals float in thin air and are worth little more than the paper where they're recorded. This is the first step in realistic goal setting, so your year-end progress check sets the stage for a smooth transition into the new year's targets. Once you've completed your year-end review, it's time to set or reset your targets for the coming year. Here are just a few reasons why this process is critical to your success:

Give yourself a target

Start your focus right now on target levels for critical numbers throughout your organization. Set two or three that everyone in the company will see and be reminded of regularly. Even if everyone doesn't have a hand directly in the accomplishment of these goals, you want everyone to be pulling for those whose productivity and performance have direct impact.

Gain buy in before you start

In facilitating dozens of strategic planning processes with organizations of all sizes and types, I have learned that it's important to have a written long-range plan and even more important to go through the process of writing the plan. Given that you involve key team members in your planning process, you have provided for the single most critical element from the beginning. That single element is the buy-in of those responsible for delivering the results. Without the buy-in, you increase the odds that you'll spend much of the year justifying and explaining the process by which you set the goals in the first place. You also run the risk that your people will simply dismiss the goals as unrealistic and go about their work in a way that largely ignores the goal-setting and planning you've done in some degree of isolation.

Plan steps to reach critical goals

Setting your annual targets for the coming year allows you to ask the question, "What activities will we need to complete to make these goals a reality?" Each time you answer the question, record the activity with a measurable way of showing it's complete, a person who is responsible for reporting progress (and completion) of the activity, resources required to complete the activity and a completion date. Repeat the process until you've exhausted all input for each goal. Now you simply arrange these activities in order by earliest completion date and check progress periodically throughout the year to insure you're getting where you want to go.



Improve business literacy

If this appears a bit repetitive, you're paying close attention. Setting your goals, particularly financial goals and others with numerical values, you give your people additional opportunities to understand exactly what you're trying to accomplish. You also give them the chance to think as if they are true business people. Since they're working with you, isn't that how you want them to think? (If you'd like a free visual aid and exercise to start your people thinking like business people, contact me at one of the numbers or addresses listed below. I'll provide this free to the first 20 people who request the \$100 Bill Exercise.)

Set a reward schedule for meeting and exceeding goals

Setting objective rewards for meeting or beating specific goals is one of the strongest steps you can take in the direction of your organizational goals. By putting the targets and their specific rewards out for all participants to see, you tell people that it's now up to them to hit or miss the prize, with your coaching, support and encouragement. When you create these rewards with your team, you increase buy-in and show that these are not subject to the whims of the boss or the owner. Regardless of the number of circumstances involved and the complexity of reaching the goal itself, it's a matter of cause and effect: if you hit the number, you win. This truly gets your people in the game of business in a way that helps you lead your organization rather than doing their jobs for them. You may be amazed at the level of dedication and capability you see when you put such a system in place.

And, of course, if you don't have a long-range plan from which to check progress and reset your goals for the coming year, it's time for that, too. Remember the 5 Ps: Proper Planning Prevents Poor Performance.