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Building Wealth. Creating Jobs. Eradicating Poverty.

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The 5-2-50 Growth Plan Workbook

A Step by Step Guide to help you plan to build a business that can meet the 5-2-50 Challenge:

- Grow to 50 people
- Free the Founder
- Grow to R 10 million per year net profit

For more resources and keeping up to date with the 5-2-50 vision, subscribe here:

https://5-2-50.kit.com/subscribe

Two thoughts before we start:

For more resources and keeping up to date with the 5-2-50 vision, subscribe here:

Grow Your Business

We ask you to respect the effort we've put into creating this. Please do not forward this to someone else without our permission. If you want to quote bits and pieces of this, please be respectful and reference 5-2-50 as the source, by adding this:

5-2-50 Aims our resources at founders and businesses with at least 5 employees that has been running for at least 5 years. If you are not there yet, we may be making some assumptions here that are difficult for you to reach. However, you will probably still find a lot of value in going through the process.

You would have downloaded this as a PDF to make it easy to read and ensure that you always have the original copy available.

However, if you want to use it as a template as well, you can download the editable Google Docs document from here:

5-2-50 Growth Plan Workbook

It will open as a read-only document. Save a copy, and you will be able to edit it any way you want.

The 5-2-50 Growth Planning Workbook

Save a copy

The link that you received to open this document, should have opened it in read-only in Google Docs. You can click on "File" and "Make a Copy" to create your own copy, in which you can now edit and do whatever you want with it.

A Full Strategy Planning Process

This document contains a distillation of the full process we normally take businesses through during a typical 2 day 5-2-50 strategy session. We recommend that you put two days aside with your team to work on this, and get into the habit of spending at least two days every year to review progress, adjust your strategy, and plan for the future. There is something that happens after a whole day of thinking about the future, sleeping, and then waking up for the second day, that invariably creates a level of insight and clarity that is never achieved in any other way. If you really cannot do that, then we recommend that you set aside a fixed time every day to work on this, when you are at your most energetic and creative.

This document will guide you step by step through building a business plan to achieve the three 5-2-50 Growth Challenge Goals:

1. Grow to 50 people
2. Get to R 10 million per year net profit
3. Free yourself from the day to day grind of your business

The general goal is to achieve these three goals in 5 years, but some businesses move faster and some slower, and every business is starting at a different starting point.

If at any point you need some help, feel free to reach out for some assistance to:
ashton@5-2-50.co.za

Here are some suggestions of how you can do this process to get the right timeframe and the right iteration:

1. Work through this workbook. Then review what you've come up with and see whether you feel that a five year plan is believable. If not, set a time that is believable.

2. Some entrepreneurs decide to first set a five year goal for half of these goals, or even less – in order to learn, to get a sense of achievement – and then they use that as a platform to set the next set of goals.

3. As you work through the process, whenever you come up with actions that you are going to have to take, skip to the end of the document, and capture those in the "Actions" Table.

It's your business and your decisions. This workbook helps you think the right thoughts in a structured way. This workbook will guide you through this process. Make decisions you can believe in and are willing to commit to.

This workbook is aimed at a business with at least 5 employees that has been running for at least 5 years. If you are significantly bigger, some of the exercises here might be overly simplistic. If you are only starting out and it's still just yourself, there's a whole bunch of things you would probably need to do before you can get the full value from this process. However, many of these exercises will still be valuable for you to clarify your thinking and set some clear goals.

When and Who

As a founder, you may want to work through this process yourself, but you will get more value if you involve members of your team. Depending on the size of your business, you can decide to involve the whole team, or some key team members. Read through it first, to see what information is required, shared, and thought about in the process. You can also decide to involve some people in some parts of the process, and not in other parts.

Prepare Your Mind and Heart

This is really important.

As an entrepreneur you are probably very busy. A lot of your busyness is reacting to other people's requests, problems happening around you – things that need to be done urgently.

Building a growth strategy is not urgent. It is not reactive. It doesn't require speed. It requires deep and clear thought.

So the first thing you need to do, before you go any further, is to do a little exercise. If you are going to be doing this by taking some time out every day for a few days, to build this plan, then do this every time before you start.

Sit on a chair in a relaxed position, with your feet flat on the ground.

Read the instructions, so that you know what to do, and then close your eyes and do it:

During this exercise, just focus on your breath. Move your mind away from everything else.

Close your eyes.

Take a deep breath.

Breathe in slowly, taking at least 4 seconds, hold your breath for 4 seconds, and breathe out slowly, taking at least 4 seconds, and hold 4 seconds, and repeat.

In 2 -3 -4-; Hold 2-3-4-; Out-2-3-4.

Once you've done this ten times, you can open your eyes.

You should now be in a relatively calm mood. If your mind is still running all over the place, do this again. Now remind yourself that you are about to start looking into the future. Get yourself into a visionary mindset.

Henri Nouwen uses the expression to “drop your head into year heart.” (I am paraphrasing off memory here.)

The concept is to take your thoughts, and imagine moving them down into your solar plexus, integrating your heart and mind, and from this state of mind, entering into God's presence and simply placing yourself before His throne.

I want to encourage you to do this, and in this place, ask God to guide and lead you through this process. I would also encourage you to wait in this position for a bit, just in silence.

If you feel God telling you something, or some interesting thoughts suddenly come into your mind, write them down. Don't worry too much about whether you are hearing right. Write it down, and over time, you may find God confirming some of it, whilst some other parts may be forgotten.

The key is to create a habit of allowing God to be part of your company's strategic process.

Once you're done and ready, you can replace the title at the top, “The 5-2-50 Growth Planning Workbook” with your own title e.g. “ABC Company 5 Year Growth Plan” or something like that.
Then you can delete this instruction section.

Purpose, Vision, and Values

Start with Why

If you have never watched Simon's Sinek's Ted Talk on "Start with Why," or read the book, I strongly recommend at least watching the full video, here:

https://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action

Based on that video, spend some time asking yourself why you exist as a business.

What do you believe that inspires you to get out of bed and build this business every day?

What are you changing that is making the world a better place?

What problems are you solving for your customers and why does that excite you?

If you think you have "just a boring business" without really having any real "Why" – maybe it is because you don't assign enough value to that which matters to you. You might find this inspiring:

https://5-2-50.kit.com/posts/the-wonder-of-business

Based on your thoughts and answers to the above questions, write down a clear statement of why you are running your business and what you believe that makes it worthwhile for you to be doing this:

Once you've written that down, you can delete the instructions and questions, so that you just have a section here with the heading, "Start with Why," and a single, clear purpose statement.

Your Vision: Start With the End in Mind

Stephen Covey tells us to always start with the end in mind.

Imagine it is five years from now.

Your business has done R 10 million net profit in the last year, and your sales and delivery systems are solid – so that you can be confident that next year is going to look even better.

Close your eyes. Imagine that. Imagine how you feel. Imagine seeing that Profit and Loss statement showing that net profit. Imagine a solid bank account with several millions in reserve.

Think about what this makes possible. Focus on how you feel. Notice your bearing. Notice how you see yourself as the founder of a business that is successful.

Now imagine your team. You have a small senior leadership team of maybe six or seven people. Imagine seeing them sitting around a boardroom table. Each of them, highly competent. Each of them, a hand-selected person you trust deeply. At the head of this team is your General Manager.

Imagine the rest of your organisation. Imagine at least 50 people, in various teams and departments. Imagine your staff are highly engaged. They enjoy working at this great workplace you and your team have created.

Between this team and your strong net profit, imagine that you are no longer actively involved in the day to day operations of the business. Maybe you are thinking of starting another business. Maybe you are focusing on the next strategic moves for this business. Or maybe there is a specific part of the business you really love, such as sales, or manufacturing, or product design – and you are spending most of your days in there, doing work you love, knowing that the overall business is being run competently by the team you've appointed. Imagine the sense of freedom that comes from this.

This is where you are headed.

Write down your vision here, in your own words. Use sentences if you prefer, or bullet points if you prefer. Make this your vision. Draw diagrams if that helps you.

Ideally, you want to get to the point where you've distilled your vision into a one-paragraph statement, or even one sentence if possible. This is not always easy the first time around.

Once you've written down your vision, you can delete the instructions, so you only have a heading, and your vision. If at this point, the section contains several paragraphs and maybe even a diagram or two, that's ok. When you get to the end of this process, and you come back here, you will probably be able to refine it further.

Values – What is important to you

Think about what the things are that are important to you in the way you do business.

Here is a little exercise that can help you think through this.

Get a pack of sticky notes, or software where you can write down blocks of text.

Now answer the following questions. Write down everything that comes to mind. Write one point or answer per sticky note. Try to write in action sentences.

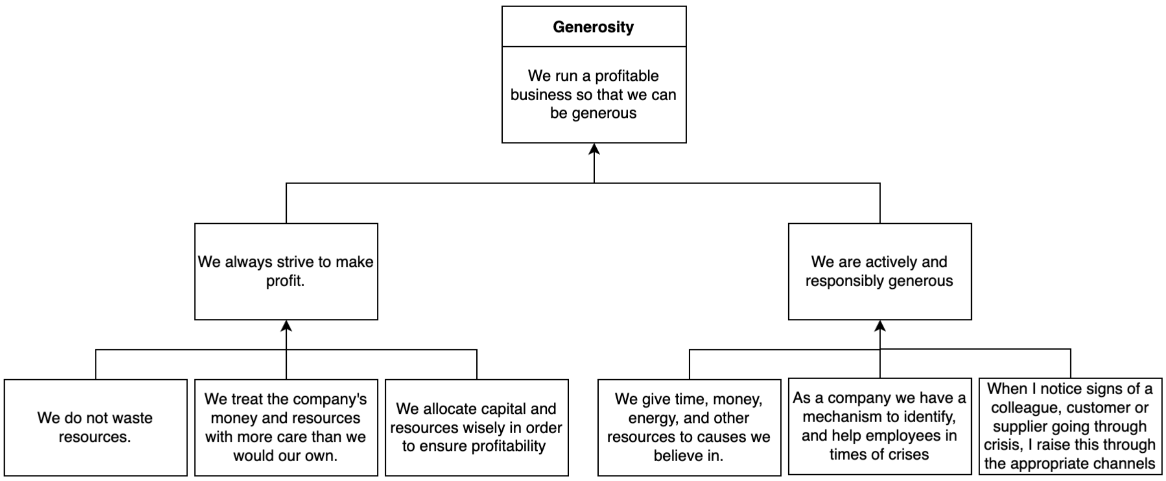
1. What do you love about your business?
2. How do you want other people to see your business, and what do you want them to say about your business?
3. What do you want customers to love about your business?
4. How do you want customers, employees, and suppliers to feel when they interact with your business?

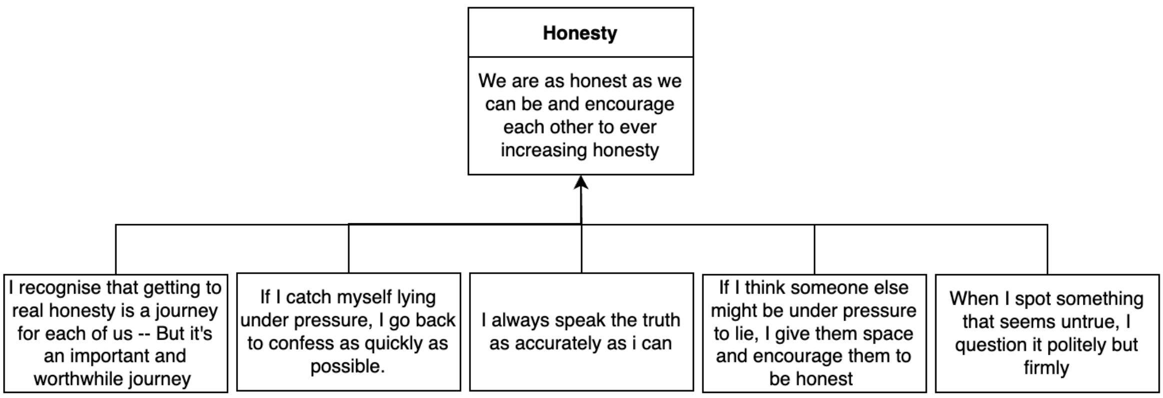
5. What do you want employees to love about working in your business?
6. What do you want to love about the people working for your business.?

