

**THE DIRECTORS' CENTRE
COACHING PROGRAMME**

COACHING MATERIALS 106



Coaching Session Title: Innovation and Business Plans

Contents:

Commentaries: 'Innovation – Getting Out of Your Box?'
'MORFA – Looking at Business Projects and Business Plans'

Exercises: #18 Just How Good is Your Business Plan?

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The Directors' Centre
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THE COMMENTARY

Innovation – Getting Out Of Your Box

The future of your business depends not on doing the same as everyone else but on being different. In the future it will be the innovative businesses that succeed while the laggards will eventually disappear. The problem may not be how to get innovative thoughts into your mind. The problem might actually be how to get the old thoughts out of your mind because it is the old ways of thinking that are stopping you from moving forwards

The underlying theme of the Kick-Start 'ology' is that you must be different from your competitors. Or why should customers bother to buy from you at all? If this is the case, then you must spend time creating and emphasising that difference.

Innovation is about doing things differently. You can be innovative in the products you make or you can be innovative in your processes (how you get the products to market).

E.g., Blue Vinyl Inc is unique in its focus on vinyl records from the forties and fifties; it has compiled the largest on-line catalogue of second-hand and collectors' records. They also have a database of the locations of many of the rarest jazz recordings and access to the stock of a network of second-hand record dealers. These innovative systems make them the first stop for collectors of rare jazz records.

E.g., DollarBrand uses the internet to bring the latest American surfers fashions direct from California into the homes of British youngsters, but at UK prices, and with overnight delivery. They no longer need to wait for the main distributors to sell the latest styles.

Stop Being Incremental

Incrementalism is innovation's worst enemy. All businesses around the world are reaching the limits of incremental change - squeezing another penny out of costs, getting a product to market a few weeks earlier, responding to customers' enquiries a little bit faster, ratcheting quality up one more notch, capturing another point of market share. These are the obsessions of managers today. But pursuing incremental improvements, while rivals reinvent the industry, is like fiddling while Rome burns.

Start looking for large step change in how you do things. Constant small improvements may no longer be enough. Look at entire redesign of what you do and how you do it. And look at it through the customers' eyes.

Incremental change creates goals that are slightly stretching. We just try harder to deliver a little bit more. But maybe the original model is at fault. When we seek large, quantum step change improvements then we release our creativity.

Incremental goals do not challenge or stimulate our creativity. If asked to reach books on bookshelves at our shoulder height then there is no brainpower or creativity used to reach it. If asked to get a book that is just above our head, then we need to stretch a little to reach it. We just have to try a little harder. If asked to reach a book that is, say a metre out of our reach, then we come up with all kinds of creative (and maybe crazy) ways to reach the target: use a chair or a ladder, jump up, get on someone's shoulders, abseil from the ceiling, push the bookshelf down.

In business, non-challenging goals create non-creative solutions. Goals need to be challenging to get us thinking creatively.

Left-Brain – Right-Brain Thinking

The left-hand hemisphere of the brain predominantly looks after logic, words, parts and specifics, analysis and is time-bound. It is the preferred thinking style of men. The right-hand hemisphere looks after emotions and rhythm, pictures, wholes and relationships, synthesis and is time-free. It is the preferred thinking style of women. Maybe this explains some of the difference between male and female managers!

The world we live in is essentially left-brain dominated: words, measurement and logic have been enthroned; creativity, intuition and artistry have been demoted to second position. It is argued that we live in a world that has been dominated by the masculine. Male-type, left-brain thinking has focused on the numbers. Right-brain thinking, creativity, has taken a back seat.

In any business we need a combination of the two thinking styles. For instance we need the analytical number-crunching to assess the problem. We also need the creativity of the right-side of the brain to find original solutions. Ideally, what one would strive for is not the dominance of one over the other, but a balance where the two can complement each other.

To find original solutions, be creative. You can't be a serious innovator unless you are willing to play. Serious fun is not an oxymoron (two opposite ideas like fighting for peace) it is a necessity. What is interesting is that there is no such thing as an innovative business, only innovative people.

