

# **Plateau to Summit**

The Ultimate Guide to  
Take Your Business to the Top

Ursula Garrett

Plateau to Summit: The Ultimate Guide to Take Your Business to the Top  
[www.plateau2summit.com](http://www.plateau2summit.com)

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*I dedicate this book to the person that pushes me when I need pushing, pulls me when I need pulling, supports me when I need support, and loves me through it all. Scott, you are my everything.*



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## Foreword

Owning your own business can be an amazing experience, one that drives you to take the leap from being an employee to being the boss. But if you don't know how to set up your business for success, you put yourself at risk of failure. In *Plateau to Summit: The Ultimate Guide to Take Your Business to the Top*, Ursula Garrett lays out all the steps necessary to put your business on the path of growth.

Right from the start, Ursula shares how to create a business plan and the benefits that come from having one. She shares the importance of creating a culture that will support your vision for your business, as well as the importance of communication at every level. Not only does she share the importance of building a solid foundation for your business, Ursula also gives you the tools to generate growth and move your business off the plateau.

Finally, *Plateau to Summit* will take you through the challenges found in today's business world and the methods you can use to address them. Plus, Ursula challenges you to determine the end game for your business, by discussing the importance of building an exit strategy into your business right from the start.

Having defined goals can help you to keep your business moving forward instead of floundering, and *Plateau to Summit* is the right guide to build success into your business model!

**Raymond Aaron**  
**New York Times Bestselling Author**



# Chapter 1

## What Makes a Business Successful?

Right from the start, I want to challenge you to grow your business. I want you to find joy in what you do every day. The problem with many business owners or entrepreneurs is that they come up with a great idea for a business, but they don't realize what they are getting into. Bit by bit, the day-to-day grind of their business and what they don't know, wears on them. Some businesses disappear because their owners didn't understand what was involved in being successful in that industry or business.

They failed because of a lack of knowledge. Those that stay in business struggle to take their business to the next level, and they end up working harder and longer than they had ever planned.

That is what inspired this book. I want to give you the tools to run your business successfully and take it to the top level. You are going to receive knowledge about how to take the leaps with your business, how to handle the day-to-day details, and everything in between. I want to inspire you to get your excitement back about your business. You have the power and ability to grow your business; now you just need the knowledge and tools.

Throughout this book, I am going to share with you the critical nuggets that will help you define success for your business, and then help you to execute on that definition. Along the way, you are going to find ways to use what you have learned, to mentor others, as well as use your business to create change. I am excited to take this journey with you! Let's get started.

## **Direction – Business Plan to Give Guided Vision**

For those of you starting out as business owners, or those who have already owned a business for a number of years, the path to success lies in understanding where you want to go. Without a direction, your business is not going to be successful. You might make some money, but your resources will be invested without a clear path, and the result will be that your investment doesn't have the impact that it should.

When I talk about a business plan, I am talking about more than just a few financials or a couple of sales goals. I am talking about the guided vision that is going to help you keep your business on track during the upheavals of your industry, the markets, and more. You need to know where you are going so you can determine if you are on track or missing the mark by a mile!

Your business journey is like a hike up a mountain. At the beginning of the path, you might find the hike fairly easy, but as it goes on, you may find yourself struggling to maintain your momentum. After all, your muscles are hurting, and it can be hard to see your goal when it is still so far away. You might even stop and refer to your map or directions to make sure that you are still heading in the right direction.

Your business plan is like that map or GPS directions. You need to put in the specific parameters of what you want to achieve, and the measurements to help you determine if you are achieving what you planned, and then outline objectives (directions) to help you get there. When you follow your business plan, it will provide direction during unfamiliar territory in the life of your business.

No business stays on the plan without making some adjustments. After all, as your business grows and changes, your business plan needs to adjust and change too. Goals are met, new ones need to be set, and your vision needs to expand. I call this the rerouting aspect because, as you hike, there might be changes to the path, such as boulders or a washout, which means you have to adjust. Your business plan can also be adjusted to give you a new set of objectives, which means that it can grow with your business.

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There will be more about the importance of a business plan, in Chapter 2; but for now, it is important to recognize that it provides a map to achieving your vision. What is your vision for your business?

### **Fulfilling a Need – A Product or Service That is in Demand**

You might have created a product or service that you believe everyone needs. It might make their lives better or contribute a more environmentally friendly option. You might be determined to bring it to market, but is there really a market demand for your product? Often, you can believe in a product or service, but if you can't convince the public that they want it, then you are going to end up spending a lot of time and money for zero results.

The point of determining whether there is a demand is to find where your product might fit, and if you can carve out a niche in that market. You might also be creating a new market! There are many businesses, particularly in the tech world, that started as an idea in someone's home office or garage, and became staples to how we function today.

Don't be quick to assume that there is no demand, if you fall into that category of uncharted territory. Just be aware that it will mean more work, because you first have to create a market by helping them see that they have a need, and then sell that market on the idea that your product or service will solve the need they have.

At this point, you might have a great idea or product, and you may even have a market. However, we all know that creating a viable business means finding the right people to fit in the right places, to make the engine of your business hum. It starts with your organization.

### **Organization and a Good Team**

Part of creating a good team is finding the right people to fit your needs. For instance, you are going to need an individual who understands accounting, perhaps manufacturing, or even sales. The point is that as you build your organization, you need to find individuals to put into place that complement the skills and strengths that you already have. You don't want to do it all yourself, because you are going to burn yourself out.

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In truth, if you want to run a successful business, you need to be able to focus on growing the business and reaching the goals you set, instead of the day-to-day operations. A good team is critical, because they can help you to get to the next level with your business. Part of that involves having a strategy of where you want to go and how you want to get there.

Still, I have yet to run across a successful business that didn't manage their records effectively. Good record keeping means that you can see the progress you have made, and what areas you need to shore up. If you don't keep good records or put the proper software in place to provide that organization, you are going to find it difficult to measure any progress or even determine the areas that you need to be actively measuring.

Preparing for any hike requires you to do some work in advance. That includes physical training, to help you prepare for whatever you might encounter on the hike up the mountain. In your preparation, you are likely going to build a support system, one that cheers you on and holds you accountable to meet your goals. In business, you are also going to need to create a good team to be successful.

The point of a good team is that you have individuals to contribute to the fulfillment of your vision and the success of your business. Without organization, you will find yourself wasting resources and not getting where you really want to go. Here are a few of the other benefits that come with creating a good team and quality organization.

**Increased Morale** – If you have a good team that feels your support, then they are going to strive to give you their best, and will rise to meet the challenges of your business. As they prove themselves, allow your employees to have greater levels of responsibility and decision-making. When you do, then you give them ownership over projects. The benefit for your business is lower turnover and a more rewarding work environment. A win-win!

**Greater Flexibility** – Let's face it. Industries and markets are always on the move. Getting stuck in a mentality that does not allow you to make changes to match your market means your business is falling behind. When you have a quality team, you can be more flexible, while ironing out the potential

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problems or bottlenecks. Your team works well together, and that gives you the ability to respond faster.

**Increased Innovation** – Our world is based on innovation. The companies that are the most successful can innovate and set the trends of the industry. Good teamwork creates a work environment where you are allowing creativity to thrive. Find the projects that best match the interests and skills of your team members, and then match them up. You will be amazed at what comes out of those projects if you give them the ability to explore.

**Enhanced Relationships** – This area is one that probably benefits your company the most. When people are excited to come to work, because they feel valued and have quality relationships with the members of their team, then you are going to benefit by getting the best work out of them. Always remember that creating a good team is about more than just getting the work done. It is about maximizing their investment in your company, because when they feel invested, then you will see that in their work and the ideas they bring to the table.

As you can see, there are plenty of benefits to creating a good team, one that works well together by playing to the strengths of each of its members. I want you to see how important it is to have a good team and an organization that supports them. Consider it a platform that gives your business the capability to reach the goals you have set.

How can you build a team that gives you what your business needs? Here are a few keys to building a successful team.

**Clear Expectations** – You need quality communication with your team, one that gives you the ability to clearly define your expectations and demonstrate a consistency of purpose. As a leader, you need to give your team those expectations, but also show them your priorities, and then give them the time and attention needed to successfully address those priorities.

**Context** – Are you communicating the importance of the team and how critical it is that the team accomplishes its corporate goals? Does the team understand how their contribution is critical to the success of the organization's goals,

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principles, vision, and values? Again, it is about communication of your strategy and their part. When team members are committed, then you will get their best efforts, instead of subpar work that negatively impacts your business.

**Commitment** – I want to talk about commitment, because a team that is committed to the success of your business is going to give its best efforts. They see their value to the company, but they are also committed to achieving successful outcomes. When they see themselves growing and developing their skills with your business, then they will commit to you. Recognize their contributions, and get them excited by the opportunities and challenges awaiting them at your business.

**Control** – Give your team members the control and responsibility to achieve what goals you have set for them. When you give them the opportunities to pursue solutions, then you are putting them into the position of addressing the needs and goals of your business. If you hold them accountable for the results, then you also give them the ability to also achieve those results. But you can't be the only one holding your team accountable. Other members of the team also need to feel free to hold others on the team accountable for their results. They will also create a greater sense of ownership, and your business will benefit.

As you can see, there are areas where you contribute to the success or failure of your team. When you work with them in a way that maximizes their abilities and efforts, then you will see that in the returns of your business.

In this day and age of high tech, any business that you create is going to need more than just a good idea or even a good team. You need to understand what you are putting into your business and what you can get out of it.

### **Understanding the Risks and Rewards**

No matter what you are investing in, there are always going to be risks and rewards. In weighing the investment opportunity of any business, you need to understand what you may potentially lose, but also what you potentially have to gain.

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Risk versus reward is a key part of determining whether you want to invest in an opportunity or not. It means being open to the realities that the risks might outweigh the rewards. I want to be clear that you are going to have to take the emotion out of it for a moment. It can be easy to get invested in an idea, putting all your eggs into the basket, without being realistic about the risks you are taking on.

Therefore, do the math. Recognize what your priorities are, and then put those up against the math. You might find that an idea or product has a short shelf life and that it is unlikely to be profitable over the long run. But the gains in the short term might be worth your investment. My focus is not on helping you to determine whether an investment is valuable or not, but in helping you to recognize that you need to do your homework about the investment.

Too often, people want to start a business and they fall for the claims of a quick return, without acknowledging the realities of how a business is run, and the investment of time and sweat equity that you are going to have to put into it. As part of the risk/reward analysis, you need to also recognize how you plan to exit this investment.

### **Exit Strategy**

Here is why I want you to think about your exit strategy. Most investors focus on finding the right investment, but they don't take the time to think about what they want to achieve before they even get started. I want you to put a timeframe or a number on your business, and that is the exit point.

Once you achieve the goals that meet your exit point, then you are ready to leave that investment and move on to another. Why is it key to know when you are going to leave your business? It is because when you know what you need to achieve to exit, you will be laser focused on achieving those goals and parameters.

Still, if you don't have them right from the start, your business can start to flounder. After all, you won't really know where your business is going. I want more for you! I want to see you take your business to the top level. It is critical to have all the pieces in place to maximize the returns and take your business to the top level.

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Granted, every business can reach goals and then set new ones. You could choose to stick with a business for a significant period of time; yet if you are not interested in running a business indefinitely, but instead are more driven to create businesses and build them up before passing them on to others, then I want you to recognize how critical the exit strategy is for you.

Now I have to take you back to the business plan. It is the key that makes all of these pieces turn. So, let's get started by recognizing the importance of a business plan to your success!

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## **Notes**

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## **Notes**

## Chapter Two

### The Importance of a Business Plan

Over and over again, you have probably heard the phrase, “You need a business plan.” While a business plan is absolutely critical to making your business a success, it can be difficult to set one up and actually make it work for you. In this chapter, I am going to help you see the benefits of having a business plan, and how it will set the tone for your business.

Consider this the beginning of your hike, when you start studying the route and getting familiar with what to expect, while defining what you hope to achieve as part of the experience. Let’s get started with talking about the way a business plan can provide guidance on your hike.

#### **Provide Guidance**

As you hike up the mountain, you need guidance to determine how far you have come, how to deal with potential obstacles, and even a basic understanding of how to survive for a night in the woods. This process might include an outdoor training class, as well as a map with information about the area.

In a similar way, your business needs guidance. After all, hiking without understanding where you are heading means you are not getting anywhere, despite all the steps you are taking in what you think is the right direction.

Running your business without a business plan is like hiking without any understanding of the mountain or the trail you are on. You might have a lot of motion but little actual progress or growth in your business. I find that many

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individuals start a business with a great idea and some capital, but they do not create a viable business plan, so they have no guidance for the path they are embarking on. Overtime, their business may have moved, but not in a direction that led to growth.

I want your business to grow and be able to reach the next level. That means making sure that you do not skip this crucial step. What is involved in a business plan? You need to define what you want to achieve with your business; essentially, defining your mission and the purpose of your business. As part of that, you need to define your target market, ways to reach them, and what problem you solve for your target market through your business.

As part of that business plan, you need to set goals for your business, as well as the milestones that you want to reach in terms of growth and market share. Your business plan is also going to outline your capital expense needs and expected income from the business. These are the mile markers for your hike, letting you know how far you have made it up the mountain.

The reason you need to have a clear understanding of your mission is that it will help to inform your choices. Industries change, and trends emerge constantly. It might seem easy to follow the trends, but the reality is that when you follow the trends, you are essentially allowing the obstacles on the path to be your guidance system, instead of actively determining the best route for your hike.

Not every trend is going to be a good match for your business. Time and again, you are going to find that there are plenty of great ideas out there, but not all of them are going to match your plans for your business. Instead, you need to be selective and count the cost. The reason I say this is because following the trends can be costly but offer little in return, and may end up limiting the growth potential of your business, simply because you have wrapped up resources in these trends and now cannot get the funds back out.

