

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

next quarter and year and preferably the next ten years. They were ruthless.

Feb. 19, 2018



I resigned recently from the role as a VP on a NASDAQ listed company. We spent our lives forecasting. Wall Street wanted to know exactly what we were going to do the next quarter and year and preferably the next ten years! They were ruthless. So we gave them what they wanted. If we were under what our guidance suggested, there was blood running in the streets. If we were over (that seems like it's gonna be better, but oh boy, was it not) our guidance, the bar was raised, and that was the new

expectation. Then if we didn't exceed the following quarter, we were tarred and

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Private businesses, thankfully, are much different than public. Spikes are welcomed. Guidance is not expected. Volatility is par for the course. Forecasting, or whatever its pseudonym, is still essential.

As financial advisors, we are tasked with the responsibility of creating an environment where business owners can carefully develop a strategy for taking their coming year to the next level. In the title, I said, "do NOT forecast." The reason for that is that as a business is preparing for the coming quarters and year, this should be a time of excitement and creativity. Often "forecasting" comes with a bad connotation and the meetings are avoided or dreaded. It's too bad because when planning or financial strategy meetings are executed carefully, they can have an enormous value for the business as a whole.

Here are some tips for a successful forecasting meeting.

## Tip #1

Get the creative juices flowing. Let the dreamers dream. Forecasting is a careful balance of idealistic and realistic.

The main goal of the management team is to steer the ship. In order to do that, they need to have a destination in mind. A great brainstorming meeting consists of delving deeply into what the possibilities are, however grand. Look at all the possibilities. This can inspire the team. Often as financial advisors, we feel we are required to be the sobriety test. In this part of the discussion, focus instead on what is indeed within the realm of possibility. Amazing things can happen when a team is focused and driven to attain a certain goal.

## Tip #2

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

the various metrics. Consider Fathom, Futrli or (shameless plug) Startegy. All have excellent reporting capabilities and provide understandable trajectories and understandable metrics.

## Tip #3

Now that a delta is established, this is where you are critical to the process. Take time to explain and identify to the management team the spread of possibilities previously discussed, then the likely destination if the business is unchanged. This part is critical because it reaffirms the context of the scope. This is where the discussion will be really interesting and each member present can contribute a lot!

Each company is going to be completely different. Some may be solely focused on staying the course, while others may be inclined to change everything. Your experience will be invaluable here. Remember you are Gandalf to these clients. They look to you for consistent guidance and direction and the occasional wizardry to get them out of a pinch.

Usually, companies look at what could be and what is and come up with some attainable middle ground.

## Tip #4

Break it into chunks. It's great to say that we want to sail to Tahiti, but it's important to then break the goal into attainable milestones. This makes the process so much more digestible for individuals running the company.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

I'll be 100% honest here; there is so much you as the financial advisor can do to assist in the process of planning for success. The teams you work with really do look to you for guidance and consistency. With a realistic, focused, and inspiring planning meeting, companies, will be better able to make and keep goals that will not only improve the top and bottom line but will also have a resounding effect on morale.

---

*Justin Hatch is the founder of [startegy.com](https://startegy.com) and has spent years in the business space in various capacities. From Oil & Gas to R&D to finance and business management. He's the father of 4 awesome children and loves spending time with them and his wife of 14 years. When not immersed in the business world you can find Justin in his shop with his boys building or repairing something. Follow him on Twitter and Facebook @justinhatch*

Accounting • Financial Planning • Financial Reporting • Firm Management • Small Business

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved