

## 5. RECIPE FOR SUCCESS

### DESIGNING THE STEPS TO TURN YOUR VISION INTO REALITY

The operational plan represents the critical bridge between strategic vision and practical implementation. It is the intricate mechanical blueprint that reveals how a business will actually function, detailing the precise mechanisms that transform entrepreneurial concepts into tangible realities.

At its fundamental level, the operational plan articulates the day-to-day functioning of an organisation. This goes far beyond simple procedural documentation; it is a comprehensive narrative that explains how every organisational component will work together to achieve strategic objectives. From production processes to human resource management, from technological infrastructure to supply chain dynamics, the operational plan provides a granular view of organisational functionality.

**Production and service delivery** form the core of this exploration. Entrepreneurs must meticulously outline the entire journey of product creation or service execution. This involves detailing manufacturing processes, identifying required equipment, understanding production capacities, and establishing quality control mechanisms. For service-based businesses, it means mapping out precise service delivery protocols, defining customer interaction frameworks, and establishing performance standards.

**Human resource considerations** represent another critical dimension of operational planning. This extends beyond simple staffing requirements. It encompasses workforce strategy, including organisational structure, recruitment processes, training and development frameworks, performance management systems, and cultural alignment. The operational plan must articulate how human capital will be acquired, developed, and retained to drive organisational objectives.

**Location and facility planning** introduce spatial and infrastructure dimensions to operational strategy. Entrepreneurs must make strategic decisions about physical infrastructure - whether this involves manufacturing facilities, retail spaces, office environments, or virtual operational ecosystems. These decisions intertwine with broader strategic considerations like cost efficiency, accessibility, technological requirements, and potential for future scalability.

**Supply chain management** emerges as a sophisticated operational consideration. Modern businesses require intricate supply network designs that balance efficiency, reliability, and flexibility. This involves selecting suppliers, establishing procurement protocols, managing inventory systems, and creating robust logistics frameworks. The operational plan must demonstrate how these complex networks will be managed to ensure consistent product or service delivery.

**Legal and regulatory compliance** becomes an integral operational consideration. The operational plan must demonstrate how the organisation will consistently meet all relevant regulatory requirements, from industry-specific standards to broader governance frameworks. This involves creating robust compliance management systems and integrating regulatory considerations into everyday operational protocols.

The most sophisticated operational plans transcend mere documentation. They represent living, breathing strategic frameworks that balance precision with adaptability. They demonstrate an organisation's capacity to translate abstract strategic vision into concrete, executable actions.

Successful entrepreneurs approach operational planning as an art form - a delicate balance between meticulous detail and strategic imagination. It requires a holistic understanding of organisational dynamics, a commitment to continuous learning, and the ability to create flexible yet robust operational ecosystems.

## Design Your Kitchen

### CREATING THE PERFECT SPACE TO BRING YOUR VISION TO LIFE

Selecting suitable business premises is a critical decision that significantly influences the success and functionality of a business. This process involves careful consideration of various factors to ensure that the chosen location aligns with the company's goals and requirements. The decision-making process encompasses evaluating the geographical accessibility for both customers and employees, understanding the local market dynamics, and considering zoning regulations. Additionally, the size and layout of the premises should accommodate current operational needs and allow for future expansion. Factors such as infrastructure, parking facilities, and proximity to suppliers also play a crucial role in the decision-making process. By conducting a thorough analysis and understanding the specific needs of the business, organisations can choose premises that not only meet operational requirements but also contribute to the overall success and growth of the company.

### CONSIDERATIONS WHEN SEARCHING FOR THE SUITABLE LOCATION

Determining the ideal location for your business relies upon sound business judgment. Consider the following examples:

- Shops selling convenience goods such as food, tobacco or pharmaceuticals, often rely very heavily on being the sole supplier in a convenient location to make sales.
- Conversely, shops selling semi-durables such as clothing or furniture - where customers wish to shop around before buying - often benefit from the cumulative attraction of being close to other similar stores.
- Shops which are low self-generators of business - selling such things as variety items, souvenirs or antiques - will be better placed in a main shopping area.
- For a restaurant or take-away, your business should be located in an area with heavy human traffic such as near housing estates, in shopping malls or close to office blocks. Your business must be in an area that is easily accessible by as much of your target market as possible.
- Selling specialised products, such as musical instruments, allows you to consider a location with less human traffic as it is likely that your customers will be willing to travel a distance to come to your shop.
- Consulting firms are more dependent on image than distance.
- A very small business can be run from home.

Selection of a retail location requires time and careful consideration. It should not be done in haste just to coincide with the retailer's development schedules or loan approvals. If the retailer hasn't found a suitable retail location, it should not plan to open until it does. A few months delay is only a minor setback compared to the massive, often fatal, problems that occur from attempting to succeed in a retail business which is poorly located.



The following are among the most important considerations to make when selecting suitable premises:

- **Accessibility:** In terms of accessibility, does the location have good access roads and communication networks? Consider the proximity to key stakeholders such as your employees and customers. The location of the premises should be easily reached from the main roads and is accessible by public transport. Ask yourself the following:
  - Does the premise have suitable access for pedestrians?
  - Is the premises close to public transport points?
  - Does the premise have adequate parking facilities?
  - Can customers and delivery trucks easily get in and out of the parking lot?
  - Does the premises make allowances for people with disabilities?
  - How many people walk or drive past the location?

Don't confuse a lot of traffic for a lot of customers: i.e., people walking pass your shop as opposed to those who actually walk into your shop.

