

This is an edited transcript of the January 28, 2015 SmallBusinessTalent.com podcast interview titled [Solo Entrepreneur Success: Harness the Power of 'Lean Planning' with Tim Berry.](#)

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.

My guest on the podcast today is [Tim Berry](#). Tim is a well-respected expert on business planning for entrepreneurs. In fact, Guy Kawasaki made Tim his business plan expert in *How to Write a Business Plan*. Pamela Slim, author of the bestselling business book *Escape from Cubicle Nation*, calls Tim the Obi-Wan Kenobi of business planning and quotes him extensively as the business plan expert for her book. Jim Blasingame, perhaps the best-known small business radio talk show host in America, calls Tim his business plan expert and the father of business planning. Tim is also the official business plan expert at Entrepreneur.com.

Tim has written several books on planning, including *The Plan-as-You-Go Business Plan* published by Harcourt Brace, McGraw-Hill, and Dow Jones-Irwin. Tim is the principle author of Business Plan Pro planning software. He's also the coauthor of *3 Weeks to Startup*, published by Entrepreneur Press, and author of *Sales and Marketing Forecasting for Entrepreneurs*, published by Business Expert Press, and *Hurdle: The Book on Business Planning*. Tim earned his MBA degree from Stanford. He also received a Master's Degree in Journalism with honors from the University of Oregon and a Bachelor's Degree in Literature magna cum laude from the University of Notre Dame.

Lastly, Tim is not just a business plan expert. He's also a highly successful entrepreneur. He's 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.

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Today, you're in for a treat as Tim joins us on the podcast to share his best advice on how to use effective, flexible planning and achieve your most important goals in 2015. I hope you're ready to take some notes. Welcome to the podcast, Tim.

Tim Berry: Thank you, Steve. It's so good to be with you again and, by the way, congratulations. This has grown so much since the last time you and I were together. I see you on the web all the time. Good stuff. Well done.

Stephen Lahey: Well, thank you. Yes, and the podcast has developed a larger audience. Now I'm able to offer more to my guests more – more people listening to your wisdom and getting involved some of the great content that you have out there on the web, as well.

Before we start I just want to point out to our listeners that you've established a number of successful businesses over the years, and I think the story of how all that happened is really quite interesting and unique. So, why don't you talk us through that just a bit and the story of what brought you to this point.

Tim Berry: You know, Steve, it's not the best example of the business planning that I've done all my life because as I look back on more than 30 years of career, I think the theme was basically escaping boredom and finding things that I could do that other people were willing to pay for that I was interested in doing. I think I was just pursuing my interests in a way. Of course, I've been blessed with being married to my wife for 45 years and we've raised five kids, so there was a need for money.

The first decade of my career was in journalism out of Mexico City writing for *Business Week* and *UPI* and I was enjoying the work. As that became repetitive, I was able to return to the States and get an MBA degree. That interested me at the time. That brought me to market research consulting. I discovered computers, got involved with software, and eventually built Palo Alto Software around business planning and strategy, escaping boredom and pursuing something that people wanted and needed.

There were some very hard times building a company, but I ended up with a successful company and very happy with a trajectory that wasn't planned. It was really point-to-point and decisions based on

what looked like it would give me those two qualities, interesting and enough money to support the family.

Stephen Lahey: It's interesting, too, you and I were talking before we started recording, I don't know if it comes across in just a podcast conversation, but you're a really high-energy guy. I've seen you speak, at least on video, and you just have so much energy. You put that energy into building, for example, Palo Alto Software. This is a company that still to this day—and I know you're Chairman of Palo Alto Software now—it's the dominant player in terms of business planning software and resources.

I know you're not done with the topic of planning and it's always evolving for you. I just discovered your new site, LeanPlan.com, and I know that you're working on a new book called *Lean Business Planning*. Let's talk about that. How is that different from your body of work on business planning? I'd like to hear more about that.

Tim Berry: Sure. It is evolution, really. I've been following business planning since the middle 1970s and, yes, I've written several books through the years on business planning, but the lean plan, *Lean Business Planning*, the newest book is an evolution. The world is changing. The fundamentals have to mix with these new developments, so lean business planning is an example of that evolution.

