



The **VITAL** **BUSINESS** **PLAN**

**A plan changes how
you run a business**

A structured approach to planning and performance

The moment you create and commit a plan to paper, something shifts. The plan becomes:

- V**isible → it defines focus and direction
- I**nterrogable → assumptions can be challenged and decisions made
- T**rackable → performance can be tracked against it
- A**ccountable → expectations and responsibilities are clear
- L**inked → it creates a bridge from current performance to a future state

In other words — writing it down is what enables a plan to become VITAL.

There's solid evidence behind the benefits of having a written plan. For example, research from the Dominican University of California (2015) found that people who wrote down goals, shared progress, and reported regularly achieved far higher completion rates — often cited at around 76% versus 43% for those who didn't.

A written plan gives you something to measure against. It helps you steer rather than drift. Once you can measure and compare, you can begin to improve and focus. Decisions align.

It does not need to be a daunting or a complicated exercise. You can start with just a few simple numbers — in the P&L; turnover, margin, overheads — where do you want them to be in the next year, in the next five? In your balance sheet, consider funding, stock, and capital.

Load or key your plan numbers into your accounting system, so you can track your performance every month, quarter, annually.

That's where clarity starts.

VISIBLE

When a plan is visible — and not just committed to memory — it begins to define focus and direction. It gives the business something concrete to align around, allowing activities, priorities and people to be organised with greater clarity.

It also makes communication possible. A visible plan can be shared, discussed and translated into responsibilities and targets. For example, setting an objective such as increasing sales by x% or improving margin by 5% provides a clear signal and creates a reference point for decision-making.

This becomes even more effective when teams are involved. People working within the business bring operational insight and context that may not be visible at leadership level. When direction is clear, those insights can be applied in ways that support the overall objective.

A well-known example comes from British Airways, where an employee suggested descaling aircraft toilet pipes to reduce weight. The result was an annual saving of c. £600k from a single idea. That kind of contribution is far more likely when people understand the plan and can see where they can add value.

Visibility also matters externally. Being able to demonstrate performance against a plan builds confidence with banks, investors and other stakeholders. It shows not only where the business is, but where it is going and how it is being managed.

When a plan is visible, performance changes

Saying
“we will
grow”
is not a
plan

INTERROGABLE

A plan needs to be interrogable. It should be capable of being tested and challenged, not simply presented as a set of outcomes. Interrogability creates credibility, and a credible plan supports better decision-making.

All plans are built on assumptions, whether stated or not. These might include expectations around economic stability, inflation and interest rates, regulatory change, or the competitive landscape. Left unexamined, these assumptions can weaken the plan.

An interrogable plan makes those assumptions visible and explains how outcomes will be achieved.

For example, increasing sales by x% is not a plan in itself. It’s an ambition. Saying “we will grow” is not a plan, and nor is build it and they will come. Explaining how is. A plan requires a clear route: launching a new product or service, improving client retention to x%, or acquiring y new clients at an average value of £x. Each of these raises further questions: how will those clients be won? What channels will be used? What resources are required?

This process of questioning does not undermine the plan — it strengthens it. It can expose weaknesses, refine assumptions and improve the quality of decisions. At the same time, it is important not to overcomplicate it. The objective is not perfection, but progress.

TRACKABLE

At its core, a plan either is — or distils into — numbers. Those numbers allow you to compare actual performance against what you set out to achieve and begin to understand any differences.

Most accounting systems include budget and forecast functionality. Once you input your plan, comparisons can be produced monthly, quarterly and annually. This allows you to move beyond simply recording results and start to understand what is happening — and what decisions need to be taken.

Viewed in isolation, a P&L is just a record of an outcome. It shows where you have ended up, but not why. The result is the consequence of a series of decisions, many of which are not immediately visible in the numbers themselves.

Set against a plan, those numbers gain context. A story begins to emerge. Sales are down x%, margin is off by y%, overheads have increased. From there, you can begin to understand the drivers of performance and take action — whether that is adjusting operations, refining pricing, or changing your approach to sales and marketing.

