



LivePlan Method Monthly Advising

A script and agenda for your advisory engagement.


A TEMPLATE IN:  **KARBON**



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4 Tools for Better Results

Maximize The LivePlan Method for Strategic Advising with these tools.

Cloud Pricing

You'll need a good tool to help with pricing. [Cloud Pricing](#) takes away the guesswork, and in many cases, the pressure of the "sale." LivePlan Method is an available template in your Cloud Pricing app.

Workflow Software

LivePlan recommends [Aero](#), [JetPack Workflow](#), and [Karbon](#). The LivePlan Method is available as a template in all of these software tools.

Strategic Advisor Blog

Read the LivePlan [Strategic Advisor blog](#) for education and inspiration on Strategic Advising for your small business clients.

Bplans

Use [Bplans](#) as a resource for your small business clients for their own education. Bplans is full of free content, and is your complete guide to business planning.

Monthly Advisory Meeting Steps

The Advisory Meeting is the pinnacle of your advisory relationship. It's where the value is delivered, and the relationship with your small business client is fostered.

Occurs monthly

This document contains your prep, agenda and follow up for performing a monthly Advisory Meeting. The agenda assumes you have performed the previous LivePlan Method preparatory phases: Kickoff, Plan, Analyze, and Forecast.

Your primary job as a strategic advisor is to help your client understand and meet their business goals. Sometimes their business is not performing according to forecast, and sometimes their forecast is not attainable due to limitations or aggressive expectations.

The monthly Advisory Meeting is where it all comes together - where you identify adjustments necessary in order to stay on track with the forecast, and meet goals. You'll help your client **identify problems and make adjustments** to either their business operation, or to their forecast.

The next two pages are a primer on the relationship between a business's functional areas and the financial metrics that measure them. Use it to determine which metrics to report each month.

You will present the information and help the business owner understand areas of weakness and overall performance, and ultimately collaborate with them to make decisions.

Finally, keep in mind that the Advisory Meeting is your place to **show your value**. You want to be sure these meetings are covering necessary information, but also that you are expanding the relationship over time.

Financial Metrics as Business Performance KPIs

This chart shows the key financial metrics and how they relate to various business functions. These financial metrics become key performance indicators when you tie them to business functions, and use them to measure performance.

BUSINESS FUNCTION	METRIC
Sales team, strategic partnerships, new products or services, PR and marketing	Revenue
Vendor pricing, contract language, vendor relationships, partners and resources, negotiating power	Cost of Goods Sold
Is the thing you are selling profitable? Can it be optimized?	Gross Margin
Careful budgeting, payroll structure, HR standards and policies, vendor contracts / rates	Expenses
Sales volume, work in progress, sales on credit policy and performance	Total AR
Collections, contract negotiation, customer relationships, sales on credit policy and performance	AR Days / Aging
Timing of resource needs to resource purchase (just in time), purchases on credit policy and performance	Total AP
Contract negotiation, vendor relationships, purchases on credit policy and performance	AP Days / Aging
Relationship between inventory, assets and liabilities	Current/Quick Ratio

Financial Metrics as Business Performance KPIs

This chart flips the information from the last page. It shows the standard functions of a business in relation to the metrics that measure performance.

These relationships will vary somewhat depending on the type of business, especially service versus manufacturing.

Each of these functions should be reported and assessed monthly for plan versus actual performance, using the metrics.

BUSINESS FUNCTION	METRIC
Sales and Business Development	Revenue
Marketing and Public Relations	Revenue
Operations (different by biz type)	Gross Margin, Billing/AR, Net Profit, ratios like rent:revenue, marketing:revenue
Billing and Collections	AR Days / Aging, Cash
Purchasing and Inventory Mgt	AP Days/Aging, Gross Margin, Inventory value, Cash
People Management and Employee Benefits (HR)	Expense budget (net profit), ratio labor as percent of revenue
Policies and Contracts, like sales or purchases on credit, or other business rules	Expenses, AR, AP, Cash
Partners and Other Resources	Revenue, many other areas!

