



Plot a roadmap to success and put your bakery in 'hyperdrive'

By Michael Sherlock

Former CEO of Brumby's Bakeries and co-author of *Jumpshift!*

I often get asked about how in 2007 we managed to sell Brumby's for such a good price, increasing the share price from 56c to \$3.40 in just three years.

The answer lies mainly with the way in which we restructured the business and implemented a five-year strategic business plan.

The company had hit rock bottom in 2003. The capitalisation had halved to under \$6 million and the brand was in the media for all the wrong reasons. Customers and franchisees were rapidly losing faith. The situation was best summed up by the Spike Milligan philosophy, "We don't have a plan, so nothing can go wrong." Nonetheless, everything was going wrong!

The company needed a roadmap – a five-year strategic business plan to set a direction of where it wanted to be and how it was going to get there. We engaged the Brisbane office of accounting and advisory firm BDO to facilitate the planning and development of our strategic business plan.

In this day and age we don't use road maps, rather we are dependent on our satnav's. So, we developed eight-coordinates to program the 'Brumby's satnav' and set out the company's future direction. These simple steps can be used by any bakery/patisserie regardless of the size, to great benefit and value to the owners.

Running a business, be it a bakery or an ASX top 100, is like driving a car. The driver is the owner/chief executive officer and the co-workers are the TEAM (Together Everyone Achieves More). Each day when the chief executive officer and the team get in the car, they need to start up the satnav and take the "helicopter view" as to where they are on their roadmap to success.

This approach contrasts with the feeling they are stuck in the traffic and are viewing their business from deep in the trenches; the 'trench view'. As a business owner, you need to take into account the current conditions through which your business is travelling and adjust the satnav program to suit changing business conditions.

The eight-coordinates in our model were as follows:

1. Planning – envision where you ideally

want to be in the medium to longer-term and set targets for the next three-to-five years, one-year and the next quarter;

2. Research – do your external research to find out what your customers think about your bakery and what's happening in your marketplace;

3. Strategy – use the research to set the outcomes you want and develop simple, effective strategies and action plans to achieve those outcomes;

4. Structure – devise a structure that suits the effective responsibilities, accountabilities and communications that affect your TEAM;

5. People – recruit, motivate and reward the right TEAM members who have an 'owner's eye', thrive in your culture and work hard and follow your systems to achieve the desired results;

6. Systems – develop systems and manuals for all aspects of your bakery and operation so that if any TEAM member leaves or is unavailable, all the experience and best practice is available for the next person to follow so that everyone doesn't have to learn from their own set of mistakes over and over again;

7. Customers – understand what your customers need and how you will deliver to exceed their expectations. Also understand your competitive advantage and how you will drive that home; and

8. Results – record and measure the results and share the scoreboard with all your TEAM members on a regular basis – you are only as good as your last result so don't bask too long on your successes or setbacks – get back into further research to drive even better outcomes.

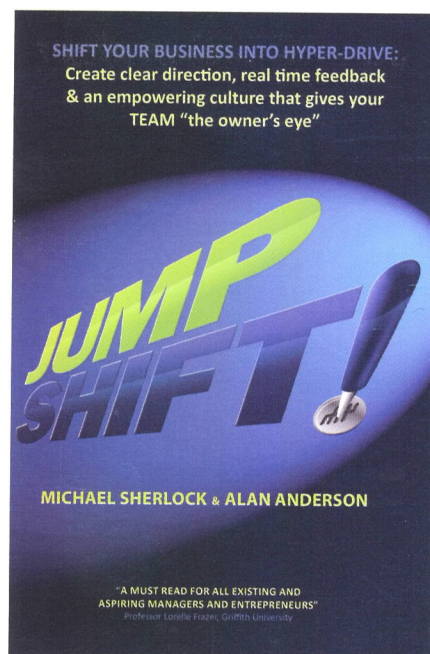
Once you have programmed your 'bakery's satnav' for the next three-to-five years, the point to remember is each journey starts with a first step. While you are 'in the moment', you also need to keep your longer-term destination in mind.

Day-to-day when you are in your vehicle with your co-drivers you rely more and more on the feedback from your

dashboard to determine your progress, (I will write on this next aspect of your journey in the next edition of *Australian Baking Business*), while checking your rear vision mirrors to see what you have passed and whether any competitors are coming up behind you.

So if you want your bakery to succeed and flourish you not only need to develop a plan, but you also need to make it a living document and execute well.

Remember the old adage: "If you fail to plan, you plan to fail." ■



JUMPSHIFT! PROMOTION

To share further details on how to execute a successful business plan, Michael Sherlock is giving away a free copy of his book *Jumpshift!* to 30 Australian Baking Business readers. To enter, simply email baking@tmpc.com.au with your name, business, phone number and postal address.