All of us have worked for a business where grand changes have been envisioned, but the plan to execute them has not been well thought out. The execution was only half-completed, meaning that the time and resources expended were essentially wasted, because the results that were expected were not achieved.

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In having a business plan with a defined vision, you are going to create a guideline that you can use to determine if a trend or industry change is truly the right fit for your business. The point is that creating a business plan is key to keeping your business on track, instead of finding yourself in a position where you are not sure about your next steps.

I want to be clear that your business plan is not a hard and fast rule that will never change. In fact, you are likely to find that as your business grows, its needs are going to change. Plus, once you achieve certain goals for your business, you are going to need to set new ones, along with new timeframes to achieve them. However, your vision for your business is going to fuel your business plan, and any adjustments to the business plan need to reflect your vision and where you want your business to take you.

### **Establish the Vision for the Future**

The most important part of any business is the vision of what you want to achieve. For instance, a business or organization has the goal to sell products or services, but what is the larger vision? What do you hope to achieve as your business grows? After all, a business does not remain a start-up forever. Here is an example of one organization that is growing, based on a larger vision, one that steps beyond their obvious goal.

There is one charity, known as Charity Water, which raises money to help create water systems in areas where communities do not have access to clean water. What is interesting is that his vision is not just to give people access to clean and safe water, but to change how people think about charities. Imagine how such a vision would guide the decisions that he makes for his organization, and the choices that he would feel empowered to make, despite what other charities or organizations in his field are doing.

Note that the point of a business plan is to keep you on track, but the vision is what will guide your business plan's goals and milestones. What is your vision for your business? What do you want to achieve? Break it down over different time frames. After all, what you want to get accomplished in 1 year is not going to be the same as what you want to accomplish in 5 years. Your business plan is also something that needs to be evaluated on a regular basis. Why?

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Simply put, your goals are going to change based on the industry, what you have achieved as a business, and shifts in your target market. After all, you might find that you want to explore another area of your business, while another part of your business might no longer be worth investing in, and thus needs to be shut down. The point is that your business plan needs to provide guidance for where you are heading in the future, but also be adjusted to reflect what has already come to pass.

During your hike, you might frequently stop to check your bearings and determine if you are still on the right path and heading in the right direction. You could pull out a map and a compass, both of which can help you to understand where you are located and the right direction to take in order to get to the top of the mountain.

As I have said, your business plan is not set in stone. It is a living, breathing plan, one that will need to be tweaked and adjusted from time to time. I encourage business owners to set a regular schedule for reviewing their business plan, at least once a year. New businesses might even consider doing so once a quarter, allowing for you to make quicker adjustments as your business achieves its first few bursts of large growth. Recognize that as a business matures, the growth is going to be steadier, but not necessarily as explosive. Your vision is the guidance, however, regardless of how fast or slow your business is growing.

That being said, part of your vision is at what point you want to exit your business.

Granted, it might be a business that you believe will become a legacy to pass on to the next generation, but the truth is that a majority of businesses are created with the idea of selling them once they reach certain milestones. Therefore, you need to define the goals that you want the business to meet in terms of sales and value, as part of your exit strategy. Note that all of these pieces are part of your vision for the future. As a business owner, the vision you have for your business is going to be tied into your vision of your own future.

When you create your business plan around your vision, be sure that you have the end game clearly in mind. It will help you to better define your goals and

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the timeframe for achieving them.

### **Attracting Financing**

Once you have your mission and vision clearly defined, your business plan with financial information created, you are now in the position to address financing for your business. Let's face it; not all of us have thousands of dollars sitting around that can be used to provide capital for a start-up business. Depending on where you live, you might have several options for financing, including small business loans. Minority-owned businesses also have lending options specifically meant to encourage the growth of these types of organizations. One of the fastest growing financing options for small business startups is crowdfunding.

A well-designed business plan gives you a step up in terms of pitching financial institutions for funding. After all, they want to see that you not only have a plan for the funds you are borrowing, but that you have a plan for paying those funds back. A well-crafted business plan is going to give you that added benefit.

You might be unclear about what numbers you need to have as part of your business plan. Working with a professional, you can clearly break down the numbers and build a forecast that accurately reflects what your business is going to achieve, both now and in the future.

The better understanding you have of your financial standing as an organization, the more appealing your business is likely to be to lenders. After all, they want to understand the kind of risk your business presents, and a business plan that has no gaps in its financial information and clearly defined forecasts can help you to demonstrate that your business is less of a risk, increasing your likelihood of receiving an approval.

Additionally, your vision for your business will translate into how you present your business to financial backers. Investors want to feel that you are invested in the outcome of your business, so your vision for the future helps to demonstrate your commitment. Think of your business as part of that hike. Investors want to know that you can understand the various needs of your business and how to achieve future growth. They want you to recognize that

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if you do not have the knowledge, you are willing to hire the help needed to make the business successful. When you can show this understanding, then you are building a platform that can get others excited about financing your vision.

When you are hiking consistently, you build a set of demonstrable skills, and the same is true for running your business. The skills you can demonstrate are going to give confidence to your potential backers.

However, if you cannot demonstrate this knowledge and understanding, then you essentially become that novice hiker who strays off the trail and gets lost or distracted from reaching the summit. That can make it hard to sell financial backers on the idea that you know what you are doing and are capable of giving them the return on their investment that they expect.

Confidence sells ideas. Think of Steve Jobs and Apple. When he sold the idea of creating a different distribution method for music, many individuals could not imagine it would be successful, because it would completely disrupt the industry. Twenty years later, Apple is now one of the premier distributors of music, and even created a subscription music streaming plan, allowing access to all the music you want, for one monthly price. There was a level of confidence that sold the vision to their target market. In the end, Apple has completely revamped how music is distributed, and even the devices that you listen to music on. Clearly, with confidence and a clear vision, it is possible to change; and dare I say, disrupt an industry and even create a new one. That confidence, along with a quality business plan, is what can help you to find the financial backing you need in order to get started and then to maintain your trajectory of growth.

Like attracting financing, you are also going to need to attract the talented individuals who can make your vision come to life. How can your business plan help you in this process?

### **Attracting the Right Team**

Part of attracting the right team is being able to effectively share your vision for your business. A quality business plan will be driven by a well-defined vision. Your hike is going to be successful if your support system has faith and

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trust in your ability to find your way, despite the obstacles or challenges that present themselves along the way. While you might not know everything about every aspect of your business, your vision and leadership are going to help you attract the right members to your team.

I believe that a team needs a strong leader, one that focuses on encouraging them to utilize their skills and talents on behalf of the organization. You have to build a team that you trust to bring your vision to life. During a hike, you need to be clearly focused on assessing the conditions of your surroundings, and adjusting to stay on course. Your team follows instructions, but ultimately, they have to trust you, and you have to trust that they know what to do based on your instructions.

For instance, if you are confronted with an unexpected barrier, you do not want to have to spend time explaining what that barrier means. The time it takes for you to explain the process could mean the difference between your business surviving or being shifted way off course. My point is that you need members of your team to be able to understand your instructions and execute them efficiently and expertly.

With any new business, there are also going to be learning curves, and you are going to have to create processes and procedures to get things done. Training your team is key to help them work together effectively. The point is that you want to bring on team members that offer skills you do not have, and that can make a positive contribution to the goal of achieving your vision. As the leader, you do not want to have to micromanage your team, but you want to be able to outline the goals and vision, and then let them do what they do best in order to achieve it.

Some new business owners focus on knowing and doing everything related to their business, and they often do not take advantage of the team that they have in place. Doing so can drive that team away, eventually creating a lack of quality team members throughout your business. Give your team the ability to do what they enjoy, and help them to grow their own skills. If you do, then you will make your organization an attractive option to the right team members for your business.

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Part of building the right team for your business involves finding the right management and creating a framework for them to operate.

### **Provide a Framework for Management**

Your business plan outlines your vision for your organization and what you hope to achieve in terms of growth; yet it also provides an outline or framework for your management team. They can look to the business plan to understand where the business is going and to make decisions that stay in line with that vision.

As you construct your business plan, it is important to build in the framework that provides guidance for your management, the ones who will make your vision come alive. For example, if your mission is to create a product that is environmentally friendly, then you would likely want to define the specific areas where you would want the management to concentrate on, such as the supply chain or the delivery system.

Your business plan outlines how you want your business to grow, and the areas that your management need to concentrate on to achieve those goals. Recognize that as time goes on, you may need to adjust that framework. Your team needs to be able to make suggestions and have a means to give input on that framework. Remember, you have assembled this team to help bring your vision to life. Now is not the time to ignore their advice, wisdom, and knowledge.

You still have the final say in how your business operates and how it will function. I want you to remember that your management team is focused on following the lead that you set, so be sure that you are clearly communicating what you expect and your vision. If there is a lack of communication, then your framework will be muddy, and your team will not perform as you expect them to.

### **Set the Tone for Operating Your Business**

As you can see, your attitude and skills set the tone for how your hike progresses. If you, as the hiker, do not have a clear vision of the path you are taking, then it will be hard for your management team to follow your lead.

## *The Importance of a Business Plan*

With your role as leader, you set the tone for your business, and provide the motivation to keep your team moving forward. Know that your business plan is an expression of your vision and helps to set the tone for how you want your business to operate. Many businesses have a set of goals and milestones that they want to achieve, but they also have a unique way to reach them based on their vision for the business.

Remember when I talked about the importance of your vision and how it was critical to keeping you on the path throughout your hike? The day-to-day operations of your business are going to be defined by that vision. It sets the tone for the type of working environment you want to create, and how you want to support the members of your team.

Over and over again, I see businesses fail because their operating systems do not adequately support their vision of what they want their organizations to achieve. When you create your business plan, it is important to keep in mind that staying true to your vision is the key to your success. Make your business plan a reflection of that vision, and use it to set the tone and framework for your team.

As you can see, there are plenty of benefits to having a business plan in terms of defining the path of your business. Now, I want to step away from your business plan, and dive into your vision. After all, your vision is going to drive your business forward. You have it down on paper in a business plan, but now you need to take it from paper into the real world. It is time to give detail to your vision and then act to implement it.

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## **Notes**

*The Importance of a Business Plan*

**Notes**



## Chapter Three

### Clarifying Your Vision

When it comes to building a business, you need to have a vision; one that helps you figure out what direction you are heading in. It helps you to build your goals and define your milestones. I want to focus on the importance of that vision in helping you deal with the challenges that come with running and growing your business.

No matter if you are just starting out in business, or your business has reached a point where it has plateaued, you might be feeling a sense of frustration about how to keep growing and moving forward. Time and again, the importance of your business plan comes into play, as it provides the road map for your organization and can help you define the potential areas of growth.

#### **Direct Your Vision – Remember the Why of Your Business**

When you are on any hike, there is a moment in time when you are winded and frustrated. You might be starting to feel tired, wondering if you have the ability to make it to the top of that mountain. Your muscles are burning, and it might feel like it is time to quit and head back down. In business, you are going to have moments where you wonder if all the work is worth it. Your business might have plateaued and, as a result, it might feel as if you are putting in a lot of work for nothing.

This moment is why you need to step back and remember why you are in business. Your vision is wrapped up in the “why” of your business. When you step back and remember why you are in business, then it can reinvigorate you to keep going and direct your vision to find new goals and milestones.

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Think about the beginning of your business. What got you excited to start building the brand and putting in the time, and investing in growing your market? It might have been a sense of independence and a desire to help others to address a need within their own lives. You were excited and driven to be successful. Now, however, that excitement and drive might have waned as the pressure of operating the business begins to take its toll.

I understand that frustration, and how that can happen. The fact is that running a business involves an immense amount of work, and it can become a physical and mental drain over time. Simply put, you can get worn out. Once you get worn out, it can be difficult to make the right decisions to get your business off the plateau and back into growth mode. You need to start heading back up in the hike of your organization, instead of just sitting still, supposedly resting, but in reality, just sitting still and making no progress at all toward your goals.

When you are hiking, it can be easy to get worn out, especially if you are not a regular hiker. Running a business without putting the pieces into place is like hiking without doing the right training in advance. You need to be willing to tap into the resources available for those that are starting a new business, or even for those who have been in business for a while. I find that by training, and investing in continuing education, you can keep up the momentum of your business and keep up your drive to continue progressing.

Think of running your business as though it were a hike. It is critical, as part of training for a longer hike into the mountains, that you build yourself up through regular exercise and diet. Doing so helps your muscles to build up the stamina to achieve a large hike with multiple challenging inclines. In the end, you can successfully meet your goals, but it requires effort and a plan. Before you can create a strategy to build up your business for the long haul, you need to remember not only why you got into business, but also how your values impact that vision.

### **Mission – Revisit the Values of Your Company**

The guidance of your business involves making decisions according to the values of your company. Time and again, the values of your company will define your branding, the choices that you make in terms of the direction of

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your business, and how you will define the areas that you will pursue as you attempt to grow.

Think of your marketing strategy right now. What do your ads say about your company, and what do they say about how you prefer to do business? Many companies struggle to be successful because their message and branding does not reflect their values, and it confuses their market. When you are not clear about who you are and what values you want to project as part of your business, then you are going to find that it is difficult to achieve the goals that you set. Then you get worn down, and it means you are even less likely to achieve those goals.

The values that you want to be part of your business can be part of what draws your employees to you, but also brings you the talent to build momentum within your team. Look at some of the bigger tech companies throughout the world. They are focused on building teams that can develop the newest, latest, and greatest! Still, that talent will not stay at these companies without feeling that they can relate to the values and mission of the company itself. Otherwise, they are here for the paycheck, and when a better opportunity comes along, then they jump on it.

