
5 SIMPLE STEPS



TO TRANSFORM YOUR BUSINESS

(and give you back your life!)

5 SIMPLE STEPS

Hi there!

Welcome to this short report, **5 Simple Steps to Transform Your Business (and give you back your life)**.

As you're reading this, chances are 3 things at least are true for you:

1. Your business isn't realising it's potential;
2. Running your business has taken over your life; and
3. You recognise that something has to change and you're prepared to take action - at the very least to download and read this report.

So here are 5 simple things you can start doing today that will transform your business and give you back your life.



But don't be misled by their simplicity.

And don't allow the thought 'I've read this before' to distract you.

Reading this report won't make a jot of difference to your business.

But implementing the steps in this report **will** have the transformational effect that you're looking for.

Believe me, these steps have made a big difference to me, and to many of my clients who have put them into practice as well.

But that's enough introduction. Let's get your show on the road!

PICK YOUR DESTINATION

STEP 1: Pick Your Destination

No one in their right mind plans a long trip without first knowing what the eventual destination is.

But is this how you're running your business?

You get up every morning, and get stuck in as soon as you can. You work hard. Maybe you skip lunch. You put in a long day and arrive home late. Children are in bed. Wife's in a sulk. Dinner's in the dog!

Sound familiar?

And what's it all for?

No doubt you promise yourself and your family that a better future awaits.

But are you sure?

What is the future for your business? For your family? For you?

What's it all for?

The old Chinese proverb says 'a journey of a thousand miles begins with a single step'. Right now I want you to stop! Just stop, look around you, and listen.

Your journey starts here. And the first step is the most important because it determines the direction of the next step, and the one after that.

WHAT'S YOUR EXIT PLAN?

So, before you take the first step you need to be as certain as you can be that it's going to take you in the right direction.

And the only way to be sure of that is to know where you're heading.

What do you want?

A deceptively simple question, but one that very few people take the time to really get to grips with.

So your first assignment, if you like, is to try to answer this question as completely and as accurately as you can.

Where are you heading?

Find a time and a place where you can relax, and let your creative juices flow.

How to pick your destination

The important thing here is to stick to the task in hand and answer the question.

You must put your concerns about 'how' you're going to achieve things to one side. Don't let thoughts about money or resources worry you.

The only question that concerns you right now is:

What's your exit plan?

LIQUIDATION?

What IS your exit plan?

There are only 3 ways to exit a business:

1. You can liquidate it;
2. You can hand it on within the family; or
3. You can sell it.

We'll consider each of these briefly, in turn, but please note, this report is not intended to be a primer on exit planning. You will need to take appropriate advice, in particular on the detailed tax implications for you personally of each option.

In this report I simply want to demonstrate how your choice of destination will influence everything else you do in, and with, your business.

Liquidation

This might seem like a strange thing to plan for but in reality for many small businesses and solo operators, the easiest way to exit your business is to let your customers know you're closing down, settle your final bills, turn off the lights and lock the doors behind you for the last time!

The important thing to recognise about this option is that there is no value to be had at the end of the road; no ongoing income stream and no large capital sum from the sale of the business.

So if this is you, then you need to be extracting value from your business now, while it's still operating, to allow you to make provision for your retirement; or you'll be facing a penniless old age.

KEEP IT IN THE FAMILY?

Family Transfer

A family transfer can be a half way house between liquidation and a third party sale.

It may involve a sale but it doesn't have to.

You might decide to gift shares to family members (NB: this **definitely** needs tax advice!) and, over time, hand over the management of the business bit by bit to children or grandchildren.

You may retain a consulting role, or become Chairman of the Board, allowing you to continue to draw a salary from the business.

And there are all sorts of reasons why family might be interested in becoming involved, not all of them financial.

So, in this scenario, the need to extract maximum value from the business now is greatly reduced.

In fact, the opposite is the case, as you want value to be left in the business to hand on to your successors.

At the same time without the need to secure a decent 'price', the need to build something of great value is also not so pressing.

Provided the business can continue to provide all those involved with a decent standard of living then everyone will be happy.

Third Party Sale

There are a number of ways you can secure a third party sale.

SELLING UP?

The existing management team might be interested in buying the business from you (a management buyout).

You might be able to sell out to a private equity firm (sometimes called a venture capitalist).

Or you could sell to a third party trade buyer, maybe a competitor; a supplier or customer who is interested in expanding their business to take in an adjacent part of the value chain; or someone completely new to the industry who is looking for an investment opportunity.

But whoever takes your business on will be interested in a few critical factors which will determine the price they are prepared to pay.

The really key drivers of value are:

1. The level and trend of recent past profits (not turnover!);
2. The expectation of future profits and the credibility of those projections;
3. The value of any assets owned by the company, including trade marks and intellectual property as well as buildings and equipment;
4. The accuracy and completeness of the information provided to the potential purchaser;
5. The degree of strategic fit with the purchaser; and
6. The quality and experience of any management team being acquired with the business.

This is by no means a comprehensive list and many other factors will also play their part.

WHAT'S IT WORTH?

But this should give you a sense of what you need to be thinking about if you want to sell your business in due course.

You need to focus on building a business with a good record of profitability and a history of delivering to its forecasts (to give the future profit forecasts credibility).

You must identify any unique products, brands etc. and protect them if at all possible.

You need to ensure that the business maintains high quality books and records. This is important so that there are no question marks over the validity of the information provided to potential purchasers as part of the due diligence process.

And you must build a quality management team,

who have your confidence, and to whom you can trust the business so that any potential purchaser can see that it doesn't rely on you alone to keep the business going.

You now understand why your destination is as important in business as it is for your annual holiday.

As we move into step 2, which looks at the planning process, the importance of thinking through these ideas at this stage will quickly become clear.

Please do make this effort to work out where you're going before you read any further.

It will be time well spent.

GETTING THERE

STEP 2: Plan your route

Once you know where you are going you can start to plan your route.

In fact, once the destination is clear, route planning becomes relatively straight forward.

You know where you're starting from. And in our travel analogy, you'll know the quickest way to get where you want to go.

In your business, things might not be quite so obvious but you can probably start to map out some of the key factors that will determine your first few steps.

You'll know how far you've got to travel; the gap between what your business looks like today and how you want your business to look eventually.

You'll know at least some of the barriers that you need to overcome to get to your end point as well; maybe you need more capital, or a key resource. Perhaps you need to understand your market better, or get more insight on your competition.

These are the first, critical questions that you need to find answers to when you first start to put together a business plan.

It's not all about the numbers

Many people think a business plan is a set of financial projections that the business intends to achieve.

It might look like that sometimes but, in fact, the financials are really the final piece of the jigsaw.

7 QUESTIONS

So how do you go about putting together a decent plan?

7 questions

I like to define a business by asking (and answering) 7 quick questions:

1. where's the value?
2. who knows?
3. who cares?
4. can you deliver?
5. is it making money?
6. how's the team?
7. when's your next holiday?

Let me explain!

Where's the value?

To have a viable business, you have to provide something of value for your customers.

To do this successfully, you need to know who your customers are. And you need to know what their needs are and how your business is meeting those needs. If you can get this right you're probably over half way to having a successful business.

Who knows?

You can have the best value proposition in the world but if no one knows about it then you'll never make much headway.

This question challenges your marketing strategy and process which is critical to getting your value proposition in front of your potential customers to give them the opportunity to make a buying decision.

7 QUESTIONS

Who cares?

Marketing and sales are two different things. A great customer value proposition backed up by a creative marketing strategy will get you a long way but you still need to be able to convince your customers to do business with you.

This question challenges not only the issue of whether your targeted customers are interested in your offering. It also addresses the ability of your organisation (which might be just you!) to close the deal through its sales strategy and processes.

Can you deliver?

So you've done the deal. Congratulations! Now the hard work starts.

A business that can't deliver the value it's

promised to its customers is a scam!

So the purpose of this question is to challenge the fulfilment processes and the customer service ethos of the business.

Unless your business can keep its customers happy it won't survive for long.

Is it making money?

Only now do we get to the dreaded financials!

In fact, if you've followed the process outlined briefly above, and answered the questions carefully, this is nowhere near as daunting as it might have seemed a couple of pages previously.

IS IT MAKING MONEY?

If you have correctly identified your customers' needs and worked out how you're going to satisfy them; if you've found an effective way of getting your customer value proposition in front of your target customers and developed a process to sell that value to them; and if you can deliver the customer benefits efficiently to the customers who agree to do business with you, then you are all but guaranteed a successful business.

