

FOR PROFESSIONAL SERVICE FIRMS WITH A TEAM OF
5 – 20 WHOSE TURNOVER HAS PLATEAUED

CRACKING *— the —* CODE



How To Break-Free From Being Stuck In The
Centre Of Your Business – To Growing Your
Business At The Strategic Level

GREG ROWORTH
Australia's #1 Business Growth Strategist For
Owners Of Professional Services Firms

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Revised Version 2022

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Why You Should Read This Book

Hi. My name is Greg Roworth, and I've been exactly where you are. I have owned and operated five businesses since the age of twenty-three, over thirty years ago. During that time, I've been through almost all the problems that small business owners and professional service firm owners encounter. I've had great years, and I've nearly gone broke. I've tried to go it alone, and I've worked with mentors. I thought I could do it all. Then I realized I needed to learn much more.

When I realized I had a lot to learn, I did a lot of reading, and I studied for a university degree in business management while still running my first business. What I learned helped me create a successful business, and people started asking me for advice. What a turnaround! I enjoyed sharing my experience and skills with other businesses owners. After a while I decided to sell my business and go into consulting. Later, I decided to do more study, and I eventually qualified as a Chartered Accountant and went on to gain a Master of Business Administration degree. I also spent some time working as a consultant for one of the Big Four accounting firms.

Over the past twenty-five years, I've spent most of my time working as a consultant and building my own professional practices, one of which went international. I've worked with hundreds, if not thousands, of business owners and achieved universal success with those that implemented my advice. I've now been able to start, grow and sell three successful professional practices.

Over the journey, I've learned a lot about what limits business success for owners of profession

service firms. I've also discovered how to break through those limitations and to create highly successful businesses. I'd like to share some of that knowledge with you in this book, so that you too may break through the limits that hold you back and so that you can enjoy the fruits of success that can be yours, if you too can crack the code.

To your success,



Australia's #1 Business Growth Strategist for Owners of Professional Service Firms

Additional Bonuses For Book Readers

As a special gift for reading this book, I want to offer you access to these valuable training videos, which were only previously made available to our high-level clients.

Bonus 1 - Leverage Through Leadership

In this video, I challenge you to address your ability to lead and cover what it takes to grow as a leader, so that you can become the leader your successful future business needs you to become, if it is ever going to be.

Discover the challenges I had to address personally to be able to survive in my first business, before I learnt to really make it successful, and the challenges that came with growth and success. Every business leader will need to develop the mindset and the capabilities I discuss in this training.

Bonus 2 - Strategic Planning

What do you need to do for your business to succeed in that your business works for you, instead of you being the one that makes it work?

In this training video, I take you through the pitfalls and processes for creating a successful strategic plan for your business.

Bonus 3 - Create Your Sales Escalator - Attract Your Ideal Clients

In this training, I detail the step by step process you need to create in your business to help you scale your marketing and sales efforts in order to move beyond referrals and networking, which are not scalable, to create a system to attract, convert and escalate your perfect prospects to become clients first, then enthusiastic advocates.

Bonus 4 - Systematic Success

In this training video, I detail what is required to build a business by removing dependency on you instead of creating a business that increases dependency on you.

Bonus 5 - Build a Self-Reliant Team

In this training video, I cover the critical aspects of building a team of people who can operate independently of you, but stay on track, self motivated and results focused to take your business to success.

Bonus 6 - Achieving Extraordinary Results

In this training video, I describe what is required to identify the critical success factors and how to monitor them to achieve extraordinary results in your business.

Bonus 7 - Business Growth Model

In this training video I explain the Business Flightpath To Saleability model and help you understand the barriers at each level of growth and the focus needed to get to the next level.

Access your bonuses from <https://crackingthecodebook.com.au/bonus>

Acknowledgements

This book would not have been written without the support and assistance of many people over the years of my involvement with small business. It is with extreme gratitude that I would like to acknowledge their support here.

First and foremost, my utmost thanks goes to Janis, my wife of 40 years, who suffered with only a few complaints, the difficult times in our early days, but never stopped supporting me. Also, thanks to my three children, James, Amy and Emma, who occasionally went without some things their childhood friends may have had. My relationship with them has taught me as much, or more about life, than I tried to teach them. I also have many close friends whose input into my life has contributed so much to my personal outlook and experience.

A second group, without whose advice and support I could not have learnt enough to even survive in my own business, let alone be successful, need acknowledgement as well. This group includes my former business partners, employees and colleagues, but particularly my mentors who have inspired me to rise above my own meagre expectations and taught me the practicalities of business and the fundamentals of success.

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INTRODUCTION

You do great work.

That's a given. You wouldn't have achieved the success you have without that.

But within your success to this point also lies the seeds of your shortcomings.

You've come this far because you are skilled in your profession and have been able to build a good reputation with your clients. But try as you may, you just can't take your business to the next level.

Your sales have hit a plateau and no matter what you try it seems like you've hit a barrier that you can't break through. One day you have more work than your team can handle. But before long, you are wondering how you can keep everyone busy, because somehow, you need to fill the pipeline again. As you look back over the past few years, you see that your financial results have been very similar and the growth you hoped for just didn't happen.

At the same time, clients seem to be growing more and more demanding and giving you less opportunity to use your talents and expertise to make a difference. As they try to commoditise what you do, you are pressured into shaving your fees or trying to get projects done in impossible time frames. As a result, the pressure grows. Not just for you, but everyone in your business suffers as well.

You care about the people on your team and want them to have a satisfying career, ideally helping you to build your practice. Maybe you see the possibility of one or more of them taking over management of your business in the future. But you are also frustrated at times when the most talented ones leave, having decided to move on for greater opportunities that exist in a

larger firm. It seems like you take one step forward and two steps back sometimes. The people who are still with you are competent but the stars you need don't stick around to help you fulfil your dreams for the future.

You have to face the fact that growing a business is challenging.

If you find yourself in that situation, you are certainly not alone. This is not what you wanted when you started your business. If only you'd known back then what you know now. Perhaps you may have made a different decision. But now, there is no turning back. You must press on. You've invested too much to turn back now.

But what will eventually happen if you keep running your business the way you have always run it? The reality is, your business has hit a barrier that you can't get through, and if nothing changes, the future looks just as challenging as it ever was, if not worse. Well, that was what it was like for me when I was trying to build my first practice, and I've since discovered that it is also the reality for the great majority of professional service business owners.

If you are in that situation and want to change your current reality, you need to rethink what you are doing.

What's the Norm?

The stark reality for many owners of professional service businesses is that their dreams of wealth and lifestyle freedom are far from being fulfilled. Instead of attaining the rewards of wealth and freedom that were their initial objectives, most struggle through years of disappointment and frustration. Sometimes those initial goals seem far away, but at other times they seem tantalizingly close, just slightly out of reach. If only the breaks would go the right

way, the dreams would be realized. This closeness to the dream is often the thing that encourages you to give it “just one more try.” But this happens year after year. You struggle on, often working to keep others employed, while you work harder than your employees. Eventually the dream is lost, and the only reason you keep the business going is because you can’t face the prospect of having to work for someone else.

The tragedy of this scenario is that it is so common. The statistics show that running a professional service business is difficult. This reality hasn’t changed from one decade to the next. In fact, it gets worse. Clients become better educated and more demanding, expecting more than clients of the past. Competition is tough. We often start our business with high hopes, but when things get difficult we begin to make moves born out of desperation. Rash decisions make it more difficult, and we end up digging an even bigger hole to climb out of.

Laws and government regulations get more and more demanding, seeming to favor everyone except the business owner, with mandated protections for employees, clients, and the environment that predecessors never had to contend with. The environment for business is merciless. It is often referred to as the “law of the jungle.” You have to be tough to survive. Succeeding takes even more.

A study¹ of businesses in the Organisation for Economic Co-operation and Development, or OECD, countries reported in 2004 that only between 10 percent and 15 percent of businesses in these countries grow to employ more than twenty employees. Most small businesses are operated by their owners, who work long and hard to make ends meet. There are many things

¹ Firm Dynamics in New Zealand: A Comparative Analysis with OECD Countries, D. Mills and J Timmins, September 2004, p 9.

that make it difficult for small businesses to survive, let alone succeed. Most professional service business owners are educated and highly qualified in their profession, but have never learnt how to succeed in business, before starting out on their own. While the professional skills they develop may be excellent—and they usually are—there are very few excellent role models to help them learn management skills without having to do years of study themselves.

The norm is therefore perpetuated. The professional business owner starts out in business, having learned from the mistakes made by the former boss, and decides to try to do better. The problem is, the new business owner doesn't realize that business success is not achieved by doing some things better than competitors. The reality is that the model most professional service business owners adopt to run their business has a fatal flaw that condemns their business to becoming stuck at a barrier they can't break through. Despite the well-known statistics, people keep using an operating model that is broken. The problem is not the efforts of business owners. Business owners work harder than anyone else. The problem is that the foundational operating structure of most professional businesses is set up for failure in the first place. And no one is telling you this.

Small and medium-size businesses, whether in professional services or otherwise, are almost always built on a faulty foundation. But very few so-called business experts and advisors even realise this fact. That's because they are always focused on the external aspects of business, like how to get more clients, how to manage expenses and cash flow, how to motivate and control employees, and so on. These things are important, as we will come to see later. However, by far the most influential component of business success is how the business is led and structured. Let's look at the way most fatally flawed businesses are set up (see figure 1 below).

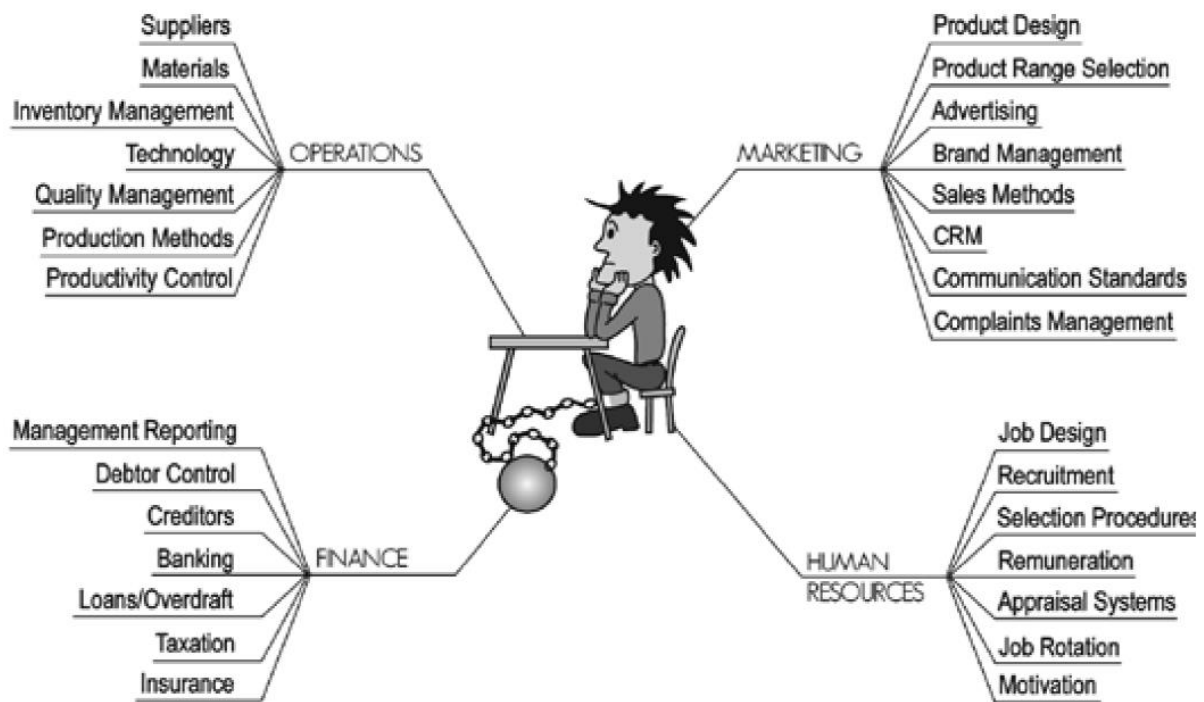


Fig. 1

Most businesses are set up with the owner (or owners) in the hub, with everything that happens in the business revolving around them. This makes it almost impossible to build a successful business, because the business is limited by the owner's capability to keep growing the business without losing control.

The typical business owner starts a business wanting to do a better job than their predecessors. They know they must do some things differently than the way things were done where they came from. Some things are intuitive. The first thing they normally do is resolve to treat clients extremely well. They understand the value of satisfying clients and that if clients are satisfied they will talk to others, resulting in valuable referrals.

Before long, the new firm gains a reputation for good work, and great service and the number of referrals grows, creating increasing pressure to employ more people to help cope with the growing demand. When the workload becomes consistently busy, resources are stretched.

More than likely, new equipment and software is needed, and perhaps new premises. On the surface, it appears that business is going well.

But wait. Let's look a bit deeper. Underneath the positive results, the owner is over-worked and has no time to enjoy life because of the increased pressures. The cash flow is poor because of growing demands on working capital. Profits have eroded because the employees don't work as efficiently as the boss. And worse, because of the busyness, clients are sometimes disappointed with the quality of work and service they receive. What has gone wrong?

The business has become "normal." Instead of achieving the dream, the business has become a nightmare because it was started by someone who didn't know what he was doing. The business was started by someone who wanted to deliver a great service instead of understanding that he or she needed to focus on building a business that produces a great service. As a result of this wrong focus, the business has evolved into chaos because the owner cannot physically control what happens anymore. Business growth is stifled, and the owner is now chained to working for the business, rather than having the business work for the owner.

The business has developed a life of its own and is out of control. The client is now too much in control, because the owner and other people in the business are now hell-bent on trying to keep up with all of the clients' demands. This leads to frustration for the owner, because he or she has lost control of the business, and days are filled simply trying to keep up with the demands the business and the clients make. The initial reason for starting the business is lost in the day-to-day grind of trying to keep the business afloat. The dreams are long gone. There are no thoughts of the future, other than hoping to get the work completed in time and get in enough money to pay the bills at the end of the month. The owners become trapped in an

endless cycle of trying to get ahead, but never actually getting even. The norm is perpetuated unless something is done to break this cycle.

The Five Critical Mistakes

Later, I will share the seven step system I discovered, that I and almost every successful entrepreneur has used to break free of this trap of business dependency and limitation, to create a highly successful business that runs without them. But first, let's take a look at the five critical mistakes that business owners typically make, that puts them into this position.

1 Short Term Focus on the Urgent Instead of the Important

Most owners of SMEs (small to medium enterprises) become more focused on short term survival than long term success. Typically, short term cash requirements become the driver for most things that happen in the business. If the need is constant, the needs of the future development of the business are often totally neglected and most business owners spend much of their time putting out fires.

2 Reactive Marketing

Marketing and advertising decisions in SMEs are often determined reactively, depending on how busy things are. There is no defined marketing plan. Marketing activities are initiated when sales slow and stopped when sales pick up. Advertising is usually tactical rather than strategic. This endless reactive cycle just tends to keep the business operating around the same level of sales – the survival level plateau.

3 Ineffective Delegation

You can't grow your business without delegating work to someone else. Often the business owner has expectations of employees that are simply not communicated clearly,

therefore they don't get the results they expect. The outcome is frustration leading to resigned acceptance that "you can't get good people these days."

4 Lack of Control

Running a business without performance indicators is like flying blind. Some business operators we've seen don't even know what their financial position is from month to month. That's like guessing how much fuel you have left, then being surprised when the engine stops.

5 Doing it all yourself

Business owners have a tendency to go it alone and try to do everything themselves without looking for help. Becoming a top business leader requires a significant degree of personal growth and development of critical skills. Significant achievement always involves help from others. Success in business requires effort and leverage and usually is not achieved without a significant amount of mentoring and guidance from people with the right experience and expertise.

How to Get Your Life Back!

Even though this scenario of being stuck in the centre of your business while your revenue hovers around the survival level plateau is so common, it need not be the case for you. A significant number of businesses do succeed in growing beyond the norm and becoming a vehicle for the owners' success. The initial dreams they started with are fulfilled. They do manage to unlock the shackles that keep most businesses from achieving their potential. These people are our heroes, people we should look up to and learn from. Most of these people have had books written about their journey. As the saying goes, success leaves clues.

What makes the difference between those that succeed and those that struggle? Are those differences able to be identified? Can we find a pattern in the way successful businesses operate? Is there a pattern to the way unsuccessful businesses operate? Is there a predictable formula to achieve business success? If we could find the secrets to the success of the top business owners, could those secrets be copied? Could anyone do it? Could you do it?

The great news is that the secret to the success of the professional service businesses is that there is no secret. As a consultant to professional service business owners as well as others, I have observed thousands of businesses over the past twenty years. One interesting observation is that the struggling businesses almost without exception make the same mistakes. On the other hand, the businesses that are doing extremely well have many positives in common. Success is predictable.

After the first four years of struggle, when my first business seemed to be thriving but ended up almost collapsing, I decided I needed to change the way I was doing things. If I didn't, the business would not have survived. Besides that, I wouldn't have survived working eighty-hour weeks, and my marriage wouldn't have survived either because of the stress. I decided I needed to learn how to run a business properly, and I started to read about how to succeed in business. I found mentors to help me on my journey. The result was that I turned my first business around and eventually turned it into the most successful business in our industry in our location. Since then, I sold that business and moved into consultancy. Over the past twenty years and as the founder of a consultancy business that went international before I sold it, I have continued mentoring other business owners and helping them to succeed.

I don't consider myself to be smarter than any other business owner, or to have any greater abilities. All I did was manage to find the help I needed from people who were more successful than me. Then, because I understood how difficult it can be to start and run a small business successfully, I wanted to give something back. When people started asking me what I was doing right and whether I could help them achieve better results, I decided that I could help them best by becoming a business consultant. That decision has proved to be very fulfilling because it has given me the opportunity to work with thousands of business owners in all types of industries. I think that they have taught me as much as I have taught them.