What I want is for everybody to understand that good business planning is for everybody who is running a business, even a solopreneur, not the subset that “needs” the business plan to get through some business plan event like needing investment or for a loan application. And I'm worried, frankly, because the world seems to think of a business plan as a difficult, daunting task that one avoids until one *has to have* a business plan because of the business plan event.

In truth, done right, which means lean, simple, and just big enough to run your business, planning is a marvelous tool to help us run our businesses better, to help us be looking at the long-term but also figuring out the short term, looking at the horizon and our steps at the same time, managing change. And “lean” because these days with technology changing, our attention spans are different, our technology is different, and it should be a different kind of a business plan because we optimize with what we have.

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Stephen Lahey: You and I, as were discussing this before the interview. I think a lot of my clients have, well, they'd probably admit that they have a touch of ADHD and that's one of the things that makes them the successful entrepreneurs that they are. They're able to multitask and—don't get me started on multitasking—they often have very high energy. They're actually able to juggle a lot of different things at once. But very often the biggest challenge to their success is, really, that they don't have a success *plan*. Meaning, they sort of know where they're going and they like to follow their nose and they've been successful to a degree, but at some point they start to burn out a little bit and what happens is that their energy alone can't get them through adversity. Their instincts alone can't get them through. If they were more focused in a consistent and strategic way, the amount of traction that they would be getting is just massive.

And that's what I've seen is that often they're calling me, they're contacting me as sort of a coach and—whether they say it outright or not—they're saying “Help keep me focused.” And one of the supplemental resources that I've been referring them to is your book on business planning, [The Plan-as-You-Go Business Plan](#). Now, I know you're going to be publishing a new book, which will be out hopefully later this year, [Lean Business Planning](#). How is your new book geared to help people who have a bit of ADHD, they're easily bored, they don't want to just create another document? How is *Lean Business Planning* going to help them to achieve their goals in 2015?

Tim Berry: Steve, as you talk about this problem, and I live with this problem too—I think it's endemic because we've all accepted multitasking as a wonderful euphemism for confusion and jumping around and so on. To me, I have this problem as much as anybody I know that my time has divided into blocks of five minutes whereas a few decades ago the blocks were two and three hours. And I think that's a function of technology and evolution, who we are as humans, and I think we all deal with it as entrepreneurs. But for me, the interesting thing is as you talk about this problem—and I chuckle because, I suffer it as much as anybody—is that ultimately we're talking about *strategy or not strategy* because strategy is focused on what's most important, aside from all the academic stuff. Strategy is also about what you're *not* doing. The opposite of strategy is a big block of marble and strategy is the sculpture

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after the artist has taken a lot of that marble away, chipped it away, and left the shape that is now the sculpture.

And going back to what you're talking about that you call ADHD, it's, I think, very useful for me to try to take a step back and remind myself of not just what's here in my email or in the Tweet or in the IM, but what's long-term important, and that's strategy. It's saying *no* on occasion. In the specific, practical context of time, it's strategic sometimes to block out two and three hours that you're not going to look at email and you're not going to answer the phone and you're not doing to go into Twitter. You're going to be producing that content that you live on.

Stephen Lahey: Yes.

Tim Berry: And that, for me, circles around to this issue of lean planning, since you asked about that. A good lean planning process develops strategy, develops tactics, and then reviews progress on a regular basis. Lean planning includes a monthly review. So we have to keep reminding ourselves about these priorities and why we're saying no to other things. And it hurts. As entrepreneurs we want to do everything. But strategy is there and humans have worked with it for a long time, with or without that term, because we do need to prioritize. We don't want to be monkey mind jumping all around, and it's hard not to.

Stephen Lahey: Very interesting to me that you're talking about what *not to do* because I think you found something that's very important, which is there are a lot of distractions that we allow in today. And I say "allow in"—because it's easy to tell ourselves, you know what, I really do need to spend some time on social media. Well, okay, you may need to respond to people. Being responsive, I think, is one of the advantages that solos have over a corporate competitor. We alone make the decision to respond, not someone in a particular silo. But social media really can be like quicksand. We can start to get involved on Twitter and all of a sudden it's a half an hour later.

So it's a really tricky time for a lot of solos. I think the main thing that you got across is that we have to decide what really is important for us to do and why, but also what we will not do.