The one remaining 'but', concerns the price. Any fool can sell even quite sophisticated products at a loss.

The real skill lies in determining a price that enables your customers to receive some real benefit (which means that the price they pay is no more than what they think it's worth), whilst enabling you to turn a profit!

Assuming your product or service isn't unique, then the price you are able to charge will largely be driven by the market and what the competition are doing.

In which case your job is to keep your cost base under control so you can provide a competitive price for your customers and making some money for yourself.

How's the team?

Once your business starts to grow you may find you need to take on staff.

A happy, healthy, motivated workforce is a real asset to any organisation. But they will only be truly productive to the extent that you have good people management policies in place.

PEOPLE AND SYSTEMS

An effective performance management system that gets the best out of your people is a critical part of this; rewarding the high performers and keeping them motivated and on song, whilst proactively managing the work shy. Improving their contribution or managing them out of the business before they get a chance to undermine your culture and demoralise everyone else.

When's your next holiday?

This is THE killer question for anyone who hopes to sell their business one day.

If you are so wrapped up in your business that you have never taken a holiday, then you will never sell your business unless you remain a part of the package.

But more importantly, you cannot function effectively without sleep, nutritious meals, weekends off and an occasional holiday!

Your body and mind need rest and relaxation from time to time. An opportunity to recharge the batteries and think about something else.

So this question goes to the heart of how your business actually works and the extent and effectiveness of the systems you have implemented within it.

The previous pages have briefly described the essential systems that every successful business needs. From customer insight and the creation of a value proposition, through marketing, sales, fulfilment and finance to people.

THE JOURNEY

If you have defined and documented these systems then, with the right staff in place the business will run without you.

If it doesn't, then you need to identify which process is letting you down or ask yourself whether you have the right staff in place.

Either way something needs to change.

The Plan

Once you have addressed these 7 questions and established answers to all of them, your plan is nearly done.

The key components of any good plan will address these questions and also provide details of 'how' it's going to be achieved.

And in the process the plan will provide a clear road map, demonstrating how the business is going to get from where it is today to where you want it to be at some date in the future.

STEP 3: Start your journey

Having spent a considerable amount of time defining your final goal and developing a plan that will get you from where you are today to your destination, the sensible next step is to execute your plan!

Unfortunately too many businesses (assuming they've even got this far) don't do this. Or not for long anyway. Instead they get distracted by the day to day 'noise' that goes on all around and set off on a different course.

It's crazy really.

THE ITINERARY

It's a bit like deciding on a holiday in Bermuda, booking your accommodation and buying your flights and then... setting off on a cruise to Alaska!

I mean you just wouldn't do it would you!

Or would you?

So how do you guard against this? How can you ensure that you pursue your goals and execute your plan?

There's a simple solution to this one. I call it...

STEP 4: The Itinerary

If you've ever taken a journey of any complexity at all, involving a number of changes in transport, you will probably have printed an itinerary to take with you.

I used to travel regularly by train from Liverpool to Glasgow on the West Coast line, not an especially complex journey but one that involved a change of trains at Wigan North West where there was just 8 minutes allowed for the change.

This wasn't actually too dramatic as there was no change of platform required. But if the train from Glasgow was running late, and I was in any danger of missing my connection, I would change at Preston instead which had many more facilities, including a bar, than Wigan (which was basically a wind swept platform; not a great place to wait an hour for your next train!).

The key to this change in plan was knowing what time the trains left their various stations, and what progress the train I was on was making against its schedule.

SCHEDULING

The business equivalent of this is your schedule; and an understanding of your priorities.

And here I want to give you the best piece of time management advice I ever received:

don't attempt to

prioritise

your

schedule;

instead,

schedule

your

priorities.

*Don't prioritise
your schedule...*

The key to making this work for you is knowing where you're going and what you should be doing now, and next.

And what your next big milestone is.

Armed with this knowledge, you can identify what the 2 or 3 big things are that you need to be doing to move you towards your goal.

These won't generally be daily tasks; they will be larger, strategic objectives which you may well regard as projects: things like

*...schedule your
priorities*

developing

your website, a new product or

service, a fresh marketing campaign or a

customer retention strategy.

They are the things that you know you need to do but which you never get around to because you're

STARTING SMALL

just too busy.

What you do now is very simple.

You block out time in your diary to progress these big, priority projects. And you treat that time as though it was a meeting with your most important client.

You don't move it. You don't cancel it. You don't allow anyone or anything to interrupt you in these 'meetings'. This time is sacrosanct.

When you first apply this suggestion to your diary, start small and don't over commit. I found what worked for me was to experiment with the concept for just 30 minutes at a time, a couple of times a week.

Because life will go on, and 'stuff' will still happen.

If you decide to block out 80% of your diary to priority projects in your first week then the daily busyness will intrude, you will get interrupted, and you will find it impossible to regard the time as sacrosanct.

Then you will get frustrated and decide that this doesn't work.

You're wrong. It does!

Better by far to build up some small wins in the early days, to prove to yourself that this approach does work. As you start to see progress in areas where you've not previously made any progress for months, you will develop the confidence and the motivation to be more ambitious.

HOW'S IT GOING?

STEP 5: Keeping track of progress

Almost there.

You now know where you're going and how you're going to get there. You're making steady progress against your plan and you're managing to progress your strategic priorities at the same time.

But from time to time things won't go according to plan.

Some things you had planned to do will prove to be impossible to achieve.

And some of them will produce completely different results from what you had expected.

You need a process for keeping track of all this.

A process that provides you with enough flexibility to change course if and when necessary.

It's called management information.

This is where a good plan really comes into its own.

When you constructed your plan you made a number of assumptions; about what you and your business were going to do and what the impact of those activities would be.

The newer your business, the more assumptions you had to make.

The purpose of management information is to measure what you actually do against the plan assumptions; and the impact of those activities

SO WHAT?

in the real world.

If your plan assumed that you would place an advert in a local paper or a trade journal, did you actually do it? Did it cost what you assumed it was going to cost? And was the response in line with the response assumed in the plan?

If the answer to any of these questions is 'no' then why didn't you do what you planned to do? And do you understand why the other assumptions didn't pan out and why the response was different?

Were the differences in your favour or did they go against you?

And, most importantly of all: what are you going to do about it?

What isn't measured...

One of the oldest management cliches is this: 'if you're not measuring it, you're not managing it'.

It might not be very original but it is true.

You have to start taking notice of what you're doing, clarifying the assumptions you've made and recording how your actual performance compares.

And you need to document it all.

Over time you will develop a good, evidence based understanding of what's working in your business and what isn't.

This knowledge is gold dust!

MEASUREMENT (AND MANAGEMENT)

Armed with this knowledge, you can now start to do more of what's working. And you can do this with confidence because you know that it will bring you more good results.

You can also stop doing the stuff that isn't working. And, again, you can do this with confidence because you have the evidence to show that it isn't working.

You might not completely stop it; depends what it is. You might try a slightly different approach. Or you might decide to try something completely different instead.

Whatever your decision, you will identify the new assumptions that you have made, the new targets you have set and the new outcomes that you expect.

And you will measure what actually happens to see if it's working as you expected... or not.

Just to be clear; this doesn't need to involve a large investment in complex computer systems.

It doesn't need to involve a computer at all (though a spreadsheet would probably make things easier; but only if you know how to use one in the first place!).

A methodical, handwritten record of your plans and your key assumptions will do. And a comparative record of the results you get once you have them.

Now read on to see how these 5 steps combine to form one of 3 core disciplines for business and personal success; and discover the other 2!

FOCUS

*'People always overestimate how complex business is.
This isn't rocket science...'* Jack Welch

When you put the 5 steps into practice, they combine to provide you with a critical quality; focus.

Focus is one of 3 core disciplines, each of which is absolutely essential for business and personal success.

Without focus, you have no clear idea of where you're going.

Without focus, you spend all your time chasing the next big idea.

Without focus you will never realise your potential; life just has too many distractions!

Focus gives you something to shoot for.

It gives you a clear objective around which you can organise your whole life.

And it will prove invaluable in helping you to get, and to stay, motivated.

But focus on its own isn't sufficient.

I've already alluded to there being 3 core disciplines essential for business and personal success.

Focus is one of them. The second is just as important...

PERSISTENCE

It's difficult to say which of the 3 core disciplines is the most critical; by definition they are all pivotal to your success. But if any one has a claim to primacy it must be persistence.

