

A close-up photograph of a hand placing a wooden block on top of a stack of other wooden blocks. The blocks are made of light-colored wood with a visible grain. The hand is positioned at the top left, with the thumb and index finger holding the block. The stack of blocks is on the right side of the frame, with several layers visible. The background is a plain, light-colored surface.

A GREAT LITTLE BUSINESS

The Fundamentals of Small Business Success

Philip J Wicks

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INTRODUCTION

If you own a business between \$200k and \$5ml turnover, then this booklet is for you. If you are thinking of starting a business, then this booklet will also help you do things the right way from the start. A good small business is one that not only provides the owner income but also one that provides a lifestyle and eventually an asset on retirement or exit.

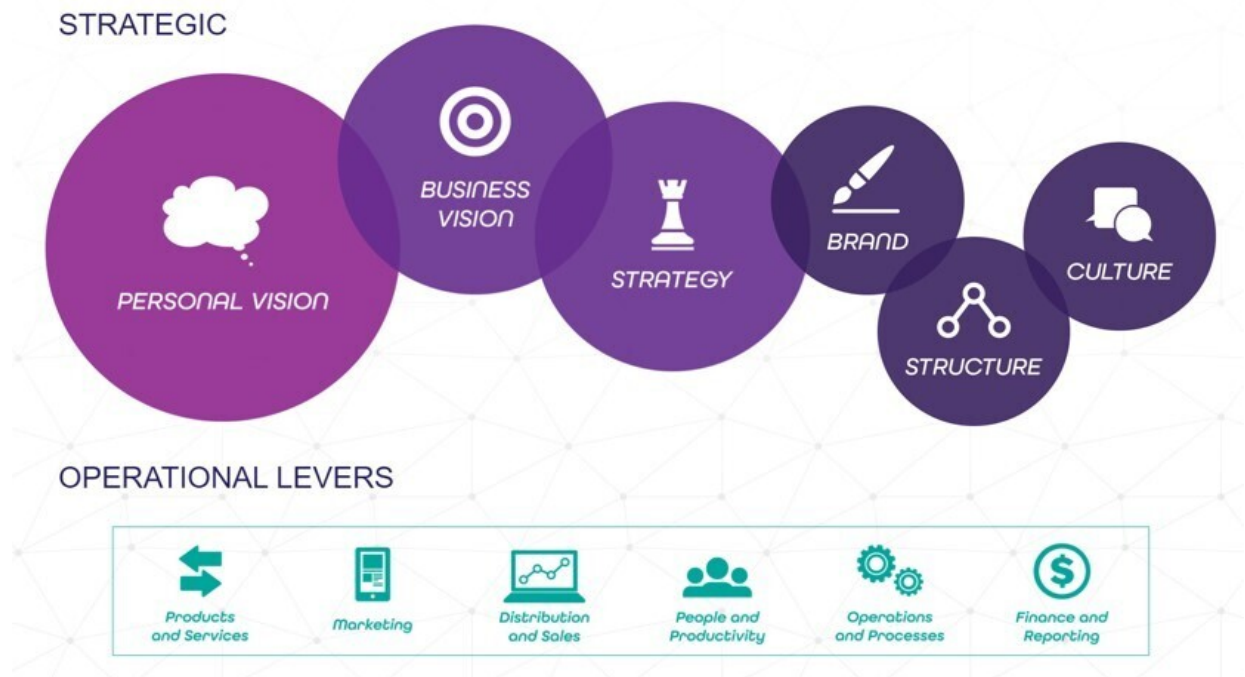
Too many business owners work very hard, for very little and create no real value in their business by retirement. That's just owning a job!

A better plan is to create a business that provides a good income, a dividend, an enjoyable lifestyle, is not solely reliant on the owner and eventually becomes a valuable saleable asset.

Unfortunately, probably less than 10% of small business owners achieve these goals despite the fact with the correct plan, these goals are often very achievable. Following the key fundamentals in this book will go a long way in helping you achieve business success.

You can go through this e-book and create a template for your own business by making notes, ask and answering the questions presented and doing the exercises suggested. Enjoy your journey!

The Business Model



The business success model is a very simple way to look at all the key elements of a business. Later, we will discuss how this model also helps create an implementation plan of tasks and objectives but for now let's just look at the model itself.

The Strategic Elements

The strategic elements of the business are the foundations on which the business is built but also through time should influence growth, profits, and value creation. It helps to understand the strategic elements from the start but it is also important to continuously revisit the strategic elements. Not spending regular time on strategy is one of the biggest mistakes business owners can make.

When a business first starts, the Business owner will have a vision for the business and a strategy and a general idea around structure and culture. This helps the business gets started and often will lead to the initial success of the business.

As the business grows however and the demands on the owner's time get greater, it is these elements that are the first to suffer, especially strategy. Over 65% of small business don't grow turnover more than \$1ml, partly because the owners stop putting time into strategy. Regularly thinking and planning ahead can be the difference between a plumber creating a \$500k 2-man business compared to a \$5ml turnover business that has strong management and is not owner reliant.

Knowing where you are going both personally and as a business (vision) and having the roadmap to get you there (Strategy) will influence everything else. The importance of working on and not just in your business is an old cliché but it is 100% accurate.

One piece of valuable advice for every business owner is to occasionally raise your head above the everyday tasks and ensure you are always spending some time looking forward.

The Operational Elements

The operational elements of a business are all the 'doing' things that happen regular. Productivity, people, systems and processes, financial management, products/services and sales and marketing make up the operational elements. In most small businesses you will find that some of these areas will be working well and some not so much. It will often depend on where the owners' strengths lie.

