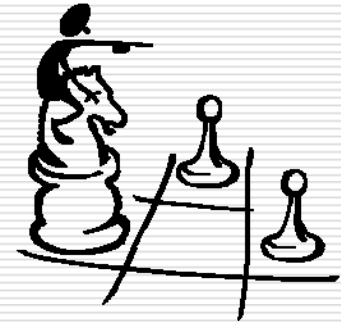


Annual Operating Plan Playbook for Success



This Session Goal

1. High Level Review of Process
2. Detailed review of Expectations and homework from each Individual Executive

After this session you will:

1. Have everything you need to:
Lead the Annual Operating Plan Process
1. Have a step by step recipe and handouts to
Detailed guidance for your team

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Fast Track To The Good Stuff

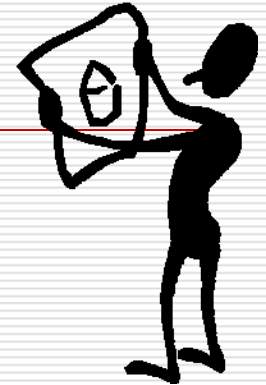
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Greg Patti

Feb 5 2009

Concert- Agave Presentation

Planning Tools



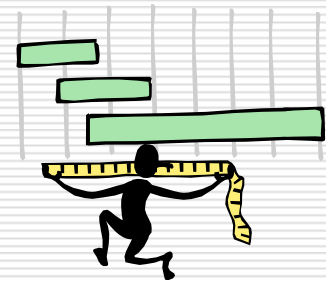
- Business Plan
 - Big Picture
 - Used to get a company funded (validated)
- Strategic Plan
 - Future Vision: 3-5 years;
 - Updated once a year
 - Directional, Not tactical, we're going east
 - Terrific assignment for a CTO to lead with the CEO
- Annual Operating Plan
 - **Execution Plan: HOW to execute**
 - Tactical
 - Let's drill down.....

Key Elements of a Good AOP

- Stated Mission for the Business –Where are we going?
 - Vision from Strategic Plan

- Quantifiable goals – Are we on Track?

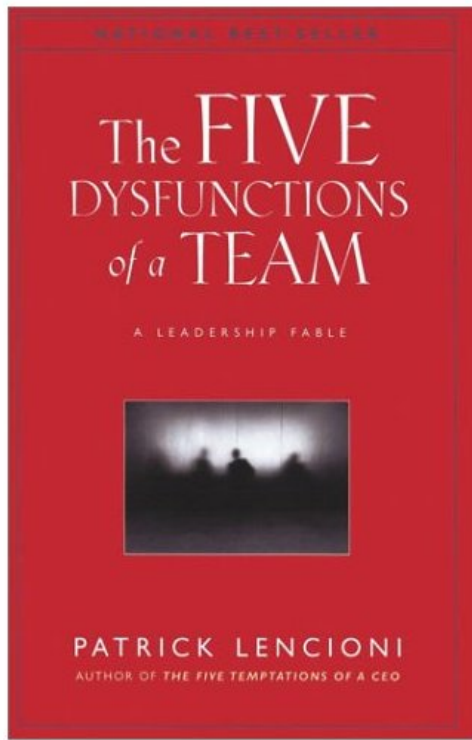
- Metrics –Are we making progress?
 - KPI's (key performance indicators)-
 - Product deliverables
 - Revenue ramp
 - Gross margins
 - Headcount
 - # of Leads
 - Bookings
 - Cash
 - Budg vs Act expense



AOP Kickoff Meeting

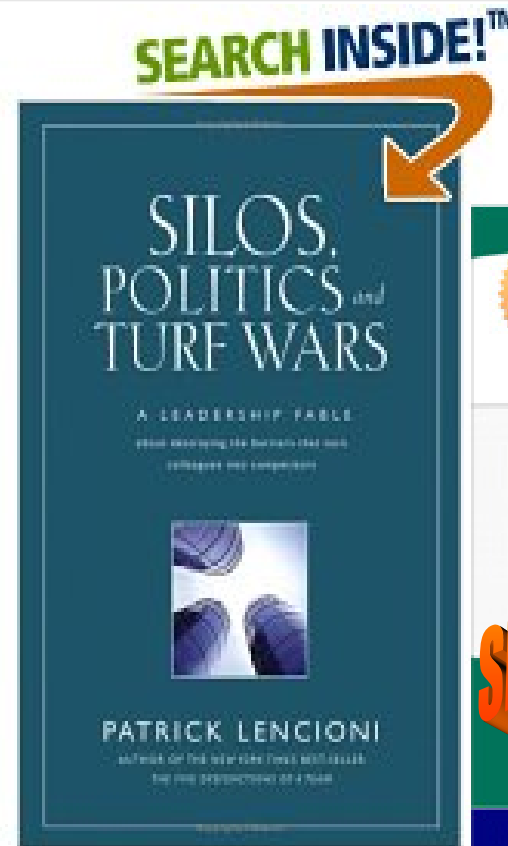
□ 1 Today= Process Overview + Lock on Dates

□ 2 High Level Flv-by



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This is a promotional graphic for a book titled 'Reversing Mortgage' by Greg Patti. It features a man in a suit pointing at a whiteboard. The whiteboard has icons for a house, a dollar sign, and a document. A large, 3D-style orange and yellow banner across the middle says 'Coming Soon! Shoot the Wounded'. Below the banner, the text reads 'Cash for Your Life!' and 'FHA Guaranteed Payment Loans for Seniors'. It also lists 'Expert advice in a reader-friendly format', 'Specific recommendations', and 'Real-life examples'. At the bottom, it says 'Greg Patti - CPA, MBA, CSA'.

Due Next Meeting

Prior year Accomplishments

- 1.
 - 2.
 - 3.
 - 4.
- etc

What's Working

- 1.
 - 2.
 - 3.
 - 4.
- Etc

What's NOT working

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.

There is a Constructive format for this



Not Working Format-Constructive

	OWNER	NOT WORKING	Possible Solutions
11	GP	Unified Plan/All Staff Aware & Executing Toward	Comprehensive involve/Exec 208 AOP: -Communic Plan (lord calendar), -Rotating Exec Visits, -Field Trip to SFC (?), - Dept Delegation Of AOP
12	GP	Disconnect/Overhead Assoc. w/ Geo location [communication/GR8 calendar]	Comprehensive involve/Exec 208 AOP: -Communic Plan (lord calendar), -Rotating Exec Visits, -Field Trip to SFC (?), - Dept Delegation Of AOP
13	ME/RO	Communication Re: Prod. Release expectations	Communcate to team
14	GP	Need stronger sense of Urgency (poss sol. Unified achievable GDA)	Comprehensive involve/Exec 208 AOP: -Communic Plan (lord calendar), -Rotating Exec Visits, -Field Trip to SFC (?), - Dept Delegation Of AOP
15	IS	Strategic Advisory Board/Not Structured for SME	Build Customer Advisory Bd.
16	RO	Documentation-Primitive	See #8 Revamp Documentation, add why,what,when,where, who
17	Greg/ME	Spending Authorization Controls	Research + find ways to improve

Budget owner clarity



Fast Eddy- VP Sales

Revenue/Cost (with CFO)

Sales

Product Management

Joe Gizmo –VP Engin

Engineering- Electrical

Engineering-Software Dev.

Jack Founder- CTO

Engineering- Advanced

Ican Findum- VP Marketing

Lead Gen

Corp and Product Marketing

Max Headroom- CFO

Finance/Admin

Facilities

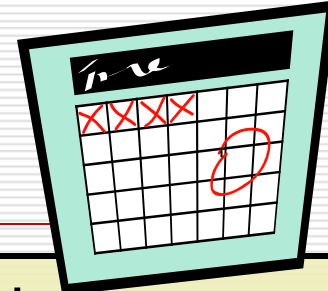
Operations

Capital Equipment

Other Cost Centers?



AOP Meeting Schedule



Six mtgs between now and Jan 10 Board mtg.

11/20	What worked/ what didn't / CEO Vision -What needs to be in place to realize vision 11:30 to 2:30
11/30	Revised Vision, Realistic group goals, Final sales, Roadmap, Marketing, draft budget worksheets
12/07	Detail roll up - challenge goals/assumptions Challenge each other, ID holes in plan, assumptions, risks
12/14	Tight roll up and integration: total plan Negotiate trade offs and goals; all on board?
12/21	Business Development High Level assess Are we building value in right area? All bought in? Any Out of the box change the playing field ideas?
1/4/08	Dress Rehearsal to Friendly antagonists

