

Planning for growth in a volatile world

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A little over a year ago I wrote about the difficulty of [planning for uncertainty](#). At that point we were halfway through COVID. It was, by any definition, a crisis. A year later and we've not returned to normal COVID may be fading, but now we're dealing with Russia/Ukraine, inflation, rising rates.

With such volatility in the world, how do you plan and position your business for growth? In my earlier article I talked about the irreducible basics of any business planning process:

- Clear objectives
- SWOT analysis
- A strategic plan that's been stress tested and rigorously reviewed by your team – and independent experts
- Tying the plan together with effective measures via KPIs, scorecards and budgets.

The people that matter

Of course, none of these artifacts, while crucial, will actually run your business. That takes people and that's why your next layer of planning is about the people you work with – all the people you work with.

Put simply, the best planning in the world won't work unless you have the right management and advisory team and can manage your key stakeholders – get all that right and you will go a long way towards succeeding and growing your slice of the market pie. So let's look at your core constituencies.

"In preparing for battle I have always found that plans are useless but planning is indispensable".

General Dwight D Eisenhower, US President, architect of D-Day.

Your front-line staff

The people you put in front of your customers may be the most important people in your business. Are they trained, rewarded and developed in ways that expand their capabilities and drive your business forward?

Your management team

We work across a wide range of industries and business sizes. Inevitably, it is the businesses that have invested time and thinking into their management team that succeed.

I always emphasise to business owners that their management team is not just there to manage staff and tell you the good news. As a business owner you have a myriad of responsibilities, so you need key management personnel who are proactive in all their decision making and will tell you the things you need to hear rather than the things you want to hear.

Your advisors

The same can be said for your advisors – whether that's business advisors, accountants or bankers. Are they simply ticking the boxes by doing the things you ask? Or are they on the phone to you, helping you stay accountable for profitably growing your business?

The stakeholder matrix

In addition to having the right advisors and management team, stakeholder management is critical to ensuring you position your business for growth. One really valuable perspective we bring to our clients is a focus on all its stakeholders. We ask "do you know who your stakeholders are?" Most business owners have customers and their fellow owners top of mind. But thinking more broadly can be decisive. Let's look at a timely example.

The hole where your inventory should be

Supply chain management is a critical issue for most businesses right now. Whether you're selling KFC chicken burgers, business notebooks or cars, you're dealing with supply shortages or spiralling prices. What puts you at the front of the list when stuff finally rolls off the ship? Your stakeholder management.

So how do you manage this in an ongoing and effective manner?

The first step is to understand where your stakeholders are in the chain e.g., transport & logistics, purchasing staff, material suppliers, etc. Once you understand who they are, how do you ensure you optimise your financial outcomes? Perhaps the answer is to sign a long-term contract or bulk-supply deal. Even if your business might not have the scale for this, perhaps there is an opportunity to join a buying group to boost your bargaining power?

What you don't want to be doing is rolling out your stakeholder plan when everyone else is doing the same thing. So work with your business advisors and your management team to understand and document the nature of your stakeholder relationships – where are you vulnerable, where are you well positioned, what is your back up plan? Finally, think about the human side – are you managing those stakeholders, politely, respectfully and openly – in good times and bad.

Course management

At Fordham, we're well aware of the benefit our core services provide – tax, accounting, core business advisory services that help your firm cut costs and improve operations. But as this stakeholder management discussion exemplifies, we're also here to help you think more deeply and effectively about your business. To take it to another level, so you, your partners, staff and family can enjoy the rewards.

Want help to think through your business planning, including stakeholder management? For a tailored planning solution for your business, contact your [Fordham Partner](#).

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