For example, sales and productivity maybe going well, turnover could be good, but profitability is below expectations. This could be the result of poor systems and processes and generally poor financial management. It important as a business owner to recognise that you may not be good at everything. Simply having a good admin person or mentor can make a significant difference to your business.

Part of business strategy is to regularly be going through all the operational elements of your business and looking at what improvements need to be put in place. A formilised monthly review system will help this process.

Key Point Summary

1. A business owner needs to move between both the strategic and operational elements of their business.
2. This will become one of the key fundamental base drivers for success.
3. Creating a formalised monthly review system will greatly enhance the success of this process
4. Being open to feedback from a mentor or other respected sources can help decision making and provide support



Create your Vision – Personal and Business

“Vision is the art of seeing what is invisible to others” Jonathan Swift

Before you go on a long trip you need to know the destination. Where you are heading. This logic also applies to business, and we call this a business vision.

In business you need to have a vision so clear you can almost smell it. But before you create a business vision you may first want to understand what you personally want to achieve in life. Generally, a business will be the driver to help the business owner achieve their desired lifestyle.



Building a Personal Vision



A business for most people is really a vehicle to help them achieve the things that they need in life.

Understanding your personal drivers – your wants, needs goals etc will provide you a better

understanding of just what you need your business to provide you. There are some obvious things around income but perhaps also you should have some idea around general lifestyle, family time etc. Your own free time, health and wellbeing is also important.

Creating a clear Personal Vision of what you would like your life to look like in 3-5 years' time will go a long way in understanding what sort of life your business will need to provide you. Firstly, let's look at some areas that you may want to focus on. The below illustration is representative of the key areas in your life.



Make a note of all these areas of life, set some goals in those areas, write the answers down and from those answers create a story of your life in 3 years' time. Here are some questions you may want to ask yourself in each category to help you set your goals.

- 1. How healthy are you now 1-10?*
- 2. What does healthy look like to you?*
- 3. What changes would you like to make to your life to be healthier?*
- 4. What family activities would you like to do*
- 5. What family holidays would you like to regularly have?*
- 6. Would help would you like to provide your children?*
- 7. How much income do you need to earn to have the lifestyle you want?*
- 8. What assets would you like to have?*
- 9. How much money and assets would you like on retirement?*
- 10. What social activities would you like to do more of?*
- 11. What helps you find peace and relaxation*
- 12. What things will you do to manage stress?*
- 13. What are the holiday destinations you wish to visit?*
- 14. What sort of car is your dream car?*
- 15. How big will your business be?*
- 16. What activities do you want to do with your Life Partner?*
- 17. What does meaningful time together for you and your partner look like?*

These are just some ideas. The key thing is to create a blueprint of where you want to be in the future. This is your personal vision. ***Write it down and keep it safe somewhere and review later. Do this exercise with your Partner and don't be afraid to dream a big. Having self-belief goes a long way to achieving success in anything.***

Once you have identified the lifestyle that you want, we can now turn our attention to building a vision for your business that will help achieve it!



Building Your Business Vision



The first process in building a business vision is understanding all the strengths, weaknesses, opportunities, and threats of your current business. If it's a start up business, then we may need to look at those same things but from a different perspective. With a start up we need to focus a bit more on opportunities in the market for your idea, your own abilities and funding.

For an existing business it is important that you get your staff involved in creating your business vision.

Many business owners make the mistake of thinking that their staff won't be interested in helping create a business vision because it is not their business. It's important to understand that most of your staff may never own a business and for the time being, your business is also their business in the sense that it provides security, personal and professional development.

In my experience as a Business Advisor, I have always found that staff will not only contribute good ideas to a business vision, but they will feel valued being involved. They are also more likely to accept change in the business that is a result of this process.

Doing a SWOT analysis of the business with staff is great starting point. This is where we look at our strengths, Weaknesses, Opportunities and Strengths in a formlised way. When you are working with your team on the SWOT analysis having some thought starter prompts under each category is very helpful as the below illustration shows.

THOUGHT STARTERS

Strengths <i>Thought starters:</i> Company culture. People - experience, know-how. Leadership and management. Philosophy and values. Internal abilities and capacity. Information and communication technologies. Operating systems. Advantages over competitors. IP, novelty, innovation. Physical location and area covered. Pricing strategies, value for money. Standard of work. Marketing – point of difference, well-known, widely known, distributor relationships. Loyalty of customer community. Capital, future income, plant, materials.	Weaknesses <i>Thought starters:</i> Cash flow difficulties. Insufficient or weak financial information. Missing skills and/or systems. Under or over resourcing. Poor team or key individual performance. Key people left or leaving. Risks, distractions, disruptions. Stock levels. Lack competitors' resources. Poor brand awareness or reputation. Time/cost/quality pressures. Stakeholder pressures. Lack of reliable supply, supply chain. Lack of focus on core activities. Compliance, barriers to entry. A lack of contracts and partners. Insufficient expert advice.
Opportunities <i>Thought starters:</i> Technology and innovation. New products, new pricing models. New business. New point of difference. Changes in the market. Trends - customer, industry. Untapped markets. Target market segments. Offshore markets. International change. Competitors' weak points. Joint partnerships, licensing, franchising, distribution. Operational efficiencies. Market shift, e.g., margins.	Threats <i>Thought starters:</i> Customer changes e.g.: attitudinal or generational. Competitor innovation. Disruptive technologies. Shrinking demand. Fashion trends. Environmental challenges. Change to supplier base. Economy – domestic, international. Seasonal lows or climatic effects. Political changes. Law changes. Exchange rate. Funding drying up.