Your business could be bleeding the talent you need to be successful, simply because you are not acting on your values and communicating them clearly. Time and again, you can find yourself picking up the slack of your team, simply because the talent is no longer there, or the momentum has waned.

Think about the different levels of effort that larger companies go through to communicate their vision and values to their teams. They also work hard to create a cohesive feeling throughout the company, which is meant to help them grow and reach critical milestones. After all, a company wants to see sales increase and growth. Plateaus in the business world can spell the demise of your business.

I believe that if you are not trying to grow your business or reach for that next step, you are essentially moving backwards. There is no such thing as standing still when it comes to owning and operating your organization. You need to use your business plan as an effective tool in planning out the next steps for your business. Perhaps you find that your values are not being well-

communicated, and that your business as a whole is now falling backwards, which is negatively impacting your bottom line. How can you reverse this trend and stop the plateau effect?

### **What is Your Strategy?**

It starts by creating a strategy, which can best be defined as outlining the steps necessary to achieve a goal. Your business plan is the guide or map that you need to follow in order to be successful in achieving your long-term goals for the business. However, part of that involves sitting down with those goals and creating a plan of action to achieve them. Again, your business plan is going to show you the goals you need to achieve, but your strategy will get you to that goal.

Strategies can involve a variety of options. You might want to create a strategy that gets you there the fastest way possible, even if it involves more capital investment at first. You need to make progress fast, and this may be the way to achieve it. I want to caution you that when it comes to creating a business strategy, throwing money at a business might not always be the soundest path to take.

This is because a strategy needs to recognize potential challenges, and often just throwing money at your business does not address potential challenges. In fact, you may unintentionally be creating more problems by default.

There are a variety of technologies available to businesses in this day and age. These tools can be helpful to your business, but they may ultimately be cooler in the demonstration than they are in practical application for your team. It's easy to get distracted by all the bells and whistles, but you need to hold your focus. Instead, you need to think about how your business runs. Will these tools enhance your customer service capabilities? Will it help your business to reduce overhead because more can get done in a shorter period of time? Will it reduce the number of steps in a process, while still maintaining your quality control?

These are the types of questions you need to ask before implementing any new technology or tools. While buying the technology or tool can be the fastest strategy, it might not necessarily be the most effective.

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Now that you understand the importance of strategy, let's talk about how to create one that best matches your business. First, set down your goal. It could be raising sales by 5% in the next quarter. Next, you want to get input from your team about steps or tools that might be helpful to them in terms of reaching that goal. From there, you need to define the steps, such as making each salesperson responsible for adding another \$1,000 to their sales for the next quarter.

As you define the strategy, then you are able to see what other tools or information might be needed as part of it. Perhaps you determine that your salesforce needs to have additional training in the products, to increase their sales. You might also find that additional training can help their ability to employ various sales techniques.

Clearly, there may be many ways to achieve your goal, but a strategy can help you to do so without wasting resources or confusing your team with different ideas that are only half implemented.

Part of building any strategy is creating a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. This means that as you look to build a strategy to achieve a goal, you are defining the areas where you are weak, where you are strong, and the opportunities available to your company. For instance, you might have set a goal based on growth in one particular demographic. However, as you build your strategy, you might find that the opportunities for growth are limited in that area. Thus, you may find that you have to rethink the goal and therefore redefine the strategy.

Additionally, you are going to be identifying potential risks or threats that could derail your progress toward your goal. These threats could be related to changes in your industry, government regulations, or even a cultural shift. Think about some aspects of technology that are no longer in use. Over time, those businesses died, simply because the threat from the environment and changing technology was too great to overcome.

Your business may be one of those that has a defined shelf life. If so, is there a way that you could diversify? Perhaps you might find that you need to shift the direction of your business, thus insuring its survival. However, you have to remember that even if you shift your target market, your values and vision

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need to continue to guide your business.

I want to talk now about strategic objectives. These are the aspects of your strategic plan that will become the milestones toward the larger goal. They will also serve to highlight the priorities for your team. These objectives must be measurable, achievable, realistic, and time-sensitive. You also need to use specific language in defining them.

Companies can be vague in defining objectives, and it can be frustrating for your team, the ones who are trying to bring your objectives to fruition. Factors, including budgets and resource allocations, also need to be included to make it clear to the team what needs to be done.

There are also economies of scale, time to market, and competition to consider when you are defining your strategic objectives. After all, you might find that an objective is not realistic once you factor in this other information. Think about Walmart, for example. They sell a large number of goods at a lower price, to a large customer base, and it results in higher profits. Just remember that being effective means recognizing how you can offer unique features or other innovations to help you stand out from the crowd.

Strategic objectives can then be broken down into more tactical plans, essentially those short-term sprints that help you make incremental progress; yet after several of these tactical plans have been completed, you can look back and see how far your team has gone in achieving the larger, long-term goal.

Part of any strategy is a way to measure progress. After all, you cannot say a goal has been achieved if you cannot measure the efforts or capture the information necessary to prove that. Continual reviews can help you to see that progress is being made, or help you to make adjustments to your strategy when necessary. Now that you have a strategy, it is time to put the people and resources in place to make it happen.

## **Making the Decision to Create Action**

When I talk about making the decision to create action, I am talking about breaking the path of inertia that so many businesses get on. They might have a great strategy in place but have little commitment to actually implement it. The result is that your team gets frustrated and you find your business on a plateau. Motivation needs to be part of any strategy, simply because that is how you are going to achieve the action necessary to get off that plateau and start growing. Bursting out of the gate as you start down a new path can be amazing, but after a while, that excitement starts to wane. Motivation can help keep everyone excited to keep moving forward, including you!

When you decide to act, you need to hold yourself accountable to achieve results. Growth is possible if you keep on the path, but it can be difficult to stay on the path if you are not holding yourself accountable to act and complete specific steps.

Additionally, choosing to act allows you to grow, because you are committing resources and manpower to putting your strategy into place. I have seen businesses create a great strategy but then not put the resources in place to implement it. I encourage business owners to use their strategic plan to define the resources necessary and then commit to putting those resources into play. Once you do that, your team will see your commitment, and they will be more willing to work to achieve those milestones and goals. Remember that all of this action is meant to get you moving up the mountain again, instead of having you sit on the plateau. Part of any successful strategy involves getting your stakeholders on board.

The stakeholders must understand why it is important and how it can impact them. You may need to create a separate plan for your external stakeholders, which can include suppliers, industry analysts, and investors. You can even communicate the goals of your strategy to your customers, especially if you are changing procedures in a way that will impact them.

To climb up from that plateau, you need to develop and execute a solid, competitive strategy, one that will help you to achieve your goals and cross off your milestones. Now, let's talk about how you make the strategy come alive.

## **Defining Your Implementation**

Finally, every strategy in your plan needs to be implemented. You have put all the pieces into place, and it is time to act. I encourage those who are attempting to move their business up from the plateau, to take implementation seriously. During implementation, you can start to see if your efforts are going to be successful, or if your strategy is wildly off base.

Many businesses can put effort into a strategy, create an action plan, and then start the implementation process, only to find that the plan no longer has value. Instead, they find that their market does not react as they anticipated, or that they simply headed in the wrong direction. I want you to know that it is possible to readjust.

Hikers do get lost from time to time. They might have their map and plan but get turned around once they are in the forest. Therefore, they might find it necessary to take out their compass and reorient themselves. When you implement a strategy, and it is not as successful as you anticipated, then it might be time to take out your compass and reorient yourself.

That means getting feedback regarding what is working and what is not. Did you allocate resources only to find during implementation that you underestimated what you would need? Time and again, it is necessary to remember that the point of measuring is to get that critical information you need in order to adjust. No strategy is perfect, but ignoring the data or not collecting it can be deadly to your business.

Along those lines, let's move on to the next topic, about where real growth can happen, and that is when you identify areas that you can improve.

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## **Chapter Four**

### **Identifying Where Your Business Can Improve**

As you and I have embarked on the journey of taking your business to the peaks, from the current plateau, I have shared information that is critical to building a solid foundation for your business. Like any hiker, the better shape you are in, the more you can enjoy hiking and be successful at completing even the most difficult hikes.

In business, having that solid foundation also gives your business the tools to be successful. However, from time to time, it is important to give the foundation of your business a thorough checkup. Why is this so critical?

Simply put, it is easy to think everything is fine when your business is humming along. Under the surface, however, a potential problem could be lurking, and when you finally become aware of it, the consequences could be significantly more painful. I want you to be aware of those lurking trouble spots, and be in a position to address them early. First, I am going to identify a few potential trouble areas, and then I will give you the tools to find them and then address them.

#### **Understanding Your Industry**

You might see trade shows or other industry events as not critical to the way you do business, or as crucial to maintaining a solid relationship with your customers. The reality is that these shows and events do serve a critical purpose. They help you to stay in the know when it comes to your industry. Time and again, businesses are caught off-guard because they haven't kept up with industry standards.

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When it comes to hiking, you need to have an understanding of the terrain that you are going to encounter. Experienced hikers take the time to study maps and other information related to the areas that they want to hike, so they know what they might run into, and thus be able to prepare accordingly. However, there are the inexperienced hikers that just decide on a whim to go hiking in a new area. Without doing their homework, these hikers find themselves ill prepared for the potential challenges that they might encounter, including animals, or even areas of the trails that could be washed out or require that you take a detour.

No matter your industry, it is critical that you keep abreast of the changes in your industry. Time and time again, businesses fail because they do not anticipate the potential challenges, and are not knowledgeable about changes in their industries. When you take the time to learn about your industry, then you are more like the experienced hiker who studies unfamiliar terrain. Essentially, being aware of your industry, and the direction that it is moving, will give you the ability to make informed choices for your business.

That being said, knowing your industry also means that you can take advantage of opportunities that allow you to steer its direction. When you become a leader, then you have the capacity to shift the course of where your industry heads. To do so, you need to be part of the discussions, and that means building relationships throughout the industry, on multiple levels.

As you build your network, you give yourself the ability to influence, which can be critical to addressing the longevity of your industry. There are also industry best practices and standards that you can become familiar with, even help to create, using your relationships. Your business will benefit by keeping up to date, and at the same time, it will help to keep you competitive. If you are trying to shift your business off of a plateau, it is important to look at your industry network.

Were you once very active in the industry, but now your participation has fallen off? Perhaps you might be missing out on key new information or changes that could help you to grow and start moving to the next level.

I am not suggesting that you want to share proprietary information vital to your business, but most industries do have standards that allow them to

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perform better, faster, and cheaper over time. Think of your smartphone. Much of the process regarding how the phone is put together or how it operates is consistent across the industry. There are clearly a set of standards that all phone makers follow. The point is that your industry likely operates the same way, and remaining ignorant of that information puts your business at a huge disadvantage.

### **Technology Advances – Do You?**

Another area where you could be harboring a lurking time bomb is in the area of technology. It can be easy to stick with a system that has worked for your business, but in the process, you can end up falling behind in terms of the type of technological advances that could positively impact your business.

Again, the hiker that is experienced finds out as much as possible about the terrain, but also about the types of tools available for that terrain. Many times, tools that work for a particular area are not likely to be as effective for another. Learning about the weather patterns can also inform the choices you make in terms of the gear you opt to take along.

For many business owners, the importance of technology to your business cannot be overstated. Technology offers opportunities for you to produce and serve your customers faster and more efficiently. In the process, you might also find that it positively impacts your bottom line, and even brings down critical overhead and operating costs.

Keep in mind that not every piece of new technology is right for your business. You need to be aware of the type of technology, what it can be expected to accomplish, and then determine if that is the right fit for your business. Then you also have to assess the costs. A piece of technology might work for your company, but another might need to be customized. When you start customizing technology, it can begin to have a significant impact on the budget. Clearly, plateauing can involve many aspects of your business. Part of the efforts that you need to take, in order to get back into motion, involve looking at how well you are doing at continuous learning. After all, part of what makes these two trouble spots stand out is that both require you to not stick your head in the sand, but to be active in the marketplace. It means being open to new ideas and constantly learning.

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Many companies that stay on a path of growth make continuous learning a part of their company's culture. It becomes one of their core values and a critical part of accomplishing their vision for their business.

Now I want to ask you, "How are you doing in this regard?" Has training and continuing education fallen to the wayside, as you have made other agenda items a higher priority? How is that impacting your business? If you are honest with yourself, you can probably identify areas where your business suffered because your team is not up to date or continually growing their skill sets. Still, how can you know what areas to focus on when it comes to your continuing education and training? Part of that comes from conducting an objective analysis.

### **Doing an Objective Analysis**

Every aspect of your business has strengths and weaknesses. Many of those weaknesses can be addressed through training, continuous education, and even through consultants or experts that you can tap. Still, before you can determine how to address a weakness, you must first find out what those weaknesses are.

An objective analysis is meant to determine those weak spots. Along the way, you might also find areas where you are strong, and be able to maximize those strengths in other areas. When I talked about risk analysis for your business, it was focusing on finding potential risks and then mitigating them. An objective analysis, however, is more about finding weaknesses within your current business structure and the levels of your organization.

Doing this analysis can help you to determine the best path to achieve your objectives and long-term goals. For instance, if you are looking to grow into a new market, you have objectives that will help you to achieve that goal. The objective analysis will help you to identify areas within your organization that might need shoring up to obtain those objectives.

I have found that businesses want to grow, and so they jump in feet first, but without the proper tools or training. The result is that their team gets frustrated, and the implementation is not effective. In the end, capital and other resources are essentially wasted, with little to show for it. If you want

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your business to successfully achieve your objectives, then you need to be willing to take the time at the beginning to create a foundation for success.

Part of that process is analyzing the resources you have available, and how they can be deployed to achieve your objectives. After all, you might have some grand plans for your business but do not necessarily have the resources at this time to make such a leap. It might mean that you have to take a few smaller steps in between to achieve your larger objective.