Prepare for Meeting

LivePlan Method tasks 5.01, 5.02, 5.03

Tools: LivePlan Dashboard, Benchmarks, Milestones

Time: 1:40

- ☐ Client must have month end close prior to the following steps.
- ☐ Review the LivePlan Dashboard after month end close. Look for performance against the plan, as well as performance in general. For instance, if actual revenue is higher than forecasted revenue, but is decreasing each month consistently, that's something to note. Is it a seasonality issue, a growth issue, etc? Don't forget to look at metrics behind the revenue: if unit sales, did they meet their unit number? If subscriptions, are they on track with churn and new signups?
- ☐ Comparing forecast vs actuals, and looking at trends, compose two to three feedback points for each Dashboard chart applicable to the business. You can't solve every issue in the first meeting, so identify the most important things you can address within the time you have. This will keep you in charge of the meeting, and help to control your scope.
- ☐ Even if points don't seem to jump out at you, find some! And if you have 20 feedback points, limit yourself to just three or four. You don't want to overwhelm your client.
- ☐ Analyze total revenue for trends, review gross margin by sales type, look at net profit versus benchmark by business type. Also look at AR and AP days, as well as cash burn.
- ☐ Use the Download and Print feature in the Dashboard to prepare a reporting package for your client. Include the appropriate charts based on your meeting prep work.
- ☐ Review the Benchmarks in a similar manner. Not all Benchmarks will apply to all clients. After selecting the ones that do matter, review the data on those and compose two to three feedback points for each metric.
- ☐ Confirm your Advisory Meeting date and time. If your client is scheduled to receive a full meeting, give the review there. If your client is on a pricing package that receives a simple video review, or reporting package email, prepare that and send.

Conduct Meeting

LivePlan Method task 5.04

Tools: LivePlan Dashboard, Benchmarks, Forecast, Milestones, Pitch

Time: 1:30

I. Milestones

- ☐ Within the Schedule tab of LivePlan, start with your advisory administrative type Milestones first, and then move to contractual obligations and business planning related Milestones.
- ☐ You should have Milestones to review from either the last Advisory Meeting, or the Planning meeting if this is your first Advisory Meeting.
- ☐ Going one by one, ask if the Milestone was completed. If it wasn't, find out the issue, and based on the reason, plan to cover the problem within the area of the Advisory Meeting it fits best, according to the rest of the agenda.

II. Sales and Marketing Adjustments

- ☐ Within the LivePlan Pitch tab, review the Sales and Marketing opportunities. If this is your first Advisory Meeting, there likely won't be any changes here, but as the months progress, new opportunities will be discovered, and current ones may become stale or need a push.
- ☐ Be mindful of two things here: the sales forecast, and the expense forecast to cover their sales and marketing needs. Make note of potential adjustments to the P&L forecast. You will make these changes in section VI.

Script tip: Be creative in your questions. You can't simply say, "do you have any new opportunities?" They might not know. Instead ask, "How are sales currently? Are you satisfied with what you are selling and how? Do you have any particular wins of note? Are you frustrated by anything in this area?"

III. Competition

If this is your very first Advisory Meeting, you should wait on competition. It also depends on how much you have put together for financial review. If you have quite a bit to cover from the Dashboard, continue to wait on this, until the client's actual Dashboard numbers start to line up better with the forecast.

Another way to think about it is this: don't spend more time in your Advisory Meeting because of this subject. Just swap time you were spending on financials for this discussion once the financials become stable.

- When you are ready to discuss Competition, use the LivePlan Pitch tab, and begin to ask about known competition. Start out having a light discussion, and build on it each month. At the end of six to eight months for instance, you could have a full competitive analysis. This will be useful as proof of the need for your advisory services (you don't want the client to decide six months in that the relationship is stale and they don't need you), and it will also be useful information for their overall financial plan.



Competitors	How our solution is better
Large scale gyms	More personalized
Small fitness center	More professional
Massage therapists	Massages + Personal training

IV. Dashboard

With the general business overview covered, it's time to dive into the numbers using the LivePlan Dashboard, comparing the business forecast to actuals.

- ☐ Review each Dashboard chart in turn and use your prepared talking points as the agenda. This portion of the meeting should take 20 minutes.
- ☐ Try very hard not to let your client drive other conversation topics. Allow them to ask questions related to the points you have drafted, but not every question possible. You must keep the meeting focused. You cannot solve all their problems in each meeting. You are there to present the information regarding how actuals relate to forecast, and to get the two to line up better
- ☐ Show them first how they did against plan for the month, then show trends—their numbers in current time against last period and last year.
- ☐ Don't forget to look at metrics behind the revenue: if unit sales, did they meet their unit number? If subscriptions, are they on track with churn and new signups?