Remove Self-limiting Beliefs

What's holding us back is our own belief in ourselves. Think dull narrow-minded defeatist thoughts and see what happens. Think crazy thoughts and see what happens. Your job is to play with the boundaries rather than within the boundaries that we create for ourselves. What is holding us back is ourselves. Choose powerful not limiting mindsets.

Power Isn't Knowledge It Is The Ability To Change The Minds Of Others

Real power is not attached to the ownership of knowledge. Real power is in the ability to change mindsets. The ability to change of influence the minds of your colleagues and suppliers and customers is real power. Following on from this, your business must build up its know-how rather than simply its possession of knowledge. Knowledge is useless unless you know how to use it. The recent emphasis on the ownership of knowledge has missed the point that it is what we do with the knowledge that really matters.

Keep thinking, '*How can I take this up to a new level? How can I open up the limits?*'

The Innovation Cycle

Getting innovation into your business often poses problems. The innovation cycle is a way to introduce what could be described as institutional innovation. Lasting 12 weeks, an innovation cycle takes a project or idea that can be worked on by a project team alongside their other activities.

12 weeks is the right timeframe for such an innovation cycle. Any longer and people lose interest in the project; any shorter and the project happens too quickly for there to be any real output or commitment.

Within the 12 weeks of the programme of work, there will be the following stages:

- *Scan* – consider the key issues that you are dealing with. What are the options? For instance, new product development, a customer survey, improving operational performance, improving staff morale. What are you trying to achieve? How will you determine success? What are your objectives? Where should you be looking for solutions? What resources might you need?
- *Focus* – exactly what are you trying to achieve? What are the key issues that you are trying to deal with? What are the barriers to success? Look at the alternatives. This might be the stage to try out some prototypes or samples to give others a clear idea of what you are trying to do
- *Decide* – decide what you are going to do. Plan what resources are required and when. Who will be involved and what budget is required?
- *Act* – The implementation stage is where you test out your ideas. In real-time you can see if your new and improved technique or product actually works.
- *Evaluate* – the final key stage is to monitor and evaluate performance against what you were hoping to achieve. And then you can review and start all over again if you wish.

Case Study

Built to Last, the furniture manufacturers, knew that using expensive craftsmen to build their furniture and traditional process meant that their factory was slower than their competitors. As a result, their costs were higher and their profits were simply not enough. An innovation cycle was introduced, looking specifically at the problem. A team comprising the managing director, the sales manager, the factory foreman and a craftsman met for three hours each week to address the problem. The teams' journal was as follows:

Scan

Week 1 – identify the problem and definition of a successful project. Identify all competitors and how to find out how they make their goods. Identify key processes in the factory. Identify fastest and slowest craftsmen. Organise customer focus groups to find out what customers value.

Focus

Weeks 2 & 3 – data gathering and brainstorming. Use of a special set of creativity cards to stimulate disconnected thoughts.

Decide

Week 4 – agreement that most processes could be outsourced without affecting quality of the product – costs for making furniture might even reduce if the quality of outsourced jobs is good enough. Craftsmen would spend more time doing the specialist work that they enjoyed most; output of the factory would double.

Week 5 – sample of ten chairs put through system; everyone happy; possibility of a new special 'craftsman' line suggested and a trial 10 'craftsmen' chairs to be made in freed up time.

Act

Weeks 6-10 – 100 chairs per week put through the new system – minor modifications required but new system deemed a success. Second customer focus group confirms this opinion. Unit production cost reduced by 25% with no reduction in quality; Customer focus group love the special craftsman chairs and talk about a premium price that will exceed standard profit mark-up of 35%.

Evaluate

Weeks 11-12: fine-tuning of the 'standard' and 'craftsman' ranges. Marketing department given the task of putting in place a marketing campaign for the two 'new' lines (this will be delivered in a 12 week time frame). Team review process: where could they have done better? What would they do differently?

This real example of the innovation cycle in action shows how a simple process can galvanise a team to think up new or better ways to work. *Built to Last* saw output from the factory increase by 50% per week; profitability returned immediately. Staff were re-motivated as the next innovation cycle team started work on the marketing programme.