Go through each quadrant of the swot methodically and write down all the thoughts and ideas that result. Use the thought starters in the above illustration to help. If you're in a group, then the discussion that evolves from this exercise will be very useful.

Swot analyses are a common exercise in corporate or larger businesses but are not often done in smaller business environments. It is a very simple tool a small business can use to help identify opportunities and where improvements can be made.

This is an exercise that can be done on a white board or flipchart.

Below is an example of what a finished SWOT may look like.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Knowledge of Market• Customer Focused• Team/People• Team Communication with Owners• Being Independent• Flexibility• Good Procedures• Business Development• Team Care about Each Other• Staff Morale	<ul style="list-style-type: none">• Market Perception• Communication – Clients – Internal• Staff Turnover• Procedures to Employ New Staff• Work Pressure Impacts Service• Quality Strategic Partners• Lacking Systems and Processes• Not Enough KPIs• Inconsistency with Training
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Targeting Competitor Business Based on Poor Servicing• Focus on Private Clients rather than B2B• Create Quality Strategic Partners• Marketing Key Strengths• Relationship with Investors• Growing the Leadership of the Business• Developing Bigger Premises	<ul style="list-style-type: none">• Key People Leaving• More Competition from outside• Not Keeping up with Technology• Uncertainty around Regulations• Uncertainty around Compliance

THE BUSINESS YOU WANT TO BECOME

Like the swot analysis, creating some definition around various elements of your business is an exercise that can also be done with or without staff dependant on the size of your business. This is still part of your business vision exercise and is very much exploratory at this point although some things will be starting to take shape. To do this we look at several important parts of the business and ask some questions.



Target Market

Often a business can increase its profits by simply getting more clients that are 'A' client i.e the best type. Unfortunately, often the best type of clients make up a smaller percentage than 'C or D' grade clients. C and D grade client being those that are the hardest to deal with and the least profitable. Understanding who we want as clients is a big step in defining our target market.

Target Market Questions

Who are the customers -

1. We like dealing with
2. Accepts our recommendations
3. Don't challenge our prices
4. Refers business to us
5. Pay on time

Who should we have as customers that our opposition have? Who shouldn't we be working with?

In asking these questions you may identify some individual customers/clients that you believe are perfect. Think of the traits that make these perfect customers and then find a way to attract more of these types of clients. One of the reasons we want to define our target market is that it will enable us to narrow down and create a more focused marketing strategy. More on that later.



"Understand your target market and develop more A grade clients"

Quality position

1. What does “high/low” quality mean in our industry?
2. How do you tell the difference between a GOOD versus a BAD operator in our industry?
3. What quality should we be known for?

When we start to focus on strategy, we can define our quality position further but for now understanding our quality position will eventually help us attract our target market. If we are a Powder Coating company for example, do we want to be known for quick turnaround times? Being the cheapest on the market? Or maybe producing the highest quality product?



"Is your quality position based on low value? i.e Competes based on having the lowest price. High value (quality) or high service. (Customer experience)"

Where does your business fit on the quality position spectrum? It's important you identify this as it will enable you to create marketing that attracts the customers that are best suited and the most profitable for your business. Your A grade customers!

Scale of Operation

How big could we get? Is our potential market local? Regional, national or international? Obviously every level demands certain expertise, especially national and international. How will this effect the need for expertise, buildings, machinery etc

Customer Service

Sometimes a business owner will tell me that their point of difference is their ability to deliver a good service to their clients. But good service is a customer expectation not a point of difference. Providing an outstanding customer experience is a point of difference.

1. What's considered excellent customer service in your industry?
2. How does your business measure up out of 10?
3. What should be the minimum customer standards we hold ourselves to.
4. What needs to be improved now? Initial contact? follow ups? After sales service?

Points of Difference

I will spend a bit more time on this subject as I feel it can be very important to how a business positions itself, especially in regards to pricing.

I will start by telling a story back when I was in my early twenties and a regional manager for an agricultural company.

One day I was visiting a potential important client and the first thing that client said to me as we met was that my competitor had offered a very good deal and my pricing pencil would need to be very sharp.

It was valuable information as it possibly changed my approach to what I thought would be a fairly straight forward deal.

I knew we had a good products but I also knew I would not be able to match the price based on using our best products.

My strategy was based around two very important sales techniques.

*1. **I asked a lot of questions.** This provided me with a real understanding exactly what results the client was after. What he considered as acceptable and what he considered as exceeding expectations. By asking questions and listening I also created empathy and trust with the client.*

*2. **Secondly when it came to presenting the proposal I gave him choices.** I gave him an acceptable choice that was a similar price (and quality) to what my competitor was offering and I gave him an elite choice which was superior to my competitor but was 40% more expensive.*

The client choose the elite product and I walked away with the deal. This despite his 'sharpen the pencil' quip earlier.

I had a point of difference with our product that took pricing out of the equation.

I never forgot that lesson. Unless your point of difference is actually based on delivering the lowest price possible, trying to compete on price alone is never an ideal situation. Every business, if possible, should try and develop something that separates them in a good way from their competitors. Sometimes this can be a real difference or a perceived difference through clever marketing. Ideally though, creating a real point of difference will pay massive dividends especially if marketed well.

Here are some questions to ask yourself regarding your business

1. Who are the competition?
2. What are the top 3 things THEY get wrong that WE get right by comparison?
3. What do WE get wrong that THEY get right by comparison?
4. What are the hidden costs/false economies or tricks your opposition use to get business?
5. How can we demonstrate or explain our differences better?
6. Be Unique. If there is nothing that differentiates you from your competition you become common. The only way buyers select one common service over another is price. How are you or can you be unique?