From my experience, I have identified seven critical steps that all successful business owners take to develop their businesses into sustainable, profitable operations that work without the owner always there. That factor is critical because until your business works without you, you still have a job. However, when your business finally does work without you, you have built a value and wealth creation vehicle. When we apply these seven steps to the business operations and practices of businesses whose sales revenue has plateaued, we predictably and unerringly increase the success they achieve and relieve the dependence on the business owner. When our clients have followed the steps of our business development program, they have never failed to achieve significant improvements in their profits and gains in their independence from the daily demands of the business.

In this book I will illustrate these seven steps and show that you can use them to discover hidden profits and potential in your business, and I'll show you the system to crack the code to creating a business that works on autopilot. If you have been struggling for years in your professional service business, trying to get ahead, but seeming to hit a glass ceiling that keeps you trapped in the same place, or if you are just starting out in your business, buckle up as we

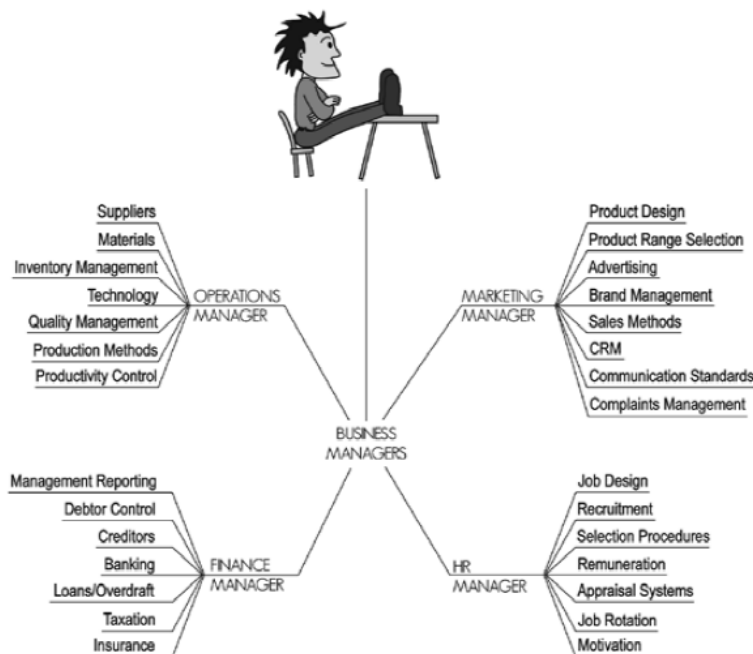
take off for an exciting journey ahead. You are about to discover how to get your life back and how to realize those dreams you had when you started the business.

Not many books are written for professional service business owners like you. Sure, there are numerous books, some great, on how to improve your sales and marketing and increase your revenue. There are others on many different individual aspects that will improve your business in some way. There are some classics, but they apply to big business and you can't see how they fit into your situation. You have to run your business. You don't have time to read them all. That's why this one is different. It is not long on detail. It gets right to the point. It has the answers to your burning questions on how to build a profitable business that doesn't need your constant input to survive or succeed.

Will this book apply to you and help you in your professional service business? One of the most common questions we get goes something like this, "My business is different. Will it work for me?" Perhaps you are thinking along those lines.

Don't worry. We have found that the seven steps are common to all businesses and all industries or professions. It doesn't matter whether you are in a professional service firm, a manufacturing business, a trade, or if you're a retailer. These steps apply to you and your business's development. You will have to use your creativity and tailor these steps to your particular business. But if you can use these principles to start your creative thinking and focus it in the right areas, you will see results. Using these essential steps will enable you to develop a business that is truly successful, and that will provide you with an income and lifestyle you currently dream about. It means creating a business that works so well that you won't have to. It means developing a business that works on autopilot, enabling you to spend your time

enjoying the rewards you deserve. Figure 2 shows what the successful business model looks like.



Successful Business Model

Fig. 2

Why is having a business that runs on autopilot so important? Isn't that just a gimmick to get people in? No way! It is important for every serious entrepreneur to strive to get to this level, because it is important that your business is run by other people with systems and not by you. That is the only true model of business success. It is only when your business runs on autopilot systems that you have a multitude of choices about the way you live in the future. If the income from your autopilot business can sustain your lifestyle, you can sit back and take it easy, doing what you want to do every day, without the pressure of having to work or make the daily decisions about what happens in your business. You can spend your life traveling, playing golf, and doing what you please.

However, if what you are doing in your business is your passion, you also have choices. When your business runs on autopilot, you have the choice to duplicate it or expand it. You have built

a successful prototype that can be replicated in other situations. You then have the option to establish other branches, or grow the business by licensing or franchising. Your autopilot business can be the stepping stone to unlimited business success like it has been for the likes of Boston Consulting Group (BCG), McKinsey, Bain And Co, or any of the Big Four firms. This is the only book I know of that will reveal the system for exactly how to break through the barriers that limit you and first, put your business on autopilot so you can then accelerate to unlimited success.

For a true entrepreneur, the business is the product. The business is the machine that produces the products or services. The only reason for the entrepreneur to work in the business is to discover how the business works best and to create the systems that will become the foundation for future growth. That should be the goal of any business owner, including service professionals, starting a business. And once that job is done, it is time to step out of the operational processes and get into the driver's seat where strategy and direction become the priority. Just like any other production process, there are a series of steps that need to be taken from conceptualization to completion. In the autopilot business development process, these steps are:

1. Take Charge
2. Plan for Autopilot Stage and Beyond
3. Build a Sales Escalator
4. Create Systems to Remove Dependency
5. Build a Self-Reliant Team
6. Develop Your Control Mechanisms
7. Break Free without Fear

Although each of these steps is a separate element in the process, they are not necessarily sequential. Work needs to be done in each area concurrently. In project management terms, the time lines overlap. To work on each of these steps is challenging, sometimes frustrating, sometimes takes courage and discipline, but will soon be very rewarding. Putting your business on autopilot is the key to your unlimited future. It's time to decide whether you will remain frustrated and limited, or whether you will take the steps to enable unlimited business success.

If you want to go on that journey, it's time to get started.

Are you ready?

CHAPTER 1

Take Charge

If It's Going to Be, It's Up to Me

The first step in the process of breaking through the barriers that limit your business is to realize that business success will not just happen. If you are going to succeed, it is up to you. You must first accept responsibility for all that happens in your business, take charge, and begin to make your business dream a reality. The first place to start work on the process of becoming an owner of a highly successful business is on yourself. To be a success in business you need the right skills, the right knowledge, and the right mind-set. No one who succeeds in business is fully developed in all these areas when they start out. You need to take charge of your own personal and professional development to become the leader you need to be to achieve the success you dream about.

When we work for someone else, we usually have a lot of support. Other people make decisions that we implement. Systems have been put in place by someone else and we follow them. Our salary is organised by the bookkeeper and deposited into our bank account automatically. Our manager takes special interest in our professional development and mentors us. The reality is that we live in a level of comfort where a lot of what we have to worry about is looked after for us by someone else. We don't need to think about it too much. Life just happens around us and we come to expect we will be looked after.

When we start our own professional firm, everything changes. We have no one to look after us. We can't justify having a personal assistant like we used to have, if we had a management

position. Who is going to do all that work? What about finding clients and doing the selling? Many business owners are great technicians, or highly qualified professionals, but they have never had to make a sale before. Who is going to do that work? Who is going to look after collecting the money, paying the bills, and doing the books?

Let's get some employees to do that stuff. Surely that will make life easier, won't it?

Who's going to do the recruiting and selection? Who decides what to pay them and how to organize their pay? Who decides what they do each day and what their priorities are? Should you leave them to their own devices?

What about when we have staff issues? We are reasonable people. Surely the people in our communities will be supportive. After all, if not for business owners like us, there wouldn't be any jobs. How would they get by? We should be their heroes. Surely they will understand and be supportive.

Yet what do we face? To most of society, business owners are a different breed. Most people think business owners are driven by greed and the almighty dollar. Slogans like "people before profit" and some expensive award conditions indicate a lack of understanding of the link between productivity and reward. People fight for workers' rights with little or no understanding that what workers get has to be paid for in some way by the business. When we come from being a worker in that environment ourselves, we can be in for a rude awakening when we are in our own business.

Suddenly we are thrust into a position where we have no support. There is no one else but

ourselves to do all the things we used to have done for us. We are suddenly way outside our comfort zone, and we have some new choices to make. We can't just sit back and wait for success to find us. We have to decide that if it's going to be, it's up to me.

Eliminate Your Victim Mentality

As business owners, we can be frustrated by the attitudes of society and worry about the impact the social welfare laws and other government regulations have on our business. But in reality, on our own, we can do nothing to change those things, as much as we might complain about them. It is our challenge to not let internal attitudes and the external environment defeat us.

When we start our own business, we soon learn to see things differently and to see the need to make profits first before anyone gets paid. Usually it is the business owner who gets paid last. But there is a danger that we hang on to some of the attitudes that pervade society. When things start to go wrong we start to blame others. We blame the government for making wrong decisions; we blame the workers for their poor attitudes or lack of skills. If that's not bad enough, we blame the sluggish economy for not helping us in our quest or the fact that sales are slow in the quiet season. All this blaming is a mistake to which we are all tempted to fall prey. This attitude condemns us to mediocrity.

The first aspect we need to take charge of is our own attitudes or mind-set.

When we resort to blaming external factors for our lack of success, we are acting like a victim and diverting the attention from ourselves. We are saying in effect, "It's not up to me." We are trying to shift the blame when things go wrong. If it's something else at fault, we can't be held accountable.

When we blame external factors, we really are operating as victims. We see ourselves as victims of our circumstances, at the mercy of the government and the state of the economy. This attitude must not be allowed to take hold, as there is only one result: we will end up being a victim and a business failure statistic.

There is also a tendency to think that successful people have made it through luck. This is also an attempt to excuse ourselves for our failures. If luck is responsible it means I have no control. I just wasn't as lucky as those that have all the success. It's not my fault. People who make a success of business are not merely lucky and they don't rely on luck. Success is a result of them taking charge of their circumstances and overcoming adversity. If we really look at these businesses, we find that luck had very little to do with their success. These businesses seemed to be in the right place at the right time. It has been said however, that luck is really preparation meeting opportunity and that you create your own luck.

Success for these people was the inevitable consequence of what the business was created for, rather than the result of any stroke of luck. These businesses produce the results they were designed to achieve. Success is the result of an orderly process of development created by someone who developed a mind-set to continually take charge of their attitudes and circumstances and refused to be a victim.

Developing a new mind-set in your approach to business is the most critical aspect to your future success. Everything else hinges on how you think, which reflects in your attitudes and motivation. Do not downplay the importance of this step. Everything you do in your business hinges on it, from how you set your prices, to how you deal with clients and employees, to how you handle your finances. All of these things are your responsibility, and your success depends

on the decisions you make. Your attitude will influence all of this, and if your mind-set is not set for success, you will fail. Even your ability to create a business that runs on autopilot depends critically on whether you believe you can, and whether you will allow anything to stop you.

Develop a Success Attitude

A common factor with successful people is that they claim to be in control. They refuse to be victims of their environment. The key is that they accept responsibility for the results that their business achieves and take the blame themselves if things go wrong. They can also take the credit when things go right. This requires a lot of self-belief as well as self-discipline. Successful people have an ability to make themselves do what ordinary people won't do. This is the major difference between whether you will truly succeed or whether you will be one of the business owners who only grow your business to the norm, where it is still totally dependent on you. With all of the challenges you will face in your business venture, you will be forced to decide whether to stay comfortable, or to step out of your comfort zone. If you choose to stay comfortable, you will get ordinary results. The only way to reach a higher level of success is by deciding to do what you never thought you were capable of doing.

I can still remember the day, the exact place and situation, when I decided to take personal responsibility for the issues in my first business and stop blaming other things. That day, everything changed.

When we accept responsibility for our future, we have choices. When we are victims, there is nothing we can do. When we are responsible, we are in control, and that means that we can choose what to do about the situation we find ourselves in. There is no need to just sit back and

complain that it's tough and that we aren't going to get what we want. We can choose to do something. At any time, we are able to respond to external influences and change the way we do things in our business until we find a way to be better and achieve better results. If we have the right attitude, we can face up to reality and do something different.

A lot of things can change in your life when you refuse to be a victim and refuse to accept defeat. Many people go around with a negative attitude, complaining all day long about what's wrong with their lives, with their employees, with the government, and with their clients, and they seem to take comfort in their negativity. That's the victim's attitude of deflecting blame. The first thing you need to change if you want to succeed is your negative attitude. You need to start looking at things positively, and I don't mean that you should be positive that things will never get any better.

The craziness of the norm is that most people complain about things they have no control over. You can't do anything about the weather or the economy, and you have little influence on the environment and the government on your own. Complaining about how these things affect you is a waste of energy. You end up just attracting more negativity because that's what you are focused on.

The beginning of positive thinking is believing you are not a victim. This is not an "airy-fairy" positive thinking concept, but it is success thinking in the right context. Many believers in positive thinking and the law of attraction are afraid to consider the negatives and refuse to dwell on anything that appears to be negative. They tend to want the universe to take care of everything, and think that everything will be rosy if they just think sweet, happy thoughts. That's not what I mean.

What I am talking about is having confidence that, despite the negative influences around us, we can take charge of our lives and our business and find the answers to overcome these influences, and by so doing create the type of business we really want. Occasionally, too, we must face the reality that circumstances are so bad there is nothing we can do, and we should actually get out of the business before things get worse. However, this is rare. I have seen some businesses that were, to all outward appearances, dead in the water, that were turned around into successful operations, merely because the owners changed their attitudes and took action in a positive direction.

In business, we need to develop this success attitude. There are many proponents of positive thinking and positive mental attitude, but there is often very little substance behind their reasoning. Positive thinking, as taught by many of the so-called success gurus, is often just the art of conning yourself into a state of simulated emotional hype or an enthusiasm that is over the top. The type of person who has hyped themselves up in this way frequently comes across as unreal and lacking substance. Their positive attitude has no basis in reality. Despite their positive expectations, their efforts more often than not result in failure, because they haven't dealt with their own inadequacies and the weaknesses in their business. This is not the success attitude I am referring to.

A success attitude comes from an inner belief in your value as a person. It is the result of an unshakable confidence in your purpose. People with a success attitude are often referred to as people who have vision. This is the difference between a success attitude and a positive attitude. Positive thinking often focuses on results and is influenced by external factors. The positive thinker has goals that usually revolve around riches or material possessions, things you can

acquire. This attitude is often bolstered by chanting affirmations to yourself, to convince yourself you really are able to do the things that are necessary to get the things you want, even though deep down you think you aren't really good enough.

A success attitude is different, but it is what the positive thinkers are trying to duplicate. A success attitude is not about what you have. It's about who and what you are. It is the result of an inner confidence that you are good enough as you are, without having to achieve or acquire anything else. It is belief in who you are and confidence in what you stand for. People with a purpose exude success, without needing the normal trappings. These people have a presence. They turn heads when they walk into a room.

How to Develop a Powerful Purpose That Refuses to Accept Defeat

There is just something about the person with a success attitude that reveals an underlying purpose, an inner motivation that inevitably results in success. And success here is obviously not just success as it is normally interpreted, with the resulting wealth and fame. This type of success also describes people like Mahatma Gandhi, Martin Luther King, Mother Teresa, or Nelson Mandela.

Was Nelson Mandela any less successful when he was languishing in prison because of his stance for his people than when he was president of South Africa? Maybe the present reality was different, but I'm sure his success attitude was the same.

A success attitude does not depend on results or apparent results. It comes from inner confidence and purpose. It is this confidence and purpose that enable those with a success attitude to persist in the face of adversity, when a positive attitude may well have worn off, the

false enthusiasm and bravado crushed by the realities of life's difficulties. A success attitude is what is needed when the external influences beyond our control, such as the weather, the government, and the economy, conspire to attack our goals and dreams and prevent them from being achieved. It does no good to complain about our bad luck or how tough life is. A success attitude accepts these things as realities, but then makes a commitment to be better than the circumstances and find a way to defeat them.

Having a success attitude normally does not come naturally, but you can develop one. Many of us are afflicted with a lack of self-confidence. I certainly was in my younger days. Because of this we naturally doubt ourselves and our abilities. There is no real basis for this lack of belief, just as there is no real basis for the positive thinker's hyped-up confidence. Lack of self-confidence is usually the result of our environmental conditioning, what we have been taught to believe about ourselves.

It is vital that we realize we are OK and have what it takes. When you look at most successful people, you see that they don't have more exceptional attributes than normal, they aren't necessarily bigger or stronger, and they aren't super human. On the surface, they don't appear to be any different from us lesser mortals. The only characteristics that differentiate them from others is their unshakable self-confidence and self-belief, and their refusal to contemplate defeat. They are driven by purpose, and are dedicated to doing what it takes to succeed.

Mastery of Attitude Leads to Unstoppable Belief

We need to decide on our purpose in life and develop mastery over our attitude. Then that attitude will lead us to address the second aspect of taking charge. When we have a success attitude that results in an unshakeable confidence in our own abilities, we can take charge of

our personal and professional development and acquire the knowledge and hone the skills that we need to help us achieve our purpose. The reason many of us lack self-confidence is that we are not convinced of our ability to achieve the things we would like to achieve.

It is not necessary to have all the skills and knowledge you will ever need before you start your business. What you need is the confidence that you can and will learn the skills and gain the required knowledge as you need it on your business journey. Gaining knowledge and skills then leads to bigger victories, which leads to ever increasing levels of confidence. Understanding ourselves and accepting our strengths and weaknesses is a huge step. When we become more confident in who we are, we tend to make better choices. This further builds self-confidence and purpose, helping us to take charge of our lives and our business. This is living success.

