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The Importance of Reviewing Your Performance

As the year winds down, it's important for business owners to raise their awareness of last year's performance. Knowing what you did well, along with where you struggled, is crucial to planning for future success. Today, we'll show you three categories that you can review—strategic performance, tactical performance, and financial performance—and some questions you may want to answer about those categories.

Strategic performance: Reviewing the big picture

Reviewing your strategic performance means looking back to the goals you set earlier in the year and in the years before that. In fact, a good place to start your strategic-performance review is by asking three important questions.

1. Did you set short-term and mid-term goals?
2. Did you meet those goals?
3. What were the reasons behind exceeding, meeting, or underperforming on each of your goals?

These questions lay the foundation of planning success. The reason they're important is they guide the strategies you'll implement to strengthen your company's Value Drivers. Recall that Value Drivers can be thought of as the things that make your company valuable to someone else without you at the helm. Strong Value Drivers tend to make your company more valuable.

Once you've answered these questions—we find that working with a trusted Advisor Team often helps owners answer these questions more objectively. They'll challenge your assumptions and help you hold yourself accountable. You can begin to ask yourself which specific strategic goals you set and how you pursued them. For example, you may ask yourself some of the following questions about strategic goals:

- Did we protect or increase market share? How did it go?
- Did we work to mitigate risk? For example, did we diversify our customer base?
- How did our management team perform? What were their big wins and challenges?

Raising your awareness of strategic performance can help you determine whether your big-picture planning was successful. It can also help you supplement strategies that worked while tailoring strategies that didn't.

Tactical performance: Which actions worked best?

A review of your tactical performance can help you determine which actions contributed to successes and failures toward achieving your strategic goals. Here are a few things to consider as you review your tactical performance.

- Did you break down larger goals into smaller, more achievable goals?
- How did you quantify expectations, measure results, and implement what you learned?
- How do your team members and employees know whether they impacted company targets throughout each quarter?

These questions focus strongly on the nuanced actions you and your company took toward achieving your strategic goals. The answers you find

may help you refocus on the important actions you need to start taking (or continue taking) to pursue future success.

Financial performance: What you have vs. what you need

Finally, reviewing your financial performance can tell you where you are in terms of your personal and business goals. After all, you'll likely need a strong financial standing to achieve many of your most important goals. Here are a few questions to ask yourself about your company's financial performance.

- Did you meet your financial targets? If so, why? If not, were your goals realistic?
- How does your yearly performance affect your plans for a successful future—personally and professionally?
- Do you need to recalibrate your goals based on last year's financial performance?

Realistic goals and proper reviews can provide a road map

Year-end reviews can help you determine how you need to act in the next year to achieve your goals. It can also help you set new goals or recalibrate old goals to address the context you work within. Tracking your strategic, tactical, and financial goals can show you how each intricacy of your unique business fits into your bigger-picture personal and business planning.

We strive to help business owners identify and prioritize their objectives with respect to their business, their employees, and their family. If you are ready to talk about your goals for the future and get insights into how you might achieve those goals, we'd be happy to sit down and talk with you. Please feel free to contact us at your convenience.

Please contact Dan O'Brien for a free one hour consultation on your exit planning needs

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