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TEN ESSENTIAL KEYS FOR BUILDING A PROFITABLE BUSINESS



Eric J. Gregory

Thorough, fresh and right on target. A must-read for everyone in business or anyone who has ever thought about going into business. **This book can become the ticket for achieving your full economic potential!**

Jason Jennings – NY Times bestselling author and one of America's Top 3 most in-demand business speakers.

CONTENTS

Acknowledgements	xi
My Story	xii
How to get the best value from this book	xv
Introduction	xvii

PART I The Moment and the Market

CHAPTER 1 You – ‘Wants and needs’ 3

- Which came first, the chicken or the egg?
- What a great idea!
- I used to work for an ogre, now I work for a lunatic ... myself!
- Who stole my idea?
- Who’s running this show ... the Ass or the Asset?

CHAPTER 2 Strategy – ‘The marketplace isn’t fair’ 15

- Who cares?
- People need my stuff; they really, truly do need MY STUFF
- Tell someone who cares!
- When the going gets tough, the tough work harder and harder and harder
- Objectivism

PART II The Money and the Mindset

CHAPTER 3 Capital – ‘All businesses aren’t born equal’ 29

- Capital killed the business star
- Capital *plus* ‘ism’ equals Capitalism ... hmmm, that’s strange!
- Organically grown is better for you ... right?

CHAPTER 4 Leadership – ‘The business that grew up ... to be an asset’ 45

- The dog ate my homework syndrome
- Business would be easy if it weren’t for these pesky people
- Let’s take a helicopter ride

- Back down to earth
- Time to grow up

PART III The Machine and the Mechanics

CHAPTER 5 The Business Machine – ‘I am a machine’ 63

- I need oil for this machine
- I need a lot of oil for this machine
- Fuel too!
- This beast is Hungry ... always hungry

CHAPTER 6 The Marketing Machine – ‘I am always hungry for prospects’ 77

- Back to that riddle ... the chicken or the egg
- To buy or sell, that is the question
- It's unique, it must be good!
- Confucius says ‘Man who chases two rabbits, catches none’
- Why the marketplace IS fair ... to itself
- I smell, I see, I hear, I touch, I feel, I taste, I act, I sense
- The speed of thought

CHAPTER 7 The Sales Machine – ‘I am listening’ 99

- Back to that *other* riddle ... which came first, buying or selling?
- Emotion detector
- But people already have everything they need!
- It's called consumerism, not ‘I want to shove it down your throatism’
- Uncommon common denominators
- Some common denominators of successful salespeople
- Some common tools that successful salespeople use
- I have a question

CHAPTER 8 The Delivery Machine – ‘I am ... consistently brilliant’ 117

- This is where Sales and Marketing really starts, Baby!
- The Stork
- Riddle me this – how do you fit three litres into a two litre jug?
- Litres, gallons, hours, widgets

- Are we there yet? How much longer?
- Feedback
- Give that oven some lovin'!
- Cold and calculating ... The Heart?

CHAPTER 9 The Finance and Admin Machine
 – ‘Show me the money’ 135

- Meet my good friend Charlie Ash
- Cookin' up some cabbage
- Meet my other good friend, Roy
- The Mississippi, The Nile, The Amazon and The Cash
- Boring, Boring, Boring
- Key areas to control financially in your business

CHAPTER 10 Systems – ‘The ghost in the machine’ 147

- I like the movie, but I hate those little Gremlins!
- 100110000010000100
- Some tips on building systems in your business
- Flowchart the machines in your business from start to finish
- Who's on first? No, what's on first. Who's on second? What's on second?
- What we've got here is ... a failure to communicate

PART IV The Motivation and the Map

CHAPTER 11 Team – ‘Hey? What about the people?’ 165

- Oh yeah, those pesky people
- Predictable, Predictable, Predictable ... why people aren't
- I want recognition, I need fulfilment
- Here's the business, here's the steeple, open the door and here are the people
- I want responsibility, I need explanation
- Every battle needs a General

CHAPTER 12 You continued – ‘The green brick road’ 179

- Courage
- Heart
- Brains
- The Wizard
- Click your heels

CHAPTER 13 Superstitious – ‘I am ... going to skip
this chapter!’

CHAPTER 14 OK, Where to from Here?

– ‘Investing for wealth’ 191

- Wherever you want to go
- Planes, Trains and Automobiles
- Do you, Mr or Miss Business Owner, take your business to be your ... ?
- Do the DO

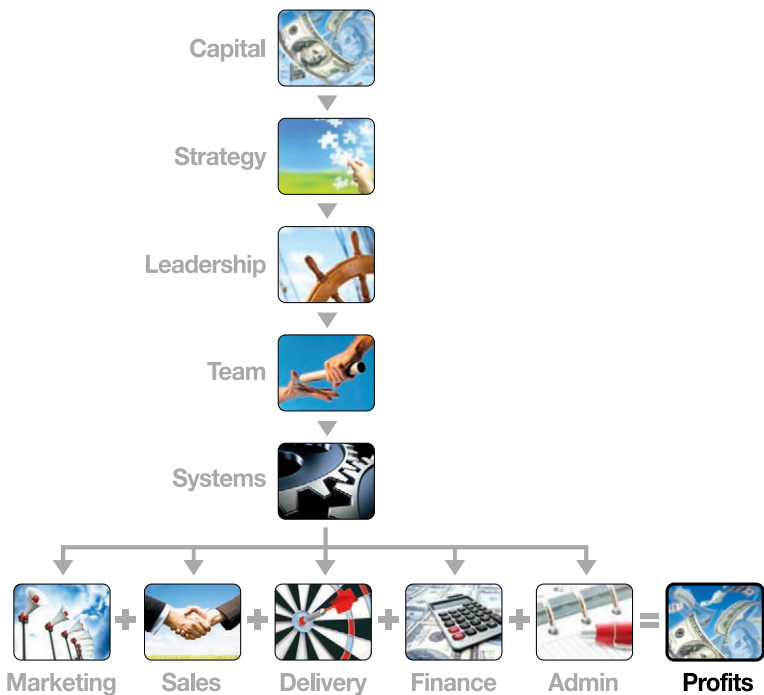
PART V The Methods and the More

CHAPTER 15 Get Busy – ‘Re-investing for growth’ 207

- The Methods
- Business Tools
- More Business Tools!
- Get Online ... Get Started ... Get Profitable
- More of Your Story? Speak Up!