The reality is, we are far more capable than we give ourselves credit for. We can do incredible things if we only put our minds to it. But we impose limitations on ourselves by our lack of belief and lack of confidence.

Have you ever seen elephants tethered at a circus? If you look closely, you will see adult elephants tethered with their foot in a loop of rope or chain that is tied onto a small stake that is stuck in the ground close by. Have you noticed the way that the young elephants are tethered? They have a chain around their legs that is tied to a huge stake that is planted deep in the ground, sometimes in concrete with grass put over it. Why is this? The reason the adults have a small stake is that when they were young they tried to escape from the tether, but the deeply planted huge stake was far too strong for them to break free. No matter how hard they tried, they couldn't get free, so they gave up trying. Now that they are adults, they could easily pull their

small stake out of the ground and be free, but they don't even try because they have been conditioned to believe that they can't do it. They are prevented from breaking free of the shackles, not by their lack of ability, but by their lack of belief. It's not the stake that is keeping them there. It is the fact that they don't believe they can break free.

How much are we like this? We limit what we can accomplish because of our lack of belief. We are the only ones who keep ourselves from breaking free of our limitations. We have swallowed the negative conditioning we have had from our well-meaning parents, friends, and teachers in our youth who wanted to keep us safe from hurt and disappointment. Our loving parents who tried to keep us safe by shielding us from all possible harm have unwittingly done us a disservice. We learned we couldn't do things, instead of being encouraged to push ourselves to see how far we could go. We learned not to try because we might get disappointed by not winning, instead of being encouraged to give our all to see how well we could do. We were taught not to take risks for fear we would get hurt, instead of being encouraged to see how much pain we could endure in good, healthy endeavors.

Now we wonder if the extra effort will be worthwhile. We hold back because the work is difficult. We don't even start because of our fear of failure. We don't make the call to someone important and influential because of our fear of rejection. We don't ask the questions we think might sound silly because of our fear of looking foolish in front of others. We settle for the safe ground far too easily and only live within our comfort zones to avoid the risks that exist only in our own minds. It takes courage and strength, but when we decide not to be limited by our conditioning, we break the shackles we have made. Then we can start the journey of building our capabilities and discovering our power. We can start to become who we need to be to lead and develop a great, profitable, successful business and create the business of our dreams.

Mastery of Learning Leads to Triumphant Capability

Knowledge and skills are essential for us to create a successful business. When you start your business you don't have all the knowledge and skills you will ever need to be truly successful. Think about the scenario we posed earlier, about the changes we encounter when we decide to start a business of our own. We have to undergo a very steep learning curve to acquire the knowledge to be able to do the many things we never had to do in our old job. Unfortunately, most business owners stop acquiring knowledge when they learn just enough to get by. Consequently, their businesses stagnate, and they wonder why growing a business successfully is difficult.

The only difference between a more successful business owner with a success attitude and a less successful business owner with a positive attitude is their levels of knowledge and skill. Knowledge can be learned and skills can be developed. If you want to build a highly successful business, you need to keep developing new skills and acquiring new knowledge. Taking your business to a new level requires a new level of thinking and new habits. You need to learn how to improve your marketing so that you get ten times the results you did before. You need to learn how to make your operations more systematic and efficient. You need to learn how to lead people, to inspire them and motivate them. You need to learn how to sell and negotiate. You need to learn how to play with the big dogs in your profession without getting eaten. You need to take charge of your ongoing education, to ensure you acquire the knowledge and skills you need to run a highly successful business. Yes, you can learn from making mistakes, but that can be a very expensive education. It is much more efficient to learn from others who have been there and done it before you. Then you can learn from their experience and avoid the costly mistakes they may have made.

When we have a success attitude, our focus is where it should be. We understand that it is our responsibility to develop our skills, increase our knowledge, or generally become better at what we are trying to do. We stop blaming and wishing things were easier. We realize *things* won't change, but *we* can change. We can become stronger, wiser, and better, and more patient, persistent, and skillful. We just need to take charge and do what it takes to be what we want to be. Our success depends more on who we become than how hard we work in our business. Most normal business owners work hard, but because of their lack of knowledge they work hard on the wrong things. You need to become a successful leader, skillful marketer, great planner, and effective motivator before you can ever hope to achieve real success. So make sure your focus is right. Don't just work hard in your business. First work hard on yourself, so that you become all you need to be to achieve the success you want.

How to Attract Success

There has been a big focus on the law of attraction lately, and a lot of misinformation with it. This is how the law of attraction really works. If you want to attract wealth into your life and great people to your business, you must first become attractive. When you are focused on bold targets and make positive changes to become attractive, you attract more positive elements into your life and your business. When you are positive, you generate an energy that attracts people to want to become your clients or your employees. No one enjoys working with someone who complains all the time about everything that goes wrong. Who doesn't enjoy working with someone who is positive and always willing to praise sound efforts and contributions? When you have happy employees, you will find you attract happy clients. When you have attracted happy, productive employees and delighted clients, money will flow into your life in unbelievable quantities.

This shouldn't need commenting on, but it is so typical that it is worth stating. Negative people create their own negative reality because of the negative energy they put out. Positive people have the right mind-set to recognize opportunities when they appear, even if those opportunities are obscure. When positive people improve their skills and knowledge, they open up possibilities they never would have had if they had stayed in their own comfort zones and refused to work on their self-development.

When you develop greater skills and knowledge, you can attract higher caliber people. Highly qualified and highly skilled people don't look for jobs in firms that are struggling. They find work with people they can respect, not necessarily for their skills and knowledge, but for their vision and their attitude that exudes confidence that their firm is headed somewhere and there is no way they will be denied the success they are targeting.

Clients operate like this as well. Given the choice between dealing with an obviously successful organization and a run-down business that looks like it's struggling to survive, most people will go with the winners. People are attracted to winners rather than losers, and it's no different when it comes to business associations, even if it's a one-time transaction.

These are the consequences of developing a success attitude and following that through into developing your business knowledge and leadership skills. If you don't work on this step, your business future is undoubtedly limited. Taking charge is the most critical key to business success and life success. Unless you decide to take charge of your own destiny, your future will always be limited, just like the elephants tethered to their stakes in the ground. You won't get very far unless you decide to change your attitude, stop complaining, get positive, and take charge of your life and your business future to become the successful business owner you have

the potential to be. If you do, there will be no stopping you.

Action Points

1. On any normal day, catch yourself blaming others or acting like a victim. Be honest with yourself here. There's no one checking up on you. Tally up the number of times you catch yourself not taking responsibility for the results of those circumstances that led to you blaming or acting like a victim, and decide that you need to change your attitude and approach to the results you are achieving.

2. What do you believe about your ability to create the business of your dreams? Do an analysis of your mind-set and how it affects your belief and self-confidence. What beliefs about yourself are holding you back? How will you change these limiting beliefs?

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3. What skills do you need to develop to lead your business to a higher level? Classify them as follows:

- Leadership
- Planning
- Marketing and sales
- Operations management
- Human resources management
- Performance management
- Financial management

How will you work on developing these skills? Develop your personal and professional development plan.

CHAPTER 2

Plan Your Business for Autopilot Operation and Beyond

Are You Having Fun?

What are your business goals? When I ask this question of business owners, many are not really sure. They give vague answers like, “make a profit,” or “sales growth,” but usually they don’t even include numbers in these statements.

Normally, when you start out in business, you have a clear idea of what you are setting out to achieve. But for many business owners, it doesn’t take too long to lose sight of the initial dreams and goals. It’s not long until the pressures of making sales, satisfying clients, motivating employees, and controlling cash flow push the initial goals off the radar screen, obscured by the gray fog of stress and the struggle to survive.

Without having specific goals, you often find that working in your business becomes endless drudgery. Every day seems the same as the last, a never-ending struggle to get the work done to have enough money to pay the bills. This is the reality for so many business owners because rather than focusing on the long-term goals that were so motivating at the beginning, we get caught up in the pressure and deal only with the urgent issues that threaten business performance.

I speak from my own experience here, as I do throughout this book. The greatest danger and ever-present threat to business growth and development is the trap of becoming overly focused on the current crisis and neglecting the work we should be doing to build the business. Michael

Gerber, of *E Myth* fame, calls this working too much *in* the business and not enough *on* the business. The result of this attention on coping with the current crisis is that it is a self-perpetuating cycle of bouncing from one crisis to the next, which increases the stress on the business and everyone in it and creates the need to continuously save the business from the next impending crisis day after day after day. This is the fatal flaw that exists in almost all small and medium-size businesses that are dependent on the owner.

How tragic! Business should never be like that.

Unfortunately, many businesses are like that. This is usually because the business has grown with no real design; there is no real purpose to its existence other than to provide an income for its owner. This situation usually exists because the owner has not taken charge of the business, but instead has allowed negative circumstances, usually of his or her own making, to control its destiny. As statistics show, many businesses fail in early stages, as the circumstances are often overwhelming. However, there are also many businesses that continue to survive, but the ability to make a profit or to achieve enough cash flow to reward the owners adequately is stifled by the lack of direction and control. Because the business owner didn't start with a clear objective to build the foundation for autopilot operation, the business merely drifts wherever the environmental and economic currents take it.

The business drifts aimlessly from this point, with the ongoing crises dictating the amount of time and income the owner is able to enjoy. Often there is a feeling of being trapped, and tied to the business in a way that restricts the freedom of the owner, which leads to a dull and boring existence, a tedium filled by work and little time for a real life. Sixty-, seventy-, or eighty-hour weeks, or more, become commonplace for the stressed owner, who feels under siege against a

relentless onslaught of competitive pressures, internal unrest, and financial demands.

Surely this common scenario is out of step with the original goals and dreams that prompted so many business owners to take the plunge into entrepreneurship. The business was meant to be enjoyable and profitable, a means of developing wealth and independence, and creating a legacy. But, unfortunately for most business owners, business has ceased to be fun and the dreams have often turned into nightmares.

Identify Your Compelling Vision

If being in business is not exciting, enjoyable, and rewarding, then why be in it? It is exciting and rewarding for the few who are really successful. The difference is that they have a vision, a clear idea of where they are going, and each day they can see their business making progress towards achieving their clearly defined goals. This vision stems from the purpose I spoke of in the first chapter. Your purpose as a person translates into your vision for the business. The vision is what you see the business becoming. The more clearly you see how the business will be, the more likely you are to create it that way. Putting your business together is a bit like constructing a jigsaw puzzle. Each piece of the puzzle falls into place to form a perfect picture. Imagine how difficult it is to put a jigsaw puzzle together if you don't have a picture of what it should look like when it is finished. You have to guess where each piece should go with nothing to guide you. How would you expect your business to turn out if you operated like this? Incredibly, this is exactly how most business owners try to construct their businesses.

If you do not start out with a clear vision, or lose sight of it at some point, the business continues aimlessly. Without a vision there is no real meaning. Having a vision allows the owner to define the business's purpose and what the business will look like when it is fully developed. Without

a compelling vision, a business has little chance of becoming anything. The successful business is the physical realization of the concept that was created in the mind of the ambitious, daring entrepreneur.

May I suggest that the first stage of that vision, the grand plan if you like, should be to create a business that works so well that you don't have to. As a business owner, starting with this objective means that you see yourself as an entrepreneur (a business creator and developer) rather than a manager (someone who works in a business to run it). This objective is the beginning of freedom. Merely having an objective to run a successful business means you will create a monster that you end up working for, instead of creating a business that works for you. Clarity in your vision is critical. Getting your business to autopilot stage is the foundation for your future of unlimited possibilities. If you know what that looks like, you can develop a plan to create it.

It has been said that for the renowned filmmaker Alfred Hitchcock, the process of shooting and producing the film was quite boring. For Hitchcock, the film was already a reality in his own mind, well before the film was ready for the theaters. Hitchcock's screenplays were already very well defined long before shooting the films commenced. He wasted very little film on outtakes, because he was very clear on the exact shots he wanted to take for each scene and skillfully coached the actors to play out the scene as he wanted it. He created and produced many successful films, and his success was due to the clarity of his vision.

Following Walt Disney's death in 1966 and the completion of Walt Disney World a short time later, a comment was made to brother Roy Disney about what a pity it was that Walt didn't get to see his creation finished. To that comment, Roy quipped, "It wasn't necessary for Walt to

see the finished project. He had already seen it clearly in his mind well before the project began.”

Success always begins in the mind before it is turned into a physical reality. While you need to work in your business, your possibilities are limited. You can't be free to create a better solution if you are still bogged down with trying to provide a service to your clients. Your role as a business owner or entrepreneur is not to provide a product or service for your market, but to create a business vehicle that provides a product or service that fulfills the needs of your market. When you do this, you can multiply your solutions and solve the problems of a multitude of people, beyond your own limited reach. If you plan for that before you start, you are much more likely to see your vision become a reality.

How to Communicate Your Vision and Transform It into Reality

For a business owner to realize his or her vision, he or she must first create a design, or blueprint, for developing its future. This blueprint is best presented in the form of a plan that sets out a clearly determined path for growth, with clearly established goals and milestones to indicate progress towards the goals. This plan not only helps the business owner keep focus on the future development of the business, it also helps communicate to the other people involved with the business the purpose of the business and where the business is heading. It is much easier for everyone to be moving together when the goals and directions are spelled out and communicated clearly to all.

Eliminate Crisis Management

It is so easy to spend our time reacting and going from one crisis situation to the next. Without

a clear plan of action to work from, we default to dealing with what happens around us. However, it is far more productive to decide ahead of time what our most important priorities are and plan our days around those priorities. We may pride ourselves on our ability to put out fires, or how we can stay calm and solve problems when others are panicking. What we don't realize is that it is our fault. The crises occur because we only focus on the short term. Just resolving the current crisis does nothing about preventing the same crisis happening tomorrow, or every day after that. When we operate this way, we do not step back and find the long-term solutions to the problems in our business. We get so busy working on the day-to-day pressures that we don't see what that is creating for the future. In fact, most of the problems that exist in small and medium-sized businesses become entrenched as a result of reactions to short-term pressures. The "solutions" we find for short-term problems actually undermine future development.

This situation became very clear to me when I was in charge of establishing a new retail computer store. When we were establishing the store, we had very few systems in place. The clients would come into the store and order computers to be built, add a few additional items to their orders, pay their deposit, and wait until their system was ready for collection. When the computer arrived from the factory, we would call the client to tell them the system was ready for pickup. Sometimes the client would come in to collect his or her new computer and additional items, and we would find that something was not available. The order was not able to be completed. It was important to quickly organize a way to get the items that were not ready for collection at the time, to keep the client happy. However, were we to stop there, content that we had satisfied a client when there was potential for a major hiccup, we would not have helped the company that much. Being aware of this issue from my previous experience, I took it upon myself to not only fix any client relationships that were in jeopardy, but also to create

a system to prevent such issues from happening again.

In a more established business, these issues are often the result of a “this is the way we’ve always done it” mentality. The time to address these issues is during the planning process, when you put the business under a microscope and flush out all the things that can go wrong.

Avoid Resistance to Change

Typically, issues arise because we keep doing things the way they have always been done. We live in a rapidly changing world. We cannot expect to continue doing things the same way we have done them in the past. If we stand still, our competitors are sure to pass us by, and our market will move on with them. We need to be looking forward, trying to identify changes in public perceptions and tastes, looking for opportunities or threats, and then planning the way to take maximum advantage. We need to identify where technology is heading and see how we can use it to our advantage. If you just keep doing things the way they’ve always been done, you will end up creating hand drawn blueprints while your competitors are using Computer Aided Designs, or tallying numbers with mechanical calculators while your competitors are using computers.

You can’t get ahead by resisting change and staying where you are. You have to be looking forward and taking advantage of the new ways that things are being done in other industries or in other situations. In fact, if you don’t lead the way in making changes in your profession, by fixing it before it’s broken, you will always find yourself in the position of playing catch-up. Your competitors who are more forward-looking will soon leave you well behind.

However, making changes should not just be about improving efficiency and doing the same

job better. You improve business results more by operating strategically. Strategy is about doing the right things, more than doing things right. To do the right things consistently, you need to be very sure you are heading in the right direction.

Balancing Urgent Needs and Important Long-Term Goals

The second step to creating an autopilot business is to decide where you are going. When you know what you want your business to be, you can determine what needs to be done to get there. You can design your business as it will look in three, five, or ten years and start to take the steps that will achieve that vision. Having a vision, a plan, and goals allows you to check the business's progress as time goes on, to see if it is on track. The vision provides the impetus to wrest back control of the business from client demands and external circumstances when it may get off track from time to time. However, if this vision is not written down, it is almost meaningless. You will find yourself trying to remember the details of your vision instead of having the opportunity to simply revisit it and expand it. Writing your vision down and making it crystal clear is the first step in the planning process.

In the planning process, it is important to achieve clarity on the purpose and take time to define, or redefine, the vision for the business. Then it is important to develop that vision into actionable strategies that will take that vision from dream to reality. Writing a business plan to achieve this is the critical step in this process. However, this task is often put aside because there are more urgent short-term tasks to perform.

When you look ahead, you can sometimes anticipate the problems that will you need to face and find a solution before you run into them. Without looking ahead, we often run into problems that catch us unaware. So many business owners allow this to happen and struggle

with the same problem over and over. They are always reacting to problems and doing what needs to be done to keep clients happy in the short term. The trouble is that this continual crisis mode of operation undermines the business in the long term. It leads to inefficiency and poor productivity, extra operational costs, and lack of time to develop support personnel.