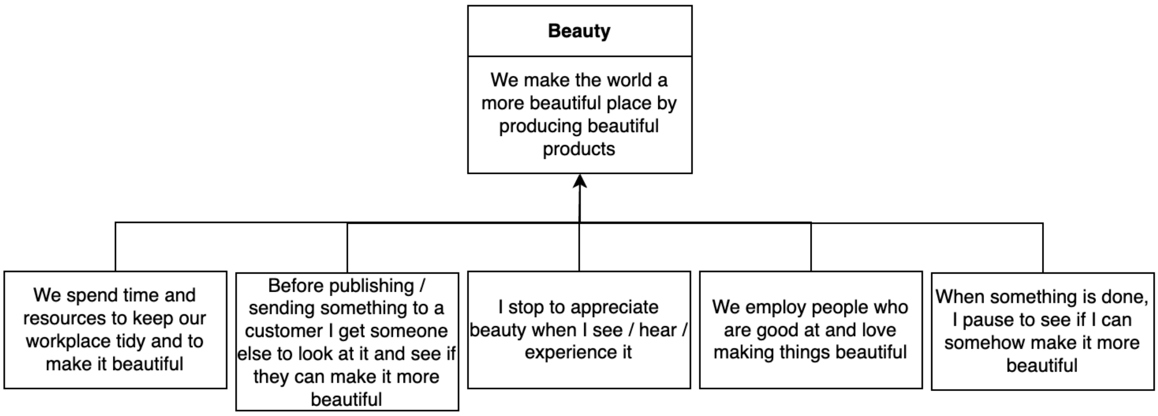
Group these notes by theme, and write down a sentence that represents that theme.

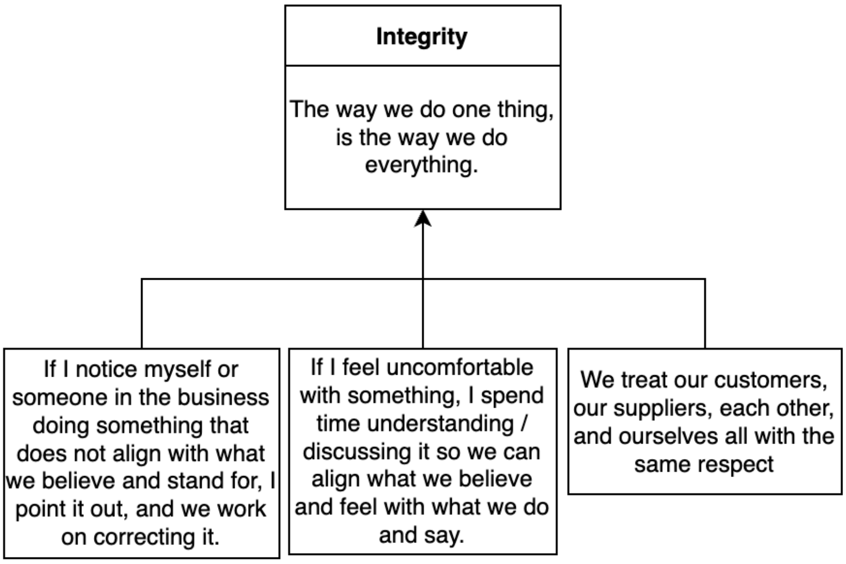
Condense that to a single word.

Here are some examples from the example sheet. If you prefer using a table, scroll down for a table you can use that achieves the same..









For more resources and keeping up to date with the 5-2-50 vision, subscribe here:

Grow Your Business

You can access the diagram where I created the above, if you want to use it as a template and adjust to your own, from here, using the Draw.io browser app:

Example Sheet that you can use.

It will open as read-only. You can save a copy to use the diagrams for various exercises as you continue. If you're having trouble opening it, download it from the window that opens on the link, upload the file into your Google Drive, and open it from there. If you do not have Draw.io linked to your browser and Google Drive, you may need to link it.

Here is a table that you can use to help you think through this, if you prefer that to the diagrammatic approach taken above:

Value	Describing sentence	Example behaviour
Excellence	We always do the best that we possibly can, with what we have available.	Before sending something to a customer, I get someone to review it and give me feedback. When I have done something, I stop for a moment and ask myself, "Can I make this better?" Whenever I see something that really inspires, me, I take a moment to pause and try to understand what makes this excellent.
Integrity	The way we do one thing, is the way we do everything.	If I notice myself or someone in the business doing something that does not align with what we believe and stand for, I point it out, and we work on correcting it. If I feel uncomfortable with something, I will spend time understanding it, and/or discussing it so that we can align what we believe and feel with what we do and say. We treat our customers, our suppliers, each other, and ourselves all with the same respect.

You probably get the drift by now.

I have found that it works best for me to think from right to left.

Start with some behaviours you find inspiring and write those down. Group them, and give them a single sentence description, and then condense that into a single word. That word becomes your value, and the single sentence becomes the descriptor.

The notes that feed into this, become ways in which you can communicate your values with your team in future.

Communication Plan for your Purpose, Vision, Values

We don't often think of it from this perspective, but the church has probably been one of the most successful organisations in history when it comes to getting people to know their purpose, vision, and values.

The reason for this is that there is a document – the Bible – which clearly documents all of this, and there are routine processes by which these are continually being shared. Every week, mostly on Sundays, and for some people on Saturdays, millions of Christians around the world attend some form of gathering where someone is reading from the Bible, and teaching on what that means to us in our daily lives. Most churches have some mechanism of getting new members on board with what they believe, and most churches have some program for people that are new to Christianity to learn the basics of what it means to be a Christian.

As a business, the sooner you implement a process of doing something similar, the better the chances that you will build a strong culture around your purpose, vision and values.

Some key point to address this are:

1. Before they join:
    a. Recruitment and Interview processes should include making sure that you share your purpose, vision and values with potential new employees, so that when they make a decision to join your company, they understand this.
    b. You can also include some questions in your interview process to evaluate how well a potential employee would fit into the team, by asking about specific challenges and situations from their lives, asking how they thought about those, what action they took, and why they took that action. This can help you evaluate whether their value system seems to align with that of your company. You will never get a 100% fit because people are individuals – But if e.g. you have generosity as a value for your company, and someone has a strong outlook of greed or fear of poverty in their mindset, you are likely to find that they will undermine your generosity value in the culture of your company.

2. When they are new:
   It's always a good idea to create some kind of induction program. This is also an ideal opportunity to share the company's purpose, vision and values with them.
   As they move through your organisation and meet people, have people prepared with stories about real situations, how they dealt with them, and linking that back to how that is building towards your vision, fulfilling your purpose, or living out a specific one of your company's values.

3. On a regular, on-going basis
   Build the communication of these things into your rhythms and routines. Remember the Sunday service idea?
   There are also Bible Studies, where people sit and talk about what the Bible means in their daily lives.

Emulate this concept. Create regular opportunities where people are being taught, and where they have opportunities to talk about what the company's vision, purpose and values mean to them in the way they do their work every day.

4. Physical Artefacts
   Posters, pictures, sculptures – These are all great ways of communicating vision, purpose and values. Have these up around areas where people work - both in the physical and in the digital spaces where people work.

If you want to build a strong culture around your purpose, vision and values, you will need to communicate, communicate, communicate.

It is highly unlikely that you will be communicating this too much.

The value and the power of actively communicating your purpose, vision and values, cannot be overstated.

Capture the actions that flow from this here: [Action List]

Understanding the Three Layers of Work

Before we get into planning, it is important to understand that every business has Three Layers of Work. We are not immediately going to jump into all the detail of this, but as you read through this section, and look at these typical questions we ask at every level, it will be good for you to spend a minute or so thinking about each and getting an idea of how clear your answers to these are, at this point.

The Three Layers of Work are:

1. Strategic Work:
   Answers questions like: Who are we, why do we exist and what are we going to be doing over the next X years?

2. Systems, Process, and Organisational Development Work:
   Answers questions related to how we deliver our products and services to our customers?

3. Delivery and Support Work:
   This is the day to day work we do to deliver our products and services to our customers, and the work we do to support that delivery process.

Type of Work	**Main Question:**	**Other ways to think about this question**
Strategic Work	Who are we?	What are the things that interest us? What are the things that bother us? What are the things we assign value to? What kind of people do we want to attract to our organisation?
	What problem(s) are we going solve?	Why did we create this company? How are we making society better? How are we making our clients' lives better?
	Who are we going to solve these problems for?	Our target market. Geography. Business / Consumers Size of customer Type of business Etc. -- Any way you want to define your market
	How are we going to solve these problems?	What products and services are we going to offer to the market

	How much of this do we want to solve, by when?	What revenue do we want to generate? How big do we want the company to become? What percentage of the market do we want to address?
	How much money do we want to make in the process?	What Gross margins and Net Profit margins do we want to generate?
	Who do we want to make money for?	Do we create some kind of profit share / bonus structure? Do we get external investment & shareholders? Do we create an employee share scheme? Do we introduce a social impact program? Etc.
	What organisation do we need to build to achieve the above?	What departments and high level roles do we need?
	What must we do to build that organisation?	What are the strategic projects that we need to run to get from where we are today, to having an organisation that is solving the problems we want to solve, for the market(s) we want to be solving it for, in the way we want to be doing it?
	What is the most appropriate sequence in which to build?	What is our X year strategic development plan?
Systems, Processes and Organisation Development work	How are we going to deliver our solutions?	What processes, systems, rhythms and routines do we need to create? What are each of the transformative steps in these?
	Who do we need to do what, in order to deliver these solutions?	What is our organisational chart going to look like and how is that going to map back to our systems and processes?
	What oversight and coordination do we need in order to deliver these solutions?	What will our management structure look like?
	How will we know if we are being successful?	What does "good" look like? What are we going to measure? How are we going to measure that? How are we going to share

		measurement information?
	How are we going to improve?	What processes, systems, rhythms and routines are we going to implement to ensure that we quickly respond to mistakes / problems / failures and constantly and proactively get better at what we are doing?
	What must we do to build the above?	What must we do across the organisation -- Company wide development & Improvement projects What must we do within my department -- Departmental development & Improvement projects
	What is the most appropriate sequence in which to build?	What does our company-wide and departmental development plan look like?
	How does this integrate with the strategic development plan?	How do we decide what to do when? How do we make sure that we don't try to do too many things at the same time? Nothing is as important as it seems to be when you are thinking about it.
Delivery Work	What must I do?	How do we do this around here?
	What do I need to accomplish here?	What will "done" look like? What is the problem we are trying to solve for the customer?
	What do I need to do to accomplish that?	How do we do this, around here? What processes, systems, rhythms and routines do we use for doing this and how do we execute / implement those in the customer environment?
	Who do I need to get to help me / Who do I need to help?	What does our delivery team look like and how do each of us fit into that, in order to execute the above processes, systems, rhythms, and routines?
	What are the quality standards I need to adhere to?	What does "done well" look like?
	What do I need to report?	How do we measure quality and success? How do each of us know whether we've done a great job every day?

	How can I do better next time?	What did we learn from this? What could we have done better? What must I learn / practise / master that will enable us to do this better next time? What is on "me" and what is on "us"?

We are not going to work these systematically in the above sequence, but by the end of this process, you should have clearer answers for all of the above in terms of what your business looks like today, and what it will look like by the end of the 5-2-50 challenge.

Current Value Streams

Understanding your value streams is critical to identifying the best places to focus in order to build your business. A value stream provides value for your customer, sometimes expressed as a transformation, and it provides income for you.

Here are some simple examples of value streams:

Example of a company that sells office stationery online:

Before	**Action**	**After**
Customer is out of printer paper	The customer places an order and pays online.	Customer expects printer paper
	We receive the order and deliver printer paper	The customer now has printer paper.