"Set yourself apart from your competitors"

CULTURE



1. Creating a positive culture within a small business is essential for both the success of the company and the well-being of its employees. A company's culture reflects its values, beliefs, and behaviors and sets the tone for how employees interact with one another, with customers, and with the world. Developing an excellent culture should be a top priority for small business owners because it brings a variety of benefits, including increased employee engagement, improved productivity, and enhanced customer satisfaction.

So, what does a good culture look like? It's a culture that values transparency, trust, and open communication. It encourages creativity and innovation, fosters teamwork and collaboration, and prioritises employee well-being. It's a culture that empowers employees to take ownership of their work, promotes learning and development, and celebrates successes. Here are ten critical points related to culture that small business owners should keep in mind:

1. **A positive culture leads to increased employee engagement and motivation.** When employees feel valued and supported, they are more likely to be committed to their work and go above and beyond to achieve company goals.
2. **A strong culture improves productivity.** When employees are happy and engaged, they are more productive and efficient, leading to better business outcomes.
3. **A good culture attracts top talent.** Candidates are increasingly looking for companies with a positive culture that aligns with their values and goals.
4. **A positive culture promotes innovation and creativity.** When employees feel comfortable sharing their ideas and taking risks, they are more likely to come up with innovative solutions and new products.
5. **A strong culture fosters teamwork and collaboration.** When employees work well together, they can accomplish more and create a supportive work environment.
6. **A positive culture enhances customer satisfaction.**

When employees are happy and engaged, they provide better customer service, leading to increased customer satisfaction and loyalty.

7. **A good culture promotes work-life balance and employee well-being.** When employees feel supported in their personal lives, they are more likely to be productive and engaged at work.

8. **A strong culture prioritizes diversity, equity, and inclusion.** When employees feel valued and respected regardless of their background, they are more likely to be engaged and contribute to the company's success.

9. **A positive culture promotes learning and development.** When employees are encouraged to learn and grow, they are more likely to feel fulfilled in their work and stay with the company long-term.

10. **A good culture celebrates successes and milestones.** Recognizing employee achievements and milestones can help build a sense of community and encourage continued success. In conclusion, developing an excellent culture is critical for small businesses because it leads to increased employee engagement, improved productivity, enhanced customer satisfaction, and much more. By prioritizing culture, small business owners can create a supportive, positive work environment that attracts top talent, fosters innovation, and drives business success.



Training

Training is an essential aspect of any successful business, no matter how big or small. It helps employees develop the skills and knowledge needed to perform their jobs effectively, leading to improved productivity and job satisfaction. For small businesses, investing in training programs can be especially crucial as it can help level the playing field with larger competitors and create a more competitive workforce.

One useful tool that small businesses can use to identify areas of training need is a skills matrix. A skills matrix is a visual representation of the skills and knowledge required for specific job roles within a company. It can help identify gaps in employee skills and knowledge, allowing businesses to prioritize and tailor their training programs accordingly.

By using a skills matrix, small businesses can ensure that their employees receive the training they need to be successful in their roles. This can lead to increased job satisfaction and loyalty, as employees are more likely to stay with a company that invests in their professional development. Additionally, it can help businesses stay competitive by ensuring that their employees have the skills and knowledge needed to adapt to changing business environments and industry trends.

Another benefit of training in small businesses is that it can improve customer satisfaction. When employees have the skills and knowledge needed to provide excellent customer service, customers are more likely to be satisfied with their experience and become loyal patrons.

Fundamentals of Small Business Success

This can lead to increased revenue and positive word-of-mouth marketing.

In conclusion, training is an essential aspect of any successful business, and small businesses can benefit greatly from investing in training programs.

Using a skills matrix can help identify areas of training need and ensure that employees have the skills and knowledge needed to perform their roles effectively. By prioritizing training, small businesses can create a more competitive workforce, increase employee satisfaction and retention, and improve customer satisfaction.

ABC INDUSTRIES SKILLS MATRIX TEMPLATE

APPENDIX 1

[illegible]

Skills Matrix Example

YOUR BUSINESS STRATEGY



STRATEGIC



OPERATIONAL LEVERS



A business strategy is a long-term plan of action designed to achieve a specific goal or set of goals for a business. It outlines the approach that a business will take to achieve its objectives, including how it will allocate resources, how it will compete in the marketplace, and how it will create value for its customers.

A well-defined business strategy takes into account a company's strengths and weaknesses, as well as external factors such as market trends, customer needs, and competition. It identifies the company's unique selling proposition (USP) and how it will differentiate itself from its competitors.

A good business strategy also sets specific goals and objectives that are measurable, achievable, and aligned with the company's mission and vision. It provides a roadmap for how the company will achieve its goals, including the tactics and activities that will be used to execute the strategy.

Overall, a business strategy is essential for the success of a company, as it provides direction and focus, aligns resources and activities, and helps the business to stay competitive and adapt to changing market conditions.

1. SIGNS WE NEED A STRATEGY

1. Declining sales or market share
2. Increased competition
3. Changing customer needs or preferences
4. Shifting market trends or technologies
5. Unprofitable products or services
6. Inconsistent or unclear brand messaging
7. Lack of direction or focus



UNDERSTANDING OUR TARGET MARKET

Understanding our target market and our A, B, and C grade customers is critical to developing a successful business strategy. Here's how it can be done:

1. Identify our target market: Determine the characteristics of the customers we want to reach, including their demographics, psychographics, and behaviors.

