

The power of planning for success

An address given by Christine Donald of Donald & Associates, at a financial seminar held in Dannevirke, on 19 October 1998.

Introduction

Going through life without any goals is crazy! How many of us would start a journey into the unknown without a map. Indeed, how many of us would start any journey without a destination.

In 1970, a class of management graduates at Harvard University were asked what they intended to achieve over the next 20 years:

- 65 percent didn't know
- 30 percent had aims they could talk about
- 5 percent could produce written goals

Twenty years later, in 1990, the same graduates were tracked down:

- the 65 percent who didn't have goals were either struggling financially or being supported by family or the State
- the 30 percent who had aims they could talk about had achieved what they wanted and were relatively well off
- the final 5 percent who could produce written goals were extremely well off . They had achieved between 10–100 times above their written goals of 20 years earlier.

In fact, the final 5 percent had accumulated more wealth than the other 95 percent put together.

Which group do you want to be in?

Sharing goals with others

It's a waste of time making plans and leaving them in your head – it's too easy to forget them or become side-tracked.

It's a waste of time making just a commitment to yourself – it's too easy to break when only you know of it.

Commit your plans to paper and share them with those involved in your business.

Share your plans and goals with partners, accountants, financiers and consultants – it keeps you focused, and it's the fastest, most efficient way of getting where you want to be.

As a chartered accountant, I see those people who have goals and targets:

- they're the ones who tend to get their accounts in early after the end of the financial year
- they're the ones who want to see how they have performed
- they're the ones who tend to be the higher performing farmers and who achieve their targets and goals
- they're the ones who, during the last 12 months, have lessened the effects of the drought by early decision making.

Planning for what you want

It all comes down to planning for those things we want. Obviously everybody has different wants but.....

probably most farmers *want* to be able to withstand a 1-in-50 year drought without worrying at night;

they *want* to be able to pass their farm onto their children;

they *want* to be able to put their children through university without incurring huge student loans; and

they *want* a few luxuries in life.

Probably most farmers *want* all of these things and enough capital left over to live out their old age in some comfort.

However, these things don't just happen – if you want them to happen you have to plan for it.

The fastest, and surest way to begin achieving these goals is to complete a business plan (following pages). It may seem daunting at first, but if followed through step-by-step is quite simple, and like anything else, the more you do it, the easier it becomes.

We ask our clients to send us a copy of their business plans once they are completed. This helps with the commitment I have talked about. The ideal situation is to sit down when analysing last year's accounts with the business plan. We are then able to:

- track progress
- revise and set targets
- prioritise and allocate spending in the coming year's budget.

I see our role as chartered accountants is to help our clients reach their targets, achieve their goals and perform at the upper end of the spectrum.

Our region needs successful farm business people.

Finally, I would like to share with you one of my favourite quotes:

Life's battles don't always go
To the stronger woman or man
But sooner or later, those who win
ARE THOSE WHO THINK THEY CAN

Christine Donald

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