An early client of mine in Adelaide, South Australia, once told me that it was impossible to plan in his business, as he didn't know until the phone rang what he would be working on from one day to the next. Over the fifteen months or so of working with that business, I found that things were extremely predictable. On a monthly basis, there was very little variability in the turnover derived from the service work they performed. The problem was that their reactionary approach created the appearance of unpredictability. The owner's focus on the daily workload caused undue worry and pressure that did not really need to exist. Had he taken the time to plan, he would have been able to use the constants that applied in the business to create not only more predictable results, but considerably better ones. Through the planning process, he was able to identify many areas where changes could be made to both eliminate wasted time servicing clients on site and increase productivity to achieve more work in less time at a higher profit.

Even though it sometimes seems impossible, the owner(s) and the management team need to step back from the day-to-day pressures and look at the bigger picture. Fear of what will happen if a crisis occurs while they are not there to fix it stops this from happening. It's a catch-22. If they don't take the time out, the problems will never be fixed.

The initial dreams you had when the business was started need to be recaptured, or if you have outgrown those dreams, you need to discover a new vision of what the business can become.

The planning process is what converts those dreams to reality. It helps take the dreams and turn them into realistic goals. You need to identify where the business is going and determine the problems you are facing. Then problems can be solved by planning better ways to operate, creating new systems, or determining training needs for people within the business. The planning process helps decide all of the practical issues and helps work out what needs to be done to achieve the goals. The result should be a documented program of actions that tells what needs to be done, when, and by whom, at every stage of the development journey.

If our goals are not clearly defined, if we don't know where we are going, it is easy to become like the hamster or mouse on a wheel. We can expend a lot of effort going nowhere. If we don't take charge of our business and decide where it is going, all we do is react to the pressures the business creates. To avoid falling into crisis management mode, you need to have a daily to-do list that is the result of your strategic planning process. Planning should lead to a scheduled set of actions and projects you need to implement to achieve your goals and transform your business. Without having a daily to-do list that requires us to work on development projects, our daily plans default to being dictated by who calls with the biggest problem, who stops by demanding our time, or any other number of things that may come up.

When we know where we are going and have a plan to get there, we, as leaders, find ourselves with a whole different set of business tasks to do each day. The major benefit of the planning process is an action plan, which contains a large number of activities that we would never have thought of without the planning.

The role of business development takes on a new importance. There are many leadership tasks that are completely neglected when the business operates in crisis mode or without clear

direction. Planning and working on development allows us to establish better daily priorities and become better at time management. It is the key to regaining control over the business. Working on the activities in the action plan allows the business to develop its strengths and overcome any weaknesses. We can identify the problems that cause the pressure points in the business. Because we are prepared, we can avoid the crises that have swamped us in the past. We find ourselves actually making progress towards our clearly defined goals.

This is what creates the excitement and enjoyment. Instead of struggling on with meager rewards and the same daily pressures, we can unlock more profit potential in a steadily growing and entirely planned way. The vision of what the business looks like and the rewards it will generate when it can operate on autopilot should inspire you to work steadily on achieving that aim every day. Going through the planning process gives you the opportunity to dream your wildest dreams about how your business will be, then focus on the activities that will make it happen.

Writing a Business Plan that Works

Writing a business plan, however, is a project that very few do well. In fact, almost every business plan that was ever written ends up on top of a filing cabinet gathering dust instead of becoming a valuable business development tool. Many people write business plans simply to go through the motions, because someone told them that businesses that plan achieve greater success than businesses that don't or because their bankers asked for a business plan to support a case for additional financing.

How do you write a business plan that works? It takes more than downloading a business plan template from the Internet and filling in the blanks. That's a recipe for mediocrity. Einstein once said that you can't solve a problem with the same mind that created it. This applies just as much with business planning. If you go into a planning process in the same frame of mind

that created the problems in your business that need solving, you will ultimately fail to make a difference with your plan and it will end up where most other business plans live out their days. Even worse, nothing will change in your business.

Most business plans are merely hollow projections of hopes and wishes that are not based in reality. There is usually no attempt to identify what may stop the goals from being achieved and how to overcome these obstacles. Often pie-in-the-sky objectives are stated, but no real strategies are developed to achieve them. The boss may gather a few people together once a year, at best, to discuss where the business is heading and to develop a plan. Unless someone is appointed to play devil's advocate and challenge the assumptions and test the strategies, the plan becomes a weak mishmash of common thoughts and the lowest common denominator. Very little is gained through such an exercise.

Business planning is not so much an event as it is an ongoing process. It is about navigating your business through a number of distinct growth phases until you develop the capabilities to achieve the challenging, but realistic goals you ultimately aim for. When you increase the capability to achieve goals, your opportunities tend to increase exponentially. Unless you increase that capability, your business opportunities are always limited.

Many people do manage to set their sights on a big vision and set challenging goals. These are exciting to work towards, but usually these dreams are impossible to reach in the current business vehicle. The plans that are developed like this, without addressing the business model as well as developing exciting strategies, are doomed to failure. These business plans stretch for the big goals too soon and the outcomes become frustrating and unworkable. If you run a small or medium-sized business, rather than going for broke too soon, your initial plan should

focus on what the business will look like at the autopilot stage and what needs to be done to achieve that stage where the business runs profitably without needing your daily input.

To be effective, business planning needs to be an ongoing process—one that starts with learning, moves to strategizing and scheduling, and moves to implementation, which then needs to be followed up by evaluation, which includes analysis and learning. Before you begin any planning, you must start with a clear understanding of where your business stands now. What are its management and operational strengths and weaknesses? If you want your business to grow and capitalize on new opportunities, you must ensure you build internal capabilities. Building internal capability must go hand in hand with developing a winning strategy. What is the point of generating a flood of new sales inquiries, only to discover that you can't keep up with the new level of demand. You will do untold damage to your business reputation if you can't live up to your promises and make your newly found clients unhappy with your service.

You need to analyze your business with the skill and knowledge to understand the requirements of leadership, structure, and systems at each level of development. When going on a journey, unless you understand what terrain you're traversing and which vehicle is most suited to that terrain, you may choose a vehicle that seems suitable but will leave you stranded. The only practical way to ensure a successful journey is to engage a guide who has been where you want to go or at least has experience traveling in the conditions you may encounter.

A lack of skill, knowledge, and experience will make your attempts at business planning just as problematic. Simply following a template and set of planning instructions will only help you create a plan that leaves you stranded or stalled and frustrated on your business growth journey, trying to get where you want to go but having no realistic means of getting there.

A staged planning approach is needed in your business development. When Michael Dell started up in business, he had a hugely ambitious goal to beat IBM at computer sales. At the time, IBM totally dominated the market, and Dell had never built a computer. But Dell didn't plan to reach that goal overnight; he consistently and persistently planned and achieved short-term goals that systematically took him towards the long-term goal.

The biggest fault with most plans, that leads to them sitting on the shelf gathering dust, is that they have a lot of good thoughts and sometimes good strategies, but they never take these down to the level of workable tactics or actions. Your business plan needs to result in an action plan that has each of the projects and activities necessary to implement your new strategies scheduled in a step-by-step series, and assigned to specific people to perform.

Once your plan is written and you have begun implementing the new strategies, you need to establish an evaluation process to identify whether the changes are working and how effective they are. This evaluation process has two benefits: it helps you improve your planning process, and it helps you identify where your strategies need to be improved. Both lead to increasing the speed of performance improvement.

Once you start planning effectively, you soon come to realize that the planning is more important than the plan. What happens is that you make effective changes that improve what you are doing and achieve better results. This improvement typically leads to better and more interesting opportunities that you could not see from where you were before you started the planning. It won't be long before you outgrow your plan and want to do another one to take you to the next stage of your development.

The rest of this book focuses on the specific areas of your business that need planning and development, and the steps you need to take to enable your business to run on autopilot. Be sure to incorporate the steps outlined in the following chapters into your business planning process. Proper analysis, planning, and implementation of these steps will set you free and give you your dream.

Action Points

1. Decide if you work reactively or proactively in your business.
2. Identify and list all of the issues that seem to create recurring problems, and then trace the cause. Can you fix these easily and quickly, or do you need some major reorganization of work processes?
3. Do you have a compelling vision and inspiring mission statement? Work on creating statements that are inspiring and compelling, that provide a focus for your entire team on what they are striving to achieve every day.
4. Do you have a business plan or strategic plan? Make a decision to prepare your strategic plan and set a date to do it.

Access the training video Strategic Planning – Planning for Success, Not Survival in your bonus materials under Chapter 2 - Plan Your Business for Autopilot Operation and Beyond at <https://crackingthecodebook.com.au/bonus>.

CHAPTER 3

Create a Sales Escalator

Balance Sales and Workloads

No matter what business you are in, if you don't make sales, you don't have a business. There used to be a truism in business that went something like, "If you build a better mouse trap, the world will beat a path to your door." If that was ever true, it is certainly no longer the case. There are so many new technological developments and so many competitors around these days that we need to be heard above the crowd to make any impact. Now, you need to be proactive and spread the word about the value of your services if you ever hope to succeed in business.

One of the first hurdles that a business will face is the ability to maintain a steady growth rate. This is especially critical in the early stages of development, but some businesses continually stumble at this point and are never able to clear the hurdle. They are never able to grow much beyond the "survival" level.

In a growing business, it is difficult to balance the level of sales and resulting workload with the number of employees. Growth in sales means you need to employ new people. But what happens if sales slow down and growth is halted? Since at this point you most likely have trained your new employees, it is important to keep them, as frequent staff turnover is inefficient and costly. So the challenge is, how do you keep growing sales revenue sustainably and consistently?

What do you do if the workload falls because of a slow down in sales? There is a tendency to be reactive in these situations. The business owner decides to give sales a boost with some additional input into advertising, networking or promotion to address the situation. Then, after sales pick up, this activity is stopped. The result of this method is haphazard advertising efforts, which produce haphazard results. This often results from not having a plan, and having no clear idea of where the business is going. One major result of planning is an understanding of what needs to be done to gain the necessary sales volumes to enable the business to achieve its goals. Rather than haphazard advertising, a planned advertising and promotion strategy can be applied to achieve specific goals.

This is one of the major reasons while sales tend to plateau and why businesses don't achieve consistent growth. The challenge of balancing sales and workloads is critical to achieving momentum and continuous development towards unlimited success.

Advertising is only one aspect of marketing. It is important to keep advertising in perspective and understand that marketing takes a broader view of what the business has to offer and entails much more than merely advertising or promoting your services. Marketing, as a management function, encompasses the entire offering and presentation of the business, which includes the products and services, price considerations, the place from which the business operates, and the promotional aspects. (These aspects are often called "the four Ps of marketing.") Promotional aspects, or advertising, should not be considered until all other aspects have been planned, and appropriate strategies have been developed.

If you want to develop a business that runs on autopilot, it is essential that you are proactive in acquiring clients and in continuously developing those client relationships so that the clients

become devoted fans of your business. You need to create a sales escalator that attracts clients to step onto the escalator, and that systematically takes them to the top, to a high-level, close, mutually profitable relationship.

You Must First Offer Something People Want

Everything in business starts with developing or offering a product or service that enough people want in order to achieve a profitable level of sales. Pricing, place, and promotion decisions all flow from the product decision. But the product offer is not really the starting point. Unless the product or service has a viable market, nothing else matters. It is surprising how many businesses get this wrong.

Even before a business looks at marketing, the business' mission needs to be defined. Having already defined the vision, which is what you want the business to become, you are then in a position to determine the business' mission—what you want the business to do. The mission is about what you do for your clients and how well you aspire to do it. It is not necessarily future focused, but more like, “this is what we always aspire to.”

A major problem in many businesses is that the owners don't understand the importance of defining the mission and clarifying what it is that the business aims to do. When asked what their business' mission is, most business owners reply, “To make money.” The problem with this mission is that it is too self-focused. Being self-focused in business is the same as being self-focused in life. Self-focus puts people off. It repels them.

The mission needs to be client-focused. What will your business do for its clients? The fact that you are in business to make money is of no importance to your clients. This mission doesn't

help gain clients' confidence, nor does it inspire a service attitude in your employees. After all, isn't the bank robber's mission to make money, too? However, a bank robber doesn't care how many people are hurt or ripped off in the process. If your business mission is "to make money," then that selfish ambition will most likely be passed on to both your employees and clients, with negative effects.

The business mission needs to be a positive statement about what you want the business to do for the client and how you will achieve that, or how you want to be perceived by clients, employees, and even competitors. The mission statement should inspire and underpin the motivation behind all actions by anyone in the business. Where there is a choice between alternative actions, the mission statement stands as the guiding light, assisting all, including owners and employees, to work in a cohesive manner, towards the same end, rather than at cross purposes. This becomes a powerful tool. When the mission is client-focused, the strong message always being delivered is that the business is there to meet client needs and give clients what they want.

The mission statement is also a reflection of the values by which the business operates. Every business operates by a set of values. They either exist according to plan or evolve over time by default. If they are established by default, the lowest common denominator typically wins out in the expression of the values throughout the company. If you want the business to express your values consistently and repeatedly, you must spell them out for all to see. All of your employees must be taught your values and be held accountable. Unless you do this, you risk your business operating at a lower standard than you would otherwise want. People need guidance in how to act. It is all very well expecting everyone to operate with honesty and integrity, with the best interests of clients and fellow employees in mind, but these principles

mean different things to different people. The only way to ensure that your values are expressed throughout your business is to tell your employees what you want to see. It is behavior that counts here. Attitudes will often change, but you can influence behavior to fall in line with your values if you set the standards.

In developing your mission statement, the very fact that you have taken the time and effort to define your business' values and aims will set you apart from most of your competitors. But even more positively, it gives you the opportunity to work out how your business can truly be different from your competitors, and how you can meet the needs of your market more effectively, through your unique set of skills, and opportunities within the business. Your mission statement is therefore a major influence on defining how you will provide clients what they want, and how you can be unique in doing this.

Create a Unique Identity

Your “unique strategic position,” or USP, is what sets you apart from your competition. An extension of your mission, your USP is what you can do differently or better than anyone else.

Establishing a USP allows you to start differentiating your business from others, and allows you to focus on exploiting your competitive advantages. This enables you to start competing on levels other than price. Many business owners are trapped, or think they are, into competing on price alone. You may find this hard to believe, but many business owners I have spoken with tell me that they are now operating on lower prices and lower margins than they were five years ago. It shouldn't come as any surprise that they are making lower profits as well. In the absence of a USP, and the resulting lack of competitive advantage, all you have to fall back on to compete is to be more competitive on price. This proposition is unsustainable for most

businesses.

Getting into a price war usually means nobody wins, unless you have the strength to drive the competition out of business quickly. Most small businesses don't. There can be only one business with a cost advantage. However, most small businesses operate on a relatively level playing field. No cost advantage exists. Lower prices normally mean lower profits. This is just like those banks of escalators you see in large shopping centers. There may be five of them together. It doesn't matter which one you take. They all take you to the same place. This is how most businesses operate. They just offer the same products and services as their major competitors. For the clients, it doesn't matter where they shop, they get the same results anywhere.

There is a better way to compete.

The only way to increase profitability in your business is to find a way to compete that is not based on price. That means finding out what other things, besides price, are important to your clients. When price becomes only one of several factors in the buying decision, you can take one or more of those factors and find out how to do it better than anyone else. The real value in having, or doing, something unique is that for your clients to get your unique product or service, they must come to you, no matter what price you charge.

Taking this approach created a major change in the fortunes of one of my program participants in Wellington, New Zealand. At the time I started working with this client, who specialized in designing commercial interior fit-outs, about 70 percent of their work came from successful tender bids, which were won in a very competitive environment. With these bids, every

competitor was competing only on price. Typically, the cheapest bidder won the contract. In these circumstances, profit margins were minimal. However, once we determined how they could compete more on the basis of their unique positioning in their market, they identified a group of target clients who were more appreciative of professional expertise in project management of the contracts. Targeting this market, my client not only increased sales, but the new USP approach resulted in changing their work mix such that 70 percent of sales were the result of negotiations based on added value versus lowest price, which resulted in a considerably higher profit margin. On an annual sales base of around five million dollars, this increase in profit was very significant.

This is where the value of determining your unique marketing strategy is seen. It is critical that your business looks different from your competitors. This is where your mind-set is so important. You must not simply complain about how your competitors always cut their prices and make your life more difficult. You have the opportunity to do something different. The determination of your strategic positioning is critical to creating a unique identity. Usually just looking at your business in this way puts you a long way ahead. But when you can define your USP during your planning process, you are going a long way towards determining how to outstrip your competitors and promote your business more effectively and profitably, so you get more than an average share of clients jumping onto your escalator. This is critical if you are to break through to unlimited business success.

Powerful Proactive Promotion

In the normal professional services business there is often the expectation that the inquiries should come because the business has a good reputation and there should be a consistent flow of referrals. Perhaps in the good old days of the twentieth century that was enough. Today's

marketplace is different. There is greater competition, and the consumer is better educated. Today you cannot wait for a client to come looking for you. You have to be able to first attract their attention, and then communicate why they should choose you over your numerous competitors. You need to be proactive in marketing. Being proactive is about making things happen. The really successful businesses make things happen; there is no waiting and hoping something will happen, like hoping a client may call with an inquiry. The really successful business is always working to generate a client response through powerful, proactive marketing methods.

Typically, when a professional services business owner starts to think proactively about promoting the business, or its products or services, the objective is to increase sales. Usually, ads are developed to promote the business name or the services on offer, and a contact number or business address is given. The trouble with this type of advertising generally is that there is no real offer to the client. The ads are justified with the thought that, “At least we are getting our name out there.” Thousands of dollars are wasted every year by small and medium-size businesses using this justification and getting no real direct impact on sales when they use this method of promotion. The real issue here is that the method is based on a flawed strategy, or in many cases, no real strategy at all. The methods used to simply “get more sales” are typically as effective as throwing a handful of mud against a wall and hoping some of it sticks.