2. Segment our customers into A, B, and C grades: Categorise customers based on their value to our business, such as how often they purchase, how much they spend, and how loyal they are.

3. Identify the points of difference that appeal to our target market A-grade customers: Understand what makes our A-grade customers different from other segments and what they value the most. Ensure that our points of difference match their needs and preferences.

4. Develop a tailored value proposition for our A-grade customers: Create a unique and compelling value proposition that meets the needs and expectations of our target market A-grade customers.



Understanding Your A-Grade Customer Loyalty Hooks

In today's highly competitive business environment, customer loyalty has emerged as a key differentiator among companies. Small businesses, in particular, can benefit greatly from cultivating a loyal customer base.

This strategy not only enhances customer retention and improves profitability, but also creates brand advocates who promote the business to their own networks. An integral part of building this loyalty is understanding and leveraging 'A grade' customer loyalty hooks. These hooks are unique value propositions or experiences that a business offers to keep customers returning.

From offering high-quality products or services, to creating personalized experiences or launching engaging loyalty programs, these hooks form the cornerstone of successful customer loyalty strategies. However, identifying the most effective loyalty hooks requires a deep understanding of your customer base and a commitment to continual improvement based on customer feedback and changing market dynamics. The following sections will delve deeper into the importance of loyalty hooks, provide some practical examples, and guide business owners on how to determine the key loyalty hooks for their businesses.



Understanding the Importance of A Grade Customer Loyalty Hooks

A. **Building Long-Term Relationships:** These hooks can help businesses develop strong, long-term relationships with their customers, leading to sustained business growth.

B. **Enhancing Customer Retention:** Understanding and implementing A grade loyalty hooks can significantly increase customer retention rates.

C. **Boosting Revenue:** Loyal customers tend to spend more than new customers. A strong customer loyalty program can therefore lead to increased revenue.

D. **Promoting Brand Advocacy:** Satisfied, loyal customers often become brand advocates, promoting the business through word-of-mouth, online reviews, and social media shares.

Examples of Important Loyalty Hooks

A. **High-Quality Products or Services:** This is a primary loyalty hook. If a business consistently delivers high-quality offerings, customers are likely to stay loyal.

B. **Exceptional Customer Service:** Quick, helpful, and friendly service can turn a one-time buyer into a repeat customer.

C. **Loyalty Programs:** These can include rewards for repeat purchases, points that can be exchanged for products or discounts, and tiered rewards that provide increasing benefits the more a customer spends.

D. Personalisation: Personalising communication, products, or services can make customers feel valued and increase their loyalty.

E. Social Responsibility: Many customers value businesses that have a positive impact on society. Implementing and promoting socially responsible practices can help to attract and retain these customers.

Questions for Business Owners to Determine Their Key Loyalty Hooks

The following is a good exercise you can do with your business partner and key staff.

Everybody is to choose what they consider to be the top 3 'A Grade' hooks for your business. On other words, if the business could not deliver these things your best clients would leave.

Initially don't discuss with each other, just write them down and once that is done then compare notes and as a group try and reach an agreement on the what the actual top loyalty hooks are for retention and acquisition of A grade clients.

A grade Loyalty Hook Exercise

QUALITY “if you changed your quality, I’d leave

” SERVICE “If you didn’t care, I’d leave

” SELECTION “if you weren’t a one-stop-shop, I’d leave

” RELATIONSHIP “if I couldn’t deal with <name or brand> I’d leave”

CONVENIENCE “it’s too much of a hassle to leave

” SPECIFICATIONS “if I could get your specs elsewhere, I’d leave

” EXPERTISE “if I could get your expertise elsewhere, I’d leave

” VOLUME “if you couldn’t handle our volume, I’d leave

” CONSISTENCY “if you were inconsistent, I’d leave

” PRICE “if you weren’t the cheapest, I’d leave

” ACCESSIBILITY “if you weren’t so easy to deal with, I’d leave

” FLEXIBILITY “if you wouldn’t customise to what we want, I’d leave”

What are the top 3 for your business?

In the landscape of customer loyalty, businesses typically fit into one of three categories, each with its distinct 'loyalty hook group'.

These categories are High Value, High Service, and Low Value.

High Value: These businesses prioritise product or service quality above all else. The high value they offer drives customer loyalty. These businesses often operate in markets where consumers are willing to pay a premium for the best quality products or services.

High Service: In these businesses, the key to customer loyalty lies in exceptional customer service and building strong relationships with customers. This might include personalised service, quick and effective problem resolution, or other ways of going 'above and beyond' in customer interactions.

Low Value: Low Value businesses compete primarily on price. Their key loyalty hook is offering the product or service at a low cost. This is often seen in highly competitive markets, where price is a significant differentiator. Understanding where your business fits on this spectrum is critical because it shapes your entire customer loyalty strategy.

For instance, a High Value business will focus on ensuring product quality, a High Service business will invest in customer service training, and a Low Value business might focus on supply chain efficiencies to keep costs down.

Meet or Beat the Market?

Knowing your loyalty hook group will help you understand whether you need to meet or beat the market to reach your target customers.

For example, a High Value business might need to beat the market by offering superior quality or exclusive features. Conversely, a Low Value business might only need to meet the market, offering similar quality at a lower price.

Remember, not every business can or should aim to beat the market in their loyalty hook group. The goal is to understand your customers, align with their expectations and deliver consistently on the promise your business makes.

Whether that promise is high quality, excellent service, or low prices will depend on which loyalty hook group your business falls into.