The Foundations For Innovation

1. Make it fun
2. Listen to your customers and what they want –focus on giving them something extraordinary rather than the ordinary
3. Don't just talk about it – create prototypes so that others can see and touch what you are talking about – strike while the iron is hot.
4. Be clear about who you are targeting and make sure your innovation will deliver the 'promise', and is easy to understand
5. Beware the enemy within – the pessimists will always try and defeat your enthusiasm and focus on your fear of failure.

Case Study

When it was founded in 1984, *Whitby Bird and Company*, the structural engineers, none of the young partners had been in positions where they had run businesses before. *'I'd never written a cheque outside my own personal expenditure until I had my own business'* says Mark Whitby, *'everything was on the line. There was a big need to think about how you manage the business'*. The answer was to use their engineering skills to run the business.

The partners designed a management system. They persuaded a software writer and his son to help them write JMS (Job Management System) which has grown with the company.

The system takes time sheets and projects and sets out to predict the work you have to do. It then monitors the work done and gives a value for the work against what you are going to get paid. *'It is important,'* says Mark, *'because not all jobs achieve the same profit levels. This tells us what we are good at and what we need to change.'*

The system has allowed the firm to grow smoothly from three to 300 in 16 years. The software is in the hands of teams not management. The teams can measure their 'each month' as compared with the 'previous month' figures and look for improvements. *'We are,'* says Mike, *'able to have as clear an idea as to how well the teams are managing and being managed, as the teams do, themselves.'*

JMS had to be updated for the Millennium bug. It was an opportunity to make it completely web-based. This allowed it to be integrated into the firm's regional offices more effectively and for it to be leased to other companies. The software firm that did the updating was so impressed with the product that they started a joint-venture with *Whitby Bird*. The success of a spin-off business, developed through engineering principles but not about engineering, has created a culture within the company for other spin-off business ideas to take root. This, in turn, feeds back into the company's well-deserved reputation for innovation.

Checklist for Innovation

- Never underestimate the power of 'helicopter thinking' – look at the issues from above
- Focus on quantum, step changes rather than incrementalism
- Visualise the future – use your imagination to create how things could be
- Communicate your vision, drive and enthusiasm to those you work with
- Results are the consequence of method and systems plus your determination and intention to succeed.

Checklist – Individual Characteristics Of An Effective Innovator

- To be an effective innovator, you need to:
- Be clear about what you want to achieve
- Define the project aims and benefits
- Be a champion for the project in the eyes of all around you
- Have the courage to take some risks
- Have confidence to make mistakes and learn from them
- Be good at motivating and mobilising others
- Have the persistence to maintain momentum.

Checklist – Organisational Characteristics For Effective Innovation

- The organisational characteristics that encourage innovation are:
- A free flow of information up and down and across the organisation
- A tradition of working in teams and rewarding and sharing credit
- A belief in the value of innovation from the top
- The desire and commitment to put the effort and time required into innovation.

Innovation and Success

A Harvard Business Review article found that the difference between successful and unsuccessful business lies in the way that each approached strategy.

The difference was not simply about choosing one analytical tool over another; it was not about choosing one planning model over another. The difference was 'in the companies' fundamental, implicit assumptions about strategy'.

The less successful companies took what can only be described as a conventional approach. Their thinking was dominated by the notion of staying ahead of the competition - matching or beating their rivals.

By contrast, the high growth companies paid little attention to their rivals... they sought to make their rivals irrelevant! Kim and Mauborgne refer to this as the logic of 'value innovation'.

Conventional strategic logic and the logic of 'value innovation' differ. They differ in the five basic dimensions of strategy. This difference in perception, - the type of spectacles through which they view the world, their paradigm - determines which questions are asked, what opportunities are seen and pursued, and how risk is perceived.