Example for a Marketing Agency

Before	**Action**	**After**
Customer is struggling with generating enough sales.	Customer sees some of our marketing	Potential Customer is aware of our marketing.
Customer still does not really trust us.	Customer sees more marketing and some customer testimonials	Potential Customer begins to think we might be able to help them.
Customer is open to a meeting	We visit the customer, get to understand their environment, and promise to come back with some ideas of how we can help.	The potential customer feels understood

	We come back, and explain to the customer what we can do, how we will do it and why we think it will work.	Potential Customer is confident that we can help.
	We present a proposal with pricing and estimated value lift, the customer accepts and places an order	Potential Customer is now a customer.
	We implement our proposal, and start generating good leads for the customer	The customer's business grows
		The customer is now generating enough sales

Using the above example to help you think through it, answer the following questions. Some of them may look similar – Asking these questions in different ways sometimes helps unlock a thought that provides clarity you would not otherwise have had:

1. What problems do your customers face that your products and/or services help them solve?
2. How do your products / services make your customer's life better?
3. Can you create a "Before" and "After" statement for your customer, for each of your products / services?

Based on these answers, you should now have one or more value streams. Some of them might be very similar, depending on your products and your services – so you might not want to do a separate one for each – but for each of your main products and services, try to create a mapping similar to the above examples. Copy and paste the below table as many times as you need:

Before	**Action**	**After**

Gross Profit Per Unit Per Value Stream

Gross Profit is the amount of money you make from each value stream after deducting costs that are specific to each unit of production.

GP = Revenue - Cost of Sale

The “Cost of Sale” are the costs specifically associated with selling that unit. So fixed costs that you pay regardless of how many units you sell, are not included in the cost of sale.

Let me try to give a few examples to make this clear:

In the above printer paper example:

The paper you delivered cost something.

The petrol you used for the delivery cost something.

These two expenses you would not have had if you did not sell that ream of paper.

However, if the delivery driver is on your payroll and gets a fixed wage, and the motorbike belongs to you, then those are not Cost of Sales. They stay the same regardless of whether you made the sale or not.

If you sell the ream of paper for R 150.

You buy the reams of paper for R 75.

The petrol to deliver it was R 15

Total cost of sale = R 75 + R 15 = R 90

Your Gross Profit = R 150 - R 90 = R 110

Your Gross Profit % = R 110 / R 150 = 0.73 = 73%

In the marketing example, the consultants working on the proposal and the customer engagement, and the people who later help him run the campaign are all full time employees.

You would incur no extra costs in the process of selling and delivering this solution to the customer.

But let's say that you have a profit share system in place where you share 10% of the revenue of any sale with the team who works on delivering it, and let's say you sold the engagement at R 50 000, then it would look something like this:

Revenue = R 50 000

Cost of Sale = 10% x R 50 000 = R 5 000

Gross Profit = R 45 000

GP% = R 45 000 / R 50 000 = 0.9 = 90%

For each of your value streams, do this calculation, and put that in this table:

Value Stream	Revenue per unit sold	Cost of Sales per unit sold	Gross Profit per unit sold	GP %
Example: Paper	R 150	R 90	R 110	73%

Gross Profit Per Month Per Value Stream

Before you can start planning how you can grow your business, you need to understand how it is doing right now. So this is the next thing to look at.

This information should be readily available for you from your monthly financials – the operative word there being “should” – but for many small businesses, it is not.

If you cannot answer this question easily yet, do not despair. However, you have to realise that if you want to grow your business, knowing this information is absolutely critical.

If you have this information readily available from your accounting system, please copy and paste it below.

If not, you can use the below link to make a copy of this sheet, and put your best estimates in here, to get a picture of your business's GP:

5-2-50 Growth Plan Spreadsheets

You will see there are various sheets in this workbook, that you can use for this, and other exercises further down this process.

Once you've completed it, copy and paste the totals in here:

	Year Totals
Revenue	0
Value Stream 1	0
Value Stream 2	0
Value Stream 3	0

Cost of Sales	0
Value Stream 1	0
Value Stream 2	0
Value Stream 3	0
Gross Profit	0
Value Stream 1	0
Value Stream 2	0
Value Stream 3	0
Gross Profit %	0%
Value Stream 1	0%
Value Stream 2	0%
Value Stream 3	0%

Looking at the above, answer the following questions:

1. What value stream provided you with the most GP in Rand Value?
2. What value stream provided you with the highest GP%
3. Which of these value streams (if any) provide you with recurring revenue?
4. Are there ways in which you can convert some of your revenue to recurring revenue, or add recurring revenue to any of these value streams?

Recurring Revenue, as the name suggests, is revenue that you don't have to generate from scratch every month. One of the most common examples today are subscriptions. If you have a Netflix or Spotify or other subscription, that company is receiving your money every month, without making any effort, until you cancel it.

The ideal recurring revenue is fixed recurring revenue, like the above subscriptions.

One step "lower" than that in the ranking of recurring revenue, is consumption based revenue where you are the automatic choice e.g. my water and electricity bills. I pay for water and electricity, but I can reduce my bill by being more frugal. However, I don't have a lot of options regarding where I buy it.

The more recurring revenue you have, the less effort you need to make to sustain your business, and the more your efforts can go into growing your business

And then a different question:

5. Looking at your various value streams, which one excites you the most for the future, and why?

Setting up your Accounting System to Measure this Going Forward

If your accounting system is already measuring this, then that's fine. If not, spend some time creating the necessary accounting codes so that you are able to report revenue and expenses by value stream and by customer.

Remember to add this to your Action List

CURRENT ORGANISATION

Having worked through your value streams in the above exercise, you now already have an idea of what you do to make money. The next step is to convert this to an organisation chart. If you already know how to do that, feel free to go straight there. If not, here is a two step process that helps to design an organogram that is based on your value streams.

The idea of designing your organogram around your value streams is that as your business grows, you will always keep building it around your customer's journey through your organisation.

Below is an example of what this might look for, for the marketing agency for which we did the value stream above. The numbered columns are the steps you go through, and the left hand column shows the function in your business that would be performing this.

When you are a small business, you might be in a position where one person fulfils several of these functions. By thinking about each of these functions separately you are beginning to define the roles that you will need, over time, to create in your business and employ people for.

You can use this sheet to map your value stream like this. For now, you can ignore the "Constraint Analysis" Parts of it – we will get there. Duplicate this sheet for each of your value streams.

5-2-50 Growth Plan Spreadsheets
(This will prompt you to make a copy for you to be able to edit your own file.)

Function	1	2	3
Marketing	Customer sees some of our marketing	Customer sees more marketing and some customer testimonials	
Sales			Make appointment with customer

Function	4	5	6
Marketing			
Sales	Get proper understanding of customer challenges and requirements		Present solution to customer

Campaign Design		Build a solution that meets customer requirements	

Function	7	8	9
Marketing			
Sales	Receive order from customer		
Account management		Keep customer informed of progress	Keep customer informed of progress
Campaign Design			
Campaign Build		Build campaign	
Graphic Design		Design campaign graphics	
Copy Writing		Write Content	
Campaign rollout			Set up and start up campaign

Function	10	11	12
Marketing			
Sales			
Account Management	Keep customer informed of progress	Present first customer report and get feedback	Prepare and submit invoice
Campaign Design			
Campaign Build			
Graphic Design			

Copy Writing			
Campaign rollout			
Campaign Management	Run campaign, collect campaign metrics, create customer report		

Function	13	14	
Marketing			
Sales			
Account Management	Move customer to retainer and on-going account management	Prepare and submit monthly invoices	
Campaign Design			
Campaign Build			
Graphic Design			
Copy Writing			
Campaign rollout			
Campaign Management	Operationalise campaign & feedback process		

From this, you can now build an organogram.

If you have software you prefer using for this, feel free to use that, or even just draw it on a piece of paper and take a picture.

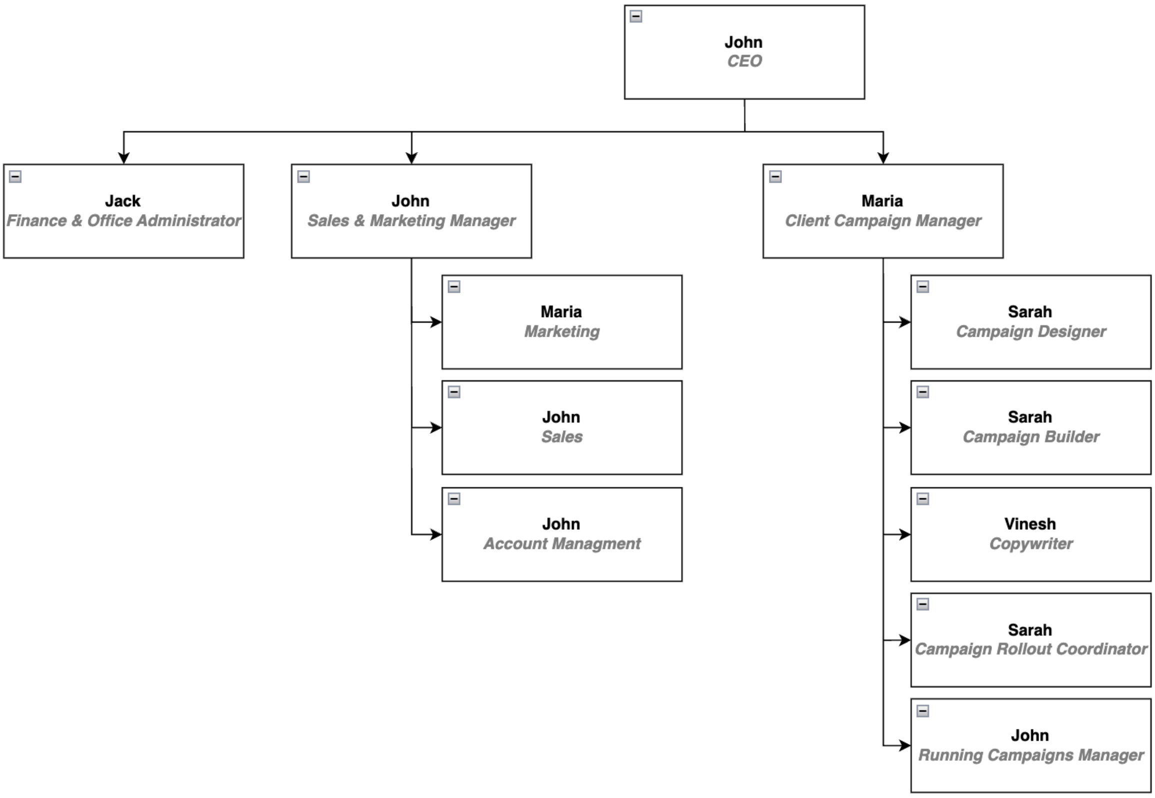
Feel free to use this as a template and adjust it as you need it:

https://drive.google.com/file/d/1ZYHfo1e4cajtsnhmCT1F0lSn40LhYSw6/view?usp=sharing

You will have to open the above file, and make a copy of it to be able to use it.

To change the values in the individual blocks, Right-Click on the block, and select, “Edit Data.”

Here is an example of an organogram for the above process:



You will notice that this business has five people:

John, who is the founder and CEO, but who also drives sales and account management, and manages the on-going client campaigns.

Jack who looks after the finances and general office admin.

Maria who does marketing for the company, but also doubles up as Client Campaign Manager.

Sarah who designs the campaigns, builds them, and coordinates the rollout of these campaigns.

And then there is Vinesh who does copywriting.

If you are a customer, you will move from left, down the left hand side, then to the right, and down the right hand side, through this organisation. Understanding and always imagining what it feels like for your customer to “move through” your organisation in their transformation journey helps you to always keep your organisation focused on what you are doing for customers, instead of just focusing on what you are doing, full stop.

This is typically what small businesses look like. By approaching your organogram from this perspective of starting with what you do for the customer, and defining your roles accordingly, you are designing a business that can over time scale as you begin to replace some of the names where one person fills multiple boxes, with new people who are specialists in that area, without losing your ability to delight customers along the way.

Current Customer Base

Trying to create something here that is flexible enough to fit any business is difficult, because some businesses would have ten clients, and other businesses would have 1 000 clients, depending on the nature of your business.

The purpose of this section is to get an overview of what your client base looks like. If you are a Business to Business company that has a small number of clients generating most of your revenue, you can complete the below table using the actual customer names.