Along the way, you will need to focus on training and giving your team the tools to assist in implementing any of the steps necessary to achieve your objectives. When you have a map that you can follow, it can help your team to stay the course, even during the times when it seems as if little progress was being made.

A hiker who is in the middle of a hike might appear to be making little progress, but when they stop to look down the mountain, they can see how far they have come. When you use an objective analysis, you put yourself in the position to see how far you have come, and then create the right plan for your business.

Your objective analysis can help you to identify whether your timeframe is accurate or if it needs to be updated. The analysis will help you to recognize what order certain items need to be completed in, in order to be successful. If one step is taking longer, then it might alter your timeframe and need to be addressed.

Clearly, moving your business forward requires not only a deeper understanding of how your business operates, but also an understanding of how you can help your business to improve. No business survives without a culture of constant improvement. You want to foster that in your team, as well as fostering that mindset within yourself.

### **Strategic Analysis – Is Your Strategy Successful?**

We discussed the importance of understanding your objectives and the resources that you had available, as well as your potential timeframes. Now I want to talk about a strategic analysis. This process involves assessing your

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strategy and determining if it is going to be effective in fulfilling your objectives. Another use for a strategic analysis is to see if your current strategy is being implemented effectively, and if it is bringing in the results that you anticipated. If you are not seeing the results that you anticipated within a set timeframe, your strategic analysis will help you to determine why that is the case. It could be that your team needs additional training in an area that you hadn't identified before. Perhaps there are areas of the process that were not accounted for during the initial implementation plan, but became more obvious once you started the process.

I want to work with your company and help you to grow in terms of finding the right strategy to move forward. Your work in this area is going to involve tapping the experience and skills of your team in a variety of areas. Do not be quick to assume that your analysis can be done once a year. You may find that it needs to be done even more frequently to make sure you have a grasp of the situation.

There are statistics and data that can be collected in real time, allowing you to make critical decisions right away, instead of waiting until the end of the quarter or the end of the fiscal year. To keep your company nimble, you need to put measuring and analysis tools in place throughout your strategic plan and implementation process.

A hiker looks for mile markers to help him determine his progress, but also to make sure that he hasn't gotten lost. When you are doing any type of analysis, you are checking the map against your markers to determine if you are heading in the right direction or if you are off track. Make sure that you do not attempt change in your business, to shift off the plateau, without having a measuring method in place.

Considering all I have covered, let's start putting it to use where it really counts, which is your sales and marketing strategies. That is where the rubber meets the road in terms of your ability to be successful, because without attracting and retaining customers, your business cannot reach the next level.

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## Chapter Five

### Sales and Marketing Strategies

Growth involves more than just having a business plan or a strategy for addressing internal training. After all, if you don't have a method to attract customers, then it doesn't matter how well you have developed your services or products. Sales are what allow you to pay that overhead and build upon the initial foundation of your business.

Plateaus often occur because a business or company tends to take a half-hazard approach to their sales and marketing. Put a few ads on Facebook or start a social media page, and the customers will just flock to you. That seems to be the thought process, although some companies may have now expanded to Google or other online platforms.

With all the tools available today, there is really no excuse for not having a targeted marketing strategy. At the same time, it is important to remember that you are mining for data about potential consumers, so you need to keep current privacy laws in mind. Europe's recent implementation of a new and updated privacy law, known as the General Data Protection Regulation, focuses on ensuring that consumers know, understand, and consent to the data that is collected about them. If you received a number of updated user agreements over the past year, that event was definitely the trigger. Other countries are also enacting various forms of privacy laws, based around the idea of limiting what can be collected, as well as how it can be used.

As you create a marketing strategy, you need to keep this new reality in mind. That doesn't mean you cannot create a sound marketing strategy using the tools available. Let's start with social media.

## **The Benefits of Social Media in Marketing**

Social media has become the medium by which your consumers are connecting with the goods and services that they need. Many businesses, however, fail to take into account the fact that without a social media profile, potential customers are less likely to find you. Is your business one of those? Marketing your business means understanding your target customer base, and then creating social media campaigns to match that demographic. The best part of social media is how tailored it can be in terms of reaching that target market. Again, I have to caution that just throwing up a page and a few posts during the week are not a true campaign. You need to keep in mind your vision and the mission of your business.

Your page needs to reflect that, and it also should share information that your customers will find useful and appealing. When you plan out your posts, you need to make sure that they reflect your business values and the overall strategy for your business. At the same time, social media is an active, living, breathing entity. To keep your audience engaged, your posts need to be timely, frequent, and on point with your brand.

In my observation, part of the reason that marketing plans or campaigns tend to be less than successful is due to a lack of focus. It can be hard to say no to good ideas, but if you are constantly chasing new good ideas, you aren't putting yourself into a position to maximize the potential of any one of them through implementation.

Recognize that when you are marketing your business, you need to use the basic points of leverage that can help you to make better decisions and turn away from those distractions that can easily entangle you as an entrepreneur. After all, you want your business to succeed, and not every good or great idea is really the right fit for your business or your target market.

The key to a successful marketing message is to present one clear, concise message that is easy for your prospective customers to understand. There are so many benefits to your product or services, but when you don't say "no" to communicating some of them, the key thing gets lost. The prospective customer loses and, ultimately, so does your business.

## *Sales and Marketing Strategies*

Nail down your message, and then make that the focal point of your social media campaign.

One area that is closely linked to your marketing message is your company's image. Often, branding can make them essentially one and the same. For larger businesses, the company image is larger than just their product's benefits. The *brand* is what I am referring to here. For smaller companies, this should be less of a concern, but regardless of how big or small your business is, you need to be willing to say no to certain things.

When you are hiking, there are plenty of potential distractions that can keep you from achieving your goal of completing your hike. After all, there is nature, and amazing wildlife, and even other hikers can quickly provide distractions. Suddenly, you might find yourself in the position that daylight is disappearing, but you have not achieved your goal. It can be frustrating to say the least!

As a business, those distractions can cost you more than just time. It can cost you customers and the revenue that allows you to remain in business. When you create a marketing campaign that involves social media, it is important that you do not allow your brand message to be distracted. Instead, you need to create a lasting brand that is recognizable to both your current customers and potential ones.

You want to invoke loyalty, and this starts by defining your brand in clean, simple terms. Once you define it, then you need to lock that down and stay consistent. If your brand constantly appears to be shape-shifting, then your target audience will eventually lose interest in trying to keep up with you.

Another point to keep in mind is that if you have a product or service, how you deliver is part of your marketing message and brand promise. If the messaging and branding tend to get disrupted by all the good ideas out there—the distractions—then your product or services are likely to be all over the place as well.

For instance, your business likely has a specific niche that you have defined based on your vision and mission. If you stick to that niche, your brand will be identified with it. At the same time, you then become an expert for those outside of that niche. In a moment of weakness or a slow period, it can be

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tempting to step out of your niche, but once you do so, you can end up destroying that branding as an expert.

What drove you to start your own small business? Was it a passion for a particular product or service? Did you desire to be your own boss, instead of earning profits for someone else? Did you have a professional ambition that you wanted to pursue?

Part of the reason that I bring this up while we are discussing branding is the fact that business owners who treat their company as a side hustle never seem to make it to the next level of growth. They plateau and stay there.

Learn to see your points of brand leverage, and then lock them down. Get them clear to yourself and your team, because that will make it easier for you to articulate them to your potential and current customers. I don't want you chasing after the distractions on your hike off the plateau to growth. Instead, by pinning down your brand message and creating a marketing campaign that complements it, you are going to send the trajectory of your business upwards.

### **Growing Sales to Set Your Trajectory**

Even with the right brand messaging and marketing campaign, you can still derail your business and set yourself on a plateau, by not creating a sales plan and then training your team accordingly. After all, as a business owner, you need to sell your products and services, continually develop and build relationships, and be focused on building the future of your company.

Part of the process involves focusing on strategy instead of completing tasks that are part of a process. The reason that I point this out is because when you keep yourself tied to the daily service-oriented tasks of your business, then you lose focus on the more strategic aspects of your sales plan or training.

The type of sales training you need to pursue is likely going to be tied to the product or services that your business offers. I am not focusing here on specific techniques, as what works for one industry might not work in another. My point is that without a sales strategy, you are going to put your business in a holding pattern, one that results in stagnation.

## *Sales and Marketing Strategies*

Part of any sales campaign is training. As a business owner, you likely hired your sales staff based on their unique talents, skills, and abilities. However, like any profession, if you do not put in a program of continual learning, then eventually, you will get left behind.

In previous chapters, I pointed out the importance of training in a variety of areas. Sales is no different. You need to recognize that you are the leader of your company and that you set the tone for the culture. If you tend to limit training resources, then it will reflect in your team's willingness and eagerness, or lack thereof, to pursue continual education.

Another point to consider when creating your sales strategy, and the complementary campaign, is that your sales team needs to feel they are making progress as well. When you are hiking, checking the map every now and again helps you to stay motivated and moving toward your goal. For your sales team, that same ability to check their progress is going to keep them motivated.

Setting milestones and objectives should also be on graduated levels. For instance, you might set smaller goals that are easily attainable, but also give them other goals to reach. If they do the minimum, then they are likely to achieve that smaller goal, but the larger goals are still in reach.

I find that goals can be divided into three levels: the minimum, the stretch, and the outrageous. Once you set them in those levels, then your sales team can begin to chart their own progress and get motivated to reach outside of their comfort zone. All the goals that you set for your sales team are going to result in the growth of your business, but when they are motivated to achieve those outrageous goals, then amazing things can happen for your company.

Setting these levels can also help you to shift the mindset of your team, from fixed and failure, to an open mind that focuses on possibilities and building on past successes. Even supposed failures need to be viewed from the point of view that they are learning tools acting as stepping stones to help you climb to the next level.

As you work with your sales team, help them to see the benefits of developing their prospects through an ongoing and systematic basis. When you combine

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these efforts with smart marketing and a growth mindset, then you can see your business jump from the plateau to a trajectory of amazing growth.

You are creating something that has value, and part of your sales strategy is supporting that ongoing value and helping it to grow. Your hike has built-in value, especially when you reach the top and are rewarded with an amazing view and the satisfaction that comes with accomplishing your goal of reaching the top. I want you to have the same excitement when it comes to helping your business take off on an amazing trajectory.

Talking about sales means you are focusing on growth. When you make your sales strategy and your marketing strategy complement each other, then you demonstrate your priorities for your team. Remember, your branding is a message, one that needs to be clear and on point. If your team, particularly your sales team, does not clearly understand your message and priorities, then they cannot support your growth.

### **Change is a Key to Growth**

When you are creating changes in how you run your business, shifting from a plateau way of thinking to one of growth, then you are going to have members of your team that resist the change. It is a fact of life that change tends to breed fear in individuals. I want to give you a few steps that can help you in terms of counteracting that resistance.

First, you need to explain why the change is necessary. Businesses often take on an organizational point of view, one that sends down orders but is not necessarily proficient at communicating their larger goals. After all, they are focusing on their specific niche of your business, and often cannot see the broader picture. Therefore, you need to guide them to a better understanding of why the change is going to help your company, customers, and even your employees. They may think you are just randomly changing things to make their jobs more difficult.

Better communication is a critical factor in addressing this concern. With knowledge, it is more likely that you will be able to get your employees' support, and they may even be motivated to accept the change more readily than before.

## *Sales and Marketing Strategies*

Secondly, you may not have gotten input from those who are going to be impacted. The reality is that as a business owner, you do not have time to get input from every member of your team, for every decision you make. Still, it is important to act to make sure that your team feels a sense of control over their work. One of the ways to do so is to involve them in the planning stage, where you determine the implementation strategy.

The benefit of doing so is that you may find there are other areas you overlooked that would benefit from the change. They might also provide you with ideas that can help you in the implementation process and bring it to a successful conclusion.

Our world has recently suffered from a recession, one that is still fresh in many individuals' minds. Downsizings, reorganizations, new products, and constantly changing organization charts can mean your team is feeling change fatigue. You must consider this when announcing your changes. Work through any issues as quickly as possible. It can help you to get them on board.

Remember, they might be afraid of the unknown, but you have the power to help them accept it more graciously. If you are the one who is reluctant to accept change, then you need to recognize that you can't make progress on a hike without taking steps into the unknown. However, once you do, the results can be amazing, both personally and professionally.

Throughout this chapter, I have focused on how you can increase sales by focusing on your strategy and campaign. No matter how good a strategy you have come up with, however, you need the right team to implement it. That is why your team and how you employ them is critical to moving forward in your quest to get off that plateau and onto the path of growth!

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## **Notes**

**Notes**



## Chapter Six

### Employing the Right Team

When it comes to owning a business, the reality is that you cannot do everything yourself. Many first-time business owners have tried, but most of them have failed miserably. I want you to understand the importance of finding and utilizing the right team to maximize the potential of your business.

Professional hikers, especially those that have made a career from climbing some amazing peaks, typically have a team in place. Their team assists with training, helping them gather sponsors and supplies, as well as getting an understanding of the terrain before they get started. This support team helps them to be successful in accomplishing some amazing hikes. Clearly, they recognize that the best way to avoid a plateau is to create a support system.

In business, you alone are not going to be able to do everything related to your business. The daily administrative tasks alone could overwhelm you to the point that you are not focused on building a business to fulfill your vision. Therefore, during this chapter, I want you to focus on the areas of your business that could be handled by someone else.

Building the right team for your business means recognizing that there are experts out there who have skills and experience that can benefit you and your company. There are several key areas where you could tap into expertise and another skill set to benefit your business. One of the first is in terms of accounting, budgeting, and handling your tax responsibilities. Now, I am not saying that you hand it off and then hope for the best. You are still going to need to be involved in overseeing their activities.