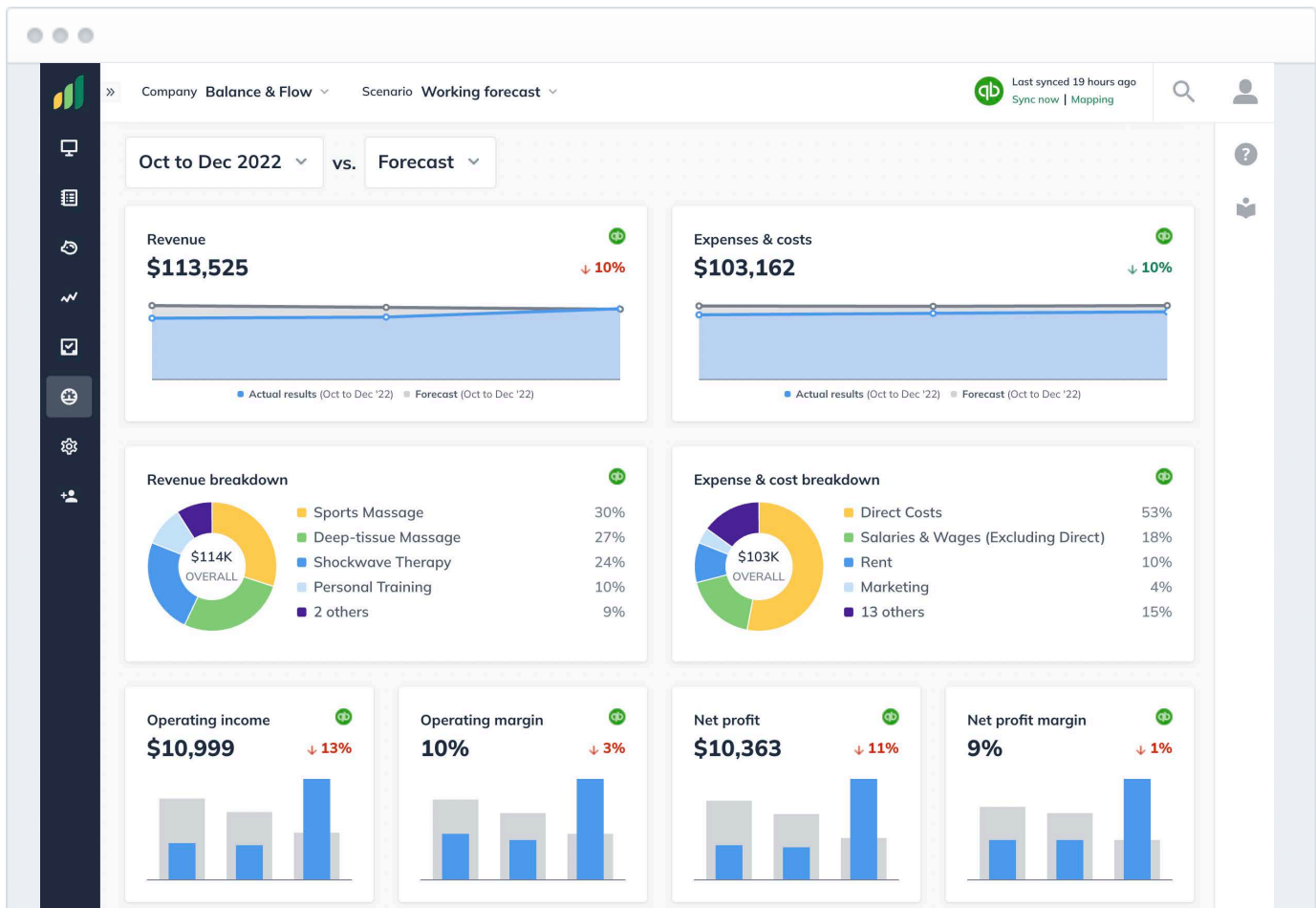
Scripting samples for Dashboard review: *Do these numbers make sense to you? Do they line up with what you are feeling in-house? Are you frustrated with any of what you see here? Are you surprised by any of what you see here?*

Revenue: *I notice that your revenue appears to have some seasonality. Does this surprise you? Do you like this level of seasonality or would you prefer it be more flat?*

Margin: *Your gross margin seems quite high, but net profit looks normal. Let's be sure you're accounting for all direct costs.*

Margin: *Your gross margin seems very low. Labor is high. Let's look at your labor costs.*

AR or Cash: *Your AR days are really low. Can you get more aggressive with net terms?*