The Conventional Strategic Logic

1. *Industry and Market Assumptions:* The industry's conditions are seen as given and so strategy is set accordingly.
2. *Strategic Focus and Competitors:* Companies often seem to let their competitors set the rules of strategic thinking (a 'follower' mentality is adopted); they compare strengths, weaknesses, opportunities and threats and focus on building competitive advantage.
3. *Customers and Market Segmentation:* Growth is often sought through retaining and/or expanding the customer base, which often leads to more and more target segmentation and so specialisation to meet very specific needs
4. *Opportunities and Capabilities:* Many companies look at what they have got (capabilities) and try to match them to opportunities in the process of working out what they are going to do.
5. *Product and Service Offerings; Ourselves:* Conventional competition takes place within clearly defined (and traditional) industry boundaries offering clearly defined products and services.

The Value Innovation Logic

1. *Industry & Market Assumptions:* The industry's conditions can be shaped and consequently your strategy will follow your perception. (A market leader mentality is adopted.)
2. *Strategic Focus and Competitors:* Competition ceases to be the benchmark; because you do not focus on competing, you can distinguish the factors that deliver superior value from all the factors that the industry competes on (order-winners rather than order-qualifiers). As a result you can make quantum leaps in value offered to dominate the 'market'.
3. *Customers and Market Segmentation:* Most customers will focus on real value rather than a slight product differentiation; the value innovator shoots at the core of the market recognising that some 'niche' customers will be lost.
4. *Opportunities and Capabilities:* Business opportunities are looked at from a 'clean slate point of view'. You are not constrained by where you are now. As a result you are looking for where the real value-adding opportunity lies and act on that insight.
5. *Product and Service Offerings; Ourselves:* Rather than being limited by the industry's definition of what you should or should not do, you seek to solve the buyers' major problems across the entire chain even if it takes you into new business. Continually ask where products and services fit into the total chain of the customer's solutions.

Figure 1

Two Strategic Logics		
The Five Dimensions Of Strategy ↓	Conventional Logic	Value Innovation Logic
1. Industry & Market Assumptions:	Industry's conditions are given.	Industry's conditions can be shaped.
2. Competitors & Strategic Focus:	A company should build competitive advantages; the aim is to beat the competition.	Competition is not the benchmark; a company should pursue a quantum leap in value to dominate the market.
3. Customers & Market Segmentation:	A company should retain or expand its customer base through further segmentation and customisation; it should focus on the differences in what customers value.	Target the mass of buyers and willingly let some of the existing customers go; focus on the key commonalities in what customers value.
4. Opportunities and Capabilities:	Exploit existing assets and capabilities.	Do not be constrained by what you already have. Ask: 'What would we do if we started afresh?'.
5. Product and Service Offerings; Ourselves:	Industry traditional boundaries determine the products and services a company offers; the goal is to maximise the value of those offerings.	Think in terms of the total solution that customers seek, even if that takes you beyond the industry's traditional boundaries.

Case Study

Bert Claey's, a Belgian cinema operator, saw video and satellite taking custom away from the cinema, shrinking the market. All cinema operators turned cinemas into multiplexes (ten small screens, plus food and drink). Bert Claey's created *Kinopolis*: the world's first megaplex with 25 screens and 7,600 seats. Cinema-goers were offered a radically superior experience without increasing the ticket price (out of town sites and little advertising!).

Case Study

Accor, the French hotel chain (known for Novotel) imagined a fresh start in the fiercely competitive budget hotel sectors; they came up with a new concept of a hotel, which led to the launch of Formule 1. They eliminated standard features such as costly restaurants, 24-hour reception service and lounges, but through high specification design made rooms soundproof. Rooms are small and equipped only with a bed and the bare necessities.

What You Should Be Asking Yourself

1. *Which of the factors that your industry assumes as standard could be eliminated?* This question forces you to consider whether factors upon which you think you compete actually deliver value to the customer! These factors are normally taken for granted or we get fixated in benchmarking rather than focusing on customer value.
2. *Which factors should be reduced well below the industry's standard?* This makes you assess whether the product or service has become over-engineered as a result of the race to match or beat the competition.
3. *Which factors should be raised well above the industry's standard?* This pushes you to uncover standards that are not yet satisfying true customer need.
4. *Which factors should be created that the industry has never offered?* This makes you look for ways to break out of the established ruts in order to discover new ways of adding value to the customer.

