



## ***10 WAYS TO JUMP START YOUR BUSINESS©***

**By Dave Guenther, President BSM Executive Advisor©**

The other day I was having lunch with Bill, a new CEO Client...We started talking about his business when I asked, “What’s your biggest challenge. “

“Well”, he said, “\$3.00 plus gas and all this talk about recession isn’t helping anything. My biggest problem is, still, how do I profitably grow my business?”

As we talked, it became obvious that Bill was doing the same things he had always done to grow the business but he wasn’t getting the results he expected. He asked me what I would suggest to jump start his business.

“Bill”, I said, “I think I can help you out. I know ten things you can do right now to get you moving. I’ve used these principles in every company I’ve been associated with and they work. Give them a try. You’ll be pleased with the results.

### **1. WRITE YOUR 2012 ANNUAL REPORT TO STAKEHOLDERS**

If you don’t know where you’re going, you’ll never get there. Everyone, owners, employees, vendors, bankers and other stake holders need to know where the company is going. They all need to know how they and their job helps the company reach its destination...

The best way to **communicate** where you’re going and what’s important to the company and you is writing, publishing and distributing your vision of a future annual report to stakeholders--employees, owners, vendors, bankers and customers.

The annual report should include a letter from the President that summarizes where the Company has been over the last five years, what’s been accomplished, how it was accomplished and where the company is going. The letter clearly sets your expectation for how the company operates, what you expect from stakeholders and where those expectations will lead.

The report creates a vivid picture, with a few charts and graphs, of the improvement in selected key areas. Your company might graph revenue and earnings growth, employment growth, customers served, errors per 1000 orders or whatever you decide are the important measures that track progress toward your goals.

The annual report includes a headline and the first paragraph or two, at a minimum, for a number of stakeholders in the company. Include an article about your employees and what they think about their job, management and the company. Your vendors, your community, your Industry, shareholders and any other stakeholder of importance should be represented in the report. The stories they tell will define your company in 2012. What do you want them to say?



The annual report should be given to every employee and talked about in group meetings. The report will be a clear communication of what your vision for the company is. The report will become an anchor for the culture of the company. The report will help employees do their jobs and make decisions. Any action they take that supports the goals outlined in the report will move the company in the right direction.

## **2. IDENTIFY AND ASSIGN RESPONSIBILITY FOR THE TOP FIVE KEYS TO SUCCESS FOR YOUR 2012 GOALS.**

You probably have a list of hundreds of things you think need to be done to become the company you want to be. The problem is you can't effectively focus on that many items. Most people, and consequently most companies, can only focus on five or fewer key items at a time. You need to prioritize the items that need to get done. Pick the ones that will propel you to your goals.

Assign responsibility for completion of each key item to different employees. That employee is the champion of the item and is responsible for its completion by a pre-determined dead line. Don't give more than one item to anyone, including you. Meet regularly to access the progress being made on each item.

Follow the advice of General George Patton, "tell them what to do, not how to do it. They'll figure out the best way to get it done."

## **3. MEASURE IT AND IT WILL IMPROVE.**

In business, if you measure, monitor and report on something, it will improve.

Why?

Every employee in the organization knows what you are measuring. Items or performance being measured becomes very visible. Self interest takes control. People know if they want to succeed at the company, they must focus on the measure and make it improve.

Limit the number of things you measure. Measure five items for the company. Assign one item to a manager. Have the responsible manager provide five items that need to be measured to get the main item done. Develop and implement the measurements. Make the measurements visible to all employees and have periodic meeting to discuss progress.

It is amazing what people will accomplish when they know what to do and are held accountable.

Don't measure everything. If you aren't going to use it, report on it or hold people accountable, don't bother measuring it. Focus on results, not data.



#### **4. LISTEN BEFORE YOU TALK.**

Don't let your mouth get in the way of coming up with the best solution to a problem. As surprising as it may seem, you're not expected to nor do you do have the best solution to every problem. Your employees, however, probably do. Encourage and allow them to openly discuss the problem and potential solutions.

Remember, you are the boss. Right or wrong, once you have spoken the decision is made. There is no percentage in disagreeing or offering alternatives to your solution. You are the final word. That's why you have to listen to everyone and massage their conversation into a final solution.