Another issue with this type of advertising is that it typically repels potential clients instead of attracting them. If you spoke to your friends the way most advertisers try to communicate to their market, you would be lucky not to get a punch in your face. Most advertising is pushy, aggressive, blatantly exaggerated, and treats people as if they are morons. The objective is to try to get attention and be convincing. But these days, this type of advertising is too much like one more hawker at a street market yelling at you to try to get you to come

and buy their wares of dubious quality and origin. In the end, it is just more noise that makes you shut off and ignore it.

Most of this type of advertising is specifically aimed at acquiring more clients. However, this is a short-sighted strategy, and only one of the alternatives to increase sales. Usually, it is also the most expensive. Instead of one broad objective of “getting more sales,” strategies can be developed in three specific areas: getting more clients, getting existing clients to spend more on each purchase, and getting existing clients to purchase more frequently. This is how to build your marketing escalator. You first need to attract clients to get onto your escalator, then you can work on getting them up to that level where they are frequent buyers and advocates for your company.

Turn Promotion into Attraction

First, let’s deal with the process of acquiring new clients. This is why most business owners think that they need to turn to advertising. This is an area fraught with danger for most business owners who have never had experience with advertising before. There are many skillful advertising salespeople waiting for the innocent inquiry about their advertising methods, all ready to spin a convincing story about why you should choose them. However, for most small businesses, there is little need to use expensive advertising methods to acquire new clients. There are many low-cost promotional methods that are even more powerful if applied strategically and with appropriate planning.

The first task in relation to acquiring clients is to attract clients to your escalator. You need to change your advertising and promotion methods if you have just been relying on getting enough referrals to keep you busy, without actively doing things to generate them.

The most effective attraction strategy is to develop ways to enhance word of mouth advertising, to get people to talk positively about your business to their friends and acquaintances in the marketplace. There is no doubt that word of mouth is the best type of advertising, but many businesses just wait for this to happen on its own. Instead, strategies to actively encourage word of mouth advertising and a system for generating referred leads should be established as a major marketing activity.

Additionally, other planned advertising approaches need to be put in place to generate a steady flow of new inquiries. Even in businesses with a high proportion of repeat sales to existing clients, growth requires a continual generation of new clients. Even in the best businesses, there is an inevitable loss of clients that has nothing to do with quality of service. It is just a fact that over time, clients' needs will change, or they will move from the location and frequent a business closer to where they live. These clients need to be replaced.

These days, any form of advertising is viewed with critical filters and skeptical analysis. Consumers are rarely gullible and are highly unlikely to believe what you, the marketer, say about your products and services, since they have been let down so often in the past. It is highly important that your advertising is believable, that the claims you make are true and supported by independent proof. This is why word of mouth is so effective. When your friends tell you something and you trust their opinion, you are inclined to believe them. But believability can also be influenced by having other people tell your market about the results you achieved for them. If these people are like your potential clients, their peers, you have a better chance of being believed. If they have celebrity status and are well-known, influential people, your believability increases exponentially.

One of my clients in Auckland, New Zealand, uses this strategy very well. The company operates in the personal development field and runs a training program for people who want to improve their lives in the areas of personal wealth, relationships, and spiritual well-being. The company's clients are its best sales people, because of the results they achieve from the program. But rather than rely on random referrals, the company actively promotes the use of word of mouth marketing by providing ways to make it easy for clients to refer new people. With this strategy, the company needs very little other advertising to achieve sales growth.

The added benefit of this approach is that the cost of the marketing is directly proportional to the results. This means that marketing expenses are only paid after a sale is made, which creates a positive cash flow scenario. Typically, advertising costs need to be paid before sales are made, to attract inquiries that lead to sales. This can create a cash flow crisis for small companies, and such up-front expense deters many small businesses from spending on advertising, because of the risk that the advertising campaign may not succeed in generating sufficient sales to cover the expense.

Your strategy to gain new clients should be based as much as possible on the use of client testimonials that dramatize and educate about the main benefits of your products or services. High-pressure sales tactics of the past are now more likely to get you into trouble. Your business will acquire a bad reputation instead of attracting new clients. Your promotions need to educate people about their problems and the fact that you have the solution. Intelligent people will see the benefits and be attracted by your solutions, without the need for pressure. You and your sales people need to be skillful in digging out the problems and offering the appropriate solutions, but when you get this right, your client acquisition can be very rapid. In fact, the

fastest growing companies today have found a way to make this process go viral. Sales spread through the infectious nature of the transaction, and client relationships develop with your product or business from the first point of contact.

Give Clients More Than They Expect

The second strategy to increase sales is to focus on your sales process and to work out how to escalate your client to a higher level. The first way to help build your escalator is to take your clients to a higher purchase level. You can achieve this by finding a way to give them more than they were expecting. Specific strategies can be developed to increase the amount of money existing clients spend each time they make a purchase. This can be achieved by being aware of what else your client might need if they buy a particular item, and ensuring that your sales people ask if they would like it. McDonald's made this an art form with the question, "Would you like fries with that?" You need to think about what products or services, or combinations of products and services, go naturally together. In an accounting firm for example, if someone wants annual tax compliance services, would they also be interested in BAS reporting, bookkeeping, business planning, management accounting, financial budgeting, etc?

Do you think this is overselling and ripping clients off? It is only if you use high pressure tactics. But if you are polite and helpful, you are actually giving the greatest level of assistance possible to the client. It is up to the client to decide how much he or she is comfortable spending. Far too often it is the salesperson who decides to stop selling, especially if as a service professional, you have never been trained in sales. This should never happen. In the retail computer store I ran a few years ago, we had a rule that you only stopped offering more items when the client said they were happy with what they had. We kept track of how many add-on items were included on each sale. Our store record was eleven. Did the client leave the store

believing they had been ripped off or pushed into buying items they didn't want? Not at all. They were happy that our salesperson had been so helpful and attentive to their needs and that he was prepared to think about what else the client may find useful to go with the other items that were bought.

It is much easier to sell more profitable items to the client who has already committed to buy from you. You have already achieved the most difficult element in the sales process—gaining trust. When you have gained a measure of trust by finding a way to solve a client's problem, you need to keep serving the client. Again, this is where your mind-set is critical. In many situations, the first sale is a low-profit item, sometimes even an item sold below cost, called a “loss leader.” The hardest job in business is to gain a client. Once you have achieved that, it is time to escalate them to a higher level by making sure the client doesn't leave until they have all that they want. It is the additional items that make the profits for most businesses. If your business is struggling to achieve high margins, this is the first aspect to review. Make sure you and your salespeople understand that the sale isn't over until the client says so. There is usually something else they will buy once you have them saying yes.

Build Intimate Relationships With Clients

The third aspect to your marketing strategy is closely tied to the second; that is, to work at increasing the frequency of purchases from your existing clients. You need to work at escalating the relationship with your clients until they become high-value clients. It is extremely difficult for any business to succeed today if they only sell one time to any client and have to continually find a stream of new clients to be able to make sales. Client retention strategies and frequent buyer programs can greatly increase sales frequency to existing clients.

The key is to work on developing relationships of increasing intimacy with your clients. You need to put in place systems to enable you to get to know your clients well to achieve this intimacy. When you know your clients well, on an individual basis if possible, you get to know what their needs, tastes, and wants are. When you know what they want, it is negligent if you don't find a way for them to get it from you.

There are many ways to keep in contact with regular clients, but many professional service firms do this without much intimacy. Perhaps a regular newsletter may be sent, keeping clients informed about important changes or topical news. However, if you can tailor items of interest to specific clients or client groups, you elevate your status and level of trust with your clients. The Internet makes this very easy these days. A database or client relationship management system are the best methods of recording and continually updating client information. This can be a tremendous management tool in determining buying patterns and planning promotions and communication methods. Regular contact with existing clients is very important. Surveys have shown that if contact with clients occurs regularly within a ninety-day cycle, client loyalty is enhanced and sales increase. On the other hand, if contact is irregular and does not occur within ninety day intervals, client retention is weaker, and repeat sales are reduced.

Relationship marketing is becoming a buzz word these days. This is not because it is something the theorists have dreamed up. It is because it works. The key to multiplying sales potential is to develop relationships with clients so that they receive escalating levels of value from you and consequently come to feel close to the business. Their loyalty is built by keeping in touch and involving them in the business, not just telling them what they need to do for their next scheduled service, but by giving them the news of what is going on, such as who in your firm is getting married, having a birthday, or having children. By getting to know the people

involved in your business, your clients see it as more than a place to do business. They first become friends, and ultimately part of a happy, thriving family.

Identifying the most profitable client groups and products can help you determine additional marketing strategies to sell even more. Making sales to existing clients is almost always easier and less expensive than selling to new clients.

If you desire a successful, thriving business, marketing must not be left to chance. It must be an ongoing business activity. The third step to creating your autopilot business is to develop planned, consistent, and effective promotional systems and strategies that work like clockwork to escalate your clients from mere prospects to loyal fans. It is not enough merely to try to get new clients. Sales results can be greatly increased without any extra marketing expense by developing specific strategies in the areas of increasing average sale value and increasing the frequency of your clients' purchases. You need to establish systems to achieve each of these objectives to first achieve a sustainable level of sales that will fund your autopilot business, then increasingly provide more profitable sales to take it to even higher levels, with no limits.

Action Points

1. Do you have a compelling USP? Analyze what makes your business unique. What are the things your clients can only get from you? What do you do that makes your business the reason why your clients wouldn't go anywhere else? Craft your reasons into a statement that differentiates your business from all of your competitors.
2. Do you have a client-focused mission statement that provides meaning for clients and

employees in your day-to-day work? What do you want your business to provide for your clients, and what do you want people to say about your business?

3. How effective are your current sales and marketing strategies? Do you have a systematic way to offer clients complementary services or escalate them into higher levels?

Access free video training “Create Your Sales Escalator” in your bonus material at <https://crackingthecodebook.com.au/bonus> under Chapter 3 - Create Your Sales Escalator.

CHAPTER 4

Create Systems to Remove Dependency

Define Quality and Ensure Your Business Delivers It

Every business person I speak to agrees that quality is important. It is a bit like motherhood; everybody thinks it is a good thing. The difference between the truly successful business and the average business is that successful business leaders live, breathe, and preach quality, where the average business leader merely pays lip service to it. Successful people understand the difference that excellence in performance makes and the impact it has on clients. Less successful business owners tend to be less disciplined in their efforts to achieve quality performance consistently. I have seen many companies, even quality-assured companies, who espouse quality ideals, but when the pressure is on, the command is to “put it through so that we can invoice it and we’ll fix the problem later.”

Successful business leaders understand the damage that kind of thinking can create.

But what is quality? When I ask business owners why their clients buy from their business, the most common answer is, “Our quality and service.” But when pressed to define quality further, they are often unable to say what quality really means. Quality seems to be one of those concepts that everyone understands, but no one can articulate.

The thing is, for quality to be an advantage for you in selling your product or service profitably, you need to be very clear about what quality really means in your situation. This must be tied into your USP. In the dictionary, the word “quality” has many different meanings, depending

on how you use it. In the context in which we are using the word, it has something to do with the degree of excellence, or a specific characteristic. Quality in itself is meaningless without further definition. For quality to work to your advantage, you need to define those characteristics and standards of excellence in a number of different aspects of your business, going beyond the characteristics of the product. You must also define it in terms of client service, including how your telephone is answered, how you greet your clients, how long your turn-around time should be, how you will deal with client complaints, how you will deliver your product, and so on.

Quality is not just about the product. Quality needs to be seen in every aspect of your business. The entire range of interactions a client has with your business must be positive, particularly if you want the client to come back. Business owners who pride themselves on their quality but leave the quality aspects of their client interactions undefined are really leaving quality to chance. If you want to really stand out from your competitors, ensuring quality in all aspects of your business can help you gain a competitive advantage in a number of different ways. My favorite football team calls these mini-advantages the “one percenters.” This team has achieved great success over many years by doing the small things just one percent better than competitors. It’s often not one big thing that will create your ultimate advantage. By being just a bit better than your competitors in many different areas, you will stand out like a beacon in your marketplace and achieve ultimate superiority. When you know what quality means and how to achieve it, you must then ensure that your business delivers that quality to clients consistently.

Manage Conflicting Pressures

No business manager would argue that quality is not important. Most agree that quality is a

competitive advantage. Clients will generally keep coming back if they are satisfied with your products and service. The trouble is there are many pressures involved with running a business that conflict with the desire and ability to produce quality products and service. The requirement to keep costs down to remain competitive, keep delivery times down to maintain a high level of service, maintain good cash flow, etc., all conflict with the achievement of quality at times. More often than not, a professional firm that has built its reputation on quality finds this ideal hard to maintain when its popularity creates pressures of growth.

When the owner starts a business, much care is normally taken to create a quality service that is exceptional, so that it stands out from competitors. Care also is taken to provide good communication, and it is usually seen as a plus that the client can talk directly to the business owner. This all provides the impetus for growth. Suddenly, though, the owner is too busy to speak to clients, make sure the work is done well, and then handle the administration. The beginnings of success highlight the fatal flaw in the business structure.

This is the first critical point in putting your business on autopilot. If it is the owner's ambition to build a bigger business, it is extremely important that the decisions made now are instrumental in freeing the owner from the detailed work in the areas of production or operations. Often this may mean taking on more employees. It is critical that the employment of the first management assistant is handled well. This person will become either an asset to the business, or a millstone around the owner's neck if he or she stays with the business for some time but doesn't rise above mere competency to do the work. If the business continues to grow, it will be this person that the owner relies on to manage other aspects of the business that become too much for the owner to handle. If they are not suited to this task, then the owner is put in a difficult situation. If the first person doesn't work out, it is very difficult to bring in

another person to supervise the one who has been working in the business as the owner's right-hand person.

A number of my clients have been Chartered Accountants running medium-size practices. Each of these accountants has been able to make significant improvements to performance and productivity by developing more efficient work practices and by using technology to simplify and speed up some of their work processes. This resulted in less stress for the accountant and staff, as well as happier clients who received their tax and financial results much quicker than they ever had previously. Before they went through our program, the accountants were not aware that these improvements could be achieved, because they were always under pressure to get the client work done and never took the time to step back to review their work methods.

It is important to regularly review work methods and practices to identify whether there are better ways to do the job. With technology changing so frequently, it is important to stay abreast of technological options that could help you do the work more efficiently. Although the upfront costs of implementing a technology option may be more demanding on your cash flow than the option of employing someone to do the work, you will always be better off in the long run to implement the technology option. Labour in the developed world is very expensive compared to the annualized costs of other options. You can also rely on technology to give you more consistent outputs in terms of both quality and productivity than you get using manual labour.

With the developments of the Internet and telephone communications these days, the options regarding outsourcing have expanded to global proportions. Many businesses already run call centers in India and have technological support sourced from the Phillipines, where the cost of

labour is cheap. As demand grows, this cost will increase over time. However, right now, there are many opportunities to outsource numerous production and administration tasks to suppliers in these regions. As long as you implement sound quality control procedures that include these suppliers, your quality and service levels should not suffer, and you will minimize your operating costs and maximize your production capacity without adding unnecessary burden to your existing operations.

If your business continues to grow, you will one day exhaust the options of technology and outsourcing, and it will be necessary to take on new employees. The key to success here is to make sure you get the best person for the job, not the cheapest.

Many businesses are hamstrung through the owner's policy of employing the cheapest option. The temptation is always there to employ a junior-level employee when a more experienced person (who requires more pay) may be a better option. Employing quality people is the essential step to growing a business and maintaining quality without increasing dependence on you. Too often, quality suffers as a result of employing people who have insufficient skill or experience to know what to do at critical times. These people always demand more time from the boss, asking what they should do about a problem, or even what to do next. This situation puts even more pressure on the owner, who in addition to running a busy business and trying to keep clients happy, now has to train an unskilled, possibly unmotivated, worker as well. Often the result is that the owner decides that he or she was better off doing the job himself or herself and decides to go back to the way things were. On the other hand, the owner gets used to coping with more pressure and adapts. Quality continues to suffer when other employees are added, with no one really knowing what they should do, and the owner being too busy to cope. If things continue this way, the business is soon out of control and in a death spiral.

How to Maintain Quality and Growth

There are two answers to this problem. The first is to employ people with the skill and experience to do the work without supervision. The danger here is that often that person will do things differently than the owner, and conflicts will result in a number of seemingly inconsequential areas. This does not affect quality too much at first, and everything seems to go okay. Other competent people are brought on board to assist with the growing workload. As each person does things in his or her own way, conflicts mount up, affecting the efficiency of operations and eventually the quality of the service given. Before too long, the business is again out of control.

The better solution to this growth/quality problem is to employ a competent but adaptable person, not to assist with the problem of being too busy, but to be the cornerstone of the business's future growth. This should be the result of the planning already done. This person's job description will be greatly different from the one created for an urgent, quick selection.

The person selected as the cornerstone of business growth can focus on two aspects within the business. First, there is the requirement to get the work done. However, there must always be a forward-looking approach to this. When the employee begins to take over work from the owner, both need to be thinking about how the work is going to be done in the future, as well as just getting the rush projects completed now.

This is one of the most difficult things the business owner has to face. There is always a need to manage the conflict between the urgent and the important. If the urgent always rules, then the business will be locked into this urgency, because all of the current problems that exist in

the business will never be dealt with. These problems create inefficiency and contribute to the urgency. It is important for the future of the business to allow some time for these problems to be solved.

Business processes need to be developed and improved to eliminate problems and to enable the production of quality products and the provision of quality service. This should be the task of the new employee, in conjunction with the owner. It is important that the new employee is involved, as he or she will be able to take over more of these functions as time goes on, thus releasing the owner to become more involved in business development rather than day-to-day tasks.