Commentary on Value Innovation

At first sight, the *value innovation* reasoning appears to argue counter to the perceived knowledge. In fact, it simply confirms what we know already. The orthodox approach to strategy says that you must recognise the high risk attached to new product/market developments (see Ansoff). This argument remains valid; the value innovators recognise the high risks and high odds but are prepared to take them: as marketers have always preached, they look to the customer base for what the market wants; they adopt a zero-based budgeting approach, starting from first principles. What separates out the examples often used, are that they are quantum leaps in the offering delivered to the market.

Strategy is not a one-off happening; it is continuous. Competitors (with similar management educations) will naturally arrive at similar strategic solutions; the challenge is to find a different offering that will give you a different strategic approach.

Frequently Asked Questions

Q *How can you minimise the risks of being innovative?*

A There is always a risk from trying to do things differently. Financial risk is normally matched by the potential gains from profit. If that is not the case then you are doing something wrong

Q *You talk as if you need to institutionalise innovation – isn't that upside down thinking?*

A To maintain our sparkle, it is vital that we constantly look to see if there are better ways to do things or better ways to satisfy our customers. If we don't find a better way then someone else will. It seems more sensible to be one step ahead of the game and be the person who is looking for that extra edge. Your customers will reward you and you will gain new customers as a result

Q *Do customers really want things being new and ever-changing?*

A Some businesses make a virtue of their total lack of innovative behaviour. They actually make a virtue of not being the latest or the fastest. These companies have very cleverly found themselves a unique niche, which many consider vulnerable. Typical businesses include those British businesses that extol old family values such as *Morgan Motor cars, Dualit Toasters, Barbour waxed jackets, Quad Electrostatics, Tiptree Jams*.

Summary

Being innovative can be frightening. You are asking yourself to go into uncharted territory and there are no guarantees of success. The choice however is pretty stark. You cannot afford to sit still and allow the competition to steal the lead on you. More and more, wealth is gained from innovation rather than from optimisation; wealth is not gained from perfecting the known but rather from perfecting the unknown.



MORFA - LOOKING AT BUSINESS PROJECTS AND BUSINESS PLANS

This section outlines a framework for looking at business projects and plans. The MORFA framework is currently used by several institutions and provides a valuable framework for evaluating new projects. It gets the business to consider and understand what it is trying to do in a project.

Most businesses seem to have some kind of plan or idea about what they are trying to do. These plans and ideas need to be evaluated to ensure that they are valid and that they can stand up to some analysis. The MORFA framework is a tool to assess a business plan.

Background

The framework/mnemonic referred to as MORFA is used to evaluate a project or business proposition, or a business plan. Like the FiMO/RECoIL frameworks, MORFA gives a holistic view of the proposition and enables a more rounded assessment of the project to be made.

The crux of the framework is that when presented with a business proposition or business idea, you need to consider not only the business idea but also the person (or people) involved. Both parts of the equation need to be complementary for it to work.

MORFA For Looking At Business Propositions

When you are trying to assess a start-up or a proposition's potential it is difficult to determine the feasibility of the project, especially because there are so many unknowns. But having said that, one still needs to try and make a better-informed decision about the credibility of the business plan.

All too often, bankers and investors say, in private, that at the end of the day, you *'look 'em in the eye and feel their handshake - that's how you tell whether they are going to make it or not'*. This approach seems somewhat unscientific and creates randomness in decision-making.

The MORFA Framework

When looking at the proposition, there are clearly two parts of the equation, the idea and the person, or the people. Under each of these headings, there are a series of sub-headings that essentially make up the MORFA mnemonic:

The Person	The Business Idea
Objectives	Market
Resources	Objectives
Ability and Commitment	Resources
	Financial Projections

The component letters of MORFA appear on both sides of the table.

In order to really evaluate the concept, you need to see a business plan. The (over-used but excellent) definition of a business plan that I like to use is that:

'it enables us to crystallise our thoughts on paper - the process of working out what might happen on paper allows us to make mistakes our discover shortcoming on paper - it is a form of simulation.'