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My point is that you can use a quality team member to handle the day-to-day activities related to these aspects of your business, thus freeing yourself to focus on strategies and implementation of the long-term goals and milestones of your business. You are overseeing the implementation of the strategy that you defined earlier, so it is important to not get yourself bogged down in the daily tasks of running the business.

At this point, I want to be clear that there is a difference between working in your business and managing your business. Often, as a business owner, you can be sucked into working in your business, instead of managing it and working for your business. When I talk about building a team, I am talking about finding the individuals that can be working in your business. Let's start with talking about each aspect of your business and the importance of employing the right team.

### **Creating a Sales Force to Drive Growth**

Your sales team needs to be filled with people who are driven to be successful and have the skills to build relationships with your customers. There are many incentives that you can use to encourage your sales force, so you need to find the right set for your business. After all, like loyalty programs, what works for your industry or company might not work for someone else. In addition, you want to provide training, and select individuals that are focused on not only building their sales but continually improving their skills.

Sales forces also tend to compete with each other, driving to be the top sales person. After all, the top sales person tends to benefit in terms of commissions and bonuses. However, if you want to drive sales across the team, then you need to encourage team building and mentorship. Get more seasoned sales associates to work with those who are less experienced. It builds a stronger team that benefits your business.

Another consideration is an incentive package that creates goals to drive growth. One of the ways to do so is using a minimum, medium, and maximum. The minimum is going to be a goal that is fairly easy to attain. One sales person, for example, might be making 4 sales a month. The minimum that you set for that lesser experienced sales person would then be 5. Clearly, they can reach that goal with minimal effort. The medium goal is going to be one that

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stretches your sales person. They are going to have to give it more effort, but it is possible.

Now, the maximum might be farther to reach, and could even be termed outrageous, but as a sales person builds their skills, then it is possible to achieve it as well. How does this work to create a high producing sales team? First, most of your sales team should be able to achieve their minimum goal early in the month, which then gets them focused on achieving that medium goal. Over time, that medium goal becomes their new minimum, and they continue to stretch themselves to keep reaching forward. It is not about punishing those that only reach the minimum goal, but motivating them to keep reaching and building upon what they have already accomplished.

Notice that my point about employing a team means finding individuals who can thrive in your culture. They might not all bring the same skills, yet they complement each other and the vision of your business. When you are clear about what you want to accomplish, and you communicate that effectively to your team, then you will find the right individuals to fit your business for the long term.

Sales drive business growth in a number of ways, so your sales team has a multitude of duties. They interact with your customers, finding out what they need and then matching them with solutions from your business. They build a relationship with your customers, one that creates a level of trust. Over time, even if you are not able to provide exactly what your customer needs, your sales team has built a relationship that keeps that customer coming back.

Your sales team also assists in building loyalty to your brand. Your marketing message might be right on point, but if your sales team is not consistent in how they treat your customers, then it might end up muddling the brand message over time. Therefore, it is important to regularly go over the marketing aspects of your brand message, with your sales force. Help them to see the benefits of a consistent brand message and how their actions impact it.

At the same time, get feedback from your sales force regarding how effective certain marketing strategies are with your customers. They are on the front lines, so they can let you know if a campaign is working or is falling flat. Tap

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that experience when crafting your various sales campaigns.

If a campaign is focused on a specific area of your business that might be struggling to grow, then share that with your sales force. After all, if that is a more difficult area to grow, there could be a reason. Still, you might also find that it may be an area of your business that needs to be cut loose. It could be one of the reasons that your business is sitting on the plateau.

Now, let's shift away from sales, to other areas of your business that are critical to moving off the plateau and onto a path of growth.

### **Building a Quality Support Staff**

Your sales team is also going to give you feedback about how your support staff is working and if they feel helped or hindered by that support team. Clearly, your support staff are the ones that handle all the background and behind-the-scenes efforts that make your business flourish or fail. Hiring individuals with a team mentality is key, because they are not necessarily on the front line, but without them, your sales team would not be able to succeed, and neither would your business.

When you are building a support team, you need to focus on bringing in a variety of skills and personalities. The reason I say this is because you need detail-oriented people, ones who are organized and effective at managing the daily administrative tasks. Sales is full of people that have big personalities, who will promise the moon to get the sale. Your support staff needs to be built of people who are grounded in the details and can make those big promises come to fruition.

Let's go back to our hike. You are busy hiking, focusing on the bigger picture of achieving your goal. The support team, however, is focusing on the weather, GPS tracking to make sure you are staying on course, and even making you aware of potential hazards. Without those support people, your hike could end quickly, with you stuck somewhere on a mountain during a severe weather event.

My point is that when you choose support staff, you want that detail-orientation, but you also want individuals that are self-starters. If you must

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micro-manage them, then it defeats the purpose of being able to hand off tasks to others so that you can give your business your whole attention.

As you build your team, focus on the areas where you want to increase the skills and expertise. Part of that is identifying what each aspect of your business needs, and then what you already have within your team. Here is a key point I want you to take away. Do not assume that you must hire in expertise. It might be hiding right under your nose in the team you already have.

The reason I bring this up is because building the culture that will help your business grow involves developing the talent and skills that you already have in your team. When you do that, you build loyalty to your business, in your team. They see themselves growing with your business, instead of just using it as a way station on their career journey.

Building a support team means training and finding opportunities for continuing education. That will benefit your business by giving your team what it needs to drive sales, marketing, and growth. You can also build the skill sets of your team, and thus avoid having to go out and hire individuals to address needs within your business. I am not against hiring the individuals that you need, but I also recognize that tapping the skills of those you have in-house is more cost-effective, especially if you are making decisions regarding the spending of capital to grow your business.

Choosing how you invest your capital is another key area when it comes to building your team. Training can be a key part of your strategic growth plan. Let's think about this from a marketing perspective for a moment. When you are trying to attract a new customer, it takes significantly more capital to bring them into your business. However, once you have a customer, the cost to retain them goes down.

The same is true when you are talking about building a successful support team for your business. It is cheaper to keep employees and invest in continuing education opportunities, versus going through the hiring process and the costs associated with that.

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Additionally, I want to point out the importance of working with your team to cross-train. Emergencies and life happen. When you cross-train your employees, you give yourself more resources to draw from in those situations. Granted, your cross-trained employees might not be as skilled as the person you hired specifically for that position or role, but they can still help you to bridge the gap until that person returns or is replaced.

During cross-training, you may also uncover skills that you were not aware of, and it may actually bring you additional value in terms of what that team member can provide. There is a lot to consider when you are building your team, be it sales or support. Different departments might require more resources than others. It becomes a blend of what you have and what you need in order to be successful, and then making strategic decisions to achieve that success.

You also need to make sure that you are maximizing your technological options. Today's technology allows you to reach your customers and your team faster, with a sharper message than ever before. Businesses who focus on doing things the way that they have always done them will leave you technologically behind and vulnerable to your competition.

Do not be quick to assume that these technological advances are out of your reach financially or do not apply to your business. An open mindset will help you to see the benefits of building, instead of sitting back on your heels and letting technology pass your business by. Customers expect a certain level of technological ease of use, so if you are not providing that, then you could be turning your customers off.

Plateaus are not meant to be the place where your business stays, but you can use a plateau to regroup, identify areas for change, and then build a strategy to address those areas. Next, I am going to talk about how a successful team can be a critical part for your journey to growth.

### **Building a Strategy for Success**

Clearly, the point of building a successful team involves finding the right people to fit the right positions, with the right attitudes. Fostering a growth mentality means finding individuals who are going to be open to learning and

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implementing changes. Fixed mindsets tend to be focused on just getting by, using techniques and processes that are already in place.

I want you to cultivate an open mindset in your team, one that helps them be more willing to accept change and embrace the idea of continual improvement. Businesses that get stuck on the plateau are typically not embracing change. They do things just as they have always done them, without questioning if there is a better, faster, or more efficient method out there.

As a business owner, are you working with a fixed mindset or an open one? The reason that I ask this is because if you are not modeling an open mindset for your team, then you are not going to get the results of that open mindset. Businesses and industries are constantly changing in order to be successful. If your business is not open to change, then it will remain on the plateau.

A hiker that remains on the plateau will eventually start back down. They won't achieve their goal and will end up with negative progress. If your business is not building toward a goal, then you are essentially creating no momentum. Businesses thrive on momentum and forward motion.

Do not be the hiker that is sitting on the plateau or has started back down. Instead, focus on building your team up so that they want to grow and reach the next level. As you can see, your team is part of your strategy, but if you are not setting the example of embracing change, continual improvement, and ongoing education and training, then the culture of your business is not going to support the growth that you want to create.

The next few chapters are going to focus on building efficiency within your business, including a deeper understanding of your operations. I find that businesses with limited resources are not taking the time to consider ways to build in efficiency, and thus get more out of their operations.

Consider how your business operates now. Do you have processes that tend to overlap across departments? Why is that process in place with multiple overlaps? Can you find a better way to achieve the results of that process with less individuals?

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Clearly, this is an area that all businesses need to factor into any analysis. Do not be quick to assume that there are no opportunities for your business to find additional efficiencies. After all, most businesses do not have unlimited capital to draw upon. You need to find the right mix to take your business from the plateau to growth. Let's get started by focusing on streamlining your operations.

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## Chapter Seven

### Streamlining Your Operations

After a business runs for a while, it develops inefficiencies. There could be a variety of reasons why. You might have individuals changing positions, changes in technology that makes previous processes clunky, and even shifts in your industry that change standards. In this chapter, I want to focus on how you can find those inefficiencies and eliminate them. When you are able to do so, then you can achieve the growth that you want, and step off that plateau.

First, let's start by talking about how those inefficiencies creep into the workday, and what type of impact they can have.

#### **Inefficiency Becomes Part of the Process**

No matter how you run your business, you have processes in place to make sure that the same quality control steps are followed each and every time. For your accounting processes, you need to include certain steps to create checks and balances. Clearly, processes serve a purpose in providing the quality controls needed to successfully run your business.

Still, you can simply put processes in place and assume that is good enough. If it works and the job gets done, there should be no reason to review those processes, right? Wrong! When you employ open-minded thinking, instead of a fixed mindset, then you are focused on constant and continual improvement. It means moving away from a culture of just accepting what is. Instead, you need to be inspired to find ways to continually improve.

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Hikers who achieve their goals tend to continue to train and prepare for their next potential challenge. They don't find one way of training and then assume that type of training will work for all weather, terrains, and potential obstacles. Additionally, they are open to learning more from other hikers that might have experience with a terrain that they have not trekked before.

Now let's translate that to your business. It can be easy to keep the processes that you have in place, but those processes might create inefficiencies as you attempt to use them to address changes in your industry or shifts in your market. For instance, you might have a process in place to address inventory, but with inventory in several areas, your process might be creating more steps than necessary, and causing more work. Time is money, and when you are reviewing processes, then you are uncovering those unnecessary steps, and saving your business money in the process.

One of my clients personally owned a building that he rented to his business to use exclusively to store and ship product. This was a very costly process: In addition to the costs to maintain the facility and employ the workers to staff the facility, the costs related to obsolete inventory became prohibitive. That client and I worked together to overhaul the entire process, using improved logistical technology. My client was able to switch to a drop shipment platform, and no longer needed the building or the shipping staff. The result was improved efficiency, higher capacity to deliver, and an increase in profits by more than 360%, as well as the building being leased to another company for additional income. Once my client opened his mind to not having inventory on site, and we came up with a solution for the large vacant building, he was completely on board with making such a drastic change to his business model. Now he is one happy hiker!

The point is that without a culture focused on continual improvement, then your processes will eventually become outdated and inefficient. It is the reality of a constantly moving and upgrading business world. If you want to be successful and get off that plateau, then you need to embrace the idea that change is part of that process.

You might be wondering how you can spot those inefficiencies that have crept into your processes and procedures. After all, the idea of addressing them can be appealing, especially in terms of your bottom line. And this is where an

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impartial business advisor plays an important role. Although it may have appeared that my client's problem was inventory, and his solution, in the past, was to adjust the quantity and classification of the inventory on hand, or discount and sell slow moving items, the inventory was just a symptom masking the underlying problem—an inefficient process. The solution was to streamline the process. However, I want you to recognize that streamlining is not the same as downsizing. When you are downsizing, you are not growing. While some employees did lose their jobs, the capacity to handle more orders increased, and the business grew. The fact is, most businesses that are downsizing are attempting to save their business. They are not concentrating on creating growth, but on saving their business and returning it to viability.

Streamlining, on the other hand, is about taking advantage of the efficiencies that are possible within your business. Those efficiencies can help you improve multiple areas of your business, including customer service, marketing costs, and your daily administrative tasks. When you identify inefficiencies, and are able to eliminate them, as my inventory client did, then you are putting yourself in a position to be successful and create the growth necessary to achieve that success.

Throughout this book, I have focused on critical steps that you need in order to build a foundation of success, and the culture to support it. Now let's focus on processes and procedures. Do you have them? Here is why they are so important.

First, when you put processes and procedures in place, your team can produce the same results consistently. Secondly, you can drive down costs, simply because the waste is eliminated through consistency; and thirdly, you find that your customers appreciate the reliability that is created, and they are more likely to be repeat customers.

Creating processes and procedures starts by documenting how you complete a task. It is just as simple as writing down the steps. If you have been in business a while, you may have been more focused on getting your business off the ground, and less worried about creating or documenting the processes and procedures that you use daily.

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Now, however, it is important to do so for the growth of your company. When businesses do not focus on building these manuals that document how their business runs, then they find that inefficiencies abound. This reality occurs because every member of the team is doing things just a little bit differently. Approvals of expenses could be processed one way by one member of your accounting team, and then a different way with another team member the next time.

