

This is an edited transcript of the November 13, 2013 SmallBusinessTalent.com podcast interview titled [Plan for Success: Tim Berry on Growing Your Small Business](#).

Announcer: Are you a hard-working, self-employed professional striving for small business success? There is help. Welcome to the SmallBusinessTalent.com podcast featuring candid conversations about successful self-employment.

Stephen Lahey: Welcome to the SmallBusinessTalent.com podcast. I'm Stephen Lahey, and I'll be your host. So here we are, it's mid-November and the New Year is right around the corner. I have a couple of questions for you. First, what would you like to accomplish in 2014? And just as important, how will you get there?

If you're anything like me, those questions might feel a little overwhelming right now, but not to worry. I do have some good news for you. My guest on the podcast today is the one and only Tim Berry.

Tim is a well-respected expert on business planning. Pamela Slim, one of my former guests and author of the best-selling book *Escape from Cubicle Nation*, calls Tim the Obi-Wan Kenobi of business planning. Guy Kawasaki made Tim his business planning expert in his book *How to Write a Business Plan*. Jim Blasingame, the well-known small business radio talk show host, calls Tim the father of business planning. And by the way, Tim is also the official business planning coach at Entrepreneur.com.

In addition, Tim is the author of *The Plan-As-You-Go Business Plan* and other books on planning published by Harcourt Brace, McGraw-Hill, and Dow Jones-Irwin. He's the principal author of *Business Plan Pro*. He's also coauthor of *3 Weeks to Startup* published in 2008 by Entrepreneur Press, author of *Sales and Marketing Forecasting for Entrepreneurs* published in 2010 by Business Expert Press, and, finally, *Hurdle: The Book on Business Planning*.

Tim has a Stanford MBA degree plus a Master's in Journalism with honors from the University of Oregon and a Bachelor's in Literature magna cum laude from the University of Notre Dame.

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Lastly, Tim is founder and chairman of Palo Alto Software, founder of Bplans.com, and cofounder of Borland International. By the way, he built Palo Alto Software from zero to 40 employees, multimillion dollar sales, no debt, and a 70% market share without any outside investment.

Tim, it's great to have you back on the podcast. Thanks for making the time to be here.

Tim Berry: Steve, I'm so glad to be with you again. It's been a year, and congratulations on the renown and progress that your podcast has made in that year. It's very impressive.

Stephen Lahey: It really has been a wonderful journey. You were with me on my fledging podcast the first few months and I really appreciated that. I wanted to have you back now that I have a following because I really believe that you do important work that everybody needs to hear about if they're entrepreneurs.

I know you've built several very successful businesses over the years. Can you just briefly take us through the story of how all that started and what brought you to this point in your career?

Tim Berry: Steve, in the beginning it was a combination of needing to make some money, because I have a family to support, and wanting to do things that interest me. Ironically, I left a good job because I was managing other people doing the work that I liked, which at the time was planning and forecasting. I was in charge of six people, and they did the work and I did the second guessing.

I'm a worker bee. I wanted to do the planning and forecasting, so that was a driver. And money, to be honest, was a driver because I was pretty sure I could earn more on my own than as an employee because I'm one of those that if I like the work, I'm going to be working Saturday and Sunday and evenings, etc. That combination got me launched as a single-person consulting business doing business planning.

Stephen Lahey: In your book, *The Plan-As-You-Go Business Plan*, you describe planning as a flexible approach not as a step-by-step method, which I think is a really important distinction that very few people might have thought about. Can you just talk us through your thinking on that?

Tim Berry:

I agree that it's so important because so many people lose the benefits of planning, which are essentially around setting goals and steps and then actively managing progress towards those goals with course corrections and reviews. Those benefits of planning get lost because people believe in the myth of a business plan as some formal recipe document that feels like having to do a term paper that nobody will read and is some kind of a hurdle that you get over and then you heave a sigh of relief and say thank god that's done and you never look at it again. That's just a shame.

That's why I say flexible. This is business. Business planning isn't to produce that document, it's to run your business better; and that requires thinking about what you're doing, what metrics are important for you, analyzing as you go progress towards those goals, and all of that that becomes steering and managing your business better. And the document, well, just big enough to do the job, it's about the business purpose, not the beauty of the document; and it's something to be used regularly.

In fact, a business plan, a classic business plan these days has a shelf life of like three or four weeks. It's something you use constantly because you're changing it and the flexibility is required because business is not going to set steps in stone for the future and then follow them. Business is always going to be about looking at results and making corrections.

Stephen Lahey:

You mentioned a *flexible* approach. Flexible really is the key word. I think a lot of people have this, in my opinion, mistaken notion that if I have a plan, then I'm less flexible. Of course, if you have a plan you are less flexible about what your priorities are. A plan helps you to focus in on what's actually going to matter for you and your business—and wouldn't you like to focus on that 20% of activities that are going to get 80% of the results for you instead of spinning your wheels? But it also allows us to be flexible in the right ways. We make decisions on our own from a creative standpoint in our work, all of those things; but if we're focusing on the right things, that's the key.

For me, I came up through B2B sales as a career before I started my own business. Planning was a very important part of my professional development as a salesperson. My plans at first were terrible. And when I hit reality, I found out how badly I had miscalculated. But over time, my plans got better and better and

better because my thinking about what I actually needed to do and what actually mattered got better and better and better.

Now, you started your business career as a consultant in the business-to-business space. What advice would you give to consultants and other professional service providers that are selling services in a B2B space that will help them to at least begin the process of looking at 2014 and saying – how can I make it a great year? How can I plan for success? What would you advise them to do, Tim?