Perhaps observing our own behavior can help. I think Jim Collins said in his bestseller, *Good to Great*, that he sort of studied himself.

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He said it was like studying “Jim the bug”. Really studying his own behavior and what he did and did not do. I think we have to do a little bit of that self-management along with the planning. Would you agree?

Tim Berry: Yes, planning includes reviewing progress and checking back. Definitely. As you look through the tools in the toolbox, it's one of the best. It's a shame that it has been poorly defined as the daunting project that you do once because the right kind of planning includes setting steps forward and then reviewing am I making progress, why and why not, what do I different?

Planning really is about managing constant change and it's a process that helps us to do that. And I think you could call it a lot of different things. You could call it management. Can we optimize without projecting forward, setting priorities, and then reviewing progress? I don't think so. I think that whatever words you use, that's a really important background to moving in a certain direction and making progress.

Stephen Lahey: I couldn't agree more. Now, you started your business career as a consultant. What advice would you give to professional service providers, especially solo consultants, about how they can use planning to help make 2015 a great year?

Tim Berry: I think it's very valid for the solo consultants, reflecting on what I've seen through the years, number one, if at all possible, as you leave your situation and go on your own as a consultant, try to maintain a good relationship with your previous employer. I think there's some interesting percentage. Nobody has the data, but some interesting percentage of successful professional consultants started with their former employer as their first client.

Another one that I see is more and more try to develop and enforce on yourself a specific focus. How are you different? Hear yourself explaining to your next perspective client how you're different from what they thought or what they generally assume. That distinctive difference. An example, in my case I was a Stanford MBA, computer geek, programmer, but I had lived for 10 years in Mexico City and spoke fluent Spanish. So, a lot of my consulting started with market research on personal computer users in Latin America. It was a focus. And on those two, with both of those, Steve, you can see how the discipline of the planning in the

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background gives structure and focus to your progress and your strategy and your tactics because it gives you a way to think them through independently, set them down, and then track and review whether you're making progress.

Stephen Lahey: I love what you're saying, because to me "Am I making progress?", that phrase, it's all about continuous improvement. That's the real advantage that you can have over your competition most of the time. If you're constantly improving, even just a little bit. Let's say you're improving 5% a year, to put a number on it. Let's say you're improving how you've differentiated yourself, and you're finding the time to reflect that in your website, thinking about differentiation and what you'll say in sales conversations, and seeing what comes back. If you were to do that year after year after year as part of your plan, a differentiation plan, what would that look like five years from now? Your business could be extremely well-differentiated in a way that it would be very, very difficult for someone else to just catch up with in one fell swoop.

Tim Berry: Exactly.

Stephen Lahey: That's becoming so important today because as I look out at the vast wasteland of consultant websites and the different kinds of websites for professional service providers in general, wow, the bar is set pretty low.

Tim Berry: Yes.

Stephen Lahey: I think the trick is to not get caught up in saying, well, if they can be successful with a website that's not well-differentiated, maybe I can too. Well, wait minute, guys. Let's set the bar a little bit higher and let's have a plan to figure out over time – what am I going to be doing to become more well-differentiated, if that's the issue. Do you have any thoughts on what I've just said, Tim?

Tim Berry: Yes. The world we live in now because of technology, is, in my mind, this fabulous process of new niches becoming markets, and more and more differentiation leads to success. My favorite metaphor is television channels. We lived with half a dozen of them when I was a kid and now you have thousands. I have some friends who are creating a channel that has to do with videos of people surviving things. Well, the world is giving us that opportunity where what was once dismissed as, oh, that's an

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incredibly small niche, is now a place to grow a niche and build the fences and create differentiation. And I just love that process.

The story, the differentiation works so much better now. Where a few decades ago you had to be big, you had to be the leader, you had to have the major brand, now people are happy to work with somebody who's defined themselves into a fairly narrow area because that implies expertise. And I think it's a great collection of opportunities for the whole world to do things differently.

Stephen Lahey:

And it takes some thought. I really believe that what you're talking about when you're talking about planning is really just disciplined thinking. It's doing the hard work of thinking. I think a lot of what counts for thinking for most of us really isn't deep enough. We need to sit down and really ask what is my strategy, who am I, how can I achieve that strategy, and just think creatively. And that thinking time when you're developing a plan is by far the biggest benefit to me personally of creating a plan. That alone creates a wealth of opportunity.

