

Scan Plan

Your Attention, Please.

By Sherri Petro

Managing an accounting firm is tough enough when dealing with internal issues. Add the task of monitoring the external environment for events impacting the business ... and reach for the aspirin. Many small businesses simply secede these events as uncontrollable and unworthy of attention. Unfortunately, they also suffer because of it.

At the fast pace of business and with existing workload, how can you insure someone is paying attention to events outside your organization? What should the business be paying attention to and how should they do it? A scan plan can help. It need not be fancy – just functional. A scan plan can pave the way for better understanding of the “outside world.”

What Is It?

A scan plan is the first step in an effort to provide intelligence that helps the organization make better decisions. In large organizations, this leads to a comprehensive intelligence system but with a small firm, this can be overkill. You just need a way to keep your eyes on the external environment and interpret what you see. The plan answers the questions of what to scan for, who is scanning, how they should scan, and what to do with the information to best benefit the organization. It allows you to keep your eyes on the important external elements and allocates the organization’s time and resources to the tasks.

What to Scan for?

Decide what areas require the most scanning. What deserves your attention? You have outside forces affectionately dubbed E-PEST: economic, political, environmental, socio-demographic and technology influences and you have customers and competitors. What gets missed the most? A lot of firms have a finger on the pulse on the local competition and, hopefully, through inexpensive market research, understand their customers. Because they are top of mind, customers and competitors receive attention. The less likely areas to address and ruminate on are E-PEST and yet they can be painful:

- ❑ The economic environment shows signs of changing, you miss it and are unprepared.
- ❑ A technology is introduced which customers expect but are not current and they choose another firm who has a better handle on resources at their disposal. You lose customers.
- ❑ The local demographics change as more seniors move out of your area and more families move in -- yet you continue to market the same way. Dollars wasted.
- ❑ The political environment goes through a shake-up and the incumbent dislikes the corporate bureaucracy. Your industry gets caught in a backlash.

Who Scans?

Be smart. This need not be a one-person job. With many small firms, the leader is trying to keep many balls in the air and can be the one and only person scanning these areas for opportunities and threats. Wrong! The old adage, “two heads are better than one” applies here.

Dependent upon interests, several staff members can be on the look-out for information. If you have technology-focused people – whether by function or personal interest, ask them to send you their thoughts on trends or newsworthy things they see. The same goes for economics with the person most attuned to stock market events, interest rates, and Alan Greenspan. Have a sociology major or someone enthralled with the social sciences? Ask them to pay attention to what’s happening with generation y, gen X and baby boomers. Someone enjoy networking? Send this person off to industry events and pass information back to you.

Scan Plan

How to Scan?

Once the commitment to scan is determined and areas defined, give the staff examples of “scan gems” so they know what to report back. Work with them to identify potential sources of information. None of this is intended to be cloak and dagger. It is about paying attention to the environment and using observation, readings, and associations to keep on top of what is happening. Help the staff enhance their critical thinking skills by allowing them to tell you why they think the particular information is important. They then turn these simple scans into intelligence helping you understand the environment, plan for the business’ future and plan scenarios. The process may need to be tweaked before everyone gets it just right for your organization.

For a checklist and tool to assist you in developing your scan plan, download (insert links here).

Conclusion

Many businesses spend so much time internally they fail to recognize the impact of external events. Don’t get caught. Create a workable scan plan with the human resources in your firm. The benefits to the organization are multi-pronged. You provide important information about the environment with which you are doing business, engage individuals in areas where they have interest and increase the organization’s critical thinking skills.