- **Surrounding businesses and competitors:** Ideally, it is preferable to avoid choosing a business premises that is surrounded by your direct competitors. You should be the only business in the vicinity providing a unique type of product or service. However, if you are operating a small and unknown product or service, it is sometimes wise to operate near a well-established competitor. Although your more accomplished competitor will draw away your potential customers, there are some who may try your product or service because you happen to be next door. Also check neighbouring businesses with an eye for complimentary products or services.
- **Traffic:** Do your homework beforehand, investigate traffic patterns and find out who the previous tenants were and why their businesses left. One key distinction is foot traffic versus automobile traffic. For example, if you're opening an urban coffee shop, you may assume your customer volume will be highest if there's lots of pedestrian traffic nearby during the hours you plan to be open. On the other hand, the best locale for an auto repair shop is a well-travelled street where the shop will be seen by many drivers who can easily pull into the lot.
- **Personal factors:** If you plan to work in your shop, think about your personality, the distance from the shop to home and other personal considerations. If you spend much of your time travelling to and from your shop, the commute may overshadow the exhilaration being your own boss. Also, may restrictions placed on a tenant by a landlord, management company or community can hamper a retailer's independence.
- **Rental:** Think twice about renting space just because it's cheap. You may find out just why it's inexpensive; perhaps that location has a track record for failed businesses, or the layout discourages foot traffic.
- **Appearance:** Your customers and suppliers will make important judgments about your business based on its location. Think about the impression that visitors will form when they visit your premises.
- **History of successful businesses:** Look at the history of previous businesses at the location and why they have or have not been successful. Why is the potential site vacant? How long has the site been vacant? What caused the previous tenant to leave? If several businesses have failed at this site, you may wish to carefully consider your odds of success.

- Who is your **potential customer**? Do people in the vicinity of a site fit into your target market? What is their disposable income level?
- Ensure that there are provisions for water and sewer services, trash collection, adequate drainage, and police and fire protection.
- **Cost** - Most obviously, can you afford it? Also, consider whether your customers and employees can afford to come to the site. For example, is there free parking or is it expensive?
- **Convenience** - Is it easy to find? Is parking close by? Consider your clients. If you're dealing with pregnant mothers and the elderly, they may have a different concept of "convenient".
- **Safety** - This is an increasingly important issue for both customers and employees. Is the parking close-by? Is it well-lit? Is there security on the premises?
- **Prestige** - Will wealthy clients favour a business in their own neighbourhood? Some places even provide virtual offices with prestigious addresses, such as Beverly Hills, Silicon Valley, or Manhattan.
- **Traffic** - Retailers and restaurants love traffic, office workers do not.
- **Facility requirements** - Does your business have any special needs, such as high-power consumption or specialised wiring? Do you need meeting space, but only occasionally? You might consider a shared office suite (often called executive suites) in that case.
- **Zoning** - Many cities have very strict zoning requirements. Make sure your business is allowed there *before* you sign the lease! The location you choose must be legally acceptable for whatever you plan to do there. A certain spot may be good for business, but if it is not zoned for what you plan to do, you're asking for trouble.
- **Other considerations** - Some businesses need to be located near the suppliers of raw materials. This may be due to the difficulty of transporting the raw materials to your business premises for production. Similarly, the nature of some businesses also matters. Certain businesses, like freight forwarding companies, meant that the premises should be located near airports or the harbour to facilitate their business operations.

## MORE CONSIDERATIONS

Is your location suitable for:

- **You?** The space must work for you, or it won't work. Remember, you're the one who must work there every day.
- **Your customers?** It also must work for your customers, or it won't work. No customers = no business.
- **Strategic partners?** While this may not seem like a big issue, the reality is that strategic partnerships happen more easily when the partners are in close proximity to each other. Why do you think certain areas become hubs for certain types of business?
- **Your employees?** The ability to attract and keep good employees will be affected by your location.

Each of these groups have different concerns about the business location.



DISRUPT. RETHINK. INNOVATE.

## SITE EVALUATION

	Any Business	Notes
1.	Type of neighbourhood; industrial, commercial, residential, mixed?	
2.	What is the history of the area and what developments are in the planning stage?	
3.	How many households are established in the area and involving a drive of 10 minutes or less?	
4.	What income groups do residents fall into?	
5.	How far are your suppliers?	
6.	Is there place to store your goods when you go home?	
<b>The Actual Site</b>		
7.	Do a lot of people walk pass your business?	
8.	What are the parking facilities like, are they adequate and are they secure and are they affordable?	
9.	Is the site suitable for the business you are planning to do?	
10.	Is the total rental in keeping with going rates for comparable premises elsewhere?	
11.	Is the lease agreement fair?	
<b>If the site is in a shopping centre</b>		
12.	Is the availability of parking assured?	
13.	Is it easy for your customers to reach your business?	
14.	What are the official opening hours prescribed by the centre?	



15.	Who are the centre's anchor tenants, do they appear to be satisfied with the amount of business they do and are they likely to renew their leases on expiry?	
<b>Retail Stores</b>		
16.	Do these facilities attract people with the correct customer profile?	
17.	Does your competitor's business appear to be doing well?	
18.	What is the visibility of the location like?	
<b>Service Business</b>		
19.	Is the operation of the business likely to infringe against zoning restrictions	
20.	Are all the required utilities available (3-phase power, telephone lines, etc.)	
21.	Should business operations cause noise and / or pollution problems, how are neighbours likely to react	