If you have more than ten customers, there is a good chance that your top 10 customers produce a significant portion of your revenue. List these by name, and the rest just summarised into one or to or three lines

Customer Revenue

Customer Name	Annual Revenue	Annual COS	Annual GP	Annual GP %

If you cannot answer all this information now, that's ok. Fill in as much as you can.

Make a note to add this to you Action List for you to ensure that you set up your accounting system to be able to measure this in the future.

If you are a Business to Consumer business, or maybe even a B to B company that sells a relatively low value item to a very large number of businesses, then think about ways you can segment this market. It could be by geography, or by age, or by types of products, or by annual spend.

If you cannot come up with a meaningful segmentation at this point in time, leave this for now, and come back to this exercise as you iterate this process.

Current Financial Position

You can find examples that you can also use as templates in the spreadsheet you made a copy of before, and use that as a working document with the below exercises.

Net Profit

Copy and paste your latest Profit and Loss here, so you have a snapshot of your Net Profit for last year.

Summarise in the below table:

Item	FYE 20...
Revenue	
Cost of Sales	
Gross Profit	
GP %	
Expenses	
Earnings Before Interest, Tax, Depreciation and Amortisation	
Interest	
Depreciation	
Amortisation	
Net Profit Before Tax	
NPBT %	
Tax	
Net Profit After Tax	
NPAT %	
Dividends	
Retained Earnings	

Balance Sheet

Copy and paste your latest Balance Sheet here, so you have a snapshot of your Balance Sheet.

These two statements give you an overview of what you own, and what you are currently generating in terms of profits through your business.

Future Revenues and Profits

Right, so now you have a good picture of your business as it looks right now.

I suggest you take a few moments to go through everything you've written thus far.

Take some time to tidy up the document. Delete all my comments and instructions, so you have a document that you can read through and get a snapshot of your business as it is today.

Now we are going to start from the future, and begin to work backwards. To plan for the future, we have to make some assumptions, and then we are going to take action to make those assumptions true, or to adjust some of them.

The first assumption we are going to make is that our Gross Profit and Net Profit percentages are not going to change. We know we want to get to R 10 million per year NPAT.

For the sake of the example, let's say that your business has been running at a 10% NPAT, and 60% GP.

Then we can know that your future will need to look something like this:

Item	FYE 20...
Revenue	R 100 000 000
Cost of Sales	R 40 000 000
Gross Profit	R 60 000 000
GP %	60%
Expenses	R 50 000 000
Earnings Before Interest, Tax, Depreciation and Amortisation	R 13 888 88
Interest	
Depreciation	
Amortisation	
Net Profit Before Tax	R 13 888 889
NPBT %	13.9%
Tax	R 3 888 889

Net Profit After Tax	R 10 000 000
NPAT %	10%
Dividends	
Retained Earnings	

From here the process becomes a bit iterative.

Do the following, and as you move forward, you might want to come back and adjust some of these. There are no right and wrong answers here. The idea of this process is for you to see that there is a believable way to grow your business from where you are now, to the above.

Taking the above as your goal, have a look again at your current value streams and their GP, and imagine that it is five years from today, and you are doing the above revenue and gross profits.

Think about your current value streams, and think about where you think you have the highest growth potential. As a small business it is important to create as much focus as possible. Every extra value stream that you try to drive creates extra complexity. Complexity takes energy.

Some things to ask yourself are:

1. Which value stream has the highest GP%?
    a. If I put all my focus on that one, what kind of growth is likely to come from that?

2. Which value stream is the easiest to grow in terms of sales and revenue?
    a. If I put all my focus on that one, what kind of GP growth is likely to come from that?

3. Can I get significant economies of scale on any of my value streams?
    a. For example: Is one of them based on software where your GP gets higher and higher the more copies you sell?
    b. Or another example: If you sell tickets to events e.g. conferences or lectures – A full hall gives you a much better GP than a half empty hall, since your venue costs are fixed but your revenue goes up.

There might be some more questions like these that are specific to your business. The point is to think about your value streams from a perspective of where growth will make the most sense.

Future Gross Profit By Value Stream

Based on the above thinking, give your best guess at what the mix of revenue and GP will most likely look like for you, by the time you hit your R 10 million NPAT target.

Here is an example:

Let's say your history looks like the below table, and you keep your percentages the same, then a forecast of what your business could look like in five years' time, could be something like this:

	Targets	**History**
Revenue	R100,000,000	R10,000,000
Value Stream 1	R20,000,000	R2,000,000
Value Stream 2	R30,000,000	R3,000,000
Value Stream 3	R50,000,000	R5,000,000
Cost of Sales	R40,000,000	R4,000,000
Value Stream 1	R11,000,000	R1,100,000
Value Stream 2	R3,000,000	R300,000
Value Stream 3	R26,000,000	R2,600,000
Gross Profit	R60,000,000	R6,000,000
Value Stream 1	R9,000,000	R900,000
Value Stream 2	R27,000,000	R2,700,000
Value Stream 3	R24,000,000	R2,400,000
Gross Profit %	60%	60%
Value Stream 1	45%	45%
Value Stream 2	90%	90%
Value Stream 3	48%	48%

But now, looking at this, you can clearly see that if you were to drive sales in Value Stream 2, you would need less revenue to get to the same R 60 million GP figure, because you have a much higher GP ratio there. So let's say you focus all your attention on selling Value Stream 2, and you just maintain your existing business in the other two value streams, it could look something like this:

	Targets 2	**Targets 1**	**History**
Revenue	R71,000,000	R100,000,000	R10,000,000
Value Stream 1	R2,000,000	R20,000,000	R2,000,000
Value Stream 2	R64,000,000	R30,000,000	R3,000,000
Value Stream 3	R5,000,000	R50,000,000	R5,000,000
Cost of Sales	R10,100,000	R40,000,000	R4,000,000
Value Stream 1	R1,100,000	R11,000,000	R1,100,000
Value Stream 2	R6,400,000	R3,000,000	R300,000
Value Stream 3	R2,600,000	R26,000,000	R2,600,000
Gross Profit	R60,900,000	R60,000,000	R6,000,000
Value Stream 1	R900,000	R9,000,000	R900,000
Value Stream 2	R57,600,000	R27,000,000	R2,700,000
Value Stream 3	R2,400,000	R24,000,000	R2,400,000
Gross Profit %	86%	60%	60%
Value Stream 1	45%	45%	45%
Value Stream 2	90%	90%	90%
Value Stream 3	48%	48%	48%

Now, with R 71 million turnover, which is almost R 30 million less than the original target, you still achieve the same GP, and if your expenses remain constant, this will still give you R 10 million Net Profit. But now, R 10 million Net Profit will be 14%.

This is much higher than the 10% you were doing previously. If you are looking at selling or funding this business for further growth beyond this, showing this growth in GP%, NP% and Revenue, will have a very positive effect on the valuation of your business.

Future Net Profit

The simple approach we have taken up to now, is to assume that your expense line will grow in line with your Gross Profit line. However, there are typically economies of scale that you can profit from as the business grows.

So, the next step is to look at your expenses, and consider each of these in the light of this expected growth. Go through the Expenses part of your Profit & Loss statement, line by line, and ask yourself what you think will need to happen to that line, if your business grew to the GP you have projected in the above exercise. This is not an exact science. It is an estimate. Some of the exercises we will do later will help you refine this further.

There is a good chance that you will end up with a lower expense number than what you've previously forecasted. Now iterate this back.

So for example, in your first iteration your forecast might look something like this:

	History	**Targets 1**
Revenue	R10,000,000	R100,000,000
Cost of Sales	R4,000,000	R40,000,000
Gross Profit	R6,000,000	R60,000,000
Gross Profit %	60%	60%
Expenses	R4,610,000	R46,100,000
Nett Profit Before Tax	R1,390,000	R13,900,000
NPBT%	13.9%	13.9%
Tax Rate	28%	28%
Tax	R389,200	R3,892,000
Net Profit After Tax	R1,000,800	R10,008,000
NPAT %	10.0%	10.0%

And then when you reduce your expenses, you will be able to reduce your revenue further and, still get to your net profit target:

	History	**Targets 1**	**Targets 2**	**Targets 3**
Revenue	R10,000,000	R100,000,000	R71,000,000	R63,000,000
Cost of Sales	R4,000,000	R40,000,000	R10,100,000	R8,880,000
Gross Profit	R6,000,000	R60,000,000	R60,900,000	R54,120,000
Gross Profit %	60%	60%	86%	86%
Expenses	R4,610,000	R46,100,000	R46,100,000	R40,000,000
Nett Profit Before Tax	R1,390,000	R13,900,000	R14,800,000	R14,120,000
NPBT%	13.9%	13.9%	20.8%	22.4%
Tax Rate	28%	28%	28%	28%
Tax	R389,200	R3,892,000	R4,144,000	R3,953,600
Net Profit After Tax	R1,000,800	R10,008,000	R10,656,000	R10,166,400
NPAT %	10.0%	10.0%	15.0%	16.1%

These are obviously just example figures and anything is possible in a spreadsheet. The point of this exercise is to get to a set of numbers that seem reasonably believable, to give you an idea of what your business would need to look like, from a financial perspective, in order for you to hit your R 10 million NPAT Target.

Creating a Budget for the next 12 months

Once you have worked through the rest of this process, come back to this, review this process, and create a budget for the next 12 months of your business that shows what you expect to do in revenue, gross profit, expenses and net profit.

Add this to your Action List.

Set up Financial Routines

If you do not have a monthly routine of reviewing your management financials, add an item in your Action List to put this in place.

If you are struggling with this, and need help, feel free to reach out for coaching to ashton@5-2-50.co.za.

We will also, over time, create a community of service providers that we will evaluate and approve, that can help you with this. For now, feel free to reach out to ashton@5-2-50.co.za, and we can help put you in touch with someone reliable that can help you implement some strong financial management processes.

Future Customer Base and Offerings

Go and have a look at your Current Customer Base again.

To get from where you are now, to the above net profit, a useful tool is the below diagram:

New Sell existing products & services to new customers and markets **Existing**	**Customers** **Markets** Sell new products & services to new customers and markets **New**
Products / Services Sell existing products & services to existing customers and markets **Existing**	**Products / Services** Sell new/modified products & services to existing customers and markets **Customers** **Markets**

Here are some of the types of questions to ask yourself as you decide where to focus first:

1. Left Bottom:
    a. By how much can we increase our prices before we will start losing customers?
    b. Which of our current customers are not using all of our products and services? Have we actively tried to cross sell the rest of our offering to each of these?

2. Left Top vs. Right Bottom:
    a. What is easier for us, getting new customers or developing new offerings?

3. Left Top:
    a. Who are the customers and markets we want to go after?
    Think of geographies, customer size, industries etc. that you are not currently servicing.

b. Based on our current customer base, can we identify an "ideal" customer for the next growth phase?
   Often something like "our current biggest client must become our future average client," can become a good way to think about where to look for future clients.
c. Is there a competitor with a similar offering to ours, that is struggling, but that has a good client base, that we might be able to acquire?

4. Right Bottom:
   a. What problems do our existing customers struggle with for which there are not good solutions, that are aligned with what we already offer?
   b. What adjacent products and services could be offer?
      Adjacent products and services are products and services that are close to, or complimentary to what you already do. For example, if you are doing recruitment and placement, then training might be adjacent. If you are selling water pumps, then pipes and tanks are adjacent. If you are a coffee shop, then meals are adjacent.
   c. What problems are there in our industry that people take for granted, that really annoys our customers? How can we solve those and turn that into an unrefusable offer?
   d. Is there a business that has a very similar customer base to ours, with different offerings, that is struggling, that we might be able to acquire?

5. Top Right
   a. What adjacent products and services can we offer to which markets that we are not currently servicing?
   b. Is there a business operating in adjacent markets with adjacent products that we might be able to acquire?