When you look at the business plan and evaluate it then you use the full MORFA framework to look at the plan. You can consider each aspect of the whole business plan using the sub-sections (Markets, Objectives, Resources, Financials, Ability).

The Business Plan
Markets
Objectives
Resources
Financial Projections
Ability and Commitment of the Owner and Staff

The MORFA Headings In More Detail

Markets: What is your product/service? Who will buy it? What is the business environment that you are entering? What market are you entering? What prices will be charged? Who is the competition? How will you sell it?

Objectives: For the person, what are they trying to achieve? What is your motivation? What is their definition of success? For the business, what are the long-term goals and again, what is the definition of success?

Resources: For the person, what have they done, what do they own and who do they know that can help them? For the business, what is owned and what can be used to make the business idea come to fruition (physical, human and financial resources)? What are the minimum entry needs into the industry?

Financials: For the person, what are their assets, commitments and liabilities? For the business, how are prices set and what is the cost structure? What do the projected cash-flow and Profit and Loss forecasts look like? The key issues are economic viability, price and profit.

Ability: For the individual, when looking at ability and skills, look at knowledge, at attitude, circumstances, experience and character.

Figure 1

THE BUSINESS PLAN OR PROJECT				
Markets (Audit)	Objectives	Resource and Scale Requirement	Financials	Ability & Commitment
<ul style="list-style-type: none"> • The Industry (PEST) & Marketplace • Our competitive capabilities & opportunities (SWOT) • Brand, service and operational delivery • The Product (Offering) and its Market 	<ul style="list-style-type: none"> • Definitions of success • Vision • Who? • What? • Where? • Why? • When? • How? (Rudyard Kipling) 	<ul style="list-style-type: none"> • Operational needs • Financial Resources • Physical Resources • Human Resources • Economies of scale/scope 	<ul style="list-style-type: none"> • Balance Sheet & P&L Projections • Cash-flow Projections • Financing and Borrowing Facilities • Contingencies 	<ul style="list-style-type: none"> • Skills required • Leadership & Commitment • Drive & Focus • Support Necessary • Planning & Preparation • Strategic Awareness