One of the aims of this forward focus is to discover the way the business works best in the new structure and to maintain and develop this best way as growth continues and more people become involved. When a one-person business evolves into a team, many complex interactions need to be managed. The tasks the owner did instinctively are now being performed by other people. These others don't have the same total perspective of the business that the owner has, and consequently cannot always see how their own role relates to the others around them and to those in other departments. An unfortunate aspect in many businesses is that employees often have no idea how their role relates to the overall success of the business. This can lead to making changes in the way things are done. This often happens without reference to the next person in the process. As a result, the work flow will be disrupted if the changes adversely affect the operation so that the work is not carried out correctly to be ready for the next operation.

When business processes are developed as the business grows and are promoted as "the way

we do things here,” then there is an order and structure to the whole thing that is evident for all to see. This is McDonald’s approach. Their way of doing things has been so successful that they have managed to build a multinational organization operated mainly by teenagers. These are the same teenagers that most other business owners complain about for their lack of initiative and energy. This approach may seem difficult in a professional service business due to the level of skill and expertise required to perform the work. This skill is frequently in the domain of the business owner. However, the principles still hold true and it is up to the owner to create the systems and processes to enable lesser skilled people to perform more of the lower level tasks, so that the owner’s time can be leveraged into higher value activities.

It is ideal if the business can be developed in this way from the start; however, all is not lost if this is not the case. If you are locked into addressing the urgent rather than the important, you always have the choice to take a step back and start to do some long-range planning and determine how to structure your business in the best way for the future. It is not an easy choice, but for long-term business success, there is no alternative. If you do take this choice, then you need to focus on structuring your business to develop systems and processes that are designed for efficient operation and quality performance.

This is what a quality assurance system is all about. Larger businesses have put so much importance on the development of quality management systems that international standards have been developed to regulate how a quality management system should be developed. Smaller businesses can also take advantage of this. If a quality management system is developed well, it creates employee empowerment and systematic processes to enable products and services to be produced with consistent quality, and allows for continuous improvement of the processes, freeing the business from over-dependence on the owner in this area.

The Importance of Total Quality Service

It is hard to believe in today's tough business climate that making a sales inquiry at some businesses is a grueling ordeal. Then heaven help you if you have a problem after you have placed an order. Or try to ask for something slightly different from the norm. Have you ever experienced a reply like this, "Do you realize what we have to go through to do something like that for you? You obviously don't. That means I have to fill out three different forms, call the head office, mumble, mumble." It's all too hard for the poor employee. That person needn't worry. We won't inconvenience them again. We'll go somewhere else.

How does it get to be like this when an employee's job is to *serve* clients? As business owners we must take responsibility for this attitude, if it is in our business. Then we can do something about it. There are many companies that we could think of that have built their reputation on the quality of the service they provide as much as the product they sell. Even if we haven't been there, I'm sure we all know the reputation Disneyland has for the quality of the experience there. Walt Disney lived and breathed this attitude and accepted nothing less from his employees. Standards and procedures have been established so that employees know what is expected of them in every situation they are involved in at work, particularly in an interaction with a client.

The problem in many businesses is that systems are set up to help the employees rather than to help the clients. Special reports are needed to provide information to management, but the data capture processes get in the way of good, friendly service, making the sales transaction significantly more difficult. We must be careful. All businesses need systems, but we need to ensure that the systems we set up help us to provide a better quality service.

Many complaints have been made about how quality assurance systems create extra work and require enormous amounts of record keeping. Unfortunately, the rapid growth of this area has created an opportunity for poorly qualified people to act as consultants. The old adage has not changed. Garbage in, garbage out. If a quality management system is developed poorly, then the results usually are unsatisfactory and result in inefficiency and paper wastage. However, let us not discard the baby with the bath water. A well-developed quality management system has been proved to assist in the discovery of more efficient operating procedures, better quality products and services, reduced costs of materials and labor, and greater control over business operations.

The development of a good quality system reduces the overall need for employing highly qualified or experienced people in every area. If a good system is developed, work tasks can be described and documented in simple and concise form. Workers can then follow instructions, rather than needing to be highly experienced and previously well trained. Written or visual procedures and instructions about how to perform each task remove choice about how the job is to be done. It is the freedom of choice about how to perform tasks that creates variations in quality. Removing freedom of choice seems to most managers to be a huge infringement of the rights of the employee, judging by the way that they often react to this concept. However, that is what quality assurance is about and how McDonald's and others have trained their staff to provide the same level of quality and service that the clients expect, time after time.

Think of it as directing a play. The workers are the actors. The play is scripted and the director orchestrates every action, every silence, mood, and emotion displayed. The result is a brilliant

performance if the actors are able to perform their roles with enthusiasm and heart. Imagine if the actors were given freedom of choice. If they didn't like the script they could say what they liked. If they weren't happy with the ending they could change it. The result would be chaos. No! The actors gain their fulfillment by performing their roles with great skill, just as the writer and the director would have them perform. That is the way it should work in your business too. The employees should gain their fulfillment and reward by performing the tasks that have been orchestrated for them, with great skill, enthusiasm, and heart. This statement may sound like pie-in-the-sky to most business owners, but this is how successful businesses operate. It all depends on how you lead.

Lead to Succeed

Without leading your people, it is true that orchestration can become a monotonous process. The ability to have your people maintain enthusiasm and heart comes from leadership. This, too, was a factor behind the success of Walt Disney. The way you lead is vital. The key to leadership is that you must live your vision. The vision of your business must be your driving force, and when you are in contact with your people, they must see that drive in you. In the same way, you must live and breathe quality. You must be unequivocal about this. You must remain firm when there is the temptation to rush the job, just this once, because it is urgent. This sloppiness will undermine all the foundations you have built trying to promote quality.

Others will follow your lead. If you say one thing and do another, people will follow your example and take the easy way. Your actions affect everything that your employees do. Actions speak louder than words. If your words and your actions are one and the same, you will inspire confidence and command enthusiasm. The answer is not to work harder and know every job better than your employees. That would be impossible if you plan to build a business of any

size, where you can be independent of it. If you try to do it all yourself, then your business growth will be stunted, as it always depends on your own skill. You must lead the way, but allow others to deploy your vision.

The fourth key to putting your business on autopilot is to create the structure and systems in your business to achieve the highest quality and efficiency possible, employ people who will be inspired by your vision, then enable them to work by and on “the way we do things here.” This will assist your employees to make every product and every interaction with clients so good that they will want to come back for more and will want to bring their friends as well.

Action Points

1. What does “quality” mean to you, and how does the quality of your products and/or service create an advantage for your business? Analyze your business processes to identify where you can define the quality of the interaction more specifically, so that you more consistently achieve a superior outcome that delights your clients.
2. How long has it been since you reviewed your work processes to determine whether some tasks could be performed more efficiently by using technology instead of manual labor? Take some time to map out your operating processes and scrutinize them critically to identify where some manual tasks could be eliminated by using machines or computers. Then plan to implement the changes.
3. Do you have a fully documented operations and procedures manual, and are your work processes documented or depicted diagrammatically in some way? If so, how long has it been since these documents have been reviewed? If you have not already

done so, decide to create a “way we do it here” manual for your business by documenting your operations and work instructions.

4. Do you lead the way in achieving quality in your business? Do you have a formal process of review and continuous improvement? Develop a program to regularly review the way your quality system is being used and make sure you establish procedures to review and update your quality system as work methods or technologies you use change over time.

Access bonus video training on “Systematic Success” in your bonus materials at <https://crackingthecodebook.com.au/bonus> in Chapter 4 Create Systems to Remove Dependency.

CHAPTER 5

Build a Self-Reliant Team

The Critical Choice

As noted in the previous chapter, when we have started a business based on our own unique skills and expertise, we have a difficult choice to make when we get too busy to cope with all the work our expertise has created. At some point, we need to spread the load by employing others to do some of the work. Usually the first thing the business owner will do is to take on someone to help with the work they don't enjoy doing, so they can devote more time to the work they like. This is usually the technical work, as most people start a business in which they have some degree of practical experience, and in the early stages devote their attention to performing this work. Eventually though, there is too much technical work for one person to handle.

On occasion, a business is started by a group of people. Even in this situation, the people starting the business are typically all specialists in the same area of technical expertise. For example, a team of accountants, or engineers, or I.T. specialists will start a business together. In this situation, it is normal for the partners to all do the same technical work in the business. However, at some point, the demands of the business require this structure to change. Someone must delegate some of the technical work to take charge of managing the business. This is another business growth hurdle. If the business owner or owners can negotiate this hurdle, the foundation for a sound growing business is built, and the stage is set to go to autopilot.

If not, business development is stifled.

When I speak to business owners about this problem, they often tell me they wish they could clone themselves. They are unable to find anyone who is able to do the same work as well as they can. Again, this problem comes about because of a lack of long-term planning and the inherent flaws in the business. The need to hire a new person is typically a reaction to being too busy. Usually there has been some resistance to this move, but eventually the need becomes dire, and there is no alternative.

Whatever the case, the long-term view needs to be adopted. To establish a business that works on autopilot, the business needs to be restructured at this point. The business owner can no longer be the primary technical worker. The owner needs to assume the role of entrepreneur, and others need to be appointed to take over the technical work. Business growth is always stifled by the owner hanging on to the work they enjoy. This is the critical choice the owner has to make. The engineer has to choose between being primarily an engineer or primarily a business manager. The graphic designer has to choose between designing corporate marketing documents or managing a design business. The future direction of the business has to be decided at this point if it hasn't been decided previously. The choice must be to scale down or to scale up. There is no in between.

Many choose to scale down at this point. I am always saddened by this decision, because of the unfulfilled potential that has been stifled. Yes, the choice to grow entails a certain amount of risk, but it is the gateway to discovering the full potential of the business. Having made the choice to grow, the key to unlocking this potential is to train the new people to be better than yourself in their specific field.

The Gateway to Unlimited Business Growth

Michael Gerber talks about three roles that owners adopt: entrepreneur, technician, and administrator. Typically, in the normal business, owners are most comfortable in the technical role. Even though some show an entrepreneurial flair, usually in a small business, this flair is choked by the demands of the other two roles. They take on the administrator role reluctantly, because there is no one else to do it. However, if a business is to continue to grow, the owner must predominantly be an entrepreneur and have that role as the primary focus.

When owners adopt the technician role as their primary focus, the business will always struggle to grow. This is the fundamental, fatal flaw of the normal business. When an owner focuses on the technical role, it leaves no one to run the business like an entrepreneur. The entrepreneurial role is about business development and discovering new opportunities. When the owner is caught up with doing the technical work, the focus is on getting the work done to pay the bills, while the work of building the business is neglected.

The technical role is a current-perspective role, while the entrepreneurial role has a future perspective. In many ways, the administrator role has a historical perspective, looking back to record what has been done. The only way a business owner can be freed to maintain the focus as an entrepreneur is to delegate the tasks in the technical and administrative areas. When the need to delegate the technical tasks is realized, there is still a danger that the owners won't fully adopt a leadership role. I have seen many business owners running their businesses while operating like a work supervisor or line manager, rather than as a true entrepreneur. The supervisor role is still a basic short-term operational function, focused on getting the work done. It is difficult for someone who has never been a true entrepreneur to make the jump to a

real leadership level and develop a balanced team of individuals whose skills totally complement each other.

Successful businesses achieve this proactively and precisely. While the reactive business owner will take on anyone who can do the job because of the pressure to get the work done, a proactive entrepreneur will look ahead and carefully plan for the growth of the business, and decide which type of people will fit best in their business. They are very aware of the fact that taking on the wrong people is very costly and damaging to the success of the business. They know that just taking on anyone who can do the work is a recipe for disaster, so they design their business to run without them and determine what type of people they need for the critical roles that must be filled in the business to achieve independence.

Amongst the variety of choices you have in the employment area, you must primarily find people who are committed to the same vision for the business. One common mistake is to look for someone who is highly trained and an expert in your field. Taking on another expert in the same field can be fraught with danger. These people have obviously been in the industry for a while, in competition with you. They have their own way of doing things, which may be completely incompatible with the objectives you have for your business. You will find yourself being continually frustrated by the fact that this person does good work, but they create problems for all the people around them because they just don't fit in.

This problem is rife in professional service firms. One of my Auckland-based clients suffered from this issue before I started working with her. My client had built a successful consulting practice specialising in a human resources related field. She had built a practice that had grown to include five other consultants. Three of these consultants were experienced professionals,

while the other two were more junior. A common comparison used in regard to managing professionals is that it is a bit like herding cats. Everyone has their own ideas about how things should be done, and they don't always pull together. My client was experiencing this type of situation in her practice. She was also working hard doing a lot of personal consulting work herself, and even with the other professionals working full time, she was personally responsible for generating over 30 percent of the firm's annual revenue. Needless to say, she was suffering from a fair bit of stress trying to make the practice work cohesively.

During our program, we identified the strategic areas where the firm had significant opportunities to grow in the market. Then we developed standard work processes to improve the quality and efficiency of the project management process, which resulted in more equitable sharing of the workload and more efficient progress through each project. The changes to the way people were required to work resulted in some initial turmoil, with two people deciding they did not fit into the new culture. However, in the next few months, even with two new people, the teamwork improved, and the work environment became increasingly more cooperative, congenial, and productive.

People who are committed to your vision must be trained to achieve the business' objectives and to gradually develop the skills that were once uniquely yours, your competitive edge in the industry. But they can become better than you because they can specialise in their particular field. You have had to generalize by taking on the role of running the business. They can continue on from where you left off, developing their own unique competencies, giving your business a much greater edge than you had before on your own. When you do this, your business is set free from your own limitations. Enormous potential can be unlocked by recruiting and training the right people. The potential is unlimited.

Train Your People to be Highly Effective

One of the most important activities in this entrepreneurial role is to ensure that the business continues to develop the capability to achieve unlimited business growth. Getting your business to the autopilot stage is the first phase of this growth. Apart from recruiting the right people, it is also important that these people receive the right training, which should cover three aspects.

First, there is the technical training, which covers the skills needed to do the work. In many small businesses there is an expectation to employ someone who has already been trained in the technical areas. This is okay if someone who has had previous training and experience is available. This can often be the case in times of medium to high unemployment, but if no such person is available, then we may have to conduct some training ourselves, or employ the person while they are undergoing their training through a learning institution.

Often, in the small business, this technical training is the only type of training that is considered. We are satisfied if the person has the technical skills to do the job. However, if we stop here, then our entrepreneurial task is only partly done, and the long-term development of the business is endangered. There are two other aspects of training that need to be completed.

After technical training, the second aspect of the training process should cover “the way we do things here.” It is one thing for an employee to have the skills to do the job, but that is no good if the way the job is done does not fit into the process that everyone else is working in. This is particularly the case if the person is dealing with clients who are used to a particular standard of service. Even if the person has the product knowledge to give the right advice, this is no guarantee that the person has the people skills to provide superior service. These things need

to be taught, and every business needs to discover the way it should be done in that business, then train the staff to do it that way. This is the key to success behind most successful franchise operations.

The “way to do it” is defined and then copied by every franchise, so that success is duplicated in each new place. This is why most franchise outlets look almost identical in every way. The store front and signage is the same (and uniquely identifiable), the shop fittings are the same, the staff uniforms are the same, and even the ages of the staff members appear to be the same. Behind the scenes, the staff are taught how things are to be done. There is a predetermined training process, which means every employee covers the same material in the same order.

The work instructions are detailed and documented so that training is easier. The training system ties in completely with the quality management system. The result is a systematic induction of every employee into the business, such that they understand the culture of the business, the objectives, and the way things are done. Then, as they become skilled at the technical aspects and the way things are done, they can become extremely productive and valuable to the organization and can also begin to train others. Whether you intend to franchise your business or not, even for a professional services business that is often launched on the qualifications and expertise of the owner, the same process of systemisation and documentation of procedures is the key to enabling you to create a business that runs on autopilot.

The third aspect of training that needs to be addressed is the development needs of the people and the business. Most people are motivated to work better if they see a career development path, or at least the opportunity to advance, within the business. Working at the same job day after day, year after year, can be soul destroying. However, if a deeper reason can be seen

behind the work, such as being a preparation for a more senior role, the mundane work is somehow easier to bear.

From the point of view of the business, if it is to grow, then the growth will need to be managed by the employees. As we saw earlier, growth is always stifled by the owner attempting to retain total control over every aspect of the work. For a business to be able to fulfill its potential, the owner must learn to delegate tasks and even management functions as time goes on. For this to happen, there must be people within the business who are prepared and trained to accept these responsibilities and to perform them well. People can be brought in from outside, if there is no one who is able to accept the responsibility of a management position. However, usually this option is more expensive for the business owner, and it often creates resentment from the people who have worked in the business for some time. Also, the new manager is not familiar with “the way things are done,” and this often creates difficulties, especially when the subordinates have to train the manager for some time.

The critical point to this is the owner’s attitude toward the employees. This is a bone of contention for many business owners, but in my experience, business owners usually get from their employees what they expect. For example, if a business owner expects that employees will be lazy, incompetent, and untrustworthy, that is what the employees will be like. On the other hand, if the owner expects the employees to be responsible and honest, and able to use their own initiative, he or she will usually not be disappointed.

In their book *In Search of Excellence*, Tom Peters and Robert Waterman made the same observations, concluding that the difference comes down to respect for the individual. Adults want to be treated as adults, and when they receive the respect that they think they deserve,

they will normally respond positively and display responsible adult behavior. However, if they are treated without much respect, they normally will respond in kind and look after their own interests first, rather than considering what is in the best interest of the business.