Based on your answers, you might decide that you are going to grow in a sequence:

1. Most of the time the best way to grow is to start with existing products in existing clients and markets.
   a. Make sure that each of your clients understands the value of your full offering. You may be surprised at how much revenue is there.
   b. Check your pricing. See if you can increase prices without upsetting your customers.
   c. Check segmentation. See if you can ask some customers more for the same product by focusing on where the value is for them. Airlines are the best at this. When I travel for business, and my schedule is inflexible, I often pay double the price of someone flying on a flexible schedule who can select the cheapest available option. It is exactly the same product. For me the value is in getting

somewhere at a specific time. For the other person the value is simply in getting there.

   d. Often you cannot easily segment existing customers already using existig products. But as you sell your other offerings to existing customers, you may be able to segment them in such a way that some are paying more for the same product or service.

2. Next you will move to the left top or right bottom, depending on what is easier for you – getting new customers or developing new products.
   a. If you have a really good marketing and sales process, it probably makes sense to immediately go to getting new customers.
   b. If your marketing and sales are a bit mediocre, but you have an amazing ability to come up with good products and services, then start with the bottom right.

3. Whichever one of the bottom right or top left you have not done yet. Do that one next.

4. And then – in case you have not noticed – by the time you've done bottom right and top left, you are actually doing the top right already. You have developed new products and you are selling into new markets.

Not all businesses will do all of this to get to R 10 million per year net profit.

You might have identified one value stream that is very lucrative, and double down on taking that value stream to the world.

The idea of this section is that you think about it, and get clarity on what products you are going to take to which customers, and in what sequence you are going to move forward.

Rollout Schedule

Having thought through all of the above, try to complete the following table:

Where I use the word "Customer," this would be appropriate for a business who has a small number of large clients. If you have many smaller clients, you might want to refer to these in terms of your customer segments.

Each offering is typically a value stream consisting of a product and/or service:

The data that is in the table is to help you understand the logic:

Value Stream Customer	Existing Offerings	New Offering 2	New Offering 3
Existing Customer 1	Year 1	Year 3	Year 4

Existing Customer 2	Year 1	Year 3	Year 4
Existing Customer 3	Year 1	Year 3	Year 4
Existing Customer 4	Year 1	Year 3	Year 4
New Customer 5	Year 2	Year 3	Year 4
New Customer 6	Year 2	Year 3	Year 4
New Customer 7	Year 2	Year 3	Year 4
New Market - 10 New Customers	Year 5	Year 5	Year 5

So in the above example you can see that in the first year we will just focus on existing offerings into our existing market. Then in Year 2, we are going after some new customers, but still in the same market we are now. In Year 3 and 4 we introduce two new offerings respectively and take that to the whole market we have then. In year 5 we go after some new market – maybe opening a new geographical office, or going a step up to bigger clients, or something like that.

Description of Market Segments / Customers

Give a short description of the market segments and customers you are referring to in the above table

Description of new Value Streams – Products and Offerings

You have already covered these where you looked at your business's current situation.

If you are planning to add new value streams in the coming five years, describe each of them here. You don't have to go into as much detail as the above but at least make clear what the value is that you will provide for the client:

Value Stream Name	Client situation before	Short description of offering	Client situation after

Add an item to your Action List to create some projects. You will probably want to create a project for each new value stream you are going to introduce, and a project for each new customer grouping or market that you are going to go after.

Future Organisation

We are still in future mode.

Now that you know what the markets are that you need to service, and the value streams that you will need, you can build the organogram.

Remember the 5-2-50 challenge sets three generic goals:

- Get to R 10 million per year NPAT
- Grow to 50 people or more
- Free the Founder

The 50 people or more is at the heart of all that we do, because we exist to eradicate poverty by creating good jobs. Some businesses will do more than R 10 million per year NPAT with 50 people. So let's start with what we've done until now, and see what a future organisation will look like.

Some people think better in tables. Some think better in Organograms. Whichever works best for you, here is the process:

1. Look at the markets and the value streams that you want to be servicing in 5 years' time, and the revenue that you want to be doing from each.
2. Now look at what you are doing at the moment, and begin to think about what your organisation is going to have to look like, to deliver this increased revenue.
3. The easiest is probably to look at your Rollout Schedule and begin to think through each of those steps, and what people you will need to add as you grow your revenue.

If you prefer to use a table, here is one that you can use.

Start with the delivery roles and existing managerial and supervisory roles, and then add more management and supervision as you think is necessary

Here is an example of our marketing company, and let's say that they've decided to only focus on one value stream, and grow their business based on the idea that they can be the best in the world at this one thing:

Value Stream 1

Role	**Currently done by**	**Future Number of people in this role**	**Comments**
Chief Executive Officer	John	1	John to be replaced, and move into a pure board position

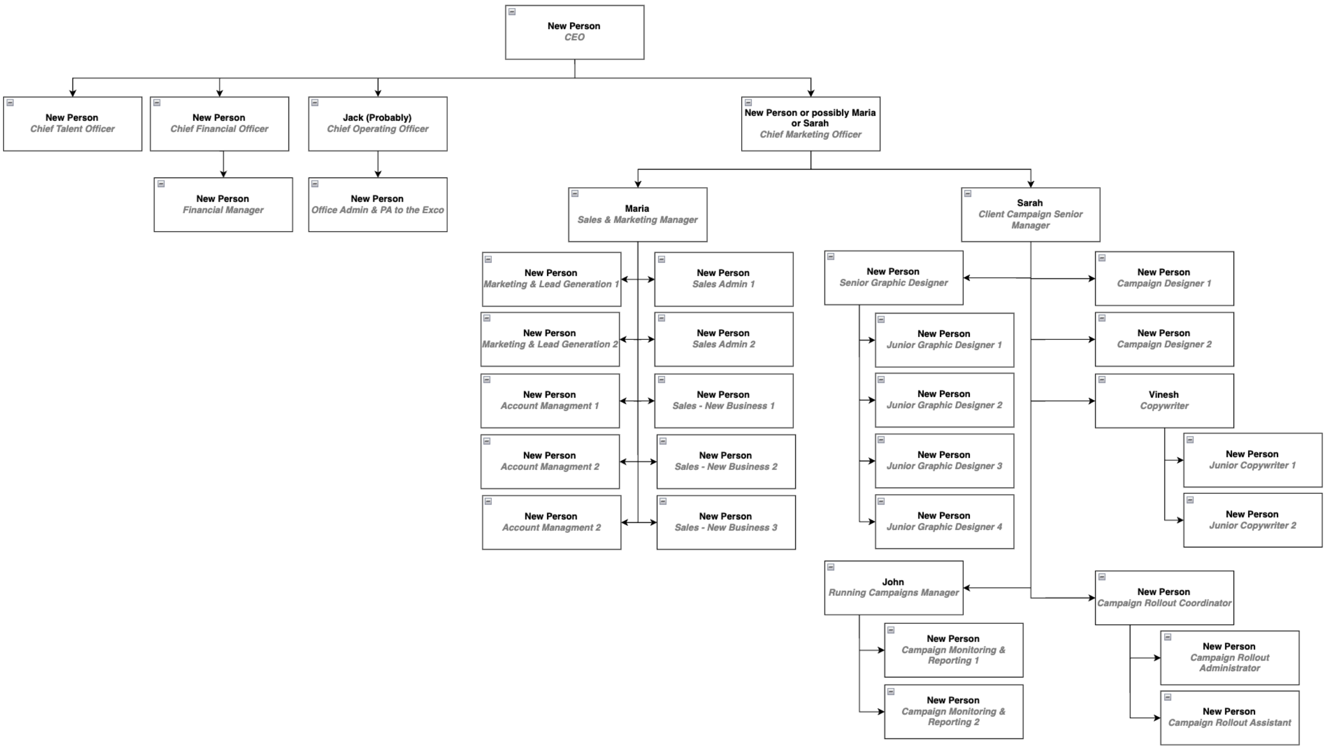
Chief Financial Officer	No-one	1	
Chief Talent Officer	No-one	1	
Chief Marketing Officer	No-one	1	Oversees our own marketing, sales, and Client Campaign Management
Chief Operating Officer	No-one	1	Probably Jack
Sales & Marketing Manager	John	1	
Sales Admin	No-one	2	
Marketing & Lead Generation	Maria	2	
Sales – New Business	John	3	
Account Management	John	3	
Client Campaigns Senior Manager (Oversees all aspects of Campaign delivery)	John	1	
Campaign Design	John	2	
Senior Graphic Design	Sarah	1	
Junior Graphic Design	No-one	4	
Copy Writing	Vinesh	3	
Campaign Rollout	Sarah	3	
Senior Running Campaigns Management	John	1	
Campaign Monitoring & Reporting	No-one	4	

Total 35

You can use the template in the example spreadsheet to create your own. Make as many copies as you need for each value stream.

If you do multiple value streams you would probably want to put senior management and any admin activities that you might have that are not directly related to the value streams, in a separate table.

If you prefer creating an Organogram, you can have a look [at this example here, and use this as a starting point to change to your own]:



Make sure your structure frees the founder(s)

In our example, John is the founder of this business, and in this new structure, we have replaced him as CEO, as well as in every other role that he is currently fulfilling in the business. For the sake of the example, he is now the chairman of the board of the business, and is looking at starting up a new business.

Not all founders want to leave their current business. The idea is not that you have to leave your business, but that you must get yourself free enough from the business that you can focus on doing the work that most aligns with your design and calling. Founders who can start and grow businesses are one of the scarcest resources we have in our societies. Think of founders as the constraint in our economy. We want to make sure that every founder is focused on doing that which only they can do, and adding as much value to society as possible, whilst living the most meaningful and fulfilling lives that they can.

Add People until you get to 50

In our example, the business figured out they could get to their R 10 million per year NPAT target with 35 people. So in terms of the 5-2-50 goal of getting to 50 people, that still leaves 15 potential jobs on the table.

The business will already be very profitable. If you could now add people, maybe to start an interesting value stream, or to be able to deliver excellence beyond what is currently possible, who would you employ, and why?

Update your business with these people.

Attracting, Recruiting, Engaging and Growing Top Talent

One of the most powerful competitive advantages you can build in your industry is to have the best people.

Small businesses typically cannot compete with big businesses when it comes to salaries, but fortunately for small businesses, it generally really sucks to work for a big business. Top talent often are looking for better working conditions, as long as they can earn a reasonably market related salary.

That means that by creating a strong culture, and a good name in the employment marketplace, you can attract and recruit good talent.

Then you need to keep them engaged and grow them. Gallup studies have shown that as low as 26% of people are engaged in their work. If you can get half of your employees to be highly engaged, you will be doing twice as well as most other organisations.

One of the best tools to use as a framework for keeping top talent engaged, is the Gallup Q12+. The book "First Break All the Rules, What the World's Greatest Managers Do Differently" explains this in much more detail.

You can also see more about it here.

Add a project to work on this to your Action List.

Leadership Development, Operational and Technical Training

Despite the fact that we have a very high unemployment rate in South Africa, thousands of job positions are remaining open for extended periods of time because there are no people that are properly qualified for those positions.

As a business, the only way to overcome this, is to see yourself as part of the answer to this problem, in the form of training.

One of the objections to training that I sometimes hear, is, "What if I spend all this money on training my staff, and then they leave?"

Firstly, if you create a really strong culture, the risk of this is reduced.

Secondly, a worse scenario than that is if you do not spend any money on training them, and they stay.

Just in Time Training

One of the most effective approaches to training and leadership development is the "Just in Time" (JiT) training approach. Whatever we learn in a training course, we forget within a few days. The idea of JiT training, is that you get trained now, in order to implement what you are learning immediately in your area of work.

A little bit further down you will plan your growth one constraint at a time. JiT training fits well into a constraints management approach. When you are busy working through the five focusing processes of constraint management, at each step identify whether technical, professional, or leadership training would be of value – and if it would, then do the training with the eye on immediate implementation.

As part of the development of the 5-2-50 community, we will be evaluating, and approving companies that do leadership and professional development and training. For recommended suppliers, feel free to email ashton@5-2-50.co.za

Add the formulation of a training and development policy and process to your Action List.

Strengths, Weaknesses, Opportunities, Threats

The SWOT analysis is one of the most common strategy tools in the industry, and for good reason. It's relatively easy to do, and can give some pretty amazing insights.