You'll get far better answers if you listen more, speak less and most importantly speak last.

#### **5. IMPLEMENT A PERFORMANCE BASED COMPENSATION PLAN.**

Most people are motivated, or at least partially motivated, by money. Most companies, however, fail to tie compensation **for all employees** directly to the achievement of the goals that are important to the company's success.

Tie the majority of your compensation plan to individual achievement rather than team achievement. Reward the high performers not those who just happened to get put on the right team.

Base compensation on what's important, gross margin, new accounts, inventory turnover, fill rates or accounts receivable turns, for company success. People will respond and manage to what is in their best interest. Properly structured, that will be in the company's best interest as well. Be careful, however. No one will understand a compensation plan better than the person being paid by it. Make sure you're rewarding the right behavior. Keep it simple and adjust it if people begin to game the plan.

#### **6. TERMINATE YOUR TWO LEAST PRODUCTIVE EMPLOYEES.**

Your company, in fact any company, is only as good as its worst employee. Poor performers will eventually infect everyone in the company. The poorest performers set the performance bar not the highest performers. Eventually the performance of every employee will sink to the level of the least productive employee. Human nature says "why should I do more when Fred does nothing and still gets to keep his job and get paid"?

Fire the worst performers and you get immediate benefits. First of all, you are rid of a couple of people who were not carrying their weight. Secondly, every other employee sees that poor



performance won't be tolerated. And finally, it gives you the budget room to hire two employees' that may actually improve the performance of the company.

You probably are doing the fired employee's a favor. You've given them a reason to go find a job they are happier with and one that they may succeed at.

## **7. ASK YOUR EMPLOYEES WHY.**

Why?

This is the greatest question in business. Ask your employee's why they do their job the way they do it. Just the question will alert the employee that you care about their job, their opinion, and them.

If the employee says "I have no idea" or "Because we have always done it that way" you may have discovered an employee who doesn't understand their job, or at the very least a process that can be eliminated.

You freed an employee up to do a job that actually makes a difference.

You will be surprised how many jobs, after 5 or 10 years, are still being done because "it is the way we have always done it". Your industry, company, customers and competitors are changing. Makes sure you keep up by asking "why" often.

## **8. CELEBRATE THE SMALL VICTORIES.**

Major successes are the accumulation of hundreds of small, often unnoticed efforts; not one gargantuan achievement. If you want the big achievement, reward the small successes and eventually you will get to have the big celebration.

People have a hard time focusing on a big increase or advance. It just seems too far away for them to possibly achieve. The goal is viewed as impossible and they just give up.

Focus people on achieving a smaller step that they can actually see. When the goal is met, celebrate and implement a new, higher goal. Keep celebrating and upping the goal and you will get your big achievement.

## **9. BE VISIBLE AND APPROACHABLE TO YOUR STAKEHOLDERS.**

You can't run a business sitting behind a desk and looking at a computer screen-at least you can't run a growth business that way. People need to see you. They need to see your concern and your passion. Most importantly, they need to see that you care about them and are interested in what they are doing.



Management by walking around will put you in management control of your business. You won't get surprises. You'll be involved in the decision as it is being made and you'll actually know what is going on in the company.

Management control controls the event; internal control only tells you after the events have happened. Which would you rather have? Be part of the team.

## **10.FOCUS ON EMPLOYEE RETENTION, NOT HIRING.**

Employees are assets not expenses. They are very expensive assets to acquire and get into a position where they are productive and paying for themselves.

Think about it. You hire an employee and you have, in all likely hood, hired them for 5 or more years. You spent money on finding them, you spent money interviewing them and you spent money hiring them. Your typical \$40,000 a year employee is really an investment of over \$1 million dollars.

How many \$1 million dollar pieces of equipment do you fail to maintain? How many million dollar pieces of equipment do you throw away in a year or loose to a competitor?

It is very expensive to have high employee turnover. Spend your money on the things that will allow you to reward, train and keep your current employees. You will get a bigger return faster from them than you will a new hire.

The most productive and lowest cost asset you have is the employee you already have on board, not the next person you hire.

Bill has already implemented a number of these suggestions and is seeing the benefits they deliver. What are you waiting for?

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