

The 5 Step Guide To Double Your Business Results

How busy owner-managers can lead their business to growth, in easy, low-cost, low-risk ways.

- *“If your dreams don’t scare you, they are too small” (Richard Branson)*

How Can I Boost My Business?

This question continually nags at many small and medium-sized business owners.

Most are owner-managers: they are already busy running the business.

So it's difficult to find time to work on how the business works.

It is very easy to become fixed on sales figures – and methods – in the effort to grow, but those results have to be considered next to their costs. Profits are the best business result as they are the last item in your profit-and-loss calculations. And they help you pay off loans, pay new staff, buy equipment, buy in training, increase marketing, and do more research.

This five-step guide helps busy owner-managers to structure a business-boosting approach.

Step 1: Clarify Your Main Goal

Step 2: Select Your Priorities

Step 3: Focus Areas for each Priority Area

Step 4: Find Enough Practical Strategies

Step 5: Implement, Monitor and Adjust

The biggest problem with this may be finding high-quality focus time regularly enough.

One way favoured by many successful people is to use the 'Golden Hour' – the first hour early in the morning before telephones start ringing.

Step 1: Clarify Your Main Goal

There are different reasons why owner-managers want to boost their business.

These reasons influence the opportunities available, and the likely Focus Areas.

Starting-Up - Steadying-Up - Stepping-Up - Scaling-Up - Selling-Up

Stepping-Up is about purely boosting profits in business. Many of the methods used here could help achieve other goals, it's true. But it helps you to be very clear about what your main goal is to make sure everything works towards that.

Boosting Profits – the theory

The average SME profit margin is 12% in the UK.

- If you already have that or more, congratulate yourself.
- If you have less than that, eg 5%, you only need to get another 5%.

That means that the lower your profit margin, the easier it is to double it.

YOU DO NOT HAVE TO DOUBLE YOUR SALES!

But PROFIT is a result of commercial activity, not something you can change directly.

How do you double your results in the real world?

Step 2: Select Your Priorities

There are 3 Priority Areas of work:

- A) Reduce Your Costs (Without Scaring Staff or Suppliers)
This is probably the most surprisingly easy way to make a difference to your profits.
- B) Raise Your Prices (Without Worrying Your Customers)
This is probably the most powerful area of profit-making change available to you.
- C) Increase Your Sales Volume (With The Same Marketing Costs)
This is probably your largest area of opportunity – there are so many ways to work on this.

Which is your priority? Or is it more than one? Does the attached requirement make it seem harder?

Guidelines

- 1. You don't have to work on all three areas – you can choose one or two instead. But working on all three is probably the best approach: it gives you the power of COMBINED ACTIONS.
- 2. Very small changes on these three areas can double your profits.
This means 5% more savings, 5% raised prices (on average), 5% more sales completed. But less than 5% each can do it in most cases and sometimes even less than that will do it.
- 3. You could end up with a dozen or so small 'Profit Boosting Projects'.
You don't have to work on all of them at the same time. A sensible calendar over a longer time (like a year?) can make it manageable.

Step 3: Focus Areas for each Priority Area

Read through this list and choose as many Focus Areas as you want.

Some priorities will leap out at you as you have already built an emotional commitment to them. But consider the others too – because when you are faced with a possibility you've been distracted from previously, it may spark new ideas and possibilities.

And changing your focus may revitalise your business-building energies.

Reducing Your Costs

- 1. Save Money On Your Supplies
- 2. Save More Money On Your Staff
- 3. Cut The Cost Of Acquiring New Customers
- 4. Improve Cash-flow Management
- 5. Wind Down Your Wastage

Raising Prices

- 1. Make Your Prices As Profitable As Possible
- 2. Attract Customers Who Want To Pay You More
- 3. Put Up Your Prices Sooner - Without Fear
- 4. Get The Best Price When Customer Demand Varies
- 5. Come Out On Top – Even In A Price-War!