Persistence is the ability to keep on going despite all the odds. There's a great quote from the film Elizabeth: The Golden Age that sums this up brilliantly (I can't vouchsafe for its historical accuracy I'm afraid!).

Faced with the onset of war with Spain and the imminent arrival of the Spanish Armada in the English Channel, Elizabeth seeks counsel from Dr John Dee pleading with him to 'Give me hope'.

John Dee replies:

'The forces that shape the world are greater than

all of us, Majesty. How can I promise that they'll conspire in your favour even though you're the Queen? Yet this much I know, when the storm breaks, some are dumb with terror and some spread their wings like eagles and soar.'

That sums up this quality perfectly for me.

Real persistence embodies so much more than just 'keeping on'. It often requires real courage and tremendous resilience.

All of us have faced moments when everything seems to be lost.

When a build up of pressure and a succession of apparently insurmountable obstacles leaves you so overwhelmed that you are paralysed into inaction.

PERSISTENCE

Do you recognise this 'flight' response?

Every time!

Are you someone who is struck 'dumb with terror'?

And we've all had to persist through learning experiences to get to where we are today.

Or do you spread your wings and soar?

Remember learning to walk? If only those who were successful at the first attempt walked, most of us would still be crawling around; or bottom shuffling!

When you're in this type of situation, it's worth remembering that every new challenge involves taking you outside your comfort zone.

It's the same with talking. Not easy to start with but bit by bit you learn to make noises and then to form them into words and, eventually, coherent sentences.

If you're ever going to achieve something that you've not achieved before, you're going to need to do some things that you've not done before. And that will prove challenging to start with.

But it only comes with a lot of practice and if most of us gave up after a few attempts then we'd have had to find a different way to communicate amongst ourselves by now.

Little children understand persistence.

My 2 year old knows how to get what she wants.

PERSONAL INTEGRITY

The final core discipline essential to your success is a quality that I call Personal Integrity.

Most of us understand Integrity.

People with Integrity do what they say they're going to do.

They keep the promises they've made to other people, whoever that may be.

People with Personal Integrity, on the other hand, keep the promises they've made to themselves. And that is a whole different ball game.

In my experience, most decent people have a healthy appreciation of integrity. Which is not really that surprising; it's one way we define, and recognise, 'decency'.

But how often have you made New Year's resolutions that have gone out of the window by 2nd or 3rd January?

More to the point for our purposes, how often have you decided to take some positive steps to move your life forward, or in a different direction, only to recall that resolve 6 months later with the realisation that nothing has actually changed?

This is a very real problem for many people.

And although there are lots of poor reasons why it happens I have noticed that in many cases the reason you won't keep the promises you have made to yourself is because you have over-promised to other people and you then prioritise delivering on those promises at the expense of your own.

PERSONAL INTEGRITY

Because you're a decent person right?

But there is a solution.

Make yourself accountable

Because we find it so difficult to keep the promises we make to ourselves, a simple way round this is to make the promises to someone else.

Or, to be a bit more specific, to make yourself accountable to someone else.

This is the principle role of a coach in many cases; to get your commitment to a course of action and then to hold you to account.

You don't have to pay a professional coach to get this benefit.

But you do need to find someone you trust, someone you respect, someone you have confidence in, someone whose opinion you value.

This could be your spouse or partner.

It could be a close friend or confidant.

Who it is doesn't really matter. But it does need to be someone whose involvement will make it more likely that you're going to keep those promises!

So now you have it; Focus, Persistence, Personal Integrity.

Bring these 3 core disciplines into your personal and professional life, see your business transformed, and get your life back!

ABOUT ME

I'm an experienced Finance Director and Business Coach providing practical support and guidance for business owners needing strategic direction, more profit and more time.

I work with people who are bursting with brilliant ideas, but who need hands on support with the practical nitty gritty of building and running a successful business. This frees them up to focus on the things they excel at, secure in the knowledge that everything else is under control.

I work with them to establish clear goals and to translate those goals into actionable plans. Together we bring clarity to their value proposition, define their target market and ideal customers, select and implement marketing strategies, set sales targets, and establish processes for routinely exceeding customer

expectations.

I implement management reporting systems that ensure revenue growth is on track and costs are kept under control so that the profit target is achieved and cash flow is closely monitored to avoid crises.

I also ensure that processes are developed in such a way that the business is not dependent on the owner manager for its success.

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