

## Don't plan, punt

John Kay put it very well in his excellent book, [Obliquity](#): '*problem solving relies on constant experimentation because human nature and general circumstances are constantly changing*'. So, is business planning a waste of time? Is it better to just try stuff and see what works?

Good decision-making is iterative. It requires constantly adapting as new information becomes available. But as John Kay points out, much of the crucial information comes from the process of decision-making itself. So, whilst there's little value in having a business plan, the process of deciding what would go in one is valuable. I tend to think of it as a process of deciding what to take a punt on next; and after that, rather than planning.

We often come across businesses that wearily shuffle on day-after-day because there's no process in place to decide what could be done to take giant strides forward. Often each of the directors has ideas, but with no process in place to consider and compare the ideas, the directors are constantly bumping into each other, sapping energy and momentum. Whereas a goal, particularly an audacious one, does exactly the opposite: it gets people going. Who doesn't like going on an adventure?

The process of deciding what adventure to go on (or punt to take next) forces you to consider alternative versions of the future, making it easier to react to changes as the future whizzes into the past. As Louis Pasteur said, '*In the fields of observation chance favours only the prepared mind*' (or something like that).

Punts are perilous, that's what makes the adventure exciting. (Although the sooner you figure out whether a punt has paid-off the better - if it hasn't, instantly stop and divert limited cash and time to the next one.)

[John Boyd's OODA loop concept](#) is of value here. He considered the key to success to be the speed with which you move around the Observation – Orientation – Decision – Action loop. Speed is the critical factor and an ability to learn the most valuable skill. The faster you fly around the loop and start again; the sooner decisions can be corrected as situations change.

Eric Ries built on the OODA loop concept in his best selling book [The Lean Startup](#), the five principles of which are:

- 1) The approach works in any size of company.
- 2) It requires a form of management geared to the context of extreme uncertainty.
- 3) The objective is to learn how to build a sustainable business.
- 4) All processes should be focused on accelerating the build-measure-learn loop.
- 5) Innovation accounting to improve outcomes and hold innovators accountable. Measure progress, set up milestones and prioritise activities.

So, what makes for a good planning / punting process? In addition to creativity and lateral thinking (and an environment that stimulates those conditions), there are four things that improve the chance of punting success:

- 1) **Good leadership.** Someone to lead the process and constructively challenge ideas; who is solely focused on generating a consistent and realistic outcome that will stimulate action in your business.
- 2) **Sound foundations.** A view of what your business will look like without taking any more punts, to provide context and a foundation to build on.
- 3) **A methodology** to objectively compare, prioritise and sequence proposed punts.
- 4) **Objective review.** A process for reviewing the impact of punts and deciding whether to continue with them or not. As Ries suggests, start with a clear hypothesis that makes predictions about what is supposed to happen and then test those predictions empirically.

We often act as the 'someone' mentioned in 1 above and usually also lead clients through the process of pulling together the information needed for 2, 3 and 4.

If you'd like us to help you come up with some ideas that will see your business take giant strides forward, call me on 0117 971 4119.

Steve