Increasing Sales

1. Find Many More Prospects Cheaply
2. Encourage More New Customers To Buy
3. Inspire Customers To Spend More
4. Excite Customers To Visit More Often
5. Keep More Existing Customers Loyal
6. Win Back More Lost Customers
7. Boost Your Sales Team Performance
8. Maximise Your Product Range Profitability

As an exercise, divide your total number of Focus Areas into 12 (the UK average profit margin) or your own margin, to find how many 1% practical strategies for change you need.

“Nothing is particularly hard if you divide it into small jobs”, according to Henry Ford.

Step 4: Find Enough Practical Strategies

You need to choose useful strategies to make enough of those 1% changes in the real world.

As examples, to attract customers who want to pay you more (as above - the second Focus Area: Raising Prices) you could work to:

1. Reduce Non-Price Prices To Improve Product Attractiveness
2. Provide Price Anchors To Up-Sell Customer Choices
3. Provide Price Decoys To Bolster Customer Confidence
4. Justify Your Higher Price When It Gets Questioned
5. Position Your Price Behind A Bigger Partner
6. Make Sure You Sell Value To Customers Who Value Your Offer

You could read every business book you can find. Or you can go on some training courses. Or you could Keep Asking The HOW? Question To Discover New Answers.

Or ask an independent professional. It's true, consultants charge a fee and many business owners fear the worst. But Government research says they return 5 to 6 times their fees on average. For instance, I have helped companies save 10 times my fee, raise prices by 37.5% and sell 10 times more than they were previously.

The danger for many business owners is that they have spent most of their time building the business rather than building a list of strategies to improve it. I have 417 of these strategies, but that list is beyond the scope of this article.

Step 5: Implement, Monitor and Adjust

A Profit Boosting Project has to be managed at the same time as normal stuff.

That means alongside keeping staff, suppliers, systems, customers and budgets happy. That can be a project too far...

Good ideas are not good enough

Strategies have to be actioned.

In my consultancy work, a danger signal is a client saying “That's interesting!”. It sounds like a plan to act on the strategy, but too often little or no action follows. If you hear yourself responding like that, I recommend you immediately either let go move on to a different strategy, or you quickly make a plan to implement the suggestion. Also:

- Make yourself talk to someone else who understands what you're doing, to confirm and assist your courage and your determination.
- Plan to delegate as much of the daily/weekly organising of these Projects to someone with more direct involvement than you, and be prepared to support/train/coach them in managing that Project.
- Plan out a programme timetable for yourself to initiate, supervise, finish and celebrate these Projects. Use a sensible model to manage your own activity with several delegate Projects.

This process is 'Leadership'

This five-step process starts an exploration of your opportunities for improvements.

Your results might be for growth, for change, for better profits, and perhaps for happier people too. The five different Main Goals will influence what outcomes you aim for.

Seeing all five steps through takes some time, and it takes some patience, creativity, determination.

But even just going through Steps 1 to 3 encourages leadership decision-making.

- Alex Ferguson, the Manchester United manager, in his book 'Leading' says:
"When I stepped back [from the fray on the pitch] and watched from the sideline, my field of view was widened and I could absorb the whole session, as well as pick up on players' moods, energy and habits. This was one of the most valuable lessons of my career... I was always in a position to be able to zoom in to see the detail and zoom out to see the whole picture."

Working on Step 4 can open your eyes to new possibilities.

It is very human to assume things are not possible if we don't immediately know the answer.

Leadership is about saying “I don't know how we're going to do it yet, but it is clear to me that we must do it.” – and then finding the way to do it, or finding someone who will find a way.

- *“Management is doing things right; Leadership is doing the right things.”*
(Management guru, Peter Drucker)

Understanding the landscape, identifying possibilities, choosing ways forward – these are all leadership tasks (rather than management tasks, which are about implementing leadership decisions). Finding new ways to achieve gains leads to exciting new opportunities.

Advising Leaders

I help business leaders “find a way”.

My great motivation is to help business leaders improve business for all to benefit locally.

I provide advice and support through the first three steps free of charge.

We can then progress to a series of consultancy sessions to tackle the “How To” stage (Steps 4 & 5), tailored to fit your needs for speed, saving time, delegating details and so on.

Please do ask for a free Introductory Visit if you are at all curious.