- ☐ The Dashboard numbers should tell a story. If, for instance, revenue is up, but gross margin is down, delve into why. Do they feel increased sales? If AR days are poor, does that reflect what they feel happening in house? You can get to the bottom of what they might be doing in house that is affecting poor performance if you ask these questions.
- ☐ If the client becomes too worried, or worked up about solving all their problems, remind them to lean on the plan. The plan provides the roadmap for their goals. Assuming the plan is correct, you just need to review each "actual" number against plan and determine why they are off. Their answers will naturally occur during the discovery of why the numbers are off.
- ☐ Based on your conversation about applicable Dashboard charts, create a list of corrections that should be made to the plan, and a list of potential problems with business operations.

V. Benchmarks

After comparing the business to itself in the Dashboard, next move to how the business compares to other industries using the LivePlan Benchmark tab.

- ☐ As with any of the metrics, some of these Benchmarks will not apply well to the business and others will matter more. Use your prepared information to review applicable metrics.
- ☐ If the client's forecast to actuals are measuring well, you can use Benchmarks to set stretch goals. If they are not lining up well, use Benchmarks to determine more realistic goals.

Sample script for Benchmarks:

I notice that your rent-to-revenue percent is quite high for your type of business, according to Benchmarks. What do you think about this?

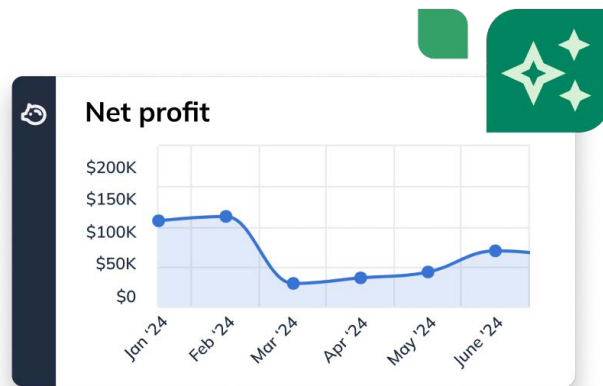
I see that industry standard marketing as a percent of revenue is x, while yours is y. Let's take a look at why.



Benchmark	Forecast	VS Benchmark
39%	46%	↑ 19%
7%	22%	↑ 232%
6%	22%	↑ 294%

VI. Edit Forecast Profit and Loss

In this section you need to be mindful of time. You may not be able to accomplish all of this work during the meeting. You may have to take notes, and do some of this during your wrap up time. Or, cut that time short and do it all here, but the total of your meeting and wrap up should be no more than two hours.

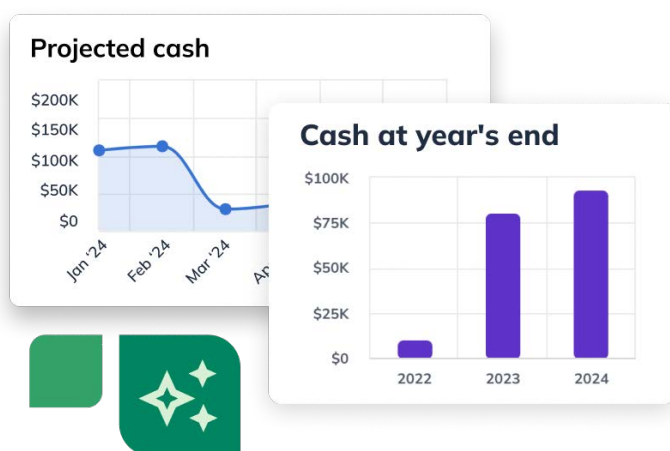


- ☐ In the LivePlan Forecast tab, make edits to sales goals and expense forecast budget as necessary using the list you created during Dashboard and Benchmark review.
- ☐ Be conservative with these edits. Only edit the forecast plan if it's very clear the goals are not attainable.
- ☐ If the client is meeting goals, consider stretching them a bit. Increase sales slightly using reasonable growth percentages.
- ☐ Review direct costs to be sure everything is accounted for. You want the business gross margin to be as pure as possible. Don't allow any direct costs to linger in the operating expenses section.
- ☐ Make adjustment to the operating expenses as necessary, with special attention to anything that came from the sales and marketing discussion.
- ☐ Items from your list that are business operations adjustments should be considered milestone goals. At the end of the meeting you will add them to the Milestone list.
- ☐ The financial edits will adjust the forecasted net profit and cash flow. Use this adjusted version to continue the meeting to review cash.
- ☐ Regarding edits, it's typical to look monthly for only about six months out. Quarterly after six months is fine. The business's sales cycle dictates this.