For the below questions, consider what you've written in the previous section about customers, value streams, the approach to driving growth and your new organisation. In the light of that, answer the following questions:

Strengths:

Strengths refer to something that is directly related to us or the business - something internal.

An example of a strength would be, "We are really good at selling."

1. What strengths do you have that will enable you to go after the above customers / markets?
2. What strengths do you have that will enable you to create the new offerings?
3. What do you currently do really well?
4. What are you really good at?
5. What other strengths do you have that the above questions have not covered yet?

Opportunities

Opportunities are external to you and your business. An example of an opportunity for a company selling printer paper would be:

There is a large new building opening up across the road that is targeting lawyers. Lawyers use tons of printer paper.

1. What opportunities do you see in the market at the moment with regards to the clients you want to pursue?
2. What opportunities do you see in the market with regards to the offerings you want to create?
3. What other opportunities do you see ahead of you?

Weaknesses

Weaknesses refer to something related directly to us and our business.

An example of a weakness would be, "We are bad at marketing."

1. What are things you are struggling with at the moment as a business or individually?
2. What weaknesses do you have that will make it difficult for you to go after the markets and costumers identified?
3. What weaknesses do you have that will make it difficult for you to develop the offerings you want to offer in the future?

4. What weaknesses will prevent you from being able to go after any of the opportunities you mentioned above?

Threats / Risks

Threats and risks are outside of our business. An example of a threat could be competition, or for example, for the same printer paper business, the continued trend towards powerlessness is a threat.

1. What threats do you see in the world around you that can prevent you from selling into the markets you've identified, or getting your new offerings off the ground?
2. What threats do you see that might take away existing customers?
3. What other threats do you see to your business?

Combining these

Now look at the above, and see how these may interact with each other:

1. Do you have strengths that you can use to mitigate some of the threats of risks you've identified?
2. Do you have strengths that you can use to go after some of the opportunities?
3. Do you have strengths that you can use to mitigate or off-set some of the weaknesses?
4. Are some of your weaknesses potentially hindering you from going after the opportunities you see?
5. Are some of your weaknesses making you especially vulnerable to some of the threats?
6. Are there some of the opportunities that might mitigate some of the risks or threats?
7. Are there possibly some opportunities for you IN the threats and the risks you see?

Action to take based on the above

Based on all the above answers, are there specific actions you need to take e.g. weaknesses you need to address, opportunities you need to pursue etc.

Write each of these in terms of a current situation, action, and future state, like the example in the below table:

Current situation	**Action**	**Future Situation**
There is an opportunity to sell printer paper to the lawyers in the new building across the road, but we are really bad at	Get a good salesperson. Or Give Vinesh some sales training - he said he'd like to	We have a trained salesperson; We have a commission based sales remuneration system

selling.	give it a try, and implement a sales commission	that works We have a bunch of law firms as new clients

Add these to your Action List as a reminder

Grow One Constraint At a Time

If you are not familiar with Theory of Constraints, I strongly recommend you read Eli Goldratt's Book, "The Goal"

You can also read an article that gives a bit of an illustration, here:

https://5-2-50.co.za/2017/07/20/why-can-theory-of-constraints-deliver-these-results/

Theory of Constraints Overview

The basic premise of the Theory of Constraints is understood by asking yourself the following questions: (Answers follow below – but first think about your answers before going to the answers)

1. What is the basic goal of a business?

2. Why does the rate at which a business makes money not just accelerate infinitely?

3. The step in a process that is limiting the speed at which the business can make more money, is called the "Constraint" and is typically the slowest step in the process. How many SLOWEST steps can there be in any process?

4. If you have correctly identified the slowest step, and if this slowest step was truly the step that prevented the business from making more money faster – What would the result be if you accelerated this step?

5. How long would it take, once you've accelerated this step, before you start seeing an improvement in net profit and cash flow?

6. How many things can you improve in your business?

7. What would be the impact on your net profit if you make improvements on areas of the business that are not the slowest part of the business?

8. Once a constraint has been accelerated to the point where it is no longer the constraint, will there then be another constraint somewhere else?

9. What will happen if you correctly identify and accelerate this next constraint?

The answers to these questions should be your version of the following truths:

1. To make money
   A business might achieve many other benefits for society, but the basic way in which our society rewards a business for adding value is with money. A business that does not make a profit cannot keep surviving and doing all the good things that it is doing.

2. There is something that limits the rate at which the business makes more and more money. If nothing was limiting this, it would just instantly make infinite amounts of money.

3. There can be many steps that you consider to be slow. But only one can be the SLOWEST. That is the very definition of SLOWEST. It is slower than any other step.

   Note: Most businesses have more than one value stream. Every value stream can have its own constraint. However, in most businesses, and especially smaller businesses, this constraint is shared across value streams. Finding the constraint shared by most of the value streams would equate to finding the constraint in the business, unless there is one other value stream that contributes more to the net profit of the businesses than the other value streams put together.

4. The result of accelerating the constraint is that the business starts making more money, and this is reflected in more net profit, and most of the time also in more free cash flow, unless there are other structural complications around cash flow.

5. The results are typically seen very quickly – basically within one cycle of the process, and often within a shorter period than one cycle. Sometimes, due to client and supplier payment terms, the impact on cash flow might be slower.

   In businesses where cash flow is critical and a problem, it is a good idea to define "making money" not as net profit, but actually as cash received, and to include everything from the moment funds leave the bank to pay suppliers, until cash is paid into the bank from the clients, in the value stream that is analysed to determine the constraint. Sometimes the constraint in this process is actually in the collection process, and when that is corrected, the cash flow position immediately improves.

6. You can improve many things in your business. Pretty much anything you think of, can, in theory, be improved.

7. Making improvements in areas that are non-constraints result in a reduction in net profit. Since they are not the constraint, there is no increase in throughput through the system. However, the improvement requires investment to implement, and that reduces the profit for the period of implementation.

8. Yes. By definition there must always be a constraint. There must always be a slowest step in any process.

9. When you accelerate this next constraint, there will again be a next constraint. There is no upper limit to be reached by this approach.

Theory of Constraints can be summarised in one word: Focus.

It enables you to take the time, energy, and money of the business and especially the senior leaders in the business, and focus it on the one improvement at a time, that is going to have the greatest, and quickest impact on the profitability of the business.

The Five Focusing Steps of Constraint Management

Constraint Management requires five focusing steps:

1. Identify the constraint
   Typically this is the most overworked part of the business, where work is most often stuck, or for which people most often are waiting.

2. Exploit / Protect the constraint
   Make sure that the constraint's time is not being wasted. If it is a physical resource like a machine, make sure that it is working as many hours per day as possible. If it is a person, make sure that this person is not spending time doing anything other than the most important work that they, and only they can do.
   Ensure that quality checks happen to work before it reaches the constraint, so that the constraint does not have to fix quality problems, or work on items that are going to be rejected for quality later, if those defects could have been observed before the time.

3. Subordinate the rest of the business to the constraint
   Make sure that everyone in the business understands how important the constraint is, and that they are supporting the process of exploiting / protecting the constraint. A good example of that in the above strategy is the decision to sell products and services that will minimise extra burden on the constraint.

4. Elevate the constraint
   If you elevate the constraint before having done steps 2 and 3, you are probably going to be spending money on paying for resources that are not going to be used as efficiently as possible. That means you are literally going to be paying to waste more resources than

what you are already doing.

However, once you have done steps 2 and 3, it is time to elevate the constraint by employing more people, or purchasing more equipment, depending on the nature of the constraint.

5. Do not stop. The 5th step is simply recognising that there is now another constraint, and going back to step 1, to repeat this process again.

Businesses that master this process, can become very effective in executing and smashing one bottleneck after the other – thus accelerating profitability at an uncanny rate that seems near miraculous.

Operational And Strategic Constraints

Most of the time when referring to constraints in ToC, the type of constraint is what can be called an operational constraint. It is the constraint in a specific value stream that determines how fast that value stream can make money.

However, a business also has a "strategic value stream," which refers to the rate at which the business is able to successfully identify and implement strategic improvements.

In small businesses, most things quickly escalate to the top of the business - which is typically where the senior management, who are often also the founders and owners of the business. It is very common for the operational constraint to either be at the top of the business, or to be directly impacted by the speed at which top management can respond to events.

Top management is typically also responsible for driving strategic improvement projects.

So often the operational and strategic constraints in a business overlaps. A business that can create enough focus on strategic improvements to actively and relentlessly drive their execution, will out-improve their competition, thus creating a competitive advantage that is extremely difficult to emulate. Most businesses are caught in the trap of trying to improve many things at a time, because they are all "important." However, if everything is important, then nothing is important. The process of defining and selecting the MOST important strategic improvement to do, and focusing all energy on that, until it is done, and then moving on to the next one, is one of the most powerful ways to accelerate the rate at which a business outpaces its competitors.

Identifying your current constraint

Very often in a small business, the constraint is clear, and it's the founder.

Here are a few questions you can ask to confirm where the constraint is:

1. Which part of / Who in the business seems the busiest?
2. Which part of / Who in the business most often works more than normal work hours?
3. For which part of the business / For who do you most often have to wait to get replies / information / work done that they need to do?

If the answers to these are clear, then you've probably identified your constraint. If you identify the wrong constraint at first, it will become clear once you start working on it.

If it is perfectly clear to you where your constraint is, you can skip the next step and jump straight to: [Formulate your Constraint Management Plan](#)

If you are not sure where the constraint is in your business, here is an exercise that can help:

Map your value stream

When thinking about constraints, you always have to think in terms of process flow – with other words, how work flows through your business.

Example

So let's first do an example.

Remember the value streams we did here: Current Value Streams?

I've plotted the marketing value stream into a spreadsheet as an example:

5-2-50 Growth Plan Spreadsheets

You will see the steps down the left hand side, and the step numbers across the top, with each action as the work flows through the organisation.

What you will also see, is that in the bottom of the sheet, I've added something called "Constraint Analysis" and there I have two items – Touch Time and Wait Time.

Touch Time

Touch Time refers to how long it would take to do a task IF

- You work on nothing else
- You have everything needed to finish the task from the moment you start it
- You start, work on that task without interruption, and keep working only on that task until it's done.

Actual Time

Actual Time to Next Step Input Ready, is the time from when work starts on a piece of work, until that work is ready for the next step. The output of every one step is the input for the next step.

Wait Time

Wait Time is the difference between these two.

For the example, I'm using days as the unit of measure. Depending on your processes, you can change this to hours, or minutes or seconds. Use a unit that seems reasonably well related to the process.

Look at the example in the sheet: 5-2-50 Growth Plan Spreadsheets

For the sake of a clear example I'm not going to start from the beginning, but at the point where the salesperson has met with the customer, and gained a thorough understanding of their environment and problem. Their job now is to document this, and send that document to the Campaign Designer.

Let's say the process of seeing the customer and writing up the document, including travel time, is half a day. This would be true only if the salesman gets up in the morning, goes straight to the customer, meets the customer, goes straight to the office, documents everything, and sends it on, without any interruptions.

So that would be your Touch Time. 0.5 Days.

However, on average, from the time that the salesperson sees the client, it takes about 7 days before that document is given to the Campaign Designer. In reality, the salesman sees other customers in between, attends meetings, fills out commission sheets, stops for doughnuts and coffee, picks up his daughter from school, and drops off the CEO's grandmother at the Granny Daycare Centre.

So the time that the work is waiting for the salesperson is the difference between what it would have taken to start and finish the job in one run, and the time it actually takes to finish the job – which is 6.5 days.

If this is clear to you now, you can stop reading, duplicate that sheet, and replace the information there with one of your own value streams.

Use Best Estimates – Don't overanalyse this

You most probably do not have exact data on this, but if you sit and discuss this with your team, you will be able to get an estimate. One way to get estimates is to look at best case and worst case scenarios, and take the middle of that. If the Salesman says that a simple customer requirement takes an hour to write, and a difficult one takes 8 hours, then 4 hours is a starting point to go with. If he says it typically takes him two days in a good week to get it done, and ten days in a bad week, then about six days is probably a good average.