Tim, you have a lot of resources that can make the process a lot less confusing for people. I know one of them is *The Plan-as-You-Go Business Plan* book. I know you're going to be publishing a new book and you have the site LeanPlan.com. LeanPlan.com seems like a great place to start. What will people find on LeanPlan.com and how can they use it as solos?

Tim Berry:

Thanks for asking that. LeanPlan.com is the latest draft of what will be the book on *Lean Business Planning* within a few months, and the timing on that is still to be determined because I'm planning. So with lean planning, you'll find a methodology that differentiates planning from the business plan event in which you need a formal business plan document.

So planning for me, lean planning, is simply defining strategy and tactics and milestones and those essential numbers you need to run your business. And that's for every solopreneur, or a small business if they get larger then they have teams for planning.

But if you think of bullet points defining strategy and tactics so you've got it written down and you've done what, Steve, you've just suggested, you've pulled out of the middle and taken a step back and now you're looking at your business, analyzing your

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business. You set these things down. You set the milestones and the assumptions down. But it's simple. It's a few bullet points. It's not a lot of pages. It's just what's going to happen. There's no description. It's not defining your market for outsiders or explaining. It's simply what we're going to do and the bare bones minimum of why so that you can manage on that.

That's the lean plan and it's a process that's constantly renewing itself. You're reviewing and tracking and revising. And that's the key for me.

And from there in terms of resources they'll also find a channel in LeanPlan.com that goes to the Palo Alto Software web application LivePlan which is there for people to manage their business planning in an efficient way where the numbers are financially and mathematically correct and you can have as little text as you want or as much. So that's at www.LivePlan.com.

Stephen Lahey: LivePlan.com really is great. All of the listeners should go to that site and take a look. It's very interesting.

Tim Berry: Of course, LivePlan, Steve, doesn't enforce lean planning because to do any business planning software application right, it has to be extremely flexible. You do not just write words or fill in the blanks, so it's very much your own business plan not a template. But within the LivePlan framework, it's perfectly easy to go in and just create a lean plan and keep that lean plan up to date. And then when you do have the need, which comes up as businesses grow, even the solopreneurs on occasion have to go through and actually do this bigger document, when that need comes up in business, and only then, do you go in and add the descriptions and the summary and so on to go from your lean plan that's always up to date to one of these pitches or a business plan document.

That's my underlying premise with [*Lean Business Planning*](#). You always keep the simple, streamlined plan up to date and on occasion it becomes the rough draft for something bigger. But only when you need it. That's the core of lean business planning, you only do what you need.

Stephen Lahey: And having thought it through and having put a lean plan together, you're just so far ahead of most people. It's a competitive advantage. As we're wrapping up, Tim, I would strongly

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recommend to the listeners that they get to know you and your work. Wherever you write, whether it's on Entrepreneur.com or on your own sites, you have the most interesting, cogent way of describing why planning is important and what it can actually do for people in the real world. So, where are the best places for the listeners to connect with you online, Tim? I know they'll go to LeanPlan.com. Is there any other resource where you think that they should connect with you there?

Tim Berry: Thank you so much for asking, and I appreciate your praise here. I have got a site up at blog.timberry.com that consolidates all my blogging automatically. It's kind of a cool thing. It's implemented with RebelMouse – so that when I post at Entrepreneur or Small Business Trends or the American Express Open Forum or my main blog at Bplans.com, it all gets consolidated on my site at blog.timberry.com. So that's one for my writing that I do so that it gets aggregated in one place.

And my favorite social media tool, I have to admit I really like Twitter. So I'm @TimBerry on Twitter. I'm there a lot. I'm there, apropos of this conversation, probably too much, but there you have it.

Stephen Lahey: As someone who just appreciates folks who tell the truth, you have to get to know Tim's work because it's unfiltered. It can be a little edgy. It's always interesting; but above everything else, it's very honest. Thanks again for joining me on the podcast, Tim. I really appreciate it.

Tim Berry: Steve, I'm so glad you asked me. It's delightful to spend a few minutes with you. I love your work.

Stephen Lahey: Well, I certainly feel the same.

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