Points of Impact

Hopefully by now you will have a good idea of what your A grade loyalty hooks are as well as the areas where your business needs to focus to either beat the market or just meet the market.

Exercise

To understand how well you are currently meeting the needs of your current A grade clients, make a list of all the points of impact you have with them and score yourself on each one.

Where do you score well? What areas need to be improved.

Building Your Implementation Plan

Building a successful business requires a clear vision, thorough understanding of your market, and the ability to attract and retain top-tier customers.

You've taken crucial first steps by establishing a business vision, conducting a SWOT analysis to understand your strengths, weaknesses, opportunities, and threats, and by identifying your target market.

You've recognised what it takes to attract 'A grade' customers, using loyalty hooks that align with your business category, be it High Value, High Service, or Low Value.

Now, it's time to move from understanding and strategising to actual implementation.

This next step involves translating your findings and insights into actionable steps that will bring your vision to life and drive your business towards its goals.

To do this, you must identify what your business needs to start doing and what it needs to stop doing. By pinpointing these actions, you will create a master objectives list that forms the backbone of your implementation plan

Objective Catagories

The objectives will typically fall under key business areas, including:

- 1. Products and Services:** What changes are required in your offerings to better meet your customers' needs and enhance their loyalty?
- 2. Marketing and Sales:** How will you position your business in the market, attract your target audience, and convert them into loyal customers?
- 3. Systems and Processes:** What operational improvements are necessary to increase efficiency and deliver on your promise to customers?
- 4. People and Productivity:** How can you leverage your team's strengths and improve productivity to drive business growth?
- 5. Financial Management:** What financial strategies will ensure your business's profitability and sustainability?

Creating an implementation plan based on these areas will provide a roadmap for your business, guiding each step towards achieving your vision. It's important to remember, however, that this plan isn't set in stone.



Key Questions to Create your Objective List

When setting out to construct a robust implementation plan for your business, it's essential to have a thorough, insightful list of objectives that paves the way for achieving your ultimate goals.

As explained these objectives typically span five key categories: **Products and Services, Marketing and Sales, Systems and Processes, People and Productivity, and Financial Management.**

The challenge lies in identifying the right questions to ask in each category that will prompt you to set meaningful, actionable objectives. The right questions will help you uncover opportunities for improvement, identify potential challenges, and plan for success in each area.

From understanding your customers' needs and analyzing your current operations to improving team productivity and mastering financial management, each category requires a unique set of questions to guide your objective-setting process. In the following sections, we will delve into the critical questions that businesses should ask themselves under each category. These inquiries will serve as the starting point for constructing a solid objectives list and, ultimately, a comprehensive implementation plan for your business.

Ask yourself the the following questions under each objective category to help you build a strong objectives list. Also go back to your swot Analysis and target market work to help with this process.

1. Products and Services:

What specific needs of my target customers are my products or services currently meeting? How can we enhance this? Are there any gaps in my current product or service offerings that need to be filled to better serve my target market? How can I innovate or improve my products or services to create a stronger competitive advantage? What feedback have I received from customers about my products or services, and how can I incorporate this feedback into improvements?

2. Marketing and Sales: *How effective are my current marketing and sales strategies in reaching and engaging my target market? What unique value proposition does my business have, and how can I communicate this more effectively to my target audience? How can I leverage customer testimonials, case studies, or referrals in my marketing and sales strategies? What channels (digital, traditional media, etc.) are most effective for reaching my target market, and how can I optimize my use of these channels?*

3. Systems and Processes: *What are the current bottlenecks in my operations, and how can I streamline these processes for better efficiency? How can I leverage technology or automation to improve productivity and reduce costs? Are my current systems scalable to support the growth of my business? How can I improve the customer journey from discovery to purchase, and even post-purchase support?*

4. People and Productivity:

How can I better leverage the skills and talents of my team to drive business growth? What training or development do my employees need to improve their productivity or enhance their skills? Are the roles and responsibilities within my team clearly defined and aligned with my business objectives? How can I improve employee satisfaction and retention to create a more stable and motivated workforce?

5. Financial Management: *Am I accurately tracking all of my financial metrics, and do I understand what they tell me about my business? What strategies can I implement to improve my business's profitability? How can I better manage my cash flow to ensure business continuity and support growth initiatives? Do I have a plan for securing necessary funding for future growth, whether through profits, loans, or outside investment?*

These questions are designed to trigger critical thinking and help identify the objectives you need to include in your implementation plan. They are, of course, not exhaustive, and should be supplemented with other inquiries that are specific to your business and industry.

Example High Level Objectives List

Below is an example of what a Master Objectives List may look like. This is for an engineering company but hopefully you will get the idea no matter what type of business you operate in.

1. **Products and Services:**

1. Improve design efficiency to reduce project completion time by 15%.
2. Develop three new service offerings that cater to emerging trends in the industry, such as renewable energy or sustainable engineering, within the next two years.
3. Improve quality control measures to reduce the rate of errors or reworks by 20%.
4. Implement a customer feedback system to gather actionable insights for continuous improvement in our services.

Marketing and Sales:

1. Increase market share in the renewable energy sector by 10% over the next year.
2. Launch an updated company website with enhanced SEO to increase organic web traffic by 30%.
3. Develop a comprehensive content marketing strategy to position our company as a thought leader in sustainable engineering.
4. Expand our sales team and provide training to improve our lead conversion rate by 20%.

Systems and Processes:

1. Implement a new project management system to improve project tracking and team collaboration.
2. Automate routine administrative tasks to reduce time spent on non-core activities by 25%.
3. Improve supply chain management to reduce material procurement times and costs.
4. Establish a regular maintenance schedule to ensure all equipment stays in optimal working condition.