When you do this exercise the first time, you do not want to spend hours and hours debating each step and the times. The estimates you come up with, within a minute or two of thinking about every step, are probably sufficient for identifying your constraint.

Another example

If you are still not quite clear, here is another example:

Looking at the same sheet, next step:

The Campaign Designer gets the input from the salesperson, and in a perfect world where the input is complete, and the Campaign Designer has nothing else to do, and works on this piece of work from beginning to end, it will take 3 days to build a solution.

In reality, it typically takes 12 days before this is ready for presentation to the customer.

So Touch Time is 3 Days.

Wait Time is 9 Days.

Insert Extra Steps as Needed

You may find, as you begin to do this, that you feel that you need to insert some extra steps, to be able to reflect the reality of your process. For example, you probably want to break the last example step into an extra step of making an appointment with the customer again, and actually presenting – because there you are waiting for the customer – and you want to be able to see the Campaign Designer's times separately from the time that is directly impacted by the customer.

Highest Wait Time is Probably the Constraint

Once you've done this process, have a look at your Wait Times.

The step with the highest Wait Time is probably your constraint.

VERY IMPORTANT: Being the constraint is not someone's fault. Every system will always have a constraint. The constraint exists as a result of the way the system is currently designed. The moment a step in the process is identified as the constraint, that becomes the most important step in the business.

The Constraint is probably a Shared Resource

Now what you can do, is to look at who, or what workstation is doing the work on that constraint process. In a small business, where resources are often shared across multiple steps in the process, you are likely to find that the other steps in the process that this person performs, also have long wait times.

If you are a factory, or logistics business, the constraint step in the process might be related to a workstation or resource such as a machine, or a loading bay, or a warehouse – It does not have to be a person. A workstation is typically a combination of facilities and people e.g. a machine and an operator, or a loading bay with a loading team and forklift etc.

By this time it may be clear to you where the constraint in your business is and you may know with relative certainty that this constraint will be the same person / workstation in all your value streams. As your business gets bigger there may come a time when you have enough people and resources that every value stream has only dedicated resources and then your constraint will be unique to every value stream. In most small businesses, the constraint resource is shared across value streams and across several steps without those value streams.

Formulate your Constraint Management Plan

Once you know where your constraint is, review the Five Focusing steps, and using that as an approach, think about what each of those steps would mean practically, in your business, for your constraint.

Write that plan down here.

Here is a generic example:

For the value stream in the above example, I added some general times, and to make the example align with my most common experience in many small businesses, John, who is the founder and CEO, is also the constraint. He started this business, so initially he did everything, and now he's still the primary contact with the customers, struggling to let go.

If you look at the example sheet,, 5-2-50 Growth Plan Spreadsheets you can see that John's wait times are relatively consistent, but they really slow the process down. If you quickly add them up, then John creates a total of 60 days of wait time in the process.

Now let's follow the steps as explained in the The Five Focusing Steps of Constraint Management section:

1. Identify the Constraint:
   Done That. John.
   And specifically in this step he creates the biggest delay:
   "Run campaign, collect campaign metrics, create customer report"

   That may be important, but right now, because John is spent across so many steps, there is a good chance that if we just focus on John, we're going to resolve this.
   I would discuss this for a few minutes to confirm that there is not something inherent in that step in the process that maybe can be resolved really easily.

   But in this case, even if you resolve that step, John is still the constraint, because he's still creating most delays across other steps.

2. Exploit / Protect the constraint
   We now want to remove as much activity from John, that is not generating value for the business, as possible.

   When we are dealing with a person, filling out a timesheet for a week can often be an eye-opener of where time goes, and which of those activities can be removed, made more productive, or moved to someone else.

   Consider the quality of input. Sometimes a constraint is working on fixing quality issues that should have been dealt with at the previous steps.

   Sometimes work can be picked up by the steps before and after the steps that a constraint works on. In this example Sarah sets up and starts up the campaign. Maybe she can pick up the monitoring and collection of metrics, and even write the report – leaving John to only need to go and present that to the customer.

   For our example, let's say we believe that if we do the above, we will get the reports out by the 3rd of the month every month – which means this step is no longer a constraint step, and we've taken significant burden off John. However, we believe he will still be the constraint, so we move on:

3. Subordinate the rest of the business to the constraint
   This is probably the most complicated step, and can take many different forms.

   The key here is to understand that the constraint is by definition overloaded if the rest of the business is not subordinating itself to the constraint's limited capacity. John's mailbox is probably overflowing, and he has a task list of work that he has to do for various clients who are at various steps of progress through the process.

   Work overload is one of the greatest drivers of inefficiency for a variety of reasons.

   Also remember that the constraint is limiting the rate at which the business makes money.

   In this case marketing is generating leads, those leads get picked up by John, and he starts working them. However, because he is the constraint and involved in several steps in the process, he gets overloaded, and then everything takes longer than it needs to.

   So the first step here, is to drain the overload. This is where the really counterintuitive part comes in.

   To drain the overload on this system, we are going to stop introducing new leads into the system for a period, while we begin to clear the backlog, starting from the back.

   We will make a list of all the work that is outstanding, estimate how many days of work is still needed on each, and then start with what is the closest to finish, and finish that. Then the second closest to finish – and so on.

   So very quickly we will see, from the back of the process, the wait times beginning to drop. John will see a massive spike in productivity because he will not be multitasking any more, and this will probably happen much faster than expected.

   As the backlog starts clearing, there will come a time when, looking forward, John will be able to estimate how many days it will be before he will actually run out of work. At that point in time we will begin to feed him with new leads again, but only at a rate to create a bit of buffer of appointments, that will begin to feed the process at a rate that he will be able to manage without being overloaded.

   This will result in a lot less crises than before, and whereas the process from first contact to first invoice used to take about 115 days on average, it will now take less than a month to get a campaign up and running, and the first invoice after the first month of metrics will be out within a few days after the end of that month.

4. Elevate the Constraint

   The next step is now to elevate the constraint. By this time the business is running faster than before, and is generating cashflow faster than before, which means that there is probably money available to hire another person, or spend money on automating a step, or something similar.

We also know that if we can move even faster, the business will make more money faster – so now it's not just hiring someone because that seems like the place where we most need someone. We are hiring someone because we know that hiring this person into this specific place in the value stream will create near-immediate value.

When elevating a constraint by hiring an extra person, one of the best things about this is that you can release not only time, but also energy into the business.

So now would be a good time for John to sit down, look at his typical week, and identify what activities give him the most energy, and what activities drain most of his energy. Let's say for this example John happens to be really good in front of customers, but he actually feels totally drained after a customer meeting. However, he can sit in his office and design campaigns all day long, and still be full of energy by the end of the day.

Looking at this, and the typical wait times in the process, you can clearly see that if one could reduce John's customer facing time, that would free him up to build more campaigns with the team, and the business would run faster if someone else is driving customer engagement.

So now you know that you are looking for someone who finds their energy in customer facing time, and who does not need to be good at designing and running campaigns. They need to be good at listening to a customer and clearly understanding, articulating and documenting that customer's needs.

So we hire a new person into that position.

5. Within a few weeks, we will see this process accelerate again. All the dynamics will be shifting, and the speed at which the business is making money will accelerate.
   At this point in time we might introduce some kind of workflow process to actually track the wait times between steps.
   All this will help us know within a few weeks if John is still the constraint. There is a good chance that he is. It often takes small businesses a few iterations before the constraint starts moving down into the business.

   Remember, the higher up in the business your constraint is, the bigger the impact of delays typically are. So you always want to move your constraints down into your organisation.

   This is also part of the beginning of getting the founder free from the day to day running of the business.

Remember to add the actions you need to take from this to your Action List.

Designing / Buying and Implementing Processes and Systems

Based on everything we've done until now, it's time to consider systems.

We've touched on processes in the Value Streams, but over time you will have to define more processes in your business, and you will probably want to define those more clearly.

To build an effective organisation that executes good business processes, there are a few questions that you want to ask that will over time help you to create strong processes.

1. What do we do?
2. When do we do it?
3. Who does it?
4. How do we do it?
5. Why do we do it?

Once again, we recommend approaching this as part of your Constraint Management Process.

Instead of going through your company and turning everything that you do into a documented process, focus on where the constraint seems to be, and as part of that do the following:

1. Map that process.
2. Implement the measurements.
3. Identify if there is any opportunity for automation e.g. through implementing AI on the constraint.
4. Determine whether it would make economic sense to implement a system that could potentially accelerate the whole process and reduce manual and repetitive work, by considering the cost of buying vs. building such a system, and the potential increase in revenue as well as costs saved by such a system.

Based on this, you may want to add an action or two to your Action List.

Setting Up Rhythms and Routines

Crises, customer queries, staff problems, breakdowns, conflicts …

These will all happen.

And they will demand your attention.

Strategy, and building a well-run company, however, will remain in the background unless you move it actively and deliberately into the daily rhythms and routines of your company.

To make sure this is not forgotten, be sure to add the creation of your business's schedule of rhythms and routines to your Action List.

Here is a table with some examples of rhythms and routines that you can implement in your company. Adjust this to fit your environment:

Rhythms and Routines Schedule

The idea of the information in the below table is not to be a blueprint for you to use, since every company is different. These are just examples to help you think of the types of activities you may want to schedule.

When	Title & Chair	Duration	Key Agenda Points	Output / Decisions
Daily	Daily Standup COO	00:15	1. Most important thing you are working on. 2. Major obstacles you are facing. 3. Recent achievements	1. Celebrate achievements 2. Agree on actions to help overcome obstacles 3. Changes to priorities of most important things being worked on?
Weekly	Exco CEO	01:00	1. Strategic projects update 2. Sales pipeline update 3. Challenges 4. Opportunities	1. Intervention needed on strategic projects e.g. sign-off; add resources; assist with blockage? 2. Action needed to overcome challenges / pursue opportunities?
Weekly	Operations Update Value Stream Leaders	01:00	1. Update on customer projects 2. Obstacles and how to overcome them 3. Opportunities and how to exploit them	1. Actions needed to accelerate projects / overcome obstacles 2. Actions to exploit opportunities
Weekly	Lunch & Learn	02:00	1. Pizza	1. What have you learnt today?

			2. Review of last week's topic – How have you applied this in your work in the course of the week? 3. Learning topic – Lecture / video / reading / demonstration; Vision, purpose, values, technical, marketing, life skills etc. 4. Discussions around learning topics	2. How can you practically apply what you've learnt, in your work this week?
Monthly 5th working day	Financial Review CFO	02:00	1. P&L against budget 2. Cash flow forecast for the month 3. GP & NP forecast for the month and rest of the year. 4. YTD Figures against budget	1. Do we need to take any action based on reported information?
Monthly - Middle of the month	Strategy Review CEO	01:00	1. Review strategy document and confirm if any changes 2. Update on strategic projects against expected progress	1. Do we need to take any action based on reported information?
Monthly	Process Improvement Value Stream Leaders	02:00	1. Update on constraint management intervention from last month. 2. Confirm where constraint is in each value stream 3. Agree on constraint management intervention for the coming month	1. Project plan for coming month's constraint management intervention
Annually	Strategy	16:00	Full strategy Review	Updated Strategy

	Facilitator			

To make sure this is not forgotten, be sure to add the creation of your business's schedule of rhythms and routines to your Action List.

Turn Your Decisions into Projects

Remember, if at any point you need some help through this process, feel free to reach out for some assistance to: ashton@5-2-50.co.za

In this section we will systematically convert the ideas that you've come up with until now, into a scheduled project plan for improving your company:

Action List

In this list, record all the actions you come up with, as you work through the document:

Here are some examples:

Section	Action
Purpose, Vision, and Values	- Add purpose, values and vision to - standard recruitment & interview questions - New employee welcoming process - On-going communication schedule
Understanding the Three Layers of Work	
Current Value Streams	Set up accounting system to be able to reflect Gross Profit per value stream per customer / customer grouping per month.
Current Organisation	
Current Customer Base	
Current Financial Position	Create a monthly sales forecast and budget for the next 12 months.
Future Revenues and Profits	
Future Customer Base and Offerings	Create a project for each new value stream that we want to create, and for each new market that we want to pursue.
Future Organisation	- Set up a project to implement the Gallup Q12+ - Create a social media communications program to drive awareness of our company in the employment market.

