

Six Steps to Business Success

Many business owners will be familiar with the adage that “we should spend more time working on our business rather than working in it”.

This thought sounds simple, but with the day to day pressures of meeting customer service expectations and deadlines, searching for new sales leads and initiatives, looking after employee needs, managing cashflow, attending to a myriad of compliance requirements, and so on, it is all too easy for business managers to become snowed under, to the point that there is little or no time available for detailed consideration of how they might grow and improve their business. The dangers here are that the business becomes less progressive and increasingly reactive, and indeed important decisions sometimes have to be made “on the run” without the wider consequences being fully thought through.



So how do better business managers manage? The answer often lies in effective business planning techniques.

Done properly, business planning is a process discipline that provides for a continuous and systematic review and assessment of each aspect of a business against a background of constantly changing market conditions. Sounds difficult and time consuming. But it shouldn't be. It should be stimulating, challenging, inspiring, motivating, enjoyable and satisfying. After all, this is going to be the roadmap for the next few years of your business and financial life! The trick is simply in knowing how to go about it in a logical way. I recommend the following six steps:

Step 1: Ask yourself the following two simple questions?

- Why am I doing this, and what am I looking to achieve? and,
- Where do I want to be in 3, 4, or 5 years time?

It is often surprising how often business owners say how they have never really given any thought to these questions before. But honest and considered answers will give a direction for the business.

Step 2: Jot down current and expected market, industry and business environment trends, and to consider what these factors mean for the business.

Step 3: Itemise the business strengths, weaknesses, opportunities and threats, and then consider and prioritise their implications. Having done this, ask the questions:

- How can I build upon this strength?
- How can I realise this opportunity?
- How can I overcome this weakness?
- How can I protect against, or minimise the impact of this threat.

Step 4: Consider each aspect of the business by asking questions **in the following order (the answers to each preceding question will give useful guidance in considering subsequent questions):**

- Who and where are my potential customers? Who are my competitors and how does my business compare?
- How can I develop my product to better meet my customer's needs?
- What is my marketing message, and how best do I get it to my target customers?
- What are the skills and resources that I need?
- How should I structure and inspire my team?
- What systems do I need? How will my distribution work?
- What are the legal and compliance requirements and implications?
- What are the risks?
- What are the financial implications?

The answers to these questions provide a framework of business strategies and actions.

Step 5: Take each action, set a target date for implementation, and designate someone to be responsible for making it happen. You should also set a target outcome and identify a means by which you can measure whether the strategy has been effective or not.

Step 6: The most important step is to constantly monitor, review, repeat and adjust steps 2 to 4 of the process.

The "six steps" process works equally well for big or small, and new or existing businesses looking to grow. It is also a useful tool in staff management, finance applications and investment attraction.

Remember:

"Businesses don't plan to fail, they fail to plan"

Cheers

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