Trust normally breeds trust. There are really only a few people in society who are untrustworthy. These people are the criminal element, and society should deal with them appropriately for breaking the trust that they have been afforded. However, business owners often treat employees as if they are all potential criminals or incompetents. Lack of trust stifles enterprise, and business owners who treat their employees like this never really succeed. Their lot is usually one of a miserable vigilance, trying to goad employees into producing effort greater than what they usually achieve, and being afraid to leave the work place for fear of what may happen (or not happen) while they are away.

Empower Your Team

Genuine business success cannot be achieved in isolation. It always comes by involving other people in your dreams and vision and by enlisting their aid in achieving your goals and fulfilling your purpose. As a business owner, training your people to be able to manage your business for you is the key to freeing yourself from the daily ties to the business. These individuals need to be set free to use their own talents and initiative to take the business further than you ever could on your own. This is what the word “empowerment” refers to.

Employees first need to be empowered to have control over their own work, and then, when they are ready, to manage other people. When they have been trained well in the skills of the job and in the “how we do it here,” and when they share your vision for the business, you need have no fears about what will happen to the business, as long as you also build in accountability.

Probably the most difficult aspect of business management for small business owners is delegation. The difficulty lies in knowing when the employee is ready to take over some of the responsibility for the results of the work. For many business owners, delegation is a fearsome step to take. One of the major reasons is that they themselves can do the work far better than anyone else. However, if they do not take a step back from this sort of control at some stage, they will never be free of having to be the one who always does the work.

As most owners usually make this sort of decision when they are under pressure, because of the busy work load, it is almost impossible for them to take the step of handing over some work to another person and then watch them muddling their way through it in twice the time it would have taken if they did it themselves. However, if this step is part of the plan for growth, it can be taken when there is less pressure, so the employee is trained properly and ready to perform well under pressure when that time comes.

Even when delegation is part of the plan, it can be frustrating for the business owner to watch someone struggle and make mistakes in their new role. For some managers, it is very tempting to watch over the newly empowered person like a broody hen watching her chicks, anticipating disaster. However this tight control will continually stifle development, as the new person will become dependent on the hand-fed approach. Instead, they must be given some room and be allowed to make some mistakes, if they are to learn and become much better at their new job.

On the other hand, some managers are so delighted to have off-loaded some of their heavy work load that they let go of control altogether. They virtually dump the job on the new person, who is then left to sink or swim. Usually they sink, and sometimes the business goes down with

them.

Neither of these approaches to delegation is effective. Delegation is not abdication of responsibility. The new employee is empowered by being freed to do the work without interference. However, there must be the security of knowing that they have the support of a more experienced person when they need it. The answer to this dilemma is that the manager must retain the right amount of control.

So, what is the right amount of control? The answer is: it depends on the circumstances. The dictating factors are the experience of the new person, and the potential damage that a wrong decision or a mistake may cause. You don't hand over a job to a person who has never done it before, without showing them how it is done. For a new and inexperienced person, quite a bit of training and support is needed at first, until they become skilled enough to take on a bit more of the work without such close supervision.

A problem I often see in small businesses is that owners have delegated some tasks to employees and rightly have maintained control in the early stages, but years later, the employee is still coming to them to ask what to do next, and the owners are still giving the same answer day after day. Routine decisions need to be delegated as well as the actual work.

This is where a quality management system can assist in delegation and business development. You need to develop work procedures and document the way work is done. The normal series of steps in a procedure are really management decisions that have been made in advance. There is no need for managers to keep making routine decisions day after day, when responsible employees can capably make those decisions.

Control needs to be gradually relinquished as employees gain experience. This not only releases the business owner from the day-to-day decision making and work processes, but it also empowers employees to take greater responsibility for operations and results. When there is a team of committed, responsible, and capable people working together in a business, sharing the same vision as the owner, the synergy that is created means that a greater result is achieved than the owner could ever achieve through his or her own drive and effort. Committed employees develop skills that the owner could never develop.

This is the fifth step to developing your autopilot business. You need to train your employees to develop greater and more diverse skills than you have yourself, so that business development is no longer restricted by the limits of your own talents and abilities, and so you can be freed to be the entrepreneur.

Action Points

1. Take some time to design your business structure as it would need to be if you ran the business on autopilot. What positions would you need? Prepare position descriptions for those positions.
2. What vision and attitudes will your employees need to fit into your business? Prepare person descriptions relative to each position.
3. What skills are needed in each role? Describe the skills or training that people will need to fill and develop in these roles.

4. Develop a plan to delegate all of your current, short-term business tasks to others in a progressive manner so that you can maintain the appropriate levels of control.

Access bonus video training “Team Building” at

<https://crackingthecodebook.com.au/bonus> in Chapter 5 Build a Self Reliant Team.

CHAPTER 6

Develop Your Control Mechanisms

Learn to Control like a General, Not a Drill Sergeant

The greatest danger in a growing business is for the owner to lose control of what is happening. It is this fear that in fact causes many to choose to stifle the growth, deciding to stay small because they do not want the worries of growing too big. This is because in a small business, the owner tends to operate like a drill sergeant, watching the troops' every move and shouting instructions about every action that needs to be taken. This type of control requires close personal supervision to be effective. In a small business, this type of control is very common, but it keeps you locked into a position where you can never leave for fear of what will happen when you can't see what's going on.

In the previous chapter, we uncovered some of the reasons for the loss of control when tasks are delegated. But tasks are often not really delegated. They are off-loaded, without any real expectations being communicated to the person to whom the task has been delegated. Even worse, no real expectations can be communicated because there has been no measurement of how that task has been performed in the past.

Let us take a step back. When a business is started by one person, they know everything that happens. There is very little need to measure results. Some things may be measured over time. Usually the sales results or the cash received will be recorded weekly or monthly. Sometimes expenditures will also be recorded. But in my experience, little else is usually monitored by small business owners. It amazes me that with all of the education material around these days,

many businesses still only receive a statement of financial results once a year, and that comes several months after the financial year is over. These people have no idea how the business is actually performing. These are the same business owners who said their objective is to make a profit.

In a growing business, you need to learn to control performance more like a general than a drill sergeant. Where the drill sergeant is on hand to see everything that happens, a general controls activity at a distance. A drill sergeant's influence is restricted to the number of troops he can see and shout instructions at, usually about routine maneuvers that happen all the time. In contrast, a general plans a strategy, gives specific instructions about tactics to specific people who will implement the tactics, and then receives reports about results from people whose job it is to provide reports. Then, depending on what is contained in those reports, the general adjusts the tactics and revises instructions to suit the results that are being achieved. A general can command and control the actions of a whole army. To do this, the general uses different methods to become informed about the results being achieved.

What You Measure You Can Improve!

Successful businesses have discovered the truth of that well-known statement. Olympic athletes, even during training, monitor many aspects of their performance to see where they can improve. Smart businesses also monitor many different aspects of their performance, trying to spot areas where they can improve. Running a business is much more than doing the work. A business's performance needs to be managed and controlled. Many business owners worry about getting the work done, but they don't measure results, they don't keep score. Can you imagine a football match where they didn't bother to keep the score? It would be a pointless exercise.

Keeping score provides meaning to all that happens in football and in business. It is particularly relevant when there are specific goals established for the business. Keeping score indicates how well the business is progressing towards achieving the goals. If the performance is behind expectations, steps can be taken to improve performance. If you don't keep score, it is difficult to determine whether performance is substandard. Without knowing where you are in relation to your business's goals, it is unlikely they will ever be achieved.

The most obvious and fundamental way of keeping score in a business is to produce a profit and loss statement and balance sheet. These are the financial statements that are produced at least once a year for every business. It is of enormous discredit to both the accounting profession and the small business community that some business owners only produce these statements once a year, and then only because it is required for taxation purposes.

A profit and loss statement reflects how well the business is performing. It tells whether a business is making a profit or a loss, and how much. The balance sheet reflects how the business's financial interests are doing, those of such stakeholders as the owners, other finance providers, and creditors. These statements are the fundamental tools that provide information about the business's financial performance.

For most small businesses, these statements are prepared by an external accountant. It is a task that requires specialized technical knowledge and rightly should be performed by a qualified person. As is normally the case with professional service providers who have spent a number of years in gaining their qualifications, their services are normally not cheap. This has also been a major reason why small business owners have been reluctant to have financial statements

prepared more than annually. In the past, however, it was commonplace for more successful businesses to have statements prepared more often, perhaps quarterly or even monthly. The question is, did these businesses start this practice *after* or *before* they became successful? Did the frequency of financial reporting actually contribute to their success?

In all management research and schools of thought, there is no argument that the frequency and timeliness of financial reporting is a major contributor to the ability of management to improve management decision making, and in turn business results. This fact should be communicated to any prospective and current business owners in the strongest possible way. I have seen struggling businesses turn around their performance almost overnight, just by starting to measure their financial performance on a monthly basis.

Don't Just Measure—Control

It is very important to know how the business is performing, so that decisions can be made about how things are being done. When financial reports show performance is not up to the mark, or indicate a negative trend, changes can be made in order to improve results. One of the results of the way many owners operate (i.e., without set goals, and caught up with just doing the day-to-day tasks) is that results aren't that relevant. Knowing the financial result doesn't change the day-to-day pressures. Therefore, the owner continues to react to the pressures, and results continue to be the same, or worse. This is the symptom of an out-of-control business. The steps outlined in this book show the way out of this situation.

The knowledge of how the business is performing financially is made more relevant when there is a business plan in place that details particular goals and financial targets, or milestones, to be reached by certain times. This is the essence of control, rather than simple measurement.

Many managers and even accountants make the mistake of regarding a profit (any profit) as a good result and a loss as a poor result. When, as a result of business planning and target setting, a certain level of profit is required for a particular period, any result less than that target level of profit is a poor result. This can be the case even when the business is quite profitable. However, if the actual profit is less than the target profit, it means that the business is less likely to achieve its goals.

The important thing about keeping score and receiving frequent reports is that when actual results achieved in the short term are less than the target, operations can be reviewed to investigate areas where savings can be made or where performance can be improved, before the situation deviates too far from the medium-term target result. If reports are not produced frequently, too much time may elapse before substandard performance is detected. For the business receiving annual financial reports only, by the time they are received, it is far too late to do anything to change the result, and often it is far too late to save the business.

About ten years ago, I started working with a business in the fashion industry in Wellington, New Zealand, run by two lovely ladies who would readily tell you they considered themselves much more at home at a sewing machine than a computer. This business was on the verge of disaster. In fact, their accountant had advised them to get out of the business, following two years of heavy losses. Things appeared to be going from bad to worse. However, through my program, we instituted regular financial reporting and began monitoring performance against financial projections we developed in the planning phase. Through monthly meetings to review performance against projections, we were able to focus on areas that could be improved, and within nine months, the business was transformed and became profitable. The business continued improving and remained profitable, and it became much more efficient and

productive. Simply by setting financial targets, monitoring financial results on a monthly basis, and comparing them with the targets, we were able to not only get the business back on track, but transform a failing business into a successful one.

The frequency of reporting is critical to success. For some businesses, the focus is on preventing substandard performance. These businesses normally produce information quarterly, or perhaps monthly, to ensure that problems are detected early enough to prevent performance from deteriorating too far from the objective. However, other businesses use more frequent reports, in a manner similar to the way a Formula One racing team uses instantaneous reporting to fine-tune its car to achieve peak performance. The more frequent and up-to-date reports are, the more useful they are in providing information for making management decisions. Some businesses are able to use “real time” data that gives them almost instantaneous information on some particular aspects of business performance. In this information age, making the best use of up-to-date information is one of the keys to success.

Key Indicators and Benchmarks

Successful businesses keep score in many areas. They don't only measure overall performance, as in profit and loss statements, but they also measure performance in specific areas, such as individual product sales, department sales, work productivity, efficiency, quality problems, and client satisfaction. After all, the financial results are simply the end result of all of the activities and transactions that have taken place during a specific period. To really understand the drivers of performance, more specific measurement of key activities is required.

Studies have shown that the most effective way of keeping score and monitoring important performance data is by creating between six to fifteen key indicators that provide feedback on

the quality of performance of the most important business activities. These key indicators are a mixture of financial information as well as nonfinancial data, such as productivity measures like sales success ratios or daily production volumes, which are provided to management at regular intervals in a management report for evaluation and action.

When key indicators are monitored over a period of time, a series of benchmarks can be established. A benchmark is just an easy way of saying “an acceptable level of performance,” or the “performance standard.” After establishing a performance benchmark for a certain activity, the objective is to improve performance, and by consistently improving, raise the benchmark. This continuous improvement of performance levels enables a business to keep getting better and to continually improve results.

Another benefit of establishing benchmarks within a business is that common benchmarks can be compared between businesses. This ability has led to many industries being able to establish “best practice” performance levels. These best practice levels stand as a guide for performance improvement, as any gap between current performance and best practice needs to be narrowed to remain competitive in the industry. For the industry leader, there is a need to keep improving because the competition will soon catch up. Best practice is really a misnomer, because the term does not refer to the best way of doing things. It only means that today’s best way of doing something has been identified. A better way may be discovered tomorrow.

That does not diminish the importance of using benchmarks and best practice techniques. These ways of keeping score have led to tremendous improvements in methods and productivity, which leads to improved profit. Establishing these management reporting systems provides two benefits. First, they provide management with feedback about how the business is going and

give detailed information in the key areas that influence performance. This provides the ability for the manager to be able to identify and change poor-performing activities or areas.

Second, the monitoring systems provide feedback to the employees on their own performance. This relieves the manager from having to be the one who provides short-term feedback. When employees know what level of performance is expected (the benchmark) and receive timely feedback on performance through measurement systems and reports, they are able to respond to that information and monitor their own performance levels. This provides further motivation to improve performance, particularly when productivity improvements are tied to reward systems.

These systems, sometimes called a “balanced scorecard,” provide the invaluable control tools the owner needs when direct, hands-on control of the work has been delegated to employees. Without these systems, delegation can lead to total loss of control and disaster for the business. However, with these systems, delegation can lead to empowerment of employees, who are made responsible for their own results. By establishing performance benchmarks and reporting systems that provide frequent information, both employees and managers ensure that the business stays under control, and tools are set up to enable continuous improvement.

The sixth step to autopilot business success is to establish systems that enable you to keep score on all business activities that influence results. This is the way you maintain control of operations when work is being done by others. This is the tool that allows you the freedom for the business to run itself. When you want to know how things are going, just check the score.

Action Points

1. How often do you receive financial reports? Do you compare results against projected performance related to a business plan? Create a financial budget that projects results based on business planning outcomes, rather than extrapolating last year's figures.
2. Arrange to get your financial reports at least monthly. Check with your accountant. You may need to engage a bookkeeper on a contract basis or as a part-time employee.
3. What are the critical success factors for your business? Identify your critical success factors and then determine how you will measure performance in relation to each one. These are your key performance indicators.
4. What are the key performance indicators for each of your employees? Develop performance reporting systems that will monitor performance for individuals or employee teams and provide regular (daily, weekly, or monthly) feedback to them. You will soon have enough history to establish reliable benchmarks for each individual or team. Then you can provide incentives for them to beat their best.

Access bonus video training, "Achieving Extraordinary Results," at <https://crackingthecodebook.com..au> in Chapter 6 Develop Your Control Mechanisms.

CHAPTER 7

Break Free without Fear

Take a Break to Celebrate and Rejuvenate

When was the last time you celebrated a victory in your business? I hope you do it often. When we achieve goals we have set, we should celebrate that victory. We need celebrations to keep up our enthusiasm. Regeneration of our physical resources comes when we celebrate victories. Use these occasions to begin to break free of your business, by taking some time off to really celebrate your success.

One of the problems we have in small business is that we often think we are too busy to take time off to celebrate. Even if our celebration is simply a holiday, a previously scheduled day off to just get away from the business and relax, we come back rejuvenated and are usually able to tackle our work with renewed vigour. Imagine how inefficient it would be, using a battery-powered machine, if we were to keep on working harder and harder to get the work done, and we never stopped to recharge the batteries. Eventually the batteries would run down, and the machine would stop working. As the batteries in our battery-powered machine start to lose their charge, we find ourselves pushing harder or working faster to compensate. In the end, the machine is useless, and the effort to complete the work becomes too great. It is clear that we must stop working from time to time in order to recharge the batteries and enable the machine to work efficiently.

The same principle applies to ourselves in running our business. If we don't stop at times to recharge our batteries, we keep working hard but become totally ineffective. Or we overload

the machine (our body) and it suffers burnout. If we don't take time out to celebrate, we end up burned out and irreparably damaged.

We must take time out to regenerate our physical and spiritual resources. As the leaders in our businesses, this aspect is particularly important. We need to be at the top of our game continually, to cope with all the pressures we have to face. If we are jaded and lethargic, we tend not to make the best decisions, and we tend to look for the easy way out. It all becomes too much effort to deal with stressful situations that need our attention. But leaving issues unattended increases our stress levels eventually, which leads to health problems and, often, damaged relationships. All of this happens because we don't know when to take a break, or because the thought of leaving our business unattended is even more stressful.

When we plan our future and set goals, it is easy to determine when to celebrate. Without goals to achieve, we tend to keep on working until it becomes drudgery. We have no milestone or time frame to judge whether we are winning or losing. When business seems difficult and it seems a long time before we could celebrate, we need to look for small goals so that we can have small celebrations. These then help us on to bigger and better things.

In my consultancy work, I have often seen the business owner taking time out of a busy schedule to go to the bank with the daily receipts. Although this might seem an inefficient use of time and a job better suited to an assistant, I would never recommend turning over this task. The daily banking can be a celebration of victories, where the owner is able to touch and feel the rewards of a job well done (even if the threat of an overdraft is never far away). Handling the daily banking on your own may seem like a small thing, but it is a good example of how easy it can be to celebrate. We need to learn to reward ourselves for achievement. What is the

value of working hard in our business if we do not take the rewards we deserve?

