

Is Your Business Plan COVID Proof?

The New Year — A great Time to Plan for Success!

The new year is a time to take a fresh look at your business. Regardless of your fiscal year-end, January is often seen as the start of a new year and is a great time to take a fresh look at how to improve your business. While many companies prepare their next year's business plan well in advance, others see January as a time to take a fresh look and think about how to improve their sales, profits and overall business.

COVID-19 has been with us for almost two years now. This has been a time of major challenge and change for all food businesses. Some companies have managed to not only survive but grow. Others have struggled to maintain sales. Food companies that find themselves with lower sales, lost accounts or lower profits are usually also the ones that had ineffective business plans and weak planning processes before COVID-19. COVID-19 is like draining the water in a lake — causing water levels to drop exposing companies that had some weaknesses in their business previously hidden in better times.

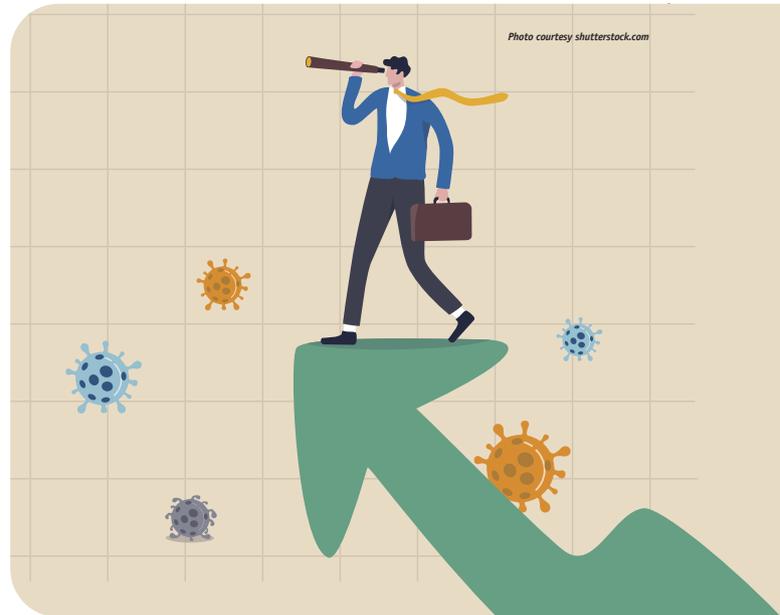


Douglas Hart, president of Hart & Associates Management Consultants Ltd.

While it is difficult to make your business plan totally COVID proof there are steps you can take to make sure that unexpected changes in your markets and business don't leave your blindsided.

Take a fresh look at your business - don't just repeat last year's plans

We have conducted studies in the food industry that looked at how food companies manage their businesses, including the quality of their plans and how they map out their future growth. In "normal" times, more than a few companies simply continue doing what worked for them in the past. These types of companies typically did not conduct any formal critical review of their capabilities, customer



needs or competition. COVID dramatically changed all that. COVID has been a wake-up call for many in the industry underscoring the need to evaluate, plan and implement your plan. This includes big picture questions such as what value you bring to the market and what steps you need to take in the next year to redirect your course.

New and fresh information and ideas from outside your company are needed. Some companies collect managers together once a year to write a business plan. New ideas are necessary inputs to an effective plan to ensure you identify possible changes on the horizon so you are prepared for both opportunities and challenges.

Who are your customers/ future customers and what are their needs?

Answering who your existing customers are should be easy. The more important question is how you bring additional value to them. The food industry is very competitive. It is necessary to stay ahead of competitors and provide customers additional reasons for them to do business with you. Your business plan should include implementing tools such as customer satisfaction measurement programs, a scan of competition and identifying new industry developments

that may impact your company. Some managers say they do this informally but unless this is included in your plan with specific timelines and accountability, the quality of this input is dubious. We have been conducting customer satisfaction and supplier evaluations for many years and have yet to conduct one that did not identify areas where our clients could improve. If you don't ask, you won't know until it is too late!

Whether in the domestic or export market, you should continually search for new customers, new channels and finding more effective ways to reach them. You should have specific action steps throughout the year to reach and communicate to customers and "not-yet" customers. While this is one of the most obvious tasks of managers, these need to be broadened as new options including social media could be effective tools for you.

Keep new product development as a primary strategy

New product development can take the form of minor changes or totally new products that will excite your customers. Adequate funding and staffing new product development needs to be seen as a high value investment to ensure your company strives to be leader in the food industry.

Some COVID initiatives will remain

COVID brought new approaches to market and sell in the food industry. One is pivoting — an initiative some food companies undertook this year that will likely continue to be effective. While COVID itself will eventually subside the new inroads some companies took to create new ways to sell directly to customers will be an effective sales approach.

Business plans are not set in stone — make sure yours is flexible and responsive

An effective business plan should identify goals and action steps to be taken but also should allow for a redirect if your markets and customers change quickly — witness COVID. In working with companies we find the value in developing a business plan is not necessarily the plan itself but rather the process it requires managers go through to demonstrate that business planning should be viewed as an on-going exercise to ensure that new ideas and changes are rapidly integrated into new action plans as the need arises. **WFP**

Douglas is president of Hart & Associates Management Consultants Ltd., a firm that provides business development services to the agri-food industry across Canada. With offices in Vancouver and Toronto, Hart & Associates provides clients with business assessments, marketing and strategic plans and feasibility studies to help companies improve their sales, profit and organizational performance.



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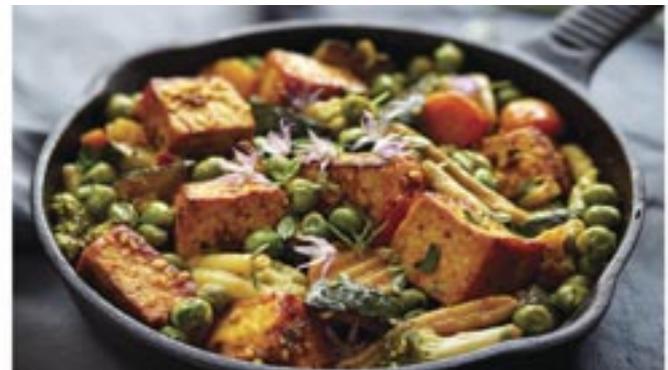
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