Figure 2

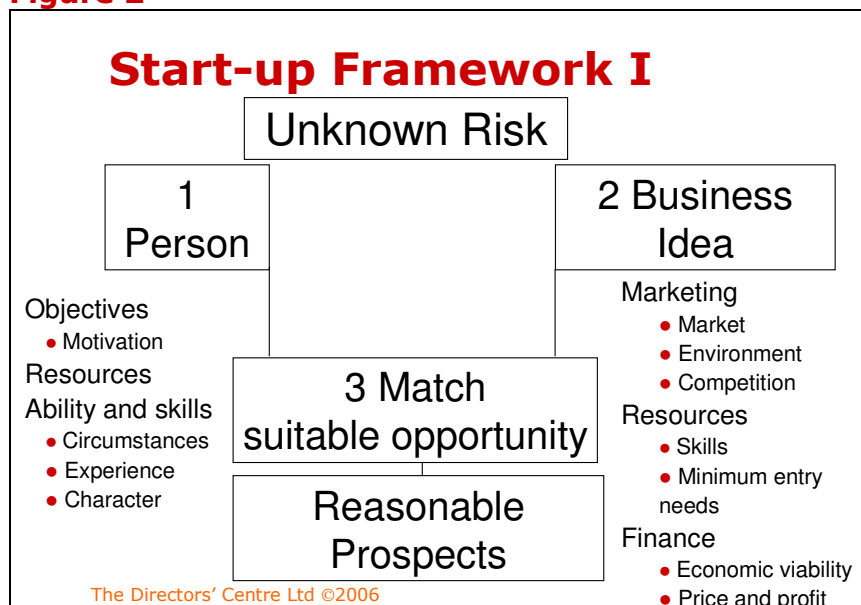


Figure 3

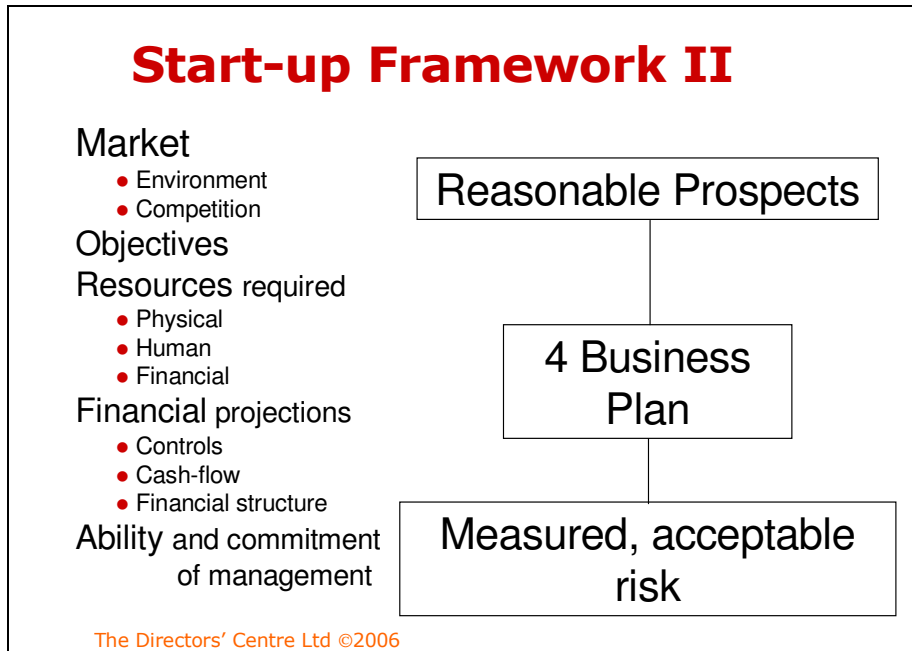
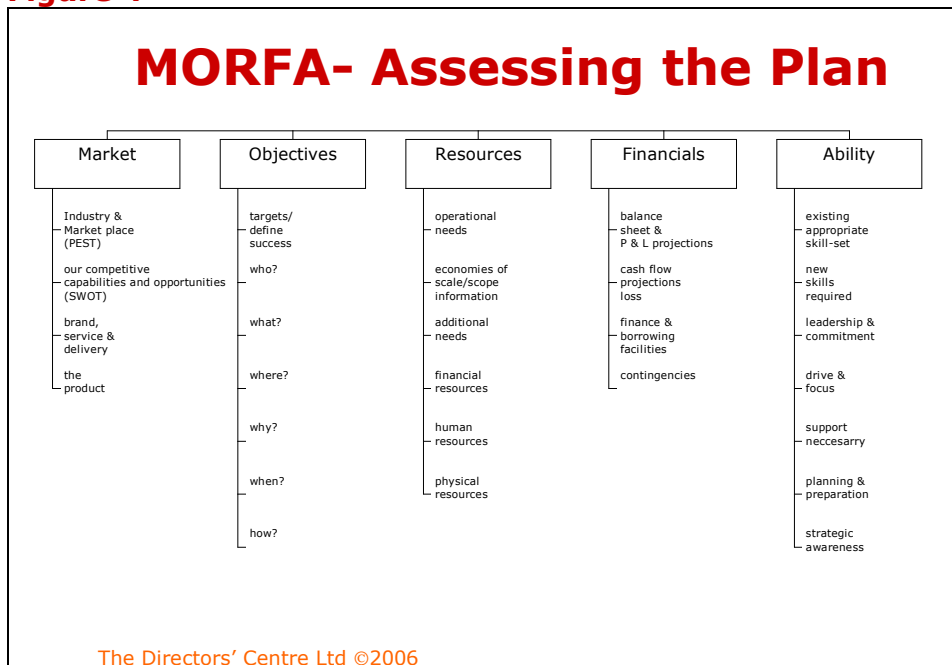


Figure 4



Using MORFA

In the same way that you marked up the *FIMO* and *RECoIL (Workbook 101)* with scores out of ten for each category, you do the same with *MORFA*. This gives a broad holistic view and will enable you to see what areas might need more concentration or focus. As you develop the business plan so you make the prospects more and more reasonable - you reduce the risk as you ensure that your concept has been considered from all angles.