EPILOGUE Reinventing yourself 223

- Afterword
- Bibliography



CHAPTER 1 You

'Wants and needs'

Which came first, the chicken or the egg?

Which did come first? We'll never know. What's your money on? My money is on neither. How's that possible? you ask. Let me ask you a different way. Which came first, supply or demand? The answer – demand. The problem with the chicken and the egg is that they are both on the supply side.

Think about it this way. Which came first, the need for faster and more reliable transportation, or the car? The need for better communication, or the telephone? The strong want not to have to walk to an outhouse at 3 am in the morning, or plumbing?

Decade after decade, demand grew and mankind has enterprisingly filled it with supply. And so it continues, people increasingly become more and more enterprising, and new demands arise, which spawn new supplies. The industrial revolution has allowed business owners to supply many new demands creating new opportunities and some of their own demands.

This simple cycle of supply and demand continues on with ever-changing effects, increasing complexity and all at a breakneck pace. The lines have become a lot blurrier.

Demands or needs have turned into wants – cryptic, confusing wants from ever-changing, multi-faceted customers who have helped create a new age called consumerism. The choices offered to consumers in this new age are staggering, an endless array of choice to feed that ever-growing beast called want.

Where does this leave the supply side of things? It has become just as blurry as the demand side of things. Many smart suppliers began anticipating these new wants of consumers and started creating new products and services and telling, or shall we say marketing, these new wants to these new customers. Wants the consumer wasn't even aware they wanted, but they had to have – things like: whiter, brighter, cleaner, faster, cheaper, smarter and all available right now, on demand. In time more and more suppliers cottoned onto this and started doing the same thing, anticipating the wants of consumers. And on and on it goes, getting more and more confusing for both the suppliers and the consumers.

What a great idea!

Enter the modern day small to medium sized business owner. Our business owner is named John. Like many business owners before him,

John had a great idea driving home from work one day. Sick and tired of working for someone else, he had a flash of brilliance, a moment of clarity.

‘Why didn’t I think of this before? I’ll go into business for myself!’

A new chapter begins for John – his very own business. Anything is possible and opportunities are endless. Full of excitement and anticipation, John wastes no time; he gets started immediately on planning his new business and his new life. He has so many good ideas to implement, so much potential to seize.

‘Finally; the freedom to do things my way and on my terms.’

John was an extremely good contractor. He was a carpenter, and as long as he could remember, that was all he wanted to do. He loved working with his hands and creating things. The company he worked for were sorry to see John go, but they supported him. They understood his passion for what he was doing. As far as contractors go, John is definitely one of the best around. Like so many other budding entrepreneurs, John had no real idea of what lay ahead for him. He put all of his faith, money and energy into his new business venture and so much of that decision was based on belief in his skills as a carpenter and contractor. Is John really a business owner? Technically, on paper, yes. But practically, no, he wasn’t. He is simply a great carpenter and contractor with virtually zero experience in running and leading a business. Let’s see how John’s journey started off for him.

Before long, the business is open and trading has begun, ‘I’m actually doing it, working for myself. More time, more freedom and more life!’

As is the case for far too many business owners, as time passed, John noticed he had less time and money. There was plenty more stress though. There always seemed to be so many things to get done, constantly. It was never-ending.

It wasn’t that the business was going badly, it just wasn’t going good. To begin with, John started small, but in time more help was needed, so he employed more people. Everyone was full of great ideas and enthusiasm to do whatever it was that needed doing. Before John had

a moment of time to think things through, more team members were needed. There was just too much to do.

‘I need to increase sales a bit to afford these new full time employees,’ John thought. ‘That’s alright. With more team members, I’ll have a lot more time to get some new customers’.

And sure enough, with a bit more time, some new customers were found and the business was steady, still a little tight, but things were going and that was all that mattered right now.

Over time, not much changed, and that was the biggest problem.

‘Things aren’t going bad, it’s just that they’re not going great either’.

This was an all too familiar thought for John.

‘I need more help. With one more full-time employee on board, I’ll have more time’.

So, another employee was brought on board; another cheerful, helpful employee to lighten the load and get this train rolling.

Things were really cooking now. John had recruited a great team and his business had more customers than ever. It didn’t seem to make any sense to John though. With more help than ever before and more customers too, John was busier than he’d ever been and was really starting to feel like things were getting out of control. Customers were paying later than usual, which was putting a strain on cash flow. Stock levels had to be increased to cope with these new customers, which meant buying more stock, which meant more bills from suppliers. Time and money became even scarcer but John was still in business and that was all that mattered.

Things continued like this for a while, not going bad, but not going great. Then one day when something unforeseen happened – one of the businesses major customers was gone, well, not gone, but they decided to take their business elsewhere. At least that’s what they said anyway. Not only that, this major customer still owed the business quite a bit of money.

‘I know customers don’t last forever,’ John thought, ‘but I didn’t see this one coming, I should have known something was up when their

invoices started dragging out a bit. It's alright, I'll re-focus and get out there and find some new customers to replace them. There are plenty of new customers out there'.

In the meantime, supplier's invoices, team wages and overheads started to take their toll on the business, plus tax was due soon. A gap was starting to form between money going out and money coming in and the pressure was starting to mount. John and his team were out there pounding the pavement talking to a lot of prospects, but nothing yet. If some new customers weren't found soon, something would have to give.

Finally, a couple of new customers came on board and things were looking up – sort of. You see, the money from these new customers wouldn't be received for at least another ninety days. There was a lot of work to do and then invoice and then they'd be paid.

'No problem,' John thought, 'I'll approach my bank manager, Steve. He's a great guy. He's known me for years. I'll get a small overdraft or line of credit until these new invoices come through and then repay the bank'.

'I'm really sorry, John, I know we've done business together for a long time, but that was different; you had a job then. A business is an entirely different thing altogether. There's nothing I can do. The bank won't approve the loan', said Steve.

Ouch, that hurt. John looked a bit despondent and shocked.

'Hey, I tell you what,' said Steve, 'bring in your last two years Profit and Loss Statements and your Balance Sheet along with this year's projected cash flow and budgets and we can look at resubmitting it to the ...'

John interrupted, 'I don't think my Profit and Loss statements are up to date, I haven't had time to do all of my bookkeeping, and as far as a projected cash flow or budget, I've never done one, I've never needed to'.

There was silence, a very long silence, and then Steve said, 'There is one last option. You've got plenty of equity in your home. We can refinance that'.

'Is that the only option?' John asked.

'I'm afraid so,' replied Steve. 'Why don't you think about it and come back to me?'

John left the bank feeling overwhelmed by what had just happened. He had put his heart and soul into this business. Surely the bank could see that? He sat in silence in his car for a few minutes with a million thoughts dancing around in his head.

After what seemed like an eternity in traffic, John arrived back home. He wasn't sure how to break the news to his wife, Sandra. They were sure they'd get the loan. Later that night, after the kids were asleep, John and Sandra had a long talk and decided, against their better judgment, to go ahead and re-finance their mortgage. After all, it was only short term and they could repay the difference soon. Besides, it was the only real option they had available to them.

I used to work for an ogre, now I work for a lunatic ... myself!

Fourteen months have passed since John and Sandra decided to re-finance and they still haven't repaid the difference. In fact, they have gone back to the bank a second time and tipped more money into the business by re-financing their home again.

'I used to work for an ogre, now I work for a lunatic, myself,' John thought.

He had to laugh at the thought. He had bought himself a job, a very, very expensive job in fact, working for a crazy man, himself. A job that owed him a lot of wages and demanded ridiculous hours. No employee in their right mind would ever put up with what John has. Despite trying to see the lighter side of things, John knew that something had to change dramatically, and fast!

Who stole my idea?

John thought back to when he first had his great idea to go into business for himself and struggled to remember why he did it in the

first place. He was beginning to wonder if he really was crazy! Of course he wasn't, but he sure felt that way sometimes. John still knew why he went into business for himself; it was the freedom, working for himself and all that goes with it, but he had unfortunately lost sight of that over time.

After a lot of deep thought, the realisation John finally came to was that he really never did have a great idea. No one had stolen his idea; he simply never had one to begin with. Sure, there was the idea of starting his business and the idea of going out on his own. It made perfect sense at the time. After all, he was a great carpenter, one of the best in fact. And therein lies one of the major problems; John is great at being a carpenter and not so great at running and building a business, which he soon discovered were two *very* different things.

Who's running this show ... the Ass or the Asset?

John knew he had to not only run the business, but he had to start building it as well. If things were to ever change he realised he would have to build an asset, a business that was quite separate to him and he had a lot of work to do. He thought back to when he was doing his carpentry apprenticeship and laughed. He'd soon be starting a whole new apprenticeship, his entrepreneurial apprenticeship, and he was more excited than he'd been in years. The future looked bright again!

John and his wife, Sandra, spent a few nights talking at length about some of the new changes that needed to happen to turn the business around.

'Sandy', John said, 'I feel like I'm getting a second chance to really make this business work. I know it's been painful, but I look at my business in such a different way now. My mindset and viewpoint are clear now. I'm ready to turn this thing around.'

John was truly excited again as he now thought of himself as a business builder. He was starting his new apprenticeship. He was entering a new world, with new rules and new opportunities. He had made it through the toughest part and he was looking at things much

more objectively now. He saw the world through the eyes of a business owner. How different things looked.

He again thought back to when he first started in business for himself and had another chuckle.

‘If I only knew then what I know now.’

With his new outlook, John continued to work hard on being a great business builder and business owner and it made all the difference. He still owns his business. In fact, he now owns a few businesses and only one of them is his contracting business. His other businesses are in fields that he has no real skills in; he employs people who have the needed skills. Some of them will one day venture out on their own to start their own businesses. But for now they are employed by John because a long time ago he worked out that being great at your particular skill set is not the same as being a great business owner.

John has passed his most important apprenticeship with flying colours; his business owner apprenticeship. The hardest part for John was having no manual to follow, no course to study, and that meant he had to learn by pure trial and error.

It doesn't have to be that way for you. In your hands you have the ten keys to a profitable business, with tons of examples and lessons. You can refer back to this book for specific help in areas as you need and when you need. Additionally, you can visit my website www.gregorybusinesscoaching.com where you can gain access to Free Video, Audio and PDF files explaining the ‘10 Keys to a Profitable Business’ coaching systems and also find out more about our 1on1 Coaching Programs.

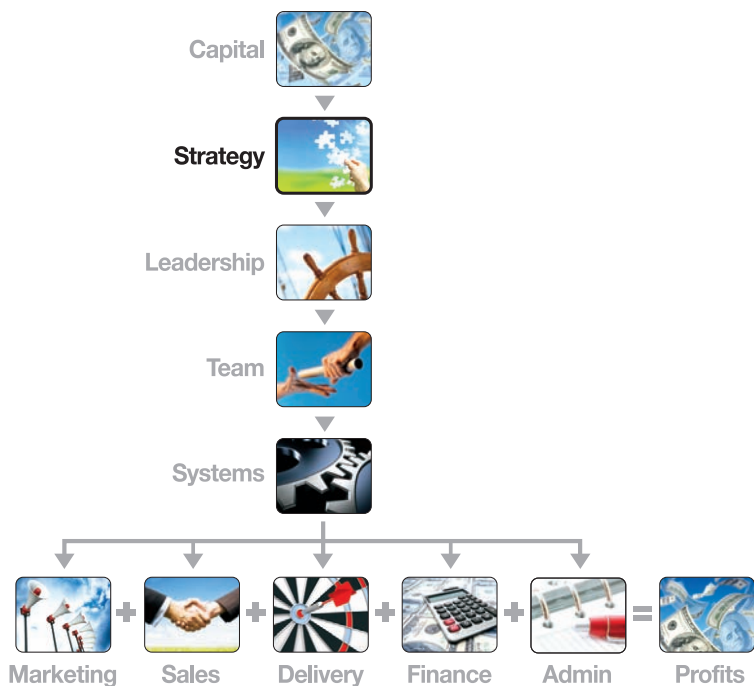
John had two vital moments in his business life. The first was when he decided to go into business for himself and the second, and real defining moment, was when he realised he had to become a great business owner, not just a great carpenter, if he was going to thrive instead of just survive.

John realised that if he kept growing personally, his business would too. If you're reading this book it's probably because you've had a similar

moment or moments to John where you've realised that being a great business owner is what is needed. Having that realisation is the first big lesson. In fact, without that vital outlook, the what and the how don't really matter; they'll be done for the wrong reasons and probably won't stick. Okay, so your mindset is now where it should be. Excellent! Now, let's look at the next part, 'Strategy', which is the market and where your business fits into it.

Entrepreneurial Lesson #2

Keep growing personally and your business will too.



CHAPTER 2 Strategy

'The marketplace isn't fair'

The fact is, no one cares, and no, the marketplace isn't fair. The marketplace would have continued on fine without John and it will continue on just fine without many business owners unless they change their ways. Otherwise, they risk being left behind.

Ok, so I lied in the title, 'The marketplace isn't fair'. Well, I didn't tell you the whole truth anyway. The marketplace is fair but only to itself. John felt many times that the situation wasn't fair, that a lot of things

weren't fair, but over time he realised that the marketplace was fair, but only to itself.

It's not fair that too many small business owners go out of business or throw in the towel because it all gets too hard; they're nice everyday people and they have some great skills.

It's not fair that the bank wouldn't give John a loan when he needed it most. He had become great friends with his bank manager, Steve; their kids went to school together. Steve knew he was good for it.

It's not fair that John had to tap into his home loan and re-finance (twice) to keep his business going.

It's not fair that John had to work seventy hours per week for a tiny wage.

Well, maybe it isn't fair that the marketplace is fair to itself and itself only, but unfortunately that's the way it is. Although it may not be fair, it is just, in an unfair kind of way. You see, as far as the marketplace is concerned, too many small businesses owners are really good technicians who own their own business instead of being great business owners. The marketplace, rightly or wrongly, takes its toll. Again, not fair to them, but fair to itself – the market, the free market.

One last thing ...

It's not fair that there are huge corporations that have bank vaults of cash to invest in businesses that compete with the small to medium sized business owners of this world. It's equally unfair that big business can get loans from banks much easier than small businesses.

No, none of that is fair, but that's just the way it is. We'll cover the importance of Capital, especially for small businesses, and the sources available shortly.

People need my stuff; they really, truly do need MY STUFF

People may not need or want your stuff, the products and services you are selling. If you need them to need your stuff more than they actually

need it or want it, game over. Again, is it fair? No! Does it make sense? Yes! Do people going into business understand this? Yes! Do they listen to the voice in their head that tells them that? Most of the time, No!

Why?

Because most small business owners fall into the trap that John fell into early on and can't get out. They want their business to succeed more than the marketplace does. The idea of going into business for themselves is what is driving them. The idea that they can do something better than who they used to work for is driving them. Those are great notions, and that is just the kind of spirit that is needed to get your own business going, but remember, the marketplace is fair to itself, not to you.

I've spoken with hundreds of business owners over the years about this very topic. Most of them nod and agree with my words, but I could tell that so many of them really didn't 'get it'; it wasn't sinking in! As infuriating as it is sometimes, the marketplace can be extremely unyielding and unforgiving. If business owners out there don't get the concept of building a great customer focused business, the marketplace will make sure they get the lesson. I want to make sure you get the lesson now, the easy way.

Again, the marketplace does not care about your business. Customers don't really care about your business. Every business and every person is a customer of some other business. The market (customers) cares about itself (themselves) first and foremost and will be fair to itself (themselves) first, always!

Tell someone who cares!

As I was writing this book, I wanted to make sure that the content and meaning, or lessons I've learned over the years, was presented in a way that you could relate to. I thought the best way to do that was to keep it simple and pass on the real life examples of clients I've worked with. The names, of course, have changed, but the stories and examples are as they happened.

I must tell you that I've had some wonderful experiences in business and working with business owners. I've also had many unbelievably tough and frustrating challenges as well.

In my line of work, helping business owners grow and improve their business, there is a fine line between helping, coaching, pushing, pulling, encouraging and teaching people. Sometimes business owners need a very indirect approach, they need to be guided in the right direction. Other times, the coaching needs to be more directive and straight forward.

The concept that a business is a separate entity to its owners is vital for long term success. The strange part about business is that, at the end of the day, it's really all about people and their dreams and goals. As a business grows, it continually and gradually becomes its own entity. Everything from the colours of the business and its logos to its policies and procedures begin to give the business form, direction and substance.

As I work with business owners, we go through a process I call 'Re-Investing for Growth'. The goal is to continually strengthen and improve the business, reduce risk of failure and create more time and money for the owner. The challenges in successfully implementing these changes are different for every owner, but if the owner wants to build a true asset, a business that is separate to them, that can be run by other people and that would give the owner a nice return on investment if sold, the changes must be implemented. Throughout the book, the small stories and examples are based on business owners I've worked with who were trying to meet those exact types of challenges.

One of my clients was struggling with trying to clearly identify why his business was unique, what made it truly meaningful to the marketplace, so I decided to try a different tactic to help him along. He owned a retail shop and was struggling to compete with the big boys and was becoming more and more disillusioned. I met Sean at a local café to have a chat.

After a few pleasantries, I moved the conversation to a serious tone.

‘Sean, I think you might have misunderstood something lately. I need to make one thing perfectly clear for you.’

There was a pause and still silence and then I continued.

‘You need to understand that I do not care one little bit about your businesses, not one iota. I just need to make sure you’ve really got that clear!’

There was silence. Sean was wondering if I was stopping the coaching.

‘Is Eric calling it quits? Surely not!’ Sean thought.

The look of disbelief on his face was priceless.

Again, more silence and then before Sean could think another thought, I repeated, ‘Just in case you didn’t hear me the first time: *I do not care one iota about your business. In fact, I think we are wasting our time here., You should go tell someone who cares!*’

More silence and then Sean blurted out, ‘Yeah, but you’re supposed to be helping me!’

I cut him off mid-sentence and said, ‘I’m beginning to wonder if you are getting the message: *IDO NOT CARE, PLEASE GO TELL SOMEONE WHO DOES!!!*’ and I calmly went back to drinking my coffee.

‘OK,’ he said, ‘but can I ask why you don’t care anymore?’

‘Now we’re getting somewhere!’ I said excitedly. ‘Remember the supply and demand rule. Go find some demand somewhere, some true demand. Tell them, they’ll care. In fact, that’s all that demand cares about – itself. Demand is very, very selfish. It only cares about one thing; fulfilling its needs and wants. Listen, Sean, I wanted to make a point here with you today. I attached a lot of emotion to it, so I knew it would stick with you.’ Boy o boy it stuck with him all right! Sometimes you need to throw people a few curve balls to make an important point stick!

Sean began to remove himself from his business thinking. He stood right back and looked at the market and pretended that he wasn’t in business and began asking himself questions as if he were thinking about going into business.

What is currently on offer in the marketplace? Is there room for another player in the market? Are customers getting everything they need and want from that industry? Would customers be prepared to try a new business? Over time, Sean worked through these questions objectively and began turning his business around. He really put his ear to the ground and started listening to customers and the market and observing what his competitors were offering. He built a great business that started talking to people who did care; his potential customers!

It's timely to throw in one of my favourite quotes here which sums up the point I made to Sean on that day in the coffee shop.

'You're not in business because it's what you want; you're in business because of what other people want ... your customers ... the market ... don't lose sight of that!'

When the going gets tough, the tough work harder and harder and harder

You can be sure of a couple of things:

1. the going will be tough, and
2. working harder and harder and harder will move you forward about one-eighth of two-tenths, if not backwards.

Think back to John. Yes, he worked hard in the beginning and then when things started getting tough, John, being a tough guy, started to work harder and harder and harder and before long it all got too hard.

John was smart. He stopped, changed his outlook, swallowed a couple of hard truths, had a sense of humour about it all and started to work *smart* and hard in equal measure. He became a business owner, a business builder. He got some objectivity into what he was doing and started telling someone who cared (potential customers who have unfulfilled wants or needs) and built a business that could fulfil and deliver those wants and needs ... and he never looked back.

Objectivism

The marketplace is objective about your business. The banks are surely objective about your business. Suppliers are also objective about your business.

Even your employees will be objective about your business. Are you objective about your business?

Forget about your business for a moment. Just think about the marketplace. Look at the marketplace, understand it. Once you are in the game of business it can be too late if you haven't assessed your market. Have a good, hard objective look at the marketplace and forget about your business. It may be the best thing you ever do. You are not your business. Your business should be born out of demand, not some imaginary demand you dream up or convince yourself exists, but true, unfulfilled demand from the market (key word being *unfulfilled*).

Is this demand easy to find? No. Is there a lot of competition looking for this demand? Yes. Is today's marketplace becoming more and more complex? Yes. Are businesses today exploiting the tiniest little unfulfilled need or want and hanging onto it by their fingernails? Yes. Is this why so many business owners go out of business or simply give up? Yes, this is a huge part of why. Are you ready to change? I hope your answer was yes!

But how do you do that?

I'm glad you asked.

If you are starting to feel a little like our good friend John before he changed his viewpoint, here are some questions you may want to objectively start investigating if you are serious about growing and improving your business (notice I didn't say being in business for yourself):

- What unfulfilled need or want will the business I build be fulfilling?
- Is this 'untapped' market large enough to build a business around?
- Why is this 'untapped' market still 'untapped'?
- Why do I want to build a business? What's in it for me?
- What amount of start-up costs and/or capital will be required?

- Can I picture (exactly) what my finished business will look like when it is completed?
- What will the average customer spend with the business each year?
- How often will the average customer shop with the business each year?
- Do I know what my margins will be?
- Have I accounted for all expenses and overheads on a realistic level?
- What will the image of the business be?
- What will it look like?
- What will it feel like to be a customer of my business?
- How many team members will work in the finished business?
- What roles will need to be performed and by whom?
- Will potential customers be willing to pay the prices my business will be asking?
- How will I communicate our uniqueness?
- How much have I budgeted to acquire new customers?
- How much have I budgeted to keep current customers?

I know those are some tough questions to answer. Look at it this way, eventually, by choice or not, every business owner will be asked these questions by the marketplace. The objective observation I'd like to make at this stage is this: Some of what you have read so far could be dismissed as commonsense; you know, 'tell me something I didn't know!' Here's the objective, real and unfortunate reality – commonsense might make sense but it's not commonly practiced! Yes, most people who start a business *know* some of this stuff, that's not the problem. The problem is in the *doing it*. Remember earlier when John said to himself, 'If I only knew then what I know now.' If he had objectively asked himself these questions earlier on he would have found the answers – before he had to go back to the bank twice to re-finance his home.

Remember, if you don't objectively look at these questions, the marketplace will do it for you and at your expense. Take the time – do your research, do your homework, ask yourself and the marketplace the

tough questions. Pretend you have no interest in building a business. Get real objective about it. Throw out those rose-coloured glasses.

On the flip side, I agree that a burning desire, a lot of passion and a strong, clear dream are crucial to succeed. So, yes, be excited about your new business, just be clear on why the marketplace will be equally as excited about it as you will.

Some crucial summary points on Strategy for you:

You're halfway there: If you can get your business running like a machine, flawlessly. But if there isn't a strong want or need that the business is fulfilling in the marketplace, the going will be tough and, most likely, something will eventually give and profits will be hard to find.

You're the other halfway there: On the flip side of that, a business that is fulfilling a want or need in the marketplace but is *not* run like a machine, flawlessly and systematically, may have a better chance of succeeding, but it will most likely eventually collapse under its own weight. Unable to handle the increased demand from the market, chaos will reign supreme and the business will die if not fixed.

You're there: A business that does both of the above; fulfils wants or needs in the marketplace and does it in a systematic, flawless machine-like manner will more than likely succeed and be profitable for the long term.

You've hit a home run: Ultimately, a business that fulfils an *untapped* want or need in the marketplace in a systematic, flawless machine-like manner, while also continually looking forward with strong visions for growth, objective strategic planning, and constant financial strengthening will almost certainly thrive long-term.

So remember, find an untapped want or need that people value and will pay for. Build a systematic business machine to service that market and then be prepared to continually strategise for new growth, wants and needs (and be prepared to continually grow personally as well).

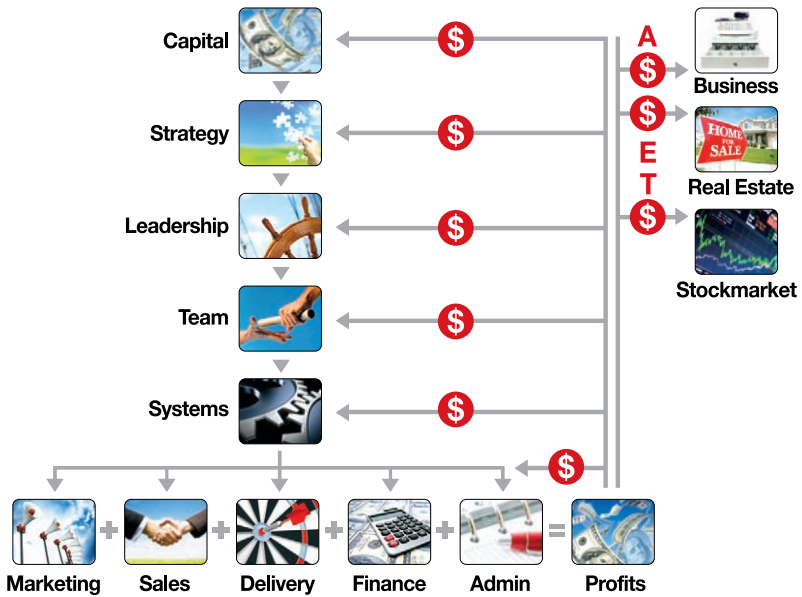
In the next section we'll look at two of the biggest factors in every business: Capital and Leadership, and why they are both so crucially

important to your business success and how you can grow both of them.
WARNING: lack of either of them may cause major irritations!

Entrepreneurial Lesson #3

You're not in business because it's what you want. You're in business because of what others want – your customers and the market. Don't lose sight of that.

Investing for Wealth



CHAPTER 14 OK, Where to from Here?

'Investing for wealth'

Wherever you want to go

'It is a wretched business to be digging a well just as thirst is mastering you.'

That is a quote from Titus Maccius Plautus circa 200 BC. Digging a well would be hard work at the best of times, but digging one just while thirst is on top of you would be very hard work indeed. It describes the plight of many business owners so well (forgive the pun).

The reason you are digging the well is for water and while you have a lack of it, it makes the situation so ironic. Same is true for business. The reason you should be (key words being *should be*) in business is for two things: time and money. Time and money are the only two measurable quantities you can ever get from your own business. What you do with that time and money is up to you. There are obviously infinite possibilities of how you could spend your new found time or money but, at the simplest realistic level, those are the only two things you can gain. Having said that, those two commodities, in today's world, are quite precious, I'm sure you'd agree. Relate this back to the quote. The irony in business is that most business owners, whether they are aware of it or not, are seeking more time and more money and the two things that hold them back or stop them from getting more time and money are a lack of, you guessed it, time and money. So, I'd like to alter this quote as well so it goes like this: 'It is a wretched business to be building a business as time and money are mastering you'. You need to make time to make time and I'm sure we've all heard the infamous quote, 'It takes money to make money'.

On these topics, money is infinite, you can always make more, but time, once spent, is gone forever. It is not a renewable quantity, certainly food for thought. Another famous saying is: 'Time is money'. Again, I'd like to suggest a slightly altered version of that saying: 'Time well invested is time or money returned'. Ask yourself, how are you 'spending' your time? It's just like a financial investment, in your business, what kind of return are you getting on it?

In business, if you are investing your time to create systems that other people can run while you build more wealth, then your time will return you a great deal more. Again, think of the investment of time (key word being *investment*). What is the return on the investment of

the time you are 'spending'? Make time to make time and you will have more time to make money, which will in turn give you more time and so forth and so on.

There are many other things like satisfaction and pride etc. that you can get from your business, but last time I checked, you can't buy an investment property or shares or invest in another business with pride or satisfaction. Just ask yourself this question, if you currently desire more from your business, what is it?

I have asked many a business owner that exact question and some of the answers have surprised me. Many a time, the business owner will reply with very vague, non-quantifiable answers. Things like: 'I just want my team to perform better' or 'I would like to have better systems in my business'. While I agree those things are great, they are purely a means to an end. Imagine you do get those things, a better performing team and better systems, if those things do not yield more time or money for you, then why build them? After a while, lack of time or lack of money will grind you down. If you keep asking yourself why you want a certain improvement in your business, and then ask yourself why you want the result of that improvement, eventually the reason will flow to one of two things: time and money.

Don't be afraid to get really clear on what your time and money goals are in your business, after all, they are the only two real quantifiable things you can ever get. Don't let anyone ever tell you any different. There are only two quantifiable things you can get from your business and they are time and money, what you do with them is up to you.

If you have goals in your business that are not directly related to time and money, why do you have those goals? Think about it, if your goals do not return you time and money, are they worth it? Please remember that you can do whatever you like with that time and money, things like improve your health, spend time with your family, go travelling etc. I know there will be some people out there reading this who might be thinking that this sounds very black and white and that business is not all about time and money. To those people, all I have to say is: You can

be sure of one thing, working IN a business that continually eats up a stack of your time and does not return you the money you desire is not worth it. You're better off getting a job working for some other business owner and create more time and money for them. Granted, you will have less stress, but you will trade that with your freedom and earning potential – something to think about – seriously.

Planes, Trains and Automobiles

Take Interstate 101 to Systemsville, then head North on the expressway to Marketown. From Marketown, catch flight Q413 to Delivery Point via Saleston. In Delivery Point, go to Operation Station and hop on the 10:34pm one-stop express through Finance Haven. Relax and enjoy a good night's sleep. 6:48am and you've arrived. Enjoy your stay.

You hear the whistle of the train blowing as the carriage comes to a halt. 'All off, last stop. Final destination – Profitown.' What a great feeling!

We take it for granted that if we are travelling anywhere, by any means of transportation, we will need to have directions to where we are headed, an idea of how long it might take to get there, what mode of transport might be best, and we'll need a map or two in case we end up of course. It's just commonsense. And usually the longer the trip, the more planning will be needed. It stands to reason.

In business, it is no different. We need the same exact things. Although your business may not be as clear-cut and easy as travel, our destination should be (key words being *should be*). If you know where you are headed, you can get there. Whether it be the long way or the most direct route, either way, with a final destination in mind, we can map out a path and a plan to get there and make the necessary preparations and plans needed to ensure we actually arrive, on time and in good spirits.

A clearly defined goal for your business, along with a clearly defined and mapped out action plan of how to get there, are crucial to your business success. Just like with travel, in business there are many ways to

get from point A to point B, all of which will involve slightly different strategies and tactics. While these strategies and tactics hold equal importance with your clearly defined goal, the best strategies and tactics in the world on their own are like a rudderless ship. The ship may be operating beautifully, but with no port in mind and no clear direction, it all seems a bit senseless and could lead us into some treacherous seas.

Ironically, the most commonsense item needed for success in business is also one of the most common items lacking. In my experience of dealing with hundreds of different business owners over the years, the most common item lacking is a clearly defined and written set of goals. My experience has been that the majority of business owners know that they should have a clearly defined and written set of goals for their business; they just simply don't make the time to commit it to paper. The reasons for this are usually very similar. They have a goal in their head, so why write it down? When quizzed about this further, the goal in their head is usually quite vague and unclear. They are afraid of committing their goals to paper for fear of not reaching them. If they are not on paper it is easier to brush them aside if they're not reached. They never really had a goal for the business. They made a decision emotionally to start their own business and are unwilling to explore the reality of that decision. Or they 'just don't have the time' or lack the discipline or habit structure needed to set clearly defined goals for what they want from the business and how to get it.

If you are like most business owners, you don't have a clearly defined and written set of goals. Before you do anything else, do this. Write down exactly how much time and money you want from your business and then work out what your business needs to look like to provide that amount of time and money for you. It's that simple. You will then have a clearly defined and written set of goals for you and your business. Keep them present and clearly displayed in your office or home or wherever they will be front of sight and front of mind. From there you can get started on your action plan of how to build your business to the level you want.

Do you, Mr or Miss Business Owner, take your business to be your ... ?

Monogamy is a beautiful thing to have in a personal relationship, but it's not the type of relationship you want with your business. Forever attached at the hip, ever faithful to it, 'til death do you part, is not the goal. Think of it this way, there are a lot of people who need to have a great relationship with your business: your team, your customers, your suppliers – not just you. Start cheating on your business, so to speak. Cheat on your business and spend more time with your family. Cheat on your business and take your spouse on a romantic getaway. Cheat on you business and start spending time looking at other investments.

When it comes time, leave your options open. After all, you might like to have some other meaningful relationships with other equally important businesses or real estate or shares. If you're committed to the one relationship, where's the fun in that?

Go ahead, start 'cheating' on your business, you'll love it.

Do the DO

Do the Goals.

Do the Plans.

Do the Action.

Ok, so now what?

You've now got a clearly defined and written set of goals for you and your business and you know exactly how much time and money you want in return for the time, money and energy you'll invest into your business.

You've also got a clear idea of how the business machine you are building will function in the key areas of Marketing, Sales, Delivery, Finance, Administration, Team, Systems and your own relationship with the business (hopefully as little as possible) as owner of the business.

The picture is pretty clear now, right? Well, what about the results?

The last piece is the results, turning those clearly defined and written goals into reality.

I'd like you to go to the top of this heading 'Do the DO' and read the first three lines again. Go ahead. Do it. Don't just keep reading, go back and read them again, out loud this time!

Those first three lines read: Goals, Plans and Action. Do you know what is missing from that sequence to improve your chances of getting the results you want?

Do the Strategy!

To recap again: You're clear on your goals and have them written down. You have a plan with all of the right pieces in the right places in your business. You are ready to take action on that plan and are most certainly ready to start realising the results. I love it! If you have all of that, I say congratulations to you because you are way ahead of most business owners who are flying by the seat of their pants. But, and this is a huge BUT, a sound strategy of why your plans and actions will lead to your desired results is critical.

I talked about strategy quite a bit earlier in the book, things like marketing and creating a UMSP and looking at supply and demand before you just haphazardly march off into committing yourself to something that is not sound.

With that in mind, I'd like to leave you with some final questions with regards to strategy that are worth considering while you are formulating the plan of action for your business.

- What market are you trying to tap into and how many other players are there already in that market? How crowded is it? The more crowded, the more competitive, the more competitive, the harder it can be to make a profit in any sustainable way.
- If your market is already crowded, from an objective point of view, why will what you are offering be any different to what is already on offer and why will potential customers perceive it as being more valuable than what is already on offer?
- If your market is not crowded, then why isn't it crowded? There must

be a good reason. Either there is not enough to begin with or the return on investment is too low to risk entering the market in its current state.

- How have you arrived at your pricing structure? Are you cheaper, on par, or more expensive than your competitors? Why have you chosen that pricing strategy and how have you arrived at that pricing structure?
- If you are more expensive in price, do you offer enough value, on a unique level, that people will pay the price you are asking?
- If you are on par in price, why will people switch to you? What do you offer them that they are already not getting and will they risk moving to you versus someone they are already doing business with?
- If you are cheaper in price, is your cost structure low enough and the volume high enough for you to make the desired profit?
- If you are in fact so unique and add value to the marketplace, to the point that your business plan will take off profitably, what will stop imitators encroaching on your territory and outdoing you at your own game (more than likely at a cheaper price and/or better cost structure)?
- What are the barriers to entry for future competitors?
- What research tells you that the untapped market you are targeting or creating will really want to buy what you are selling?
- Are you unique or are you a slightly different version of what is already in the market place? Are you really creating a new product or service or just enhancing what is already out there in the marketplace?
- Have you included your team in the process of helping you strategise the future of your business? If your team will be implementing your plan of action, your strategy, have you made sure that they will be involved both emotionally and intellectually to ensure there is complete buy-in from them at both acceptance of the strategy and execution of the strategy and action plan?
- Have you ever actually shopped at your competitors businesses to

see and feel what the experience is really like? It might be an eye-opening, insightful and profitable experience.

- How many books on strategy have you read? If your answer is ‘not many’, then get busy reading.
- Have you done your market research? It’s not as hard as you might think. Go visit other people’s stores, your competitors and non competitors, and see what they do really well and make notes and incorporate those ideas that will be of value to your customers into your plan and make note of things NOT to do as well.
- Spend some time looking into completely non-related industries and businesses to capture some fresh and different ways of doing business. Grab some inspiration from other industries top businesses and companies.
- Have you considered mapping out what your industry looks like on a large whiteboard and listing all of the players in the market and what the current offerings are? Get that helicopter view of the industry as some things can only be seen from a height.
- Can you articulate the tagline of your business off the top of your head?
- Does your tagline or slogan convey exactly what unique value you are offering to your target market and potential new target markets, and will it inspire them to do business with you?
- Have you written down your strategy in terms of listing what is currently in the marketplace and how you will add value to that? Consider listing the following:
 1. What is currently on offer in the marketplace in your target market or industry?
 2. What offerings in the marketplace or your target market are currently there that customers possibly don’t really value but get anyway (because that’s just the way your industry does things) that can be eliminated, which will save you cost structure in delivery, and hence more profit?
 3. What can you add-on that no one is currently offering that will

be adding value to the customer experience, which people will pay for, hence increasing the market that already exists?

4. If you were a potential customer in your target market or of your industry, what are the things you might value that are currently not being offered that you would pay for?
5. What cost structures and procedures does your industry assume are necessary that you may be able to eliminate?
6. Are improving efficiencies and optimising procedures and margins enough to ensure success for your plan or do you need to innovate and create never before offered value to your potential marketplace, hence creating a new demand?
7. Are there enough untapped customers in your marketplace or do you need to expand your possible target market?
8. If you intend on winning current customers from your target market (simply gaining a larger slice of an existing pie), what will the implications be for both your business and your nearest competitors? Will this simply mean that customers will be more expensive to acquire through service and marketing by way of even higher and more fierce competition from within your industry?

I have one final question I'd like to ask you. Regardless of whether you answer 'yes' or 'no' to the question, take a moment afterwards to write down the reasons why you answered the way you did and get that clarity down on paper.

It will require you to be brutally honest with yourself and truly objective.

Before I ask you 'the question', I just wanted to thank you for reading the book and I look forward to seeing you in a coaching session, online, or at a seminar sometime soon.

Also, whatever you decide to do with your business, no matter how large, small, fast or unique you wish to make it, have fun with it and enjoy the experience and challenges of the journey. Regardless of how successful it may turn out for you, make sure you make time to spend

with your family and friends. After all, they're the best investments you can ever make – not even infinite compounding can compete with them (I'm sure Einstein would agree).

Enjoy building and owning your asset, your well-oiled, systematic, profitable Business Machine. And remember, we're all customers of someone's business – hopefully yours!

Ok, so here's the question for you:

If you didn't own your business and someone approached you with a great business plan or idea for an investment, which was exactly identical to your current business and your current plans, would you invest in it?

But before you answer, you must promise me to be 100% brutally honest. If you're not, there's no point.

So, would you invest your last hard-earned money on it, every last cent?

I hope you honestly answered *yes*.

Entrepreneurial Lesson #13

Your business should inspire you and those around you!