VII. Cash Flow and Spending Decisions

With the P&L forecast adjusted you can now have an informed conversation about cash. It makes little sense to discuss forecasted cash flow, or make spending decisions, unless you know your P&L forecast, and projected net profit are accurate.

- ☐ In the Forecast/Cash Assumptions tab review AR and AP Days metric and total AR and AP. Are these settings correct?
- ☐ In the Dashboard, look at Cash Burn and be sure the client understands the number. If they are surprised by it, or feel it's wrong, address why. It's important to establish how much they spend each month before you make specific spending decisions.
- ☐ Once cash burn is agreed upon, you can cover spending decisions. Cover topics like capital equipment purchases, new hires, raises, reductions in force (RIFs), dividends, and so on.
- ☐ If edits are needed to P&L forecast, for items like raises and RIFs, make them.
- ☐ Edit the Assets and Dividends section of the Forecast as necessary based on spending decisions made



VIII. Taxes

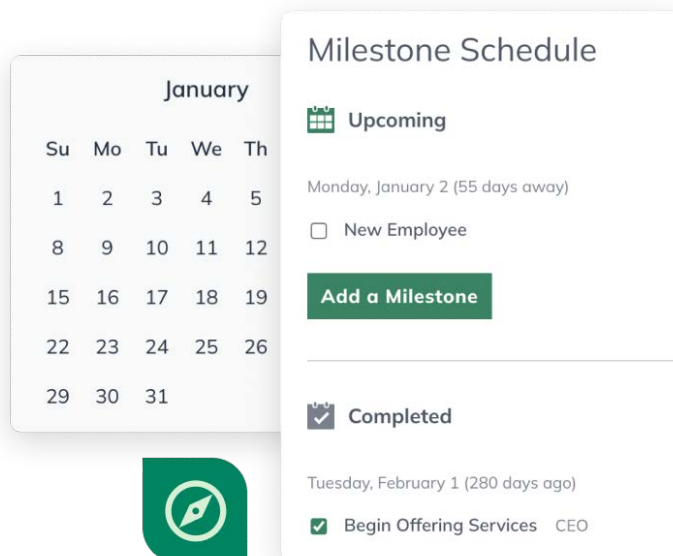
Tax planning is likely done outside of your advisory meeting. If not, it can be included as a quarterly item.

- ☐ Make adjustments to the Forecast/Tax section as necessary.

IX. Milestones

You will end the meeting where you began: with Milestones.

- ☐ Using LivePlan's Milestone tab, begin with listing any contractual obligations that have been met or are new.
- ☐ Next enter anything related to your Sales and Marketing conversation. Anything marketing related due by a certain time? A deadline you want to create for a sales goal?
- ☐ Next, list a Milestone for any stretch goals you've discussed. Maybe you want to get the business to a certain amount in sales by x date. It's not enough of a goal yet that you want to forecast it, but you also don't want to forget. List it as a Milestone.
- ☐ Address your adjustments list, those items that were not financial adjustments, but rather business operations issues. Give each one a milestone deadline for an action to correct it. These will make up the bulk of what would be considered "client homework."
- ☐ Lastly, enter the date of your next Advisory Meeting.



Monthly Wrap Up: Post-Meeting

LivePlan Method task 5.05

Tools: LivePlan Forecast, Milestones, Dashboard

Time: 0:20

In this final section you will dedicate 20 minutes to making sure everything is wrapped up and ready for next meeting. This is something an admin can help with.

- ☐ Make any edits to the Forecast that you didn't have time to make during the meeting.
- ☐ Be sure you have set your next Advisory Meeting.
- ☐ If you are using the Milestones tab for work reminders, be sure the right email address is entered into each task. LivePlan will send email reminders for work due. If you are using a workflow software, enter tasks as needed.
- ☐ Send an encouraging email to the client about the results of the advisory meeting with anticipation for the next, and what they should look forward to. Attach a link to the Pitch publication if you updated it using the "secret webpage" feature, and include any updated Dashboard reports you feel would be helpful.
- ☐ Prep Dashboard data for next month by making notes to yourself about particular items you want to track or monitor. It will make next meeting's prep go more quickly.



Additional Resources

Learn LivePlan Software – take advantage of our training and support.

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- Recorded trainings
- Dedicated customer support

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