

# Matthews Appliance Business Strategy & Plan



## Vision Statement:

To build a company recognized as the premier supplier of service in our metro area by helping our customers get back to *life as normal* by providing efficient, high quality service while growing a self-sustaining business to \$3.5 million in revenue with no less than 15% net profit.

## Keys to Success:

The following are key factors that will impact the success in achieving the vision for this business:

- Establish the necessary team to manage company of this size with successors in the day-to-day roles for Pam and Tim.
- Create better systems with better controls which create accountability at all levels and within all functions within the organization.
- Assure a proper line of credit is in place to support the operation's cash flow needs during slow and peak periods during the year.
- Implement the Tuning Your Revenue Engine management framework for monitoring and predictively managing the operational cash flow to the financial requirements defined in the annual business plans.
- Discuss with our children their long-term interest in the business to develop the appropriate exit strategy when ownership transfer of the business that makes sense.

***Note: Matthews Appliance is not a real company and represents a fictitious application of High-Impact Business Planning. Any resemblance to a real company is purely coincidental.***

## **Business Goal:**

To maintain last year's level of profitability while adding a management team in a manner that allows Tim and Pam to relinquish their day-to-day roles within the business.

## ***Business Objectives:***

- Develop complete succession plan for finding, hiring, and training the successors for Tim and Pam.
- Achieve a minimum of \$2.3 million in revenue while managing expense within 55% COGS; 30% Overhead; and 15% Net Profit.
- Implement the Tuning Your Revenue Engine (TYRE) management model as a foundation for predictively managing all aspects for the business while providing Tim and Pam insight necessary to confidently remove themselves from the business and keep in touch with the business from afar.
- Use TYRE to establish the necessary operational benchmarks for monitoring efficiency and quality to increase the future production output.
- Place the necessary sales and marketing monitoring to predictively forecast weekly sales to actively work toward achieving monthly sales quotas.
- Establish a regular management and owner meetings to monitor TYRE activity and financial results.
- Manage quarterly action plans to the achievement of the annual goals & objectives.

## **Functional goals & Objectives:**

The following section outline the goals and objectives that are required by business function to assist the company in accomplishing the corporate goal and objectives:

### ***Marketing:***

#### **Goal:**

Support the level of lead generation necessary to support the \$2.3 million in annual sales goal.

#### **Marketing Objectives:**

- Sustain the current marketing plan and campaigns to generate 260 leads per week.
- Begin experimenting with new campaigns and messages to improve marketing effectiveness and efficiency.

### ***Sales:***

#### **Goal:**

Close 163 deals weekly at an average price per sale of \$270.

#### **Sales Objectives:**

- Improve sales efficiency to handle a larger volume of sales with the existing team to reduce time per sales by 10%.
- Begin implementing weekly sales meetings to review the sales to date for the month using the Tuning Your Revenue Engine model.
- Create systems for sales promotions to assist in shoring up sales when TYRE indicates sales are falling short of necessary monthly sales quotas before the 15th of each month.

## ***Operations:***

### **Goal:**

Complete 163 jobs per week @ an average price of \$270 while improving technician productivity by at least 5% for the year while maintaining quality levels at their current rates.

### **Operational Objectives:**

- Define the metrics for measuring technician productivity and quality.
- Begin implementing weekly production meetings to review the productivity and quality improvements to date for the month using the Tuning Your Revenue Engine model.
- Develop a performance review system for technicians and bonus structure to reward improvement.

## ***Accounting & Finance:***

### **Goal:**

Assure the necessary financial resources are available in support of the overall operational business plan.

### **Operational Objectives:**

- Establish a monthly owners meeting to assure manager are the managing to the established budget %.
  - Revenue = \$2.3 million
  - COGS = 55%
  - Expenses/Overhead = 30%
  - Net Profit = 15%
- Lead the implementation of the Tuning Your Revenue Engine model across the company.
- Assure the necessary capital and line of credit (LOC) are available as needed for growth and cash flow crunches.

## ***Administration:***

### **Goal:**

Make the necessary hire for new general manager and begin the succession/training/transition process.

### **Operational Objectives:**

- Implement an effective HR systems for hiring within the company to streamline future hiring using the general manager hire as the beta test.
- Put a more effective performance review system in place that ties performance to the business plan.
- Oversee the refinement of policy and procedures within each department to decrease time to make new hires productive. ( use the general manager hire as a beta test of the new program)