That could be confusing for your team as well, resulting in wasting time as they try to determine which method they need to use with every submission. That is not what you want members of your team to be doing. You want the process to be fairly automated so that they can focus on serving your customers effectively.

Therefore, building a manual with your processes and procedures is critical. It gives you a guideline for your team to follow, and provides a means to train your new employees. Then your team knows how to proceed, and can do so consistently. Just taking the time to document processes and procedures can help you to understand how things get done in your business. At the same time, you can start to find those areas where you might have overlap, which leads to you having the ability to address those overlaps and the potential inconsistencies that are created as a result.

### **Finding the Inefficiencies and Addressing Them**

The first way to identify those inefficiencies is to make reviewing processes and procedures a regular part of your routine. It might be a good idea initially to schedule these reviews, and include all the stakeholders in the review. The reason is that they might be able to identify areas where processes overlap, and help you to eliminate those overlaps.

Now, some of those overlaps might result because the same information needs to be processed in different ways for different departments. Is there a method that can address the needs of multiple departments, while reducing the number of duplicated steps? When you work with your team, you get to brainstorm ideas to address these challenges.

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I personally ran into this very issue when I took over an existing CPA practice in the middle of tax season, over 11 years ago. The processes in place were so confusing that I couldn't remember all the steps, many of which were redundant, so I kept apologizing to the staff for messing up the process. At the time, I had another office, with about the same number of clients and half the staff. Immediately after tax season, with my team's support and encouragement, I began to streamline the process and procedures, change the software, upgrade the computers and network, and reduce the staff from 3 full-time and 3 seasonal employees, to 2 full-time and 1 seasonal employee. It did take about a year to implement all the changes and get the staffing levels to an optimal level, but we are still operating efficiently at that level. And my team, the two who were with me from the beginning (the third full-time person moved on but still maintains a relationship with the team), was an integral part of making that happen, by offering suggestions, pointing out redundancies, and taking ownership of their job functions. And we meet periodically to discuss any changes that might improve our ability to serve our clients' needs.

Your review is going to help you to identify these overlaps and get your team thinking about possible solutions. I encourage you to foster an open-door culture, one that allows your team to bring their ideas to you regarding how to create efficiencies in the current processes and procedures. Not every suggestion is going to be viable, but the point is that one idea can lead to another, which can address key weaknesses.

Now that you recognize the importance of building reviews into your routine, you will also start seeing the benefits in terms of finding those efficiencies that might have eluded your team in the past. Still, the benefits really start when you develop a culture that encourages thinking outside of the box.

Understand that a continual improvement culture and mentality is key to these reviews. You want your team to be excited about the process. Part of getting them excited is helping them to appreciate how they will benefit from these reviews. It might mean changes in responsibilities, but the result will be a strong process or procedure that can benefit the business and team.

Additionally, your team is a great resource for ideas to improve these processes and remove inefficiencies. Some teams choose to have a process and

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procedure review after a major project is completed. They look at what went well, what went wrong, and identify the strengths and weaknesses of the entire project. As you identify those areas where things went wrong, and those weaknesses, you can put your team to work to address them.

Now you can start brainstorming, looking at how your processes and procedures currently address these areas. You might find out that they do not address them at all. The point is that once you have the knowledge, you can start finding the solutions and tapping the experience and skills of your team. I also want to point out that spending time at industry events can also expose you to the best practices of other companies in your industry. While you might be struggling to find a solution, someone else in your industry may have already arrived at it. Best practices throughout your industry can be the key to taking your business to the next level and addressing inefficiencies. Streamlining is about a new mindset, one that is open to change and to trying new things, no matter if they seem slightly off the wall in the beginning.

Think about how many businesses have begun, in recent years, to address a specific need or desire. They might be slightly off the wall, but these businesses have built a market and grown their footprint. Your business can grow and change as well, but you need to recognize the importance of being open to change in order to effectively facilitate that growth.

When you are focused on streamlining your business, you are looking for ways to make it better, and create a platform for growth. Improvement will benefit your business, your team, and your customers. If you have taken advantage of best practices for your industry, then you might have noticed that technology is playing a much larger role in businesses today.

### **Technology and Streamlining**

As part of the process of continual improvement, it is critical to tap into the technology available. New applications are being created constantly, so taking advantage of those can help you to address areas where you might benefit from streamlining. Consider your accounting department. Today, there are multiple applications and programs that can allow you to not only track expenses but to even help project earnings, and thus budget accordingly.

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As a testament to that, we moved all of our clients to an online accounting platform, thereby eliminating the need to back up and restore client data. In addition, my team and the client had access to real-time data. Another benefit of this technology is that most lenders now want access to your online accounting. Apparently, transactions are more important for loan approval than financial statements or credit score. This is just another way that technology is changing the way we do business.

Do you have sales people that are frequently on the road? Apps can help you to track their mileage and other expenses, and then feed the information right back into your accounting department. It can save multiple entries, which means fewer opportunities for mistakes to be made. This is just one example of how you can make technology work for you.

That is one of the very reasons I offer a mobile app: **MyCPA**. For a small business, integrating technology can be expensive and overwhelming. My mobile app, **MyCPA**, is designed to help you access and track your business accounts, income and expenses, all from your mobile phone. It's available to download for free, in the Apple Store and Google Playstore. Use code **CPAG**, after installation.

Those individuals who choose to hike regularly, find that the gear they need changes. Lighter versions of critical items come out, making it easier to hike further with less weight. Your business processes and procedures can also become lighter by taking advantage of the newer versions of various software, some of which you may already be using.

A word of caution here: Technology is full of bells and whistles, ones that can make it appear shiny and new, even if the reality is that it will not work for your business. Be an informed shopper, one who looks at all the options. While it might be an amazing piece of software or technology, how will it impact your business? Is this the wisest use of your capital?

Part of finding the right technology for your business is listing your needs and then researching the solutions available to address them. Your industry may have a variety of options available, and if your capital was unlimited, you might take them all for a test run. If your business is like mine, however, your capital

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is not unlimited. Picking new technology for your business means counting the cost, including the costs associated with training and implementation.

Granted, you might not have the money to address every technology issue, but it is important that you not avoid technology altogether. You may find that after years of not investing in technology, your systems are so out of date that it ends up costing you customers and potential revenue. Then, when you decide to do a leap in technology, the costs will have gone up exponentially. Plus, the change will be more drastic for your employees, which makes implementation even more difficult.

While you might promote an open mindset, the reality is that your team might be more resistant to change if you make it mandatory all at once. Gradual changes, implemented over time, are likely to have greater success and to stick around for the long term.

There may be times when big technology shifts are required by the standards of your industry or simply changes in your business that make it the right time to invest. Working with an IT group that is versed in these types of changes and implementations could be the key to a successful completion of the process. After all, you do not want a new system to essentially be abandoned because the training and communication were not effective.

Also, look at the current software being used. Can you consolidate systems to reduce the number of data entry points? Recognize that when you do so, the workload is being reduced, while the quality can remain high. Plus, you may be freeing up employees to tackle other projects that have been sitting on the back burner.

Your business is growing because you are tapping into the skills and experience of your team, and your technology upgrades and improvements need you to tap into another set of skills as well. Do not assume that this is something you can do yourself. Even your in-house technology team might not be up for the job, simply because they might not be as up-to-date as a business who makes IT the bread and butter of their business.

Outsourcing can be a means to take your business to the next level, without incurring a large expense or hit your capital improvements budget. Plus, it

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is an opportunity to tap into the experience and skills that your team lacks. When you identify a weakness in your team, determine if it will be more efficient to bring someone onto your team to address the weakness, or if it would be more effective to simply outsource it instead.

Remember that in the end, you are the one that must pull the trigger and make the purchase. Do not be afraid to step out and make a move to put your business on the growth track for the future. Streamlining is about tapping your resources and using them more effectively in all areas of your business.

Not every type of streamlining is going to require you to outlay a large amount of capital. As we discussed earlier, reviewing processes regularly can help you to find ways to capture efficiency, often without spending more at all. Make regular reviews of your processes and procedures a part of your company culture, and then benefit from the results.

Now that we have talked about reviews and technology, let's address a few other areas where you might benefit from streamlining.

### **Let's Reduce the Paperwork**

No matter what process you are looking at, likely you are going to find a trail of paper. Lead times can grow as papers sit on individuals' desks, waiting to be addressed. To trace a paper trail, and find the areas where backlogs might be occurring, think about the following:

- What information is added to the paperwork, and why is it necessary?
- What information is taken from the paperwork, and why is it needed?
- Was this paperwork critical for this employee to complete their job?

If there are not valid reasons, but instead the answer is, "That's the way it has always been done," then you may have targeted an area ripe for streamlining. Document management might be another area where you can streamline your operations. For example, how are documents managed after the initial work is done? Does someone end up spending a majority of their time managing paper and sending information requests out to individuals? What kind of delays result? Are those delays costing you time and money?

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If you convert to a document management system that addresses managing the paperwork, you may be able to free up physical office space, but also the time needed to file and retrieve that paperwork. Whereas before, an individual might be handling information requests, your team can now access that information electronically, in an instance; thus, they are putting themselves in a better position to complete their tasks. Delays are minimized.

As a prime example, my office switched this year to mostly paperless, by using virtual platforms for taxes, accounting, and filing. Yes, it is an adjustment, but it has reduced the expense for office supplies, and it has created space to have a much needed conference room. And because we can digitally store all files and paperwork, there is no longer a search for client files. For us, this was a win/win.

Finally, it is important to remember that streamlining involves finding ways to limit the number of interactions and decisions within the workflow; thus, it increases the efficiency. Your best employees will rise to the challenge. Give them the ability to delegate, and you will see the benefits.

Throughout this chapter, I have stressed the importance of streamlining and efficiency as a means to move your business forward, keep it competitive, and at the same time, save on the bottom line. Now, we need to talk about the importance of knowing and understanding how your money works for you in your business.

Let's start by focusing in on the importance of basic accounting for any business owner.

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## Chapter Eight

### Know Your Money

As a business owner, you know your product and your customers, and you have assembled a great support team to drive your business forward. However, to get to the top, and to be really successful, you must know the numbers—intimately! Time and again, I speak with business owners, and I find they know little regarding how much revenue their business takes in, the overhead costs associated with running their business, how much it takes to produce their product or service, what supplies cost, and how much profit they are making. Forget the line, “Show me the money!” from the movie, *Jerry Maguire*, and remember to FOLLOW THE MONEY! Shout it from the mountain top if you must, but always follow the money. By this, I mean *know your cash flow*. This is the most important part of your business operations. You don’t want to find out too late that you are using next month’s cash to pay last month’s bills. Review your cash flow regularly—monthly at a minimum.

When it comes to the costs associated with running your business, don’t find yourself at a loss if questioned about industry margins and cost percentages. For instance, in a restaurant business, food costs should be monitored and compared to the industry average food cost percentages. If your business is way above those percentages, you are likely running your business at a loss, because inventory is eating into your profit margins.

#### **Critical Numbers to Know as a Business Owner**

When you don’t understand the numbers of your business, essentially you do not know your money. It could mean that your business will lack the capital to grow and expand when you need it the most. Those who don’t understand

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the numbers of their business, find themselves running their business in survival mode instead of in growth mode.

You want to focus on growth in profits, quality, and/or size, not just on keeping the doors open. Growth is the only clear path to the summit. You might have a fantastic business, but if you don't know your numbers or understand the money aspect, then you are going to find it difficult to maintain or initiate any momentum.

As part of understanding your numbers, you need to know the following:

**What are your costs?** – There are going to be costs on a daily, weekly, monthly, quarterly, and annual basis. If you are not confident regarding how your money is being spent, then you are not going to know what areas you could potentially pare down for efficiency, or perhaps eliminate altogether.

**What are your sales?** – Part of understanding your sales numbers is understanding what you need to make from each product or service that you sell, in order to make money. If you don't, then your price points could be too low, and that could negatively impact your profit margins.

**Are your sales growing year over year?** – A business demonstrating growth sees an increase of sales year over year. Granted, in your first year you might not be profitable and could just break even, but it should not be that way year after year. If that is the case, then you need to start looking deeper into your numbers to understand why.

As a business owner whose profits were stagnant for many years, I am intimately familiar with the plateau. Because my business was profitable and provided enough income for a good life, I neglected to look at the big scope of my business. Yes, there were many new clients each year, but profits were still stagnant. Why was that? Many of my new clients were deceased, so I settled the estates; and with current tax laws, there is no need for ongoing work. So my practice was growing with short-term clients that needed to be replaced every year. That's not a good business model for growth.

These are just a few of the areas that you need to understand as you work to grow your business. Once you have a handle on your numbers, you can make

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better decisions regarding how and when to spend your capital, as well as how to budget throughout the year. If costs in one area seem to skyrocket, then it should be an alarm that you need to immediately address it, as it could be a signal that something is off.

Recognize that knowing your numbers and understanding the accounting regarding your business, is key to determining the best way to move forward and grow. I would encourage any business owner to take a basic accounting class, just to have a better understanding of their own spreadsheets. Even if you hire an accounting firm to manage your books, you still need to understand what the numbers are telling you about the health and well-being of your business.

### **Building Safety Nets into Your Business**

Part of the process of building a strong team involves providing benefits that make it appealing for them to keep working for you. Still, as a business owner, the reality is that you do not have the traditional safety nets that many employees of larger companies can enjoy. After all, if an employee gets laid off, they can apply for unemployment that can tide them over until they find work again or are called back to your company.

As a business owner, you may be paying the unemployment tax for your employees as part of your payroll, but if your business suffers a slow period, then you do not have that built-in safety net. Therefore, it is critical that you create your own unemployment insurance by building a short-term savings plan into your financial plan for your business. These funds will be available if you must close your business, or as a safety net in case of a disaster that reduces or eliminates your income.

This is known as a retained earnings plan, and you should make it a priority for your business. No one else is going to do that for you.

Healthcare is another area where it is essential to address it for yourself as the business owner. Too often, it gets put on the backburner, simply because other costs are more critical; yet without health insurance, you could be leaving your business without its leader, and putting yourself in a position to not have any income at all.

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As a business owner, you are able to deduct medical insurance premiums as a business tax deduction (if your business is outside the US, check the laws of your country), not subject to the limitations of personal medical expenses. There are also ways to structure your health insurance so that your healthcare is covered by Health Savings Accounts. There are many options available to make health care coverage more affordable. Working with your accountant and insurance agent, you can find the most tax-advantageous option to fit your needs and your budget.

Hikers have all types of contingency plans in case they are injured on the trail or have a run-in with an animal of some kind. This might include additional supplies to signal for help. There may also be tools to drive animals away, such as bear spray. Deciding what you need as a hiker will depend on the terrain and the potential risks associated with your trail of choice.

In the same way, your business is going to need various types of insurance or contingency plans to protect it against potential threats. The reality is that as a business owner, it is impossible to plan for all possible problems and issues, but it behooves you to plan for likely problems, and put some kind of insurance mechanism into place to address them should they arise.

Now, there may not be insurance or coverage for every type of issue that your business might encounter. Still, the longer that you are in business, the better you understand the potential threats, and can confidently address them. Here are a few potential scenarios that you need to consider as you build up your company and lead it throughout its growth.

### **Insuring Your Future**

Other types of insurance that you need to account for includes disability insurance. Those who are employed by a large company find themselves covered for disability or workers compensation if they are injured on the job. It keeps some income available while you recover.

For those small business owners or freelancers, you can purchase short-term disability insurance with different types of coverage and limits. These types of plans are available through various insurance companies; so again, it is important to shop and determine which plan is right for you in terms of costs

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and coverage.

Try to plan for potential future disability scenarios. After all, when things are going well, it is hard to imagine any time when you are not at the helm of your business. However, it can happen, and you need to put plans in place to not only address your income needs, but also address what it would mean for your business and employees, and then plan accordingly.

Another area to consider is regarding retirement plans. Regardless of what type of plan you end up deciding upon, the point is to make a plan and then follow through on it. Depending on how much you plan to save per year, or how much you need at retirement, there are a variety of options available.

For instance, if you are saving less than \$5,000 a year, then your best bet is to consider using an IRA or a Roth IRA. If you want to save significantly more than that, you may have to consider a SEP IRA or a 401(k) plan, depending on your business entity. If your window to retirement is short, then getting more aggressive in your savings is necessary and would involve using alternative retirement planning, using after tax dollars. Do your research, and find the option (or options) that best fits your needs.

You should not neglect creating a plan to provide yourself with retirement income. If you have the opportunity to pay into Social Security through payroll taxes, you should take advantage of this as another source of retirement income. You need to cover all your bases to make sure that you will have income well into your retirement.

I have had clients over the years that report very little income from their business for years, decades even, and realized too late that this affected their social security income. Sometimes by the time they get to me, they have a short window of opportunity to rectify the problem. This is a common pitfall of cash businesses—don't fall into this trap. And it only becomes an issue if the business owner did not plan properly for retirement. The clients that asked for and took my advice did not have to overcome these same issues.

Granted, you go into business with the idea that it will provide an income stream for years to come. Part of understanding and knowing your money means creating contingency plans for those times when your business is not

providing sufficient income, or it may not be viable to keep your business open. Clearly, there is a lot to consider as you work to better understand where your money comes from and where it goes. I cannot stress enough how important it is to work with an accountant or tax professional to help you make the best financial decisions regarding your business.

## **Creating a Budget for Your Business**

No matter the type of business you run, it is important to understand where your money is going, and how to balance your funds so that you can address the items that you need to grow. The first part of creating any budget is to tally up your income sources, so that you have an idea of how much money you bring in on a monthly basis.

Create a profit and loss statement—easily done using just about any accounting software. If there are other income sources beyond your sales, be sure to include those as well. Next, you want to determine your fixed costs. These are the items that need to be paid every month but don't change based on the volume you produce, such as rent, mortgage, or insurance. You can easily find them within your expenses, because you will notice that they are on every monthly expense report.

Variable costs, on the other hand, are items that may be paid every month, but the amounts may vary. That means you can ramp up those costs one month, and then ramp them down the following month. Your profits are determined by how much you have left after paying all your expenses. Essentially, if your business does better than you anticipated, then you can use the extra funds to increase your variable spending, to grow faster or address some of those big-ticket items on your to-do list.

Another key part of your budget is predicting those big one-time spends. For instance, you might need to replace some hardware for your business. That is an expense that does not happen every month, so you can factor that into your budget months in advance of when you plan to spend the funds. Thus, you can protect your business from massive financial burdens during your downtime or slow periods.

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In my CPA practice, to stay current with technology and operate efficiently, I must upgrade my computers and computer system every 3 to 4 years. Instead of having a large budget item to replace the system in the year it happens, I include savings for the new system, each year in my budget, which reduces the stress in the year of the major purchase.

As you create your budget, you will get even more familiar with your business and its financial situation. Making informed choices is less difficult when you understand your numbers. It also makes the process of applying for business loans easier, because you can share how your business is growing, and demonstrate that you can pay back the funds.

Plus, your business is building a credit history, and that will positively impact the amount of interest you pay overtime. When you are deciding to borrow capital for a major investment in equipment or inventory, remember that the better your financial picture looks, the more likely it will positively impact your interest rate.

Also, be willing to shop for better interest rates and terms. Do not take the first offer that you receive, especially if you have a healthy balance sheet. Recognize that when you are borrowing, you are putting your business into debt, so be careful in choosing to borrow, especially when you are starting out. Eventually, utilizing capital resources, such as financing, is going to be part of your path to growth and taking your business to the top.

As you can see, there is a lot to address when you are talking about knowing your money. It involves more than just having a budget or knowing your sales. Creating a deeper understanding of your business starts with understanding whether it is healthy or not. Once you know, then you can start adjusting. Working with an accountant is key to helping you better understand your books and the impact they have on whether your business can thrive or not.

Throughout this chapter, I have focused on how to protect yourself and your business from financial disasters, and the importance of understanding your overall financial picture. Now, let's talk about how to protect your business from the various impacts that can happen, shifting your business off its axis.

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## **Notes**



## Chapter Nine

### Protect Your Business

As a business owner, part of running your business means preparing for a variety of contingencies. You become a seer of sorts, trying to divine what might happen, and then preparing accordingly. Part of that process means looking at the signs related to your industry, and then making plans accordingly to address potential outcomes.

Hikers spend a portion of their preparation for a hike checking out the weather and making plans in case the weather takes a turn for the worst. They might carry supplies that can be used to create a shelter, extra food supplies, or tools to create a fire. While they might not end up needing these additional items, the point is that they are prepared for the contingencies based on the weather, the terrain, and other factors.

Owning your business requires you to spend time gathering information regarding the terrain, then making the necessary preparations. For instance, your industry might be heavily regulated, so you might create a department or team to specifically address the implementation of any new regulations, and to handle any training that might be necessary.

Businesses on the plateau rarely take the time to get the lay of the land, so to speak. They end up getting sideswiped by circumstances and unexpected changes. In this chapter, I am going to focus less on the regulatory impact of changes, and focus more on disaster planning for your business. If you are not prepared, disasters can decimate your business, reducing your income and putting the health of your business in jeopardy.

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For those on a plateau, disasters often mean that their business suffers, and resources for growth are used to put out the fires created by a lack of preparedness. I want you to be able to move your business to the top, to shift off that plateau, and use your resources to promote growth in all areas of your company.

Throughout this book, I have focused on various areas of your business where you can shift your focus to put it on the path to growth. However, all that progress can be wiped out by a variety of disasters or unforeseen contingencies if you do not create a plan.

Multiple businesses create disaster plans, which provide instructions to their team in light of potential natural disasters and other untimely events and circumstances. For instance, a business located in a tornado or hurricane area, or subject to earthquakes and wildfires as we are here in Southern California, would have to address the potential loss of their building, and make sure that their data is backed up offsite, giving them the ability to move operations to a temporary location in a short period of time, perhaps even allowing employees to work from home.

Let's start by looking at your business and its location, as well as what is involved in building a disaster plan.

### **Creating a Disaster Plan for Your Business**

The most important part of creating a disaster plan is to try and prevent it from happening. Conducting regular audits and system checks throughout the year can help you to identify weaknesses in your processes and procedures. As a result, you can assess your potential risks and any impacts to your business. This is also a good time to look at your safety systems. Running through drills with your team can also help you identify areas in your procedures that might not be clear.

Once you have identified the areas where you are at risk, you need to create evacuation plans, a list of emergency contacts, and a backup procedure for your data. There should also be various points of contact for your team, so that they can get updates regarding whether your operations need to shift locations or if they need to work from home.

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The beauty of cloud applications now available is that you can create systems without tying your data to a physical server in your business location. That means if your business location is wiped out or flooded, the data critical for your business operations does not have to be lost. This is also true of any type of cyber breach.

Evacuation plans are meant for those moments when you need to get everyone out of the building in a fast and orderly manner. You might have an issue within your location due to a power failure or gas leak. Weather changes may also create a need to get everyone out quickly. If you have a fire, for example, clear primary and secondary evacuation routes and exits will help you to get your team out. Designating an outside meeting place where everyone can gather and be accounted for is a crucial part of any evacuation plan.

Copies of critical documents should be kept in a fire-proof box, and as I mentioned previously, backup copies of critical documents and data need to be made and kept offsite. As the owner, try working from home for a day, as a way to identify weaknesses in your system. What can you access, and what is not available? It can be an easy way to identify what can be done remotely and what cannot.

You may also find that employees are not necessarily equipped with the right routers or internet access to work from home. In these instances, your business plan will need to address these issues as part of the overall contingency plan for your company. One example is where you are going to work if your primary location is damaged or destroyed. Flexible workplaces could be an option to create a backup site until a new permanent location can be found and fitted out.

Another benefit to working from home is that it gives you the ability to make an accurate list of essentials needed to run your business. Often times, what you think is important is not as critical as other items you had not thought of previously. Make contingency plans to address each item on the list, and then put those into place during times of disaster.

For instance, if you have multiple locations, you may need to have a plan to reroute clients to another location for meetings if the main location is not

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available. Map out the worst-case scenario and then work backwards, thinking about everything you need to keep moving forward seamlessly. Granted, you might not be able to address every single issue, but the point is to create a plan that can keep your business operating and generating income while you rebuild or relocate.

The importance of a disaster plan is to not only address how you are going to operate during and after a disaster, but also how you minimize your potential losses and risks. Try to think about what you might need to satisfy the orders of customers, as well as to address the needs of your team, should you be faced with a hurricane, flood, or fire.

In this day and age, the intensity of storms is increasing. Businesses need to evaluate their plans based on this new reality. For instance, businesses in Houston face different weather-related risks than a business in Iowa. Both companies need to create their disaster plans around their unique regional risks.

Having a CPA practice in Southern California, my office is in an area subject to earthquakes, wildfires, and flooding. Until this year, when we digitized all of our clients' records, we were at risk of losing up to 5 years of client support data. Our computer files are backed up offsite, but our paper files were stored in a room of files and filing cabinets. My updated disaster plan included scanning all of our paper files and storing them in a cloud-based filing cabinet. Another aspect of disaster planning that you need to consider is the level of insurance that you carry. Businesses can be woefully underinsured, often underestimating the amount of capital they would need to rebuild their business and inventory if they were wiped out due to a disaster; or worse yet, if the disaster was a cyber-attack, but I will discuss this in more detail later. Keep in mind that inflation is going to impact the cost of new machinery, new hardware, and new inventory. Your insurance needs to reflect all the costs related to getting your business up and running as soon as possible.

Talk with your insurance agent to access your policies and current insurance levels, and make sure you have included cyber security insurance. It can help you to evaluate whether you need additional insurance, and where you might be under-insured.

## **Communication is Key to Success**

When it comes to creating any type of plan for your business, you need to address communication. Who will be making decisions, and how will those decisions be relayed to your team members? It starts by developing several ways to communicate with your team. Today's technology gives you multiple options, from phone calls to text messages and emails. For instance, you may use email blasts, text blasts, and voice broadcasting, giving you the ability to contact individuals on their office and cell phones.

Define who will be decision makers and what aspects of the plan they will be in charge of handling. Installing alarms throughout the building, and testing them regularly, can help you to quickly evacuate your building.

Retailers and other businesses can have customers onsite, so your team needs to be trained on how to issue instructions to the customers as well, using intercoms or other means. Note that all of these plans need to be laid out well in advance. Your team could struggle in a disaster situation without a clear plan, which could lead to significantly more losses for your business.

Communicate with your team regularly during your training sessions, so they understand what is expected. At the same time, be open to listening to their ideas and suggestions. Your team may be able to point out areas that have escaped your attention but may need to be addressed in an emergency.

## **Data Breaches and Security**

Protecting your business also includes making sure that you put security in place to protect your business's data and the privacy of your customers. Cyber-attacks are a reality of the 21<sup>st</sup> century. I previously discussed this a little, but I think it needs more specific details. If you haven't been hacked, do not assume that it will never happen to you. Since it is the reality of our technological age, you need to prepare for it. If your data is breached, you need a contingency plan to get your business up and running again.

That could involve accessing a backup that has not been compromised, and not allowing infected hardware or software to continue to travel through your system.

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Working with a third-party IT company, you can assess your risk level and then put the best protection options in place. Security firms are up to date on the latest risks, so they may be a better option than using your internal IT department to assess your company's IT security.

Here is another instance when training for your team is critical: Malware and other viruses can be dropped into your system through innocent looking emails. Your team needs to be aware of what they can download and what is suspicious. Additionally, if they fear that their computer has been compromised, you need to have a plan in place to cut that computer from the main system, thus keeping the virus from spreading.

Firewalls and other anti-virus software are important to your security, but that also means that you need to keep them up to date. Too often, a computer is running on out-of-date software, making it vulnerable to attack. Again, this is another reason to consider a third-party company to handle your IT security. They can create a custom plan for regular updates, as well as sweep your system to find anything that might have slipped through the net.

As you can see, there is a need for a separate disaster plan for your business to address specific cyber-attacks and the concerns relating to them. While not a natural disaster, data breaches can be harmful to the brand and reputation of your business. Therefore, you want to make sure that you are not sacrificing IT resources to promote growth throughout your business. Doing so could put your business at much greater risk as a result.

Technology can be a blessing to your business, but if you ignore your technology for too long, you could be opening the doors for unscrupulous individuals. If you are keeping sensitive financial data on your customers, then you want to be sure that you are up to date. It could end up being a costly error that could leave your business struggling to stay afloat. Big companies put measures in place in response to data breaches, meant to ease the minds of their customers. You could also spend time determining if such an option is available for your business, and the potential costs. It could be part of your disaster relief plan—an option to be tapped if necessary.

Still, you might be wondering, “How am I going to take all of these moving pieces and combine them into a working disaster relief plan?” Let's discuss that next.

## **Establishing a Planning Team**

As you can see, there are multiple areas to coordinate and consider as part of your disaster plan. To make it easier to create your plan, consider putting together a planning committee. They can be in charge of identifying the high-risk areas, and creating an appropriate plan for approval.

The planning committee can also be tasked with meeting a specific number of times per year to review and update the plan as needed. They can work with the rest of your team to address areas that may not have been risks in the past but are now. It is important to give them the tools necessary for proper implementation, recognizing that all the plans in the world are useless without the ability and resources to make them a reality.

As you develop your disaster plan, you may need to outline the potential costs related to addressing key areas. Perhaps data backup and other security measures can be implemented as part of your IT budget, on an annual basis. Other aspects of your disaster plan may call for funds to be set aside on a yearly basis, to be potentially tapped as an emergency fund for your business. Remember that even with insurance, you could be waiting for reimbursement for a significant period of time, and if you can use your emergency cash flow to address critical overhead during that period, then you can keep your business moving forward.

I want to point out that a disaster plan is also open to continual improvement. When you drill on the disaster plan, your team needs to know that you are open to hearing ideas that can make the process go even smoother. Recognize that you might be made aware of ideas that are *out of the box*. Being open minded is key to growth. A fixed mindset fears change and often gets stuck in the way things have always been done.

Throughout this book, I have continued to stress the importance of being open minded and cultivating a growth mindset as part of the culture of your business. This can be especially true when you are creating a disaster plan for your business or attempting to lower your risk exposure.

Stressing communication will help you to shift your business off the plateau, and that includes the communication between your team and your disaster

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planning committee. Let's look at the hiker again. She has a support team, and she relies on them to bring her accurate information regarding a variety of subjects, including weather and terrain. Now, what if they gave her that information, but she chose to ignore it and create a plan on her own? It would likely mean that her hike could run into problems, because she wouldn't be truly prepared.

As a business owner, you need to recognize that if you ask for ideas and information, then you must be willing to listen and learn from your team. Part of protecting your business involves tapping into the resources you have, and using them to benefit your company and your team.

I have focused on a disaster plan for your business as part of addressing the protection of your business. Now I want to shift gears and talk about the final area of growth in your business. It is when you have implemented all these changes and are now ready to exit from the business. By putting a frame around that exit, you can create a smooth transition for your team, and achieve the financial goals that you have set for yourself!

*Protect Your Business*

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## Chapter 10

### Your Exit Strategy

Throughout these chapters, I have shared critical areas that you need to address in order to take your business from the plateau to the summit, through continual growth. Along the way, I have also shared tips that can help you to identify the areas of your business that may be slowing your growth.

The point of owning any business is to build it up and create a successful company, based on specific goals that you defined in your business plan. Building your business takes time and energy, and you want to receive the benefits of that investment. A vast majority of business owners do not intend to work for the rest of their lives, but plan for retirement. Perhaps you want to retire. What is the plan for your business?

When I talk about an exit strategy, my focus is about creating a means to remove yourself from the day-to-day operations of your business, at some point in the future. For instance, if you want to retire within ten years, you would be focused on building the value of your business so that at the end of the ten-year timeframe, you could then sell the business and receive the profits to fund your retirement.

Other individuals see their business as being part of their legacy, something that will be passed on to the next generation. As a result, part of their exit strategy involves training the next generation, thus allowing them to learn the business and prepare for their leadership role.

Then there are entrepreneurs who thrive on starting a business and building it up to be successful. Usually there are specific milestones, such as time,

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profit, or growth, which determine when it's time to sell the business and move on to the next venture.

Regardless of how you want to leave your business, at some point, you will be leaving it. Creating an exit strategy is critical, because it lays out your milestones to help assist you in reaching the end goal, whatever that may be.

### **Why You Need an Exit Strategy**

If you are just starting your company or are focused on a stage of growth, it can be hard to imagine a time when you will not be active in your business. In fact, you might not have even considered an exit strategy; yet no matter where you are in the stream of your business's development, it is important to consider an exit strategy and create a plan that gets you there.

It is key to determining the strategic direction of your business. Without it, you may be potentially limiting the future options. As an entrepreneur, you may see the exit strategy not as an end but as the signal of a shift, allowing the business to transition into the next big stage.

Exiting your business means that you have achieved the highest goals that you set for yourself as part of creating and building this company. It means that you are now able to transition the business to its next phase, becoming an entrance to the next level. It could be that your business is going to be taken public, merged with another company, or even grow through the acquisition that allows for expansion into a larger marketplace.

To prevent your business plateauing, your exit strategy and those highest goals need to be integrated into your business plan, vision, goals, and strategy. Defining it does not mean that you have to follow through with it right now. However, it can help you to keep your exit strategy in mind, giving you the flexibility to put it in place at the right time.

Your exit strategy needs to dovetail with your personal goals. What do you want to do in the next five years, the next ten years, or the next twenty? The point is to determine the outcome that you want, then set up the parameters and anticipated results before you even put the strategy into place.

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Consider the planning for an exit strategy as a type of insurance that protects what you built. You would take the time to find the right insurance policies and to put a disaster plan in place for a variety of potential contingencies. With an exit plan in place, you are providing another type of insurance, one that can address significant shifts, such as death, disability, or divorce from partners.

An exit strategy provides protection for yourself, your employees, and your heirs; and without it, you might find that your exit is not what you originally envisioned at all. With that in mind, let's discuss the benefits that you can obtain from taking the time to integrate an exit strategy into your business plan.

### **Benefits of an Exit Strategy**

As you build your business, having an exit strategy gives you peace of mind that you are going to leave profitably, enjoying the fruits of your investment. However, an exit strategy can provide more benefits than simply ensuring that you leave your business profitable. It can also help you to protect the value of what you have already built.

The exit strategy we developed for one of my manufacturing clients included a smooth transition as well as tax savings. Since this is a family owned operation, the parents gift shares of stock each year to their two adult children, who also work in the business. The parents are still involved in the business, but their offspring handle most of the day-to-day management and operations. Now the employees are used to the younger generation being in charge. And there is the added benefit of avoiding inheritance taxes.

Others recognize the value of an exit strategy in terms of creating a smooth transition as the business changes hands, or as your role shifts within the company. When employees feel that their livelihood is threatened, it can negatively impact their work, which can negatively impact your business and its ability to grow.

Another benefit to an exit strategy is that it can help to keep your business off the plateau. After all, if you are working for a higher goal that will signal your

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exit, then you are less likely to lose your focus or become complacent when it comes to the management of your company.

An exit strategy can also help you to address potential tax liability for your business. With that in place, you will be able to address the tax issues before you pass away, or before the business must shift hands due to your inability to continue to run it. The point is that you are benefiting by making sure your business can remain intact as it transitions to new management.

I can tell you that having an exit strategy can provide protection for the future wealth of your business as well, simply because you already understand what needs to occur for your business to shift hands. You may even find that your exit strategy enhances the future worth of your business, because you have defined the strategy for the transition well in advance.

Part of the benefits of an exit strategy is that you can define your role in the transition, determining how your people are treated during any merger, and make sure that the direction of the company remains on course. Too often, ill-planned exits leave a corporate culture shredded, and key employees leaving for other opportunities. What you built could become a shadow of what it had been. Protect the future by planning out your exit strategy as part of your business plan.

Increasing the value of your business can be achieved by demonstrating that your business can effectively navigate leadership changes. Companies that are financially healthy and have an excellent reputation are far more likely to attract buyers. An exit strategy will make transitions smoother, maximizing the financial health of your business, thus increasing the likelihood of a buyer willing to purchase or merge with you.

### **Creating Effective Leadership and Smooth Operations**

Many businesses without exit strategies often suffer from a lack of effective leadership once the founder is gone from the scene. Your business plan should outline your chain of command and the basics of company decision making. Remember that you have the opportunity to avoid a large amount of chaos, including infighting among the management team, which could derail your business from the goals you originally set out.

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That same business could now be struggling to meet goals and milestones, because the original goals of the business are lost. Clear succession plans give you the ability to minimize the risk of power struggles, thus keeping your company on the path to successfully reaching its next milestones or goals.

Along with addressing leadership concerns, an exit strategy offers the ability to have smooth operations throughout any type of transition. You essentially create a manual to incorporate all the information about your company and how it is run. Part of the process also needs to involve laying out the communication plan, thus giving your staff the ability to hit the ground running, even after you are no longer there to provide guidance.

### **Formulating Your Business Strategy**

Now that you see the benefit of an exit strategy, putting one in place should be a high priority. If you are still in the process of forming your business, then it is important to choose a legal structure that would complement what you want as part of your exit. For instance, a sole proprietor can close the business and pay off the liabilities. A limited liability company with a separate legal identity might be more attractive, however, if your exit strategy will involve a sale of your company at some future date.

Additionally, as you form your company and create the articles of incorporation, then you are defining the rules for running your business. If they are too restrictive, you run the risk of turning off potential buyers or investors, because they may find the articles too limiting.

Your exit strategy can also influence your accounting methods, as you can choose a method that will give potential buyers or investors the confidence that your business is in good financial health. Thus, any future sale can be accomplished easier. Plan out your contracts with suppliers, customers, and employees, clarifying the responsibilities in a way that complements your exit strategy. The point is to create a smooth transition, regardless of how you plan to exit, or if your exit should happen unexpectedly.

Is your exit strategy focused on passing your business to a family member? Then it is important to start getting them involved in the business as early as possible. This experience will help them to gain an in-depth understanding of

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how the business functions. Don't limit them to just working at your business. Letting them work in other businesses might also provide them with new strategic insight to continue the path to growth.

My manufacturing client, mentioned earlier, has growth exceeding 20% each year, because of business strategies employed by the son. The father was happy with the business as it was, with modest growth, but the next generation wanted more substantial growth, and they take steps to make it happen each year. And the senior generation is around to provide guidance so that the company advances with smart growth.

To make sure the next generation is interested in taking over when you are ready to exit, it is important to make sure that they are involved right from the start, thus reducing the possibility that they will pursue other opportunities. Working with a third party, such as a non-executive director or business advisor, can help you with impartial advice regarding the succession. The point is that you are creating an exit strategy that considers what your wishes are, as well as the reality of whether the successors will be able to handle running the company.

You may also find that different types of exit strategies are going to offer various levels of liquidity. For instance, if you sell your ownership through a strategic acquisition, then you are likely to receive the greatest amount of liquidity. Still, market conditions are going to play a role in your exit strategy. For instance, you might want to delay the sale of your business during a recession.

As you can see, there is a lot of information and data that need to play a part in your decision-making process regarding the ultimate exit from your company. My team can provide a variety of assistance through all aspects of the journey of your business.

Why is it vital to make sure that you do not just jump into business? From the beginning, I have demonstrated how a business can get stuck on a plateau, inhibiting its growth and its ability to reach your goals. Much of this goes back to decisions that you did or did not make when you were creating your business. Use this book as a guide. If you have not yet set up your business, then follow the steps to make it a success. If your business is already started,

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then take this book and use it to backtrack and address key areas that you might have missed the first time around.

Clearly, there is much that you can learn from the mistakes of the past regarding your business, but there is also so much that you can offer other business owners. As you build your network, look for mentors. As you grow with your business, then you can also step into the position to mentor others. Part of continual improvement means sharpening others as you are sharpened.

I am excited to learn more about your business and give you the ability to take it from the plateau to meet your highest expectations. Our hiker has followed us throughout this journey. She has made mistakes but has also adjusted to achieve her goals. Today, that hiker might have hundreds of difficult hikes under her belt. Still, she is open minded to learning more, and does not assume she knows everything about a terrain, or hiking in general.

I want you to be like that successful hiker and continue to move your business forward to achieve your ultimate goals. Overcome your plateaus to achieve amazing growth!

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## About the Author

Ursula Garrett is a licensed CPA with an MBA in Entrepreneurship, and is the award-winning author of *The Authorities*, *Plateau to Summit: The Ultimate Guide to Take Your Business to the Top*, and the upcoming book, *Dead People Can't Sell Stock: The Ultimate Guide for Trustees, Executors, and Administrators*. She is the principal of Garrett & Associates, CPA, and the founder and CEO of Fempreneur Academy, Inc.

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