Management Decision Framework: Self-Evaluation Checklist

- Measurable, time-based objectives (Goals)
- Unambiguous standards and limits (Non-Negotiables)
- Weekly P&L’s (financial Visibility and Literacy)
- Responsibilities, Roles, and Routines (Managing People)
- Business Process Documentation (Workflow, Quality, Safety)
- Production-Sales Coordination (Capacity Planning)
- Sales Programs (Channels, Budgets, Metrics)
- Projections & Models (Assumptions, Projections, Tests)

Terms

- Cash vs. Accrual
  - Cash is future-blind
  - Accrual is present-blind
- Financial Statements
  - Profit & Loss (Income Statement)
  - Balance Sheet
  - Cash Flow
- Costs: “Direct,” Fixed, & Variable
- Cash Flow, Cash Burn (or burn rate)

Best Practices

- Explicit Assumptions
- Be greedy for Data
- Be generous with Data
- Learn financials by immersion
- Weekly Update & Examination
- Periodic Review
- Focus on Patterns & Changes
Modelling: Analysis, Projection, Planning

- Avoid Procrustean Plans
  - Make your projected outcome fit reality, not vice-versa
- Call out Artificial Subsidy
  - Grants, Volunteering, Debt
- Clarify, Simplify, Concentrate
- Identify your best “Units of Analysis”
  - Ideal if suited to be abstracted, generalized, or specific
  - E.g., Sales/Visitor, Sales/Booth, Costs/Transaction, Costs/Gross (i.e. % fee)
- Begin with Annual Break-Even
- Average month or average active-month
- Until proven otherwise, assume everything costs more and takes longer

Resources

http://www.wafarmersmarkettoolkit.org/
http://corvusnw.com/open-knowledge
http://www.foodfromfarms.org/

Quotes

“Fools ignore complexity. Pragmatists suffer it. Some can avoid it. Geniuses remove it.”

— Alan Perlis

“Dealing with failure is easy: Work hard to improve. Success is also easy to handle: You’ve solved the wrong problem. Work hard to improve.”

― Peter F. Drucker

“To talk about the future is only useful if it leads to action now.”

“An ounce of practice is generally worth more than a ton of theory.”

— E. F. Schumacher, Small is Beautiful, 1973

“Plans are only good intentions unless they immediately degenerate into hard work.”

“In the realm of ideas, everything depends on enthusiasm; in the real world, all rests on perseverance.”

— Johann Wolfgang von Goethe