Department Preso- outline

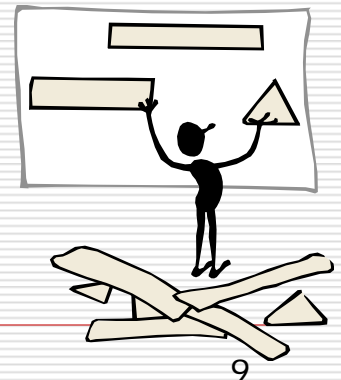
Slide #1: High level Exec Summary

Slide #2: One (max 2) detail slide

Slide #3: Assumption/Risk/Mitigation

Slide #4: Execution Dashboard/Metrics

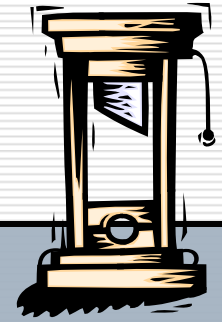
– how **you** wish to measure success in **your** area



Risk Mitigation-FINANCE

Assumption	Risks	Mitigation	Exec Owner
No New Financing required	Reactive Cost cutting –affects focus and strategy.	Live to Headcount & Expense plan	Exec Team, Max
\$10M Min-Billings With multiple installs	Revenue =direct affect on Cash Installs = direct affect on 2009	Lower revenue= cost cut per plan. Lower installs = cut 2009 plan	Eddy/Findum
65% Margin min.	Direct affect on cash	Higher yielding revenue mix (service); Live within our means	Exec Team, Eddy, Max
Controller hired Q1-08	Major process development will be delayed	Develop easy to use self service, and clean processes	Max, Exec team

Finance Execution Plan



	Q1-08	Q2-08	Q3-08	
Corporate: Theme	Market Readiness	Implement	Assess/Revise Improve/Penetrates	Leverage for \$\$ Set up 2009
Dept: Theme	Solidify Basic Systems	Provide New In-Depth Basic Reporting	Assess /Revise Scaleable process	Set up for New Year
Financial - HR	<input type="checkbox"/> Trinet fully implemented with account coding for GL & Financial Statement	<input type="checkbox"/> Headcount reports <input type="checkbox"/> Dept. Budget vs. Actual <input type="checkbox"/> Primitive project reporting	<input type="checkbox"/> Assess possibility of implementing Serus in house.	
Financial - Budget	<input type="checkbox"/> AOP and Budgets approved and entered into GL for feed into Financial Statements	Financials Programmed into QB- Freedom from Spreadsheet for basics	<input type="checkbox"/> Mini Budget Refresh	<input type="checkbox"/> Budget worksheets to managers – THEY enter directly into system
Process	<input type="checkbox"/> PTO under control <input type="checkbox"/> AOP metrics reporting begins	<input type="checkbox"/> Recruitment <input type="checkbox"/> Performance	<input type="checkbox"/> Salary review and ranges	<input type="checkbox"/> Begin 2009 AOP <input type="checkbox"/> Manager employee reviews all staff.
Team Building Integration	<input type="checkbox"/> What's not working end of quarter review <input type="checkbox"/> Controller on board and up to speed	<input type="checkbox"/> What's not working- end of quarter review <input type="checkbox"/> Manager Meeting (internal Training)	<input type="checkbox"/> What's not working -end of quarter review <input type="checkbox"/> Manager Meeting (internal Training)	
Other	<input type="checkbox"/> Audit or Financial Review begun (complete in Q2) <input type="checkbox"/> Implement Corp. Calendar	<input type="checkbox"/> Complete Audit/Review <input type="checkbox"/> International accounting and offshore management	<input type="checkbox"/> Internal communication systems review <input type="checkbox"/> INTRA-net for internal forms, communications.	-409A Review -Revenue Recognition review

AOP Flash Card – Summary Review

- Beginning
 - Accomplishments; Facts and Assumptions
 - Works and Not Working (use format)
 - Other Relevant Data
 - Value Propositions
 - Target customer Characteristics
 - Strengths & Weaknesses
- Middle
 - Budgets
 - AOP Presentations by Department
 - Overview
 - Detail
 - Risk and Mitigation
 - Execution Dashboard
- End
 - Big Picture are we doing the right thing
 - Change the Playing field Biz Dev thoughts
 - Friendly Antagonist presentation and cleanup
 - Present to Board and Implement



Contacts and References

□ For more information contact:

■ Greg Patti

■ Greg@AgavePartners.com

■ 415-420-4588

How can we help you?

- Can lead the process for you
- Can coach from the background
- Can work with/ assist a team member
- Can serve as friendly antagonist