Tim Berry:

A couple of things, Steve, that I like to recommend, and I've always done this for myself during the years when it was just me and then as a company, building a company. In both cases, in the lull periods, which are common this time of year for business-to-business if you're not in retail and Christmas sales or whatever, during those lull times start with a SWOT. Do a good SWOT. That's S-W-O-T for strengths, weaknesses, opportunities, and threats.

If you don't do that every so often—I mean once a year or so and now is a good time—then you lose the benefit of thinking about how your strengths and weaknesses evolve and how your business evolves to accommodate those strengths and weaknesses. And, of course, the opportunities and threats are not a matter of you, it's the market out there and those will change. You need to kind of pull back for a minute and see how those change. So that's one exercise that I've always found useful. It helps me to get strategic.

Along with that, there's looking again at how and why and for whom and with what you're focusing. Often as business evolves, contiguous markets, changes in markets, and business developments create the need or the opportunity to focus better and get a benefit out of focusing.

For example, way back years ago my focus was high-tech in Latin America and Spain because I had my degrees but I also lived in Mexico and spoke Spanish. That focus changed for me. It became business planning and more recently social media. What the market wants and the intersection of that with what I can do will change and you need the lull times to step back and get out of the process to be able to see that.

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- Stephen Lahey: I think also developing more business with existing clients is something that is so important, not just getting in. How does that relate to planning, would you say?
- Tim Berry: It takes planning to set the steps and the metrics and be able to get out of the daily and look and see where else you can go. I so agree with you on sell more to existing clients as you try to grow is absolutely the best option. I'm very skeptical about research and data in general, but there's something called the Ansoff model that was developed at Harvard Business School decades ago. And they did some data with different kinds of business on the financial cost, the investment per dollar of increased revenues. And surprising nobody, by far the least capital expensive, the least investment required is the sales increase that comes from selling more to existing clients, more of what you already have.
- If you think about it, well, yes, of course, because marketing, finding new people is expensive in time, effort, and money and selling more to existing people is much less expensive, so of course that's the best way to grow. In the planning sense, a classic example, it's when the computer store polls all its clients and says, hey, we can upgrade your hard disk space or your network bandwidth, don't you think it's time. Suddenly, they're selling more of existing produce to existing to customers and that's great for business.
- Stephen Lahey: Also, SWOT, if you think about overlaying that concept, let's look at SWOT, over existing clients. How do *they* actually see your strengths? What are your areas for improvement, shall we say? Your weaknesses from *their* perspective, given their situations and the opportunities that they have to buy either a competing service or something different that meets the need or versus just the status quo. For example, if it's very time consuming and difficult to work with you or your service or your product, there's an opportunity for them to save time. And, in that case, the greatest threat is probably the status quo. SWOT is just really a great concept overlay on your thinking and your planning and I appreciate that.
- Another thing I was so impressed by is the tools that you provide. Now, obviously, Business Plan Pro, that planning software is outstanding, but you also have some new tools that you've introduced which are even better. Tell us a little bit about Bplans.com, LivePlan.com, and so on.

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Tim Berry: Yes, thanks, Steve, for asking me. I'm very proud of LivePlan, but Bplans first. Bplans.com is probably the biggest and oldest and best free resource on business planning. Bplans.com has more than 500 business plans posted where people can look at them as examples. We do not recommend using somebody else's business plan, by the way, ever. No. Do your own, but in the process it can be very helpful to see what things somebody else was doing and what topics they covered and so on. And then also on Bplans, hundreds, maybe thousands, of articles on starting business, startup finance, business planning, growing a business and so on. So that's Bplans.com and it's all free there.

LivePlan.com is 2-1/2 years old now. It's a subscription-based, \$19.95 a month, business planning platform for everybody, Mac users, Windows users, Linux, whoever, because it's browser-based and it takes the best of our business planning tool that respects that every business plan is unique but helps you with formalizing the financials and which topics to cover and things like that. LivePlan is always improving itself. And now it has a scorecard which actually goes into your accounting and creates your plan versus actual automatically and gives you views automatically of this year versus last year, this year versus the plan, and so on, on the key numeric indicators like sales and costs and expenses and so on.

So LivePlan is always improving, you can do that with a subscription-based Web App, and always adding these new features, and is intended to help with planning while respecting the fact that it's not just a bunch of rehashed words that you get somewhere, it's actually thinking it through and seeing the implications in financials and so on. So Bplans.com, LivePlan.com.

Stephen Lahey: It's really pretty amazing when you think about it because five years ago that definitely wasn't available anywhere and even now I think probably you're the only one doing this.

As we're wrapping up, Tim, I'm sure that a lot of listeners would like to get to know you and your work, how can they best do that?

Tim Berry: Thank you for that, too, Steve. TimBerry.com is my site where I then link people to my social media, my blogs. I do a lot of blogging on different sites and I'm using RebelMouse now to collect all of my blog posts in one site. Blog.TimBerry.com

collects what I've done across the different blogs and it tends to be at least one post per day that will show up there.

Stephen Lahey: I love the work that you're doing, I love to read your perspective because people with intellectual integrity are rare on the Internet. You've had such a wonderful background to give people your perspective, just a really rich background of experiences, and what you provide, whether people want to get a book like *The Plan-As-You-Go Business Plan* or whether they'd like to do something online with Bplans.com or LivePlan.com, I mean, it's all very, very high quality. So I really appreciate what you do and I appreciate you making the time to be here again, Tim.

Tim Berry: With the great list of podcast guests that you've got going, Steve, I'm flattered to be among the people you've got. You've got a great thing going. I look forward to getting your emails about the next podcast, and I'm very happy to be able to participate.

Stephen Lahey: There are some great guests and I'm very glad to count you in that group of people as well, Tim.

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