What other small or seemingly insignificant events in your business can you celebrate? Obviously, reaching your targets in any of your critical success activities is cause for celebration, which results in lifted spirits. But what about celebrating a new client acquisition, achieving higher sales than the day before, an employee achieving a higher productivity score, or finding a way to delegate another mundane task? If you get creative, there are many achievements that can be celebrated. These celebrations not only lift your spirits and the spirits of your people, they also create an environment of fun and harmony that is the basis for ongoing motivation.

Celebrate to Motivate

Celebrations put excitement into what we do. The anticipation of a celebration is often just as exciting as the event itself. When we know that we are working towards a goal and we are going to celebrate achieving that goal with a reward we have been promising ourselves for a while, there is a sense of excitement and enthusiasm as we go about our otherwise mundane tasks. Imagine how we feel if we have just the work and nothing to look forward to. Are we likely to do it as well? For some people, achievement is enough, but for most of us, it is the reward that comes from achievement that is the motivational force.

Celebrations are also important for the rest of the people in the business. Enabling the staff to celebrate victories that they have had a hand in creates enthusiasm and a sense of value and achievement. These celebrations are more important than money in motivating people. If you can work with your people to create goals for your business and involve them in the achievement of the goals and celebration of the victories, you will not have problems trying to

motivate staff.

As business owners, we need to learn to share the spoils. It is tempting, knowing the time and effort we have put in, to reward ourselves when there is the ability to do so. However, at times we forget about the contribution of the team, or we think that they have been duly rewarded by receiving their secure payment each week. This is a dangerous attitude to which the staff will be naturally sensitive. This type of attitude makes them feel undervalued. As business owners, we must be careful not to exploit our staff. Just like the better educated clients of the nineties, today's worker expects to be treated with respect as a valuable participant in the success of a business. The servile attitude that our parents or grandparents may have had or expected employees to have no longer exists.

The phrase "Our people are our greatest asset" has possibly been overused. However, it is true for every business that becomes hugely successful. A business can never reach its full potential if it remains a one-person affair. There will always be limits to what one person can do. Therefore, to unlock the true potential of your business and free yourself from its dependency on you, you will need to create a team to help you achieve your goals. The efforts of the team will be just as great as your own if you inspire them to commit to your vision. Then they will deserve to be just as fully involved in the celebration of the victories.

How much more motivating is it for employees to perceive that their boss has their interests at heart, and that the boss's attitude and approach is to do everything possible to help the employee be successful? It does not matter to the employees that their success means that the business and the boss will be successful too. However, there is nothing worse for employees than to see the boss enjoying wealth and luxury at their expense. If the employees feel like the

boss receives benefits as a result of their hard work, when they are receiving nothing more than their basic pay, they will soon start to feel resentment towards the boss and the company. It is critical to success to treat employees well and reward them fairly for their efforts.

This is not being altruistic. It is human nature for everyone to be self-motivated, to look after number one. As business owners, it is just smart practice for us to realize that and to use the forces of human nature to our benefit. It is much more effective for the business owner to build in win-win structures and systems within the business, rather than trying to extract from employees maximum effort for minimum reward.

This is even more important when it comes to freeing yourself from the demands of working daily in the business. If your people are working hard and see you starting to take time off, they will soon become resentful. You may say that what you do with your time is none of their business. They are employed to do a job and are paid to do it, so how you choose to spend your time shouldn't affect them. You can choose to be idealistic or choose to be realistic.

Realistically, people who work for you are affected by what you do. If you exploit them for your benefit and they feel like the rewards are not fair, they will resent you and look for excuses to slack off. When they see you taking time off, they will use it as an excuse to reduce their level of performance. However, if you reward them generously, they will want to perform at their peak at all times to enable you to take time off. If you include them in your plans and show them how you taking time away from the business will be good for them, they will support you all the way.

The old business reward structures are no longer very effective. Successful businesses today

focus on developing win-win systems and reward structures. We need to develop reward systems that recognize when the employee has a victory, it is also a victory for the business, and vice versa. Then there is room for the employee and the business owner to share the rewards and celebrate the victories. This win-win approach generates a spirit of team work and enthusiasm to work together toward the same goals. It is how successful businesses are built. The effort and enthusiasm of the owner are multiplied when shared by a team of enthusiastic and motivated employees.

Enthusiasm is infectious. Excitement grows with celebration. I have been involved with a number of successful and unsuccessful sporting teams. The contrast between the two types is extreme. Sporting successes are always celebrated. It is the sharing and camaraderie experienced in the celebrations that generates enthusiasm and a strong team spirit. The enjoyment of celebrating the victories together provides that extra incentive to keep winning and celebrating. The same type of team spirit and enthusiasm is created in successful businesses. Enthusiasm ignites like a fire, and everyone in the business is affected.

Celebrating victories is the key to not only unlocking hidden profit potential, but it will multiply the results many times over. Taking time off to celebrate your victories is the first step towards breaking free of having to tend to your business on a day-to-day basis.

Create Milestones to Guide Your Journey to Autopilot

The biggest factor that holds business owners back from breaking free of their business and moving completely to autopilot is fear. The fear of relinquishing that last bit of control and wondering what will happen is the last hurdle to cross in this journey. To make this process easier, you need to establish milestones in your plan to let you know when it is safe to let go of

each element of control.

Now that you understand that the process of breaking free has a number of distinct stages, you can be confident that once your foundation is built and your systems are in place, it is safe to break free. You decided to take charge of your circumstances and began a program to develop your business and leadership skills. You set about developing a plan to take your business to autopilot capability and possibly beyond that level. Then it was a matter of building your business framework and infrastructure to make your business work systematically, and putting into place the right people and training systems to develop the new leaders and effective workers to produce the results. These latter steps are taken concurrently rather than sequentially, so the timing of progress is important. How do you know when the time is right to take your hands off the wheel and pass control to someone else?

The answer is to do it gradually by establishing milestones that will tell you when you can relinquish each aspect of your activities. The one thing you never relinquish, however, is control. You must always be able to keep up to date with how your company is performing and what is happening with the money.

There are three areas where you should establish the milestones that guide you to becoming free. These are:

1. Performance milestones
2. Cash reserve milestones
3. Reward milestones.

These milestones do not occur sequentially. They happen concurrently. That is, you work on

establishing these milestones in each area at the same time. What you do here is an extension of your decision to be an entrepreneur. It is how an entrepreneur thinks about the rewards from a business.

Performance milestones are related to sales and profits as well as reaching sustainability and consistency. What level of sales must you achieve to sustain both your business and your release from the day-to-day operations of your business? Your livelihood is likely to come from business cash flow for some time after you leave behind the daily control of the business. Therefore, your business needs to be able to perform profitably and maintain your desired lifestyle at the same time. You need to determine what the numbers are that will enable this. What income do you want from the business? What profit should the business make? What level of sales and profit margins are required to sustain this level of performance?

There is no need to work full-time in the business to get it to this level and then leave it all the next day. In fact, this is not even advisable. It is better to let go slowly by stepping back gradually, first one day a week off, and gradually increasing this until you don't have to turn up at all. You can set performance milestones to allow this gradual stepping back to occur. What levels of performance will allow you to feel comfortable to take one day off per week, then two, three and so on? When you reach these milestones, you can make the move to take the extra time off.

Cash reserve milestones are aligned with this process. Building up cash reserves in many businesses is extremely difficult, and sometimes it is more about strategic funding rather than straight-out cash reserves. However, the objective here is to create cash reserves to give your business a buffer that will provide some protection if business performance suffers for a short

time. For example, if you save enough cash to pay all of your business overheads for a month, you could afford to have one disastrous month before you need to panic.

Most businesses operate in panic mode all the time, because they never build up this sort of cash buffer. Even better, generating a two- or three-month reserve to cover wages and other overhead expenses would allow your business to keep going and ride out any short-term downturns that might otherwise destroy your business, as it has many businesses that operate on the edge. Having such reserves gives you a lot of confidence when it comes time to break free. You know that you can give your business a month or two to make the adjustment to your stepping back. If worse comes to worst, you can always step in and take back the reins of your business. However, if you have set up your performance milestones well and have your three-month cash buffer in place, you have a great foundation for freeing yourself from your business.

The third element is reward milestones. These milestones are important to establish even while working in the business, and it is an area that many business owners neglect, because of the way they operate. Most business owners only draw a reward from the business in one way, usually a salary or drawings. However, there are three areas where business owners should establish reward targets or milestones. The first is a salary for working in the business, the second is a profit share or dividends for being an investor in the business, and the third is the capital gain from the increasing value of the business, derived from being an investor in the business.

When you pay yourself a salary for the work you do, equivalent to what you would pay another person to do your work, it is easy, from a financial perspective, to replace yourself in your role. Most business owners try to cut costs and end up paying themselves much less than they would

pay someone else in their role in the business. This is limited thinking, and where having the right mind-set about rewards is important. Your business needs to perform at a level where it pays you for your work as you would want to be paid if you were employed somewhere else. You should pay yourself that salary first and expect your business to be able to afford it. Your business will tend to perform at the level of your expectations, and if you don't expect your business to afford your fair salary, guess what you will get?

Most business owners stop at the point of drawing a salary from their business. However, entrepreneurial business owners expect not only a salary, but also dividends relevant to how much they have financially invested in the business. These dividends should be higher than the interest you would expect to earn if you invested your money in an interest-bearing bank account, to reflect the risk involved in running your own enterprise. Otherwise, you might as well work for someone else, earn a secure salary, and invest your money in a bank account to earn whatever secure interest is offered. You would be better off than most business owners if you did this. However, the fact that you have taken the entrepreneurial risk to run your own business means you should be rewarded at a much higher rate of return. The level of return you want here should determine your performance milestones that we discussed above.

The final area that many business owners neglect until it comes time to sell the business is the actual market value of the business. Businesses are valued in a number of different ways, but most come down to how much the business makes consistently, balanced by the risks involved in making the profits. The risk factors are usually determined by reviewing the business' profile: how secure and enduring is the revenue being generated from the existing client base, how well developed the planning and operating systems are, the age and life-cycle aspects of the products and markets and the future potential in these areas, and how stable and skilled the

employees in the business are.

Most business owners don't give this aspect much thought until it is too late to do much about it. However, most really successful entrepreneurs end up gaining the majority of their wealth not from the income they derive from their business, but from what other people are prepared to invest in their business. The remarkable prices paid for shares of Google, Facebook, and YouTube over the last few years pay testament to this fact and have made some young men extremely wealthy in a short space of time. This type of capital growth is not only experienced in the Internet and computer fields. You should be smart and begin thinking about this aspect in your initial planning for the business, and how it will be structured when it is able to operate on autopilot. This will mean you are building value into the business right from the start, and you can create a much higher value for it should you ever want to sell it or recruit other investors. A business that runs on autopilot is much more valuable to an outside investor than one that is still dependent on the founder for its survival and success.

Setting milestones in each of these areas enables you to confidently step back from your business, knowing that your business is performing at sustainable levels, has the cash reserves to survive a short-term drop in performance, and is able to provide you with the income from your investment in the business so you can employ someone in your place and pay them appropriately. To really create a business that works so you don't have to, establishing the appropriate milestones, then breaking free gradually, gives you the ability to have both the successful business and lifestyle of your dreams.

Action Points

1. How often do you take a break to recharge your batteries? Decide now when you will take your next two-week break to get away from everything to just relax and rejuvenate. Do you worry what might happen when you are away? If you do, you need to take action to get your business into the right shape.
2. How much does your business need to turn over each month to enable you to replace yourself while you still draw the same income and still make a profit?
3. Determine how much capital you have invested in the business. What level of dividends do you need to fare better than simply investing your money in a safe, interest-earning investment? How much do you need to cover your investment risk factors?
4. Determine the value of your business. Would anyone want to buy it as it is right now? What would its value be if it ran without the need for your input? How much more would it be worth?

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<https://crackingthecodebook.com/bonus> .

How to Put Your Business on Autopilot in Twelve Months or Less

The appalling statistics relating to business performance and longevity should tell us that the standard of advice given to prepare business owners for success in starting and growing their own business is far from adequate. Business courses are usually aimed at managing large businesses or are about the mechanics of setting up a new business. Business coaches and advisors often leave much to be desired. The number of people who are aware of and inform business owners about the fatal flaw that almost all business owners create in their business can be counted on your fingers. As a result, many businesses that have the potential to be hugely successful become stuck at that awkward stage where the success of the business creates the breaking point for the business owner, who is locked into a business that is totally dependent on him or her.

The ones that make it and become hugely successful are the ones that work their way through the seven steps I have outlined and find out how to create a business that works on autopilot. Many implement some of these steps and become moderately successful, but because all the key elements are not fully incorporated into daily operations, the business remains limited, with unfulfilled potential and dependent on the owner's input.

There seems to be an attitude among small business owners that because the business is theirs, they must do it their way. They persist with trying out their own ideas without asking for advice, not realizing that others have tried the same things before and failed. Is it some kind of misplaced pride or over-confidence in their own abilities? They try, but very few really succeed on their own.

It need not be like this. There are proven ways to grow a business successfully. There are many ways to “do business” better. Why try to do it on your own, making the same mistakes others have made? You can learn from others who have made these seven steps work for them.

Implementing these seven steps in your business could be what you need to end the frustration you may be feeling from trying to build your business but seeming to take one step forward and two steps back. These seven steps are the keys to freedom from the daily grind of business responsibility, the keys to gaining the rewards you deserve from the efforts you put in. It is up to you to take hold of the keys, unlock the hidden profit and excitement that is the potential your business holds, and build the business of your dreams.

For you, building a business that runs on autopilot may be the end of your journey, and that’s fine. You deserve to enjoy the rewards for creating a successful enterprise. However, for many of you, getting your business to autopilot stage will mean that you have created the platform to launch the supersonic business that will become your ultimate success. When your autopilot enterprise can be duplicated, you are in the position to create a rapid expansion of your business empire.

Whichever camp you belong to, if you would like a highly unusual challenge, you’re invited to participate with me now. For the first time, I am about to combine the proprietary systems and business development processes that have achieved enormous successes for hundreds of clients into a high-level program to help you put your business on autopilot within twelve months. I am going to provide you with all the steps and all the tools you will need to take your business from the state of total dependency on you to the point where you can break free, because you have made your business work so well that you won’t have to.

Imagine being led by the hand over the next twelve months to discover how to turn every process and every element of your business into a self-generating profit point that works on autopilot.

Imagine being shown everything you need to do to establish the platform to transform your business into the dominating player in your market by this time next year.

Imagine setting a date for sometime next year, where you could have the business of your dreams and be totally free to decide whether to go to the office or not.

This system will be totally unique. It will have one major aim: to turn your business into an autopilot operation within twelve months. However, as well as achieving that goal, you will receive so much more. When you work with this system you will have the benefit of:

- Knowing exactly how to spend your time working *on* the business, not *in* it
- A step-by-step action plan to help you create a unique strategic position in your market, where you have clients beating a path to your door with their wallets, check books, or credit cards in hand, not worried about your prices
- A proactive marketing system that attracts clients like this continually
- An automated system to have clients begging to give you more money to get more of your products or services each time they buy from you
- An automated system that will keep clients returning to you to buy over and over again and bringing their friends with them when they come
- Highly motivated, skillful people working your business for you and keeping it growing

- Automated systems that tell you exactly how your business is performing whenever you want to know
- A stress-free life where you can finally enjoy some freedom and time to think about how you are going to live a life without limits

Do you think that's impressive?

The best thing about this system is that it will work for:

- Any professional services business!
- In any industry!
- In any market!
- Anytime!
- Anywhere!

It works because it's a system that is based on tried and true methodologies, not theory. It's a system built on thirty years of practical knowledge, experience, and application. It's a system that not only teaches, it transforms. Imagine if it could work for you!

This book was not written merely to educate you and inform you. It was written to inspire, encourage, motivate, and ignite you into taking action to transform your business from being based on a flawed model with limited possibility of true success, to a fully functional, successful enterprise that works for you, allowing you to be free to lead the life of your dreams. You have had the opportunity to dream your wildest dreams about how your business could be. Now it is in your hands to make it happen.

Hopefully this book has shown you what is possible and has inspired you to take action. Will you be like the business planner who tries to develop the map and take the journey without a guide? Or will you realize that the quickest and most certain way to achieve your goals and reach your destination is to have someone lead the way through the terrain you know nothing about? At www.BusinessFlightpath.com we offer a number of alternative approaches to assisting you on this journey. If I have inspired you to take the first step, I would be delighted to continue the journey with you. But first, take advantage of the valuable bonus offer I have for you on the next page.

Bonus Gift - A Reward for Your Efforts

Access a Business Growth Masterclass with Greg Roworth at a Massive Discount.

Your effort to read through the book this far is worthy of a reward. In recognition of your diligence and willingness to learn about how to crack the code to unlimited business success, I am extending to you a very valuable offer. Before you begin your journey to put your business on autopilot, you need to know exactly where you stand right now.

My invitation to you is to provide you with access to my Business Growth Masterclass workshop recordings at a massive discount, so you can start working on your business with a view to putting your business on autopilot. This Business Growth Masterclass program will provide valuable information on how to leverage and transform your business into a highly successful business that works for you, instead of you having to be there to make it work. During the program you will discover:

- Why your business revenue has plateaued and how to crack the code to unlimited growth
- How to create a more profitable business as you grow without stress
- How to develop a more independent better performing team
- How to break free from being stuck in the centre of your business
- How to never again have to worry about losing clients because of poor service
- How to stop worrying about losing sales to lower priced competitors
- How to stop having to fight the battle for business survival alone.

For more information on how to access the masterclass at a massive discount, visit www.BusinessFlightpath.com/masterclass.