Tracking also allows you to challenge the plan itself. If new information suggests that targets are no longer achievable — e.g. loss of a major client, the plan should be adjusted. Left unchecked, an unrealistic plan can quickly become a source of frustration rather than direction. Planning is iterative.

Reveal the
decisions
that drive
perform-
ance

A plan needs to include accountability

ACCOUNTABLE

Accountabilities define who is responsible for what. They assign ownership, enabling individuals and teams to understand their role in delivering the plan.

When embedded properly, responsibilities can cascade through the business. Objectives at the top translate into actions at every level. This can be reinforced through employee goals, development plans and performance reviews, aligning individual contribution with overall direction.

Without clear accountabilities, activity can become disconnected from intent. Work continues, but not always in ways that support the plan. Over time, this leads to inefficiency and drift. Resources are consumed but not necessarily directed.

When ownership is clear, key drivers within the plan can be translated into measurable KPIs. These can be tracked and made visible across the organisation — reinforcing focus and maintaining alignment. (This links back to the 'V' in the VITAL plan.)

Effective delegation plays a role here. Assigning responsibility does not remove accountability; it clarifies it. It allows leaders to focus on higher-value decisions while ensuring that execution remains distributed, understood and owned. This is supported by research from Harvard Business Review, which highlights that well-structured delegation improves both organisational performance and employee engagement.

LINKED

A plan needs to be linked to current performance. It should connect where the business is today to what you are trying to achieve — forming a logical bridge between the two.

At one end is your current position: a known client base, established pricing, a verified cost structure and observable, verifiable trends. This is your starting point.

At the other end is the plan — where you want to be. The bridge between the two defines how you will get there. It might include pricing changes of x%, cost movements of y%, acquiring x new clients, or changes in headcount and margin.

This bridge does more than describe the future. It can also explain deviations from it.

Actual results can be understood as a movement from plan, driven by identifiable factors. Sales are down because client A was lost (£x). Costs have increased by (£y) due to changes in e.g. utility prices or staffing. The outcome is no longer abstract — it is explained.

Without that link, results are often attributed to general conditions — “the market”, “timing”, “mix”. With it, performance can be broken down into specific drivers that can be understood and acted upon.

With that understanding numbers turn into decisions. If a client is lost, the question becomes why, and what needs to change — acquisition, service, pricing, or delivery. What is the impact to the plan and what do we do about it?

A plan should be built from performance, not separate from it

Start with one number and build from there

In this guide we've explored what we've called a VITAL business plan. One that is:

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Planning has clear benefits. It provides structure, supports decision-making and allows performance to be understood and managed. But it is important to recognise what a plan is — and what it is not.

A plan is not certainty. It is a view of the future based on assumptions. It will not be 100% accurate, and it does not need to be. The objective is not precision, but direction.

For many, the barrier to planning is getting started. There is a tendency either to avoid committing to numbers altogether, or to over-analyse before putting anything down. In practice, neither helps.

A plan can begin very simply. For example: “next year, we want to generate £x of operating profit,” or as a founder, “I want to withdraw £y.” From there, the detail can be built out. What needs to happen to achieve it? How will sales grow? Can revenue become more predictable? What needs to change?

Every business can be planned at some level. Even where revenue is variable or transactional, a starting point exists – typically the prior year, adjusted for expected change. The discussion then becomes how that change will be delivered.

The first mark on a blank page is often the hardest to make. But once it is made, the plan begins to take shape – sometimes from just a single number. From there, it can be expanded, tested, tracked, refined and improved over time.

Planning is not a one-off exercise. It is an ongoing process but it does need a starting point, a mark on paper.

Plans only
work when
they connect
to performance



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**For a smarter approach
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NumbrLabs Ltd

First Floor Office
3 Hornton Place
London
W8 4LZ

020 3930 4190

numbrlabs.com
hello@numbrlabs.com