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## THE PROFESSIONAL APPROACH

### BUDGETING AND PLANNING: IT'S NOT OSMOSIS

Once again we are approaching that time of year when we have to sit down and seriously think about planning and budgeting for next year's operation. And again, we are faced with the most important job of seeing "how much we can get out of what we have to get it with." To perform this job properly, we have to be accountants—a job no one likes except accountants. Regardless of that, we still must face this essential management function and do the best job that we can.

None of us likes the detailed, nitty-gritty work associated with any kind of business. It's a drag, it's boring and, well, we just don't like to do it. But it is probably the most important work any of us managers can ever do. Recently I read a book that straightened out my thinking on the drudgery of planning and budgeting and I strongly suggest that you read it for the same reason. It's called "How It Was To Make \$100,000, 000 in a Hurry" by Jeno Paulucci. Notice the key phrase in the title—*It Was*. Paulucci, by the way, is the Italian who amassed a fortune by developing the Chinese food company called Chun King.

The most significant part in the book is Paulucci's obsession with the planning and budgeting aspect of a business. I'm not using the word "obsessed" in a derogatory way, because it appears that his "insight into details" has been a key, if not the key, to his success. Now, all of us from time to time say that we "are too busy" or "we have more important things to do" than mess around with planning and budgeting. But here is a guy who heads up a "hundreds of millions" deal, and who is actively involved in planning and budgeting daily. He

has made the time, because his experiences, good and bad, have shown him that it's not a necessary evil, but the key to successful business. So, I ask, "How can we as businessmen discount its importance and find other things we'd rather do."

In this column we have discussed at length the how-tos and where-fors of planning and budgeting, so I see no need to elaborate on the mechanical functions. But there is a need to continually reiterate the results that can accrue from these laborious tasks. When we plan, we are at least outlining a logical idea to follow. Even if the planning is all wrong or only partly wrong, it is better than nothing. (If it's wrong, you will find it out quickly; better than never finding it out under no plan.) Funk and Wagnall defines a plan as a scheme, method or design for the attainment of some objective. So simple, yet so hard to work it into our business management, isn't it? Now, if you are going to sit back and plan through osmosis, we'd better decide to work for someone else. Osmosis, by the way, is when something happens without conscious effort.

So you say, "Pal, what do I as a golf professional have to plan?" And I say, you have to do some planning for your merchandising program, your personnel, your teaching program, your golf program, your public relations program, your . . . your . . . and your own future. If you are willing to just allow the plan to develop through osmosis, you must be willing to accept the consequences of "casting your fate to the wind."

And then there is budgeting. Mr. Funk, in collaboration again with Mr. Wagnall, says that budgeting is a plan for adjusting expenditures to income. Once again, that nasty word—plan—has reared its ugly

head, hasn't it? Making expenditures adjust to income sounds relatively easy, but it's impossible to do without a plan and a budget.

Paulucci's book also refers to a study of business failures. It says that the key factor to failure seems to be incompetence and indecision on the part of the owners. I think this means that maybe we are too lazy to really run a business, therefore, we might be incompetent and we may not plan. Consequently, we are continuously faced with indecision, because we always have to make decisions that should have been made way back when. Maybe we were indecisive because we didn't anticipate the problems coming up.

And, as I have said many times, your plan does not have to be a voluminous dissertation. All you have to do is think it out in depth and get it cemented into your brain. The budget is only slightly different. In this case you have written down numbers and kept track of how things are really working out with how you thought they would work out.

Do your planning and your budgeting whatever way works best for you. But do it. Be flexible and willing to change these plans when and if necessary. Don't ride a bad horse into the grounds. With a plan of some type, you will find out sooner or later that the horse is bad. If you rely on osmosis, it might be too late to correct a bad plan.

All golf professionals have worked from sunup to sundown this past season. Normally the guys who get by each year will have a nice vacation in warmer climes and take advantage of a well-deserved rest. The super successful golf professional will spend the majority of this "down time" planning how to be even more successful next year. □