1. People and Productivity:

1. Introduce a training program to keep engineers updated on the latest industry practices and technologies.
2. Implement a recognition and rewards system to boost employee motivation and productivity.
3. Recruit three additional engineers with a background in sustainable engineering to support our new service offerings.
4. Improve internal communication processes to ensure everyone is aligned with company objectives.

Financial Management:

1. Improve cash flow management to ensure enough working capital for project execution.
2. Set a target to increase overall company revenue by 15% in the next fiscal year.
3. Implement cost-saving measures to reduce overall operating expenses by 10%.
4. Secure funding for the development and marketing of new service offerings in the renewable energy sector.

Turning objectives into an implementation plan.

1. Above is an example of what a high level objective list may look like. This will be your master list that you will regularly refer to and update as objectives are completed.

From this list you will create individual tasks that will form part of an ongoing implementation plan. The implementation plan will be divided into sections based on -

1. The task needed to complete
2. The type of task e.g. Systems, marketing, people
3. The person who is the owner of that task
4. The start date and expected completion date of the task
5. A colour code process to identify tasks that are overdue

Fundamentals of Small Business Success

The end result is an ongoing implementation plan that may look something like the following -

			Completed	
			Overdue	
	ABC Business Task List		In process	
Category	Tasks	Task Owner	Start	End
Systems	Complete welding certification	Michael	12-May-22	3-Jun-22
Marketing	Create a new domain for the website	Anne	18-Mar-22	9-Apr-22
Marketing	Starting video campaigns	Anne	18-Mar-22	30-Apr-22
Marketing	Upgrade Website	Anne	18-Mar-22	30-May-22
Products	Do some research on gate for workshop	Tony	30-Mar-22	31-Mar-22
Marketing	Run advertising campaign on insurance repairs for all makes and models as well as other trailers	Anne	13-Apr-22	14-Apr-22
Marketing	Follow up Ullrich aluminum	Michael	13-Apr-22	14-Apr-22
Finances	Talk to Heath and Safety Company about Charges - base on budget your comfortable with	Michael	30-Mar-22	14-Apr-22
People	Follow up with 2ic in regards to this site and general catch up	Michael	13-Apr-22	14-Apr-22
Productivity	Address paint issues and follow up	Tony	13-Apr-22	14-Apr-22
Productivity	Aim to become a strategic partner with the Insurance Companies	Michael	30-Mar-22	14-Apr-22
Productivity	Create lift in performance for May... start setting daily and weekly targets	Tony	28-Apr-22	13-May-22
Marketing	Do walk around video in workshop	Anne	12-May-22	27-May-22
Productivity	Hold Planning meeting with Management Team	Michael	12-May-22	27-May-22
Productivity	Tuesday Morning Management meetings - Be consistent	Michael	2-Jun-22	7-Jun-22
Finances	Follow up on overdue payments payment	Michelle	2-Jun-22	17-Jun-22
People	Finalise employment contracts	Michelle	1-Jul-22	16-Jul-22
Productivity	Explore CAD idea	Tony	1-Jul-22	30-Jul-22
People	Develop incentive Scheme for team Leaders	Michael	5-Aug	30-Aug

Completed individual tasks paves the way for the completion of the main objectives and as a result, a business that is always making progress both operationally and strategically.

Regularly reviewing with your team both your ongoing task list as well as your master objectives, will go a long way to creating a profitable and valuable business.

Leadership Development and Owner Development



I have left these two subjects until last because they are so integral to the success of not only growing a profitable business, but also a business of value. As a director of an advisory firm as well as working with many businesses long term over many years myself, you develop a very clear picture of all of the key ingredients that make a average business good and a good business great.

So many business owners get caught in the trap in having a focus only on day to day operations, as opposed to a strategic focus over the whole business and the future of the business.

Developing leaders in your business as well as spending time on your own development and education, are two very important aspects that will allow the business owner/s to be more strategic. As a bonus benefit they will often lead to a better, more enjoyable lifestyle with less stress.

LEADERSHIP DEVELOPMENT

In the fast-paced, globally connected business landscape of the 21st century, small and medium-sized enterprises (SMEs) must continuously adapt and innovate to maintain their competitive edge.

One critical element often overlooked in these efforts is leadership development. SMEs that invest in honing their leadership capabilities can unlock significant benefits that extend well beyond the bottom line.

The importance of leadership development in SMEs cannot be overstated. In these organizations, the culture and productivity are often intimately linked with the abilities of the people at the helm. By nurturing effective leadership, SMEs can foster a work environment that maximizes productivity, drives innovation, and helps create a thriving, positive culture that is aligned with the organization's strategic goals.

Developing leadership within an SME serves to create a foundation of strength and resilience. When leaders are well-equipped with the skills to guide, inspire, and support their teams, they enhance the overall capacity of the organization to respond to challenges, seize opportunities, and drive sustainable growth. This, in turn, can significantly increase the company's value, making it more attractive to investors, potential partners, and customers.

However, the benefits of leadership development are not confined to the operational and financial realms.

The repercussions extend to the personal lives of the business owners themselves. Effective leaders can delegate tasks efficiently, motivate their teams to perform at their best, and foster a sense of shared responsibility. This can reduce the pressure on the owner, providing them with a better work-life balance and an improved lifestyle. Moreover, effective leadership development can lead to increased staff retention and loyalty.

Leaders who are able to communicate the company's vision clearly, who demonstrate empathy, and who foster an environment of growth and learning are more likely to retain top talent. This leads to reduced turnover costs and ensures that the company's intellectual capital stays within the organization.

