

Running a Business Should Not Be This Hard

THE FIVE CRITICAL TOOLS FOR BUSINESS SUCCESS

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Introduction

Most small businesses owners start out using their technical skills as the base.

In his book “The E-Myth Revisited”, Michael Gerber notes that small business owners concentrate on the technical aspects of their business 70% of the time, while spending only 20% on managing, and 10% on entrepreneurship.

What this can mean is that you will not have the business skills or knowledge to develop your business to the point where you do not have to be “working on the tools”.

The impact of this problem is that your business is controlling you, rather than you controlling the business.

As a result of this, you have to spend a lot of time in your business doing many roles. This leaves you exhausted and frustrated, with no time to enjoy your family, and with limited resources to grow your business.

What we are going to cover is why so many businesses get stuck in the same trap of just being a job for the owner, instead of being on the pathway to freedom and wealth. We will also reveal the five critical tools that successful business owners use to break free, and enjoy prosