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THE VOICE OF MICRO & SMALL BUSINESS

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# Takeaways for your team members

Your team members need to know why working in a small business is vastly different to working in a mid-sized or large company. And how to use those insights to create predictable and consistent profits in your business.

Let's start with a view of the Australian economic landscape and where small businesses fit in. Approximately two million registered business entities in Australia are broken down as follows:

- large businesses, classified as \$250 million-plus, represent about 0.1% of all businesses – only 2000
- mid-sized businesses, \$10 million to \$250 million, represent about 1.4% of all businesses – only 28,000
- small businesses, up to \$10 million, represent about 98.5% of all businesses – a massive 1,970,000 – and nearly 90% of these small businesses are micro-businesses, which are typically self-employed ABN holders

Roughly one in four work in large business, one in four in mid-sized and two in four in small and micro-businesses.

A disturbing fact is that the vast majority of these small businesses will plod along with no real return on investment for the owner(s). However, the micro/small-business sector stays viable due to the large number of new entrepreneurs who have a dream.

Let's ask some tougher questions:

- Why can't a staggering 98.5% of businesses seem to grow past the size of a micro/small business?
- Why is the failure rate in this sector so high?
- Why do so many fail to reach a point of desired, predictable and sustainable profit levels?

Some key areas where most small businesses miss the mark and mid-sized/large businesses thrive that sets them apart:

- lack of capital
- entrepreneurial/leadership skill sets not what they should be
- overall strategy not properly thought through
- unscalable business models relying too heavily on highly skilled owners and team members

- clunky, unsophisticated systems, technology and software impeding repeatable workflows

Here are some top insights you can use to help your team understand how they can help your business grow.

## 1. Awareness & acknowledgement

Simply be aware of the above five critical key differences. When every team member's intent and attitude are in the right place, half of the battle has already been won; you're all on the same page.

### Team takeaway No.1

Simple awareness, acknowledgement, acceptance and willingness to tackle these challenges is powerful and is needed to move forward.

## 2. The '10 keys to a profitable business'

Every business, regardless of its size, has the same requirements, outcomes and needs.

In my coaching business we call them the '10 keys to a profitable business':

- 1 Capital
- 2 Strategy
- 3 Leadership
- 4 Team
- 5 Systems
- 6 Marketing
- 7 Sales
- 8 Delivery
- 9 Finance
- 10 Admin

### Team takeaway No.2

In reality, every business has the same basic needs regardless of the resources available to it. Embracing and accepting this fact while not compromising on the outcomes that are needed is critical to success.

## 3. Organisational chart, area outcomes & multiple hats

Every business, regardless of its size, has similar organisational requirements in terms of structure.

Divide your business into five key functional areas: marketing, sales, delivery, finance and admin. Be clear on accountable outcomes for each of those areas.

Create position descriptions within each of those five and allocate those position descriptions to your team members.

Ensure everyone is clear on which roles they are responsible for and how those roles contribute to your business.

Understanding your capacity is vital: what is the maximum revenue you can generate per annum with the current team you have?

### Team takeaway No.3

We won't have the luxury or resources (yet) to have one person performing just one role.

Be prepared to multitask across multiple roles while treating each of those roles as separate; be willing and able to perform multiple roles simultaneously.

## 4. More with less & a sense of urgency

Acknowledge that technology and software will be far from ideal, while not allowing that to be an excuse for poor performance. There's very little wiggle room in sustaining any kind of stressors to your cashflow, profits or capital base – monitor this constantly.

A sense of urgency is essential to success: team members need to move quickly and with a great sense of purpose. Build an environment of open, honest and transparent communication.

What is your total annual revenue capacity with your current resources and team?

Be realistic about it and focus on mastering it. Have a clear path for growth and ensure you have a repeatable, scalable model that every team member understands and embraces.

### Team takeaway No.4

Commit to doing more with less. Speed, a sense of urgency and laserlike focus on results are equally important. Each team member needs to think like they have skin in the game – as if they were the owner of the business.

**Eric Gregory, small-business coach & owner, Gregory Business Coaching**