Strengths, Weaknesses, Opportunities, Threats	Review the strategies that came out of these and create actions from these.
Grow One Constraint At a Time	Draw up your Constraint Management Plan
Designing / Buying and Implementing Processes and Systems	
Setting Up Rhythms and Routines	Create a schedule with all the company's rhythms and routines

Turn your Actions into Projects

Now look at your list of actions, and group them together in themes.

Each of these themes can now become one or more projects. Often you don't need themes - the action you came up with is a project on its own. Sometimes one action can actually end up being several projects.

Write the name of each of these projects on a sticky note, or you can use software to do this on a screen. If you are working in a group of people, sticky notes work better.

You can use the “Projects Easy - Difficult” sheet in here, and adjust it according to your needs.

https://drive.google.com/file/d/1ZYHfo1e4cajtsnhmCT1F0lSn40LhYSw6/view?usp=sharing

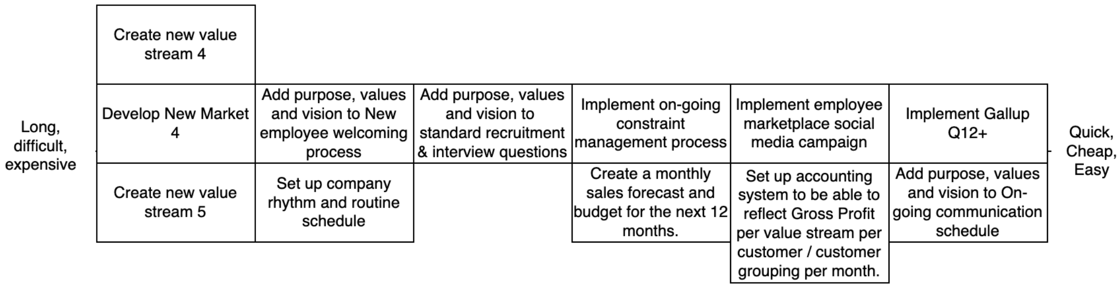
Once you've written these projects down, arrange them in a line from left to right based on your estimate of the cost of implementing each of these in terms of time, effort and money.

When you do this, consider where you are starting. For example if you create a project to add purpose, vision and values to the employee induction program, and you currently do not have an employee induction program, that means that this project will include creating such a program.

The project on the far left would now be the most costly in terms of money, effort and time, and the one to the far right, should be the quickest, cheapest and easiest to implement.

If you think two or three of them are really very similar, then put them in the same position.

It could look something like this.



This is just an example – I have put no thought into whether these are in any reasonable order – it's just to show what something like this may look like.

Now write “High Positive Impact” and “Low Positive Impact” on two sticky notes, and put the High impact one above this line, and the low impact one below this line.

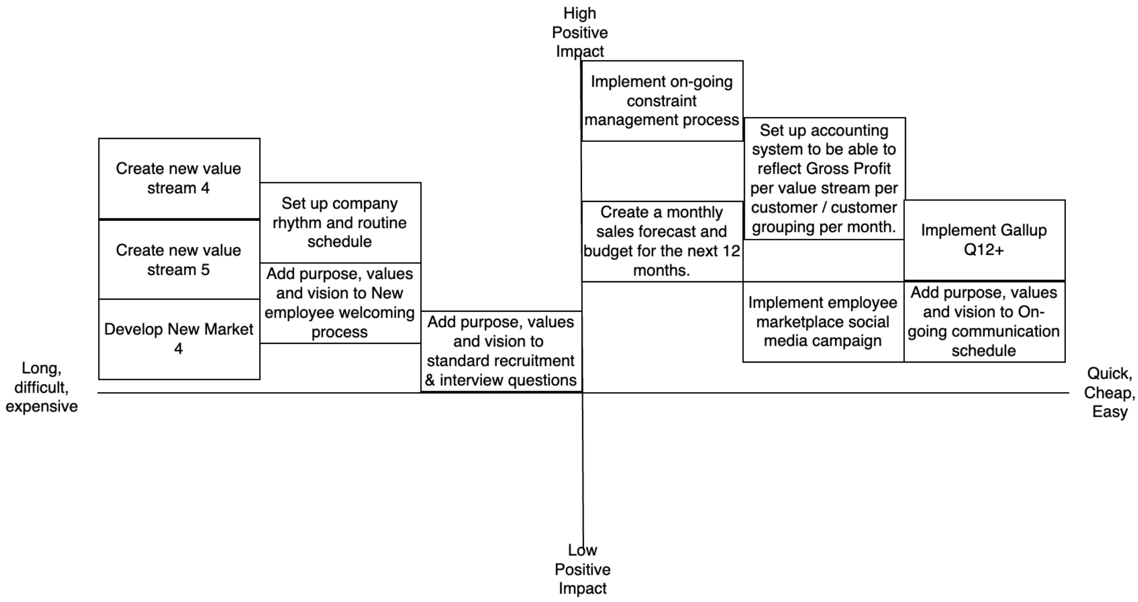
Without disturbing the left to right sequence, begin to simply move these up and down, based on the positive impact you think they would have.

If you want to use the sheet you used above, you can now use the one called, “Projects Impact.” Simply copy and paste everything from the previous sheet, and then begin to move them up and down.

When you are thinking of the impact, think of your business as it is now, and what would be the impact if you implemented this within the next 12 months. Priorities often seem different when we change the length of time we think in.

For example, in the coming 12 months you might be primarily focused on getting your current top value stream more efficient by implementing ToC. So improving your recruitment process may not have a very high positive impact within the next 12 months. However, by next year you might be going on a strong recruitment drive, and then it would have a massive impact.

So now you should have something like this:



In my experience, when doing strategy projects, almost no projects ever end up below the line. The thinking process that brought you to this point probably caused you to think of all the things that will have a relatively high impact. So it's just a matter of trying to get an idea of the highest vs. less high impact.

Take a photo of this, if you've been using sticky notes.

Now write an estimated duration, in weeks, on each of the sticky notes for that project.

Having done that, begin to move the sticky notes from the right top quadrant, in the sequence that you want to execute them. Here you can use a bit of preference and gut feel, but generally the rule of thumb is from the Right to the left, and from the top to the bottom.

So in the above example, you would start right, and the highest one furthest right: “Implement Gallup Q12”.

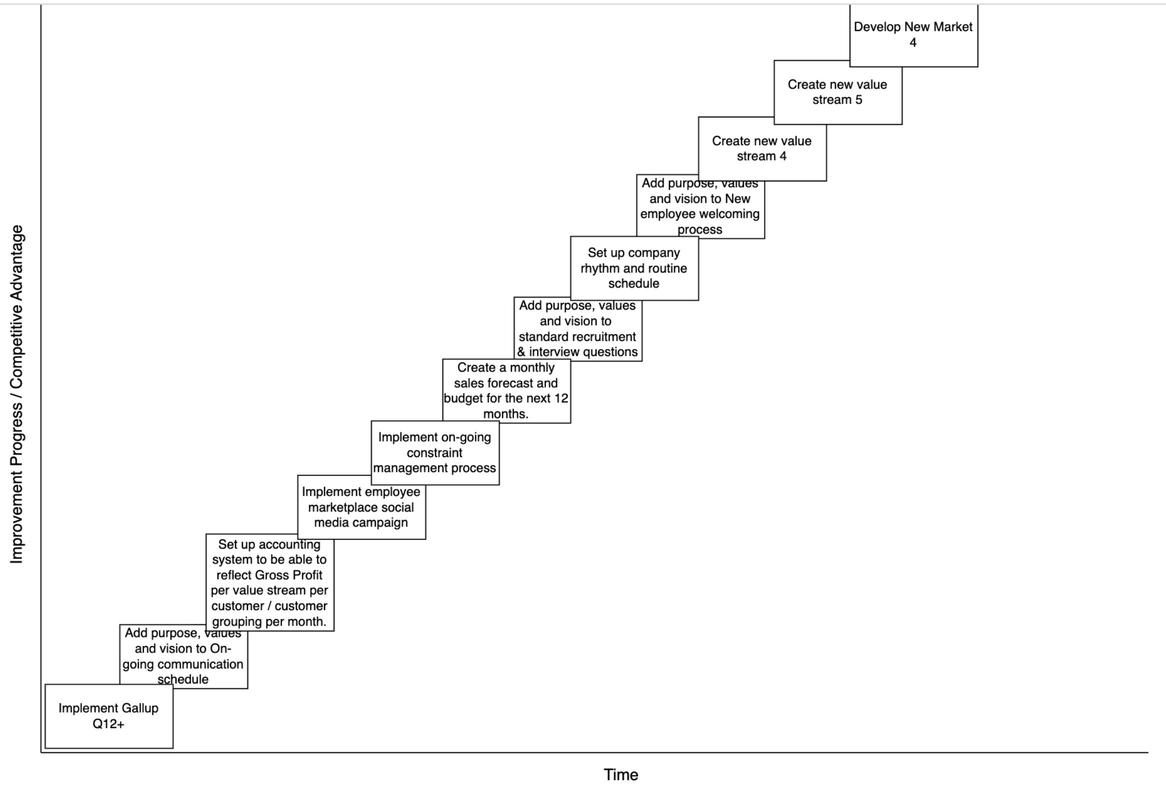
Move that to an area on a table where you have some space above and to the right of it.

Move the next note to the top right corner of the first one. So that would be in this case, “Add purpose, values and vision to On-going communication schedule.”

You can use the “Projects Sequence”sheet in the diagrams workbook for this:

https://drive.google.com/file/d/1ZYHfo1e4cajtsnhmCT1F0lSn40LhYSw6/view?usp=sharing

Continue this process, until you have something like this:



The counterintuitive thing about strategic projects is that the more of them you try to do at the same time, the slower you will improve. The best way to tackle this, is to start from the left bottom, and take each project, one at a time, attack it with all your fervour and implement it as quickly as possible, before even thinking about the next one.

So now have a look at this, and imagine that this is what you want to do.

Is there anything there that you look at, and feel that you MUST do this sooner?

Shuffle the cards accordingly, but make sure that you keep a neat staircase. If you move something earlier, then everything else must move later.

Project Schedule

Now take all those projects, and put them into a project schedule, starting from the left bottom, like this:

Project	Project Owner	What does "Done" look like?	Estimated Duration	Estimated Completion
Implement Gallup Q12	Jack	We have monthly round-table discussions around the Gallup Q12+ questions, and take one action from that to implement every month.	1 Week	15 Jan
Add purpose, values and vision to On-going communication schedule	John	We have regular sessions scheduled where we talk about, and come up with practical ways to implement our purpose, vision and values	1 Week	23 Jan (Estimated duration + Previous project's completion date)
Etc.				Every project will end the number of weeks of its duration after the previous one.

A note on the duration – because this can sometimes be confusing.

The strategic project in many cases is a project that implements a process which will run indefinitely from that point onwards.

So if the project is to implement a regular schedule of something, then once that schedule is implemented, and those meeting invites have been sent for the rest of the year, then the project is complete. The project might take a week, but the process is going to run for the rest of the year — and thereafter.

The “Duration” in the above table then will be one week.

Tidy Up and Create Strategy Document

Having worked through all of this, now simply go back through this document, and delete everything that was written in it before you started – i.e. delete all the instructions, leading questions, examples etc.

Only leave anything that is needed for you to still make sense of what you've written. For example, you might want to leave some of the leading questions if your answers do not make sense without the question.

Read through the document again, tidy up what you've written, finalise the document, and save it in a place where you will be saving all the strategy documentation going forward. It becomes a great set of artefacts over time – being able to look back five years from now, read the strategy document and see how far you will have come by then.

Create your Strategy on a Page

You can use this sheet to summarise this strategy on to a single page. Feel free to modify it based on your strategy document.

5-2-50 5 Year Growth Plan Company Strategy On a Page

The End

And that is it.

If you got stuck somewhere, or need some assistance, feel free to reach out:

ashton@5-2-50.co.za

/End

For more resources and keeping up to date with the 5-2-50 vision, subscribe here:

https://5-2-50.kit.com/subscribe