Leadership development also promotes strategic thinking and better decision-making across the organization. Leaders who are able to think strategically can set clear, achievable goals, make informed decisions, and motivate their teams to achieve these goals. This not only leads to improved operational efficiency but also ensures that the company is moving in the right direction.

In conclusion, investing in leadership development offers multifaceted rewards for SMEs. It boosts productivity, strengthens company culture, enhances the business value, and improves the lifestyle of business owners.

Moreover, it drives strategic thinking, decision-making, and staff retention - all crucial elements for the long-term success of any organization.

To neglect leadership development is to overlook a powerful catalyst for business growth and success in the modern business environment.

The Critical Role of Self-development for SME Business Owners



The role of an entrepreneur, particularly in small and medium-sized enterprises (SMEs), is as diverse as it is challenging. Often, these individuals are experts in their respective fields, harnessing their specialized knowledge and skills to provide unique products or services. However, while technical expertise forms the foundation of many successful SMEs, it's only one piece of the puzzle.

Business owners who commit to continuous self-development are able to better navigate the complexities that come with business expansion. As an SME grows, its needs diversify. Financial management, human resource planning, strategic direction, and marketing strategy become crucial components of the business operation. By dedicating time and resources to learning about these different aspects, owners can gain a more comprehensive understanding of their business, making them better equipped to steer it towards success.

Moreover, an investment in self-development is not just an investment in personal growth; it's an investment in the business itself. The knowledge and skills acquired can be directly applied to improve operational efficiency, boost profitability, and foster a positive work culture. It also aids in risk management, as a more knowledgeable owner is better equipped to foresee potential issues and implement preventive measures.

However, the path to self-development doesn't have to be traveled alone. A trusted business advisor can be an invaluable asset on this journey. Advisors bring a fresh, unbiased perspective and can offer practical advice, mentorship, and support. They can provide insights on the best self-development opportunities and guide the owner in implementing new knowledge effectively.

Engaging with a business advisor also provides the opportunity to learn from someone else's expertise and experience. Advisors can assist in identifying gaps in the owner's skillset or knowledge, enabling targeted self-development efforts that yield the greatest benefits for both the owner and the business.

In summary, for SME owners, an investment in self-development is a strategic move towards sustainable business growth. As the business expands and becomes more complex, so too must the knowledge and skills of the owner. By continually learning and adapting, owners can stay ahead of the curve, effectively manage their evolving business, and drive it towards long-term success. Utilising the support of a business advisor in this process can further enhance the value of self-development, making it a wise investment for any SME owner looking towards the future.

Bringing It all Together

The idea behind this ebook was not to write a 1000 pages of business learnings but rather quick and easy read that had proven processes that any business owner could follow.

SME's are very busy people and this ebook was created with that in mind. I love what I do and have been privileged to work with so many great business owners over the years. Being a part of their journeys have laid the foundation for most of the pages in this book.

The best way to use this book in your business is simply to follow the table of contents below and complete each section as it relates to your business.

1. The Business Model - pg3
2. Strategic Elements - pg3
3. Operational Elements - pg5
4. Business Model Summary - pg6
5. Creating your Vision- pg7
6. Building your Personal Vision - pg8
7. Building your Business Vision - pg11
8. Swot Analysis - pg12
9. Target Market - pg 14
10. Quality Position - pg16
11. Scale of Operation - pg17
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28. About the Author - pg50

Summary: The Indispensable Role of Small Business Owners

Small businesses are the heartbeat of our economy and the backbone of our communities.

On an economic level, small and medium-sized enterprises (SMEs) account for a substantial portion of job creation, fostering employment opportunities and driving economic growth. These businesses stimulate local economies through their operations, while their resilience and innovation contribute significantly to national economic stability.

However, the importance of small business owners extends beyond the economic sphere. They serve as community leaders, advocating for local issues and contributing to a sense of identity and belonging. Their businesses often provide essential goods and services tailored to the specific needs of the community. Their active participation in local events, sponsorships, and partnerships further engrains their importance in the community fabric.

Throughout the course of this eBook, we have explored some of the critical areas that small business owners need to focus on to grow and prosper.

As businesses grow in size and complexity, business owners must continually evolve their skills and knowledge. Investing in leadership and self-development not only bolsters business success but also enhances the owners' contribution to the economy and their communities.

They are job creators, community leaders, and the driving force behind local and national economies. Their dedication, resilience, and continuous pursuit of growth underscore their indispensable role in our society.

About The Author – Philip Wicks



Philip (Phil) Wicks is one of the Founding Directors of the highly respected BSP Advisory Group and the founder of SBNZ (Small Business NZ) an online resource centre for small business owners.

Phil has spent many years working along side business owners of various sizes and across a multitude of industries.

Phil's integrity and commitment to finding solutions has been a key factor in developing his advisory business. His understanding of the value of communication has also been essential to his success and more importantly - that of his clients.

Being a sounding board to help create a vision, identify issues and finding solutions is nothing new to Phil.

Engaging in face to face communication and having empathy towards the situations he has been engaged to consider, have also been key factors in developing successful business partnerships and relationships.

These traits combined with Phil's general business experience can be a real game changer in regards to a business achieving its potential. Phil's passion and belief in enjoying the achievements of others, comes from an understanding that great success can be realised when business owners have the correct resources and guidance.



Resource Pages

www.bspadvisory.co.nz - Articles, Interactive tools

www.sbnz.co.nz - Small Business resource centre with Workbooks, ebooks, Articles, templates and videos. Join the membership from the main page to access.

