Private business owners and managers spend most of their time being actively involved with the everyday operations of the business. But just as an annual checkup from your physician helps keep on top of your personal health and well-being, an annual checkup is also necessary for the health and well-being of your private company. Conducting an annual review of your business plan is a great way to gauge how the business has performed to plan, and allows for you to adjust the plan based on current performance and targets. Here are some tactical items that you should consider for your annual business plan review that will help improve your longer-term business health and personal success.

Review progress to date
Did you meet all of the goals and targets that were outlined in your previous year's annual business plan? As a private company owner, this should be the first question that you ask yourself when reviewing your plan. Business planning should never be a once-a-year event. Keeping on top of progress to date, and ensuring that action items are being implemented into the business are key areas that will ultimately determine your business plans. Quarterly reviews of strategic goals and targets are ideal, as documenting results will be easier and it forces you to assess different opportunities. Communicating business goals with your team helps provide clarity around progress, and makes it clear what each team member needs to contribute in order for your private organization to be successful.

If there are goals that you set for your private business that were not met for the year, it’s important to evaluate those areas where the business fell short, and determine the next steps required to get those goals to the levels where you need them to be. Taking a look back at the reasoning and assumptions made to set those initial goals is important. This can help you determine the best course of action for changing the direction and, ultimately, achieving success.

Opportunity for growth
Evolving your business plan is a great opportunity to grow your private business. It forces you to realistically look at your goals and financial projections, and determine the best course of action to account for growth within your business. Reviewing your cash flow statements, financial statements, profit and loss forecasts and sales forecasts is a great way to understand how your company has performed over the year, and can provide insight on how your goals and targets should be adjusted based on current performance.

Within your annual review you should be adjusting both your long-term and annual growth goals. When looking at those numbers you should detail how you will achieve your goals, who you need to engage to ensure those goals are met, what marketing channels you will need to employ and what metrics you will need to manage progress towards goals.

Examining these critical factors will give you a clearer picture of where your private business is currently and will help you manage growth strategies based on financial projections for your businesses future.
Checking on the financial health of your business:
Updating your business plan for year-end

By Jeffrey Tannenbaum, Partner, Private Mid-Market practice

Succession planning
Completing a review of your annual business plan presents the perfect opportunity for you to review your succession planning strategy. As a company owner, you invest so much time, effort and money into the success of your business. It is important to plan for some of life’s unexpected events. This could include experiencing financial hardship, injury, disability and even death. Developing a well laid out plan for the succession or transfer of ownership of your business can help ensure that all of the hard work you’ve invested in running your business will continue in the event of an unexpected circumstance, or at the time of your retirement.

It’s a good practice to have a specific plan in place for each key management position, including your own. Planning for a short-term absence or a permanent vacancy can help you determine a strategy for promoting internally or consider if external recruiting is the better option for your business to succeed in the long-term.

Don't forget about your estate plan
While in the process of updating and reviewing your succession planning strategy, it’s a good idea to also consider your personal estate planning. As a business owner your company will be a significant part of your estate, and taking time at your annual business plan review to consider your estate plan will help mitigate unforeseen circumstances. Just as your business evolves, tax laws in Canada are evolving as well. Staying on top of those changes will help ensure your plans are current and relevant.

Review your relationships
It's a good to also meet with your company CFO and operations manager to review the customer, supplier and banking and professional firm relationships that you have. There may be changes to fees that you could be taking advantage of, or new products and services that can open the door to further business efficiencies. This will also present you with the chance to discuss any service concerns that you may have and look into ways to boost your interest and improve cash flows.

Taking time at the end of the year to review your company’s business plan will prepare you for the coming year, and will help you to be informed of all aspects relating to the success of your business.

Start the year off on the right foot
Your business plan is a dynamic document that should be kept current as your private business evolves. When you started your business, you may have initially created this plan to secure financing. However, as your business has evolved, so too have your planning needs and requirements. While a visit to your physician is recommended for your own health at least once annually, you should always seek care as needed. Similarly, your businesses financial health requires frequent check-ups to ensure its overall health. Checking in on your businesses well-being and financial health will help you to closely monitor the difference between the plan and actual results, and will help drive success into the future.
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Jeffrey Tannenbaum has more than 15 years' of experience working with private companies. He has helped companies start up their operations, grow nationally and expand into different markets globally. Follow us on Twitter @EY_Private_Co.