MORFA in Practice

Despite its apparent simplicity as a tool, *MORFA* never seems to fail to create discussion, debate and better understanding of a proposition's strengths and weaknesses.

- A leading High Street Bank uses *MORFA* when assessing new businesses and business plans. Bankers see the benefit of using the framework because it is systematic – more importantly, discussing the various key areas adds value to the customer's experience – they realise how the banker can add to their business by asking searching and challenging questions.
- *MORFA* was used with an Oxford academic, Peter, who had a brilliant biotechnology business idea. The scientific excellence was not in question. Talking him through *MORFA* made him come to understand that his brilliant idea fell short on *Objectives*, and *Resources*. He had no idea why he wanted to create a start-up. He just thought that it was what he ought to do. Our discussion concluded with him realising that he would be better off staying employed and allowing his academic institution to carry the burden of the 'business side'. He saved himself a lot of heartache.
- Gerald, an internationally renowned leading ankle surgeon was fed up with, in effect, renting clinic and operating space from hospitals. He decided that he wanted to open his own private ankle hospital. The scores were excellent for *Markets*, *Objectives*, *Resources* and *Financials*. The problem was the *ability* and *commitment of management*. As the discussion developed it turned out that he was not prepared to let someone else run his business... and yet he was not prepared to run it himself. The Eureka experience! He realised that what he really wanted to do was spend more time with his patients and not less. In other words, he realised that he did not really want to own and run a hospital. From that moment on, he was able to set about putting together a plan that would enable him to do what he really wanted to do.

Frequently Asked Questions

Q *Is MORFA for start-ups or for new projects or what?*

A MORFA can be used to look at either start-ups or new business projects. It is a tool for evaluating business plans. As such there are several business banking institutions who have adapted MORFA to their own needs because it keeps the interview focused on the customer's situation and needs rather than focusing on what the bank wants to find out for its own benefit.

Q *Shouldn't you use MORFA before FiMO/RECoIL?*

A There is no right way order for using these tools – you use them how you find them of most benefit. MORFA is best suited for simple start-up or business propositions situations where there is little track record. Some business thinkers believe that you need to have an idea of what the plan is before you can consider the business capability i.e. they think that MORFA should come before FiMO/RECoIL. I prefer to use FiMO/RECoIL with everything but the newest start-up.

Q *I am not quite sure exactly what score to give for one of the boxes. What should I do?*

A This is a perfectly acceptable state of affairs. The whole purpose of the framework is that it gives you something to discuss. It acts as a tool or as a lever to get you to really start thinking about some of the most basic building blocks of the business. If you can't give a score, it must be because you don't know enough yet and therefore need to do some more talking.

Q *What if I totally screw-up on the scoring? It seems that all your examples turned out in failure – it's all doom and gloom!*

A On the contrary. All the framework does is act as a tool to for your thinking. MORFA is non-judgmental; it is simply a set of headings for looking at your business plan. Do not blame the messenger. In fact, the more searching and challenging the experience, the better prepared you are for the future.

Summary

MORFA creates a framework for assessing a business proposition. Especially suitable for new business ideas, it acts as a possible alternative to the FiMO/RECoIL framework.

THE WORKSHEETS/EXERCISES

Exercise 18

Morfa Workshop - Just How Good Is Your Business Plan?

Purpose: Agree potential and capability of business plan. Consider strengths and weaknesses

Time: Two hours approximately

Supplies: Flipcharts, copies of the MORFA Worksheets for each delegate.

Instructions

1. Talk through the different boxes on the MORFA worksheet (30 minutes). Hand out a worksheet to each delegate.
2. Get each participant to score all the boxes on their MORFA worksheet (10 minutes) where 0 is a low score and 10 is a high score.
3. In pairs, compare and contrast the MORFA scores that have been put down for the business. Focus on any score of five or less. (90 minutes) Ask searching questions of each other.
 - Why didn't you score higher/lower?
 - Where's the evidence to support the score?
 - What could be done to improve the scores?
4. As a group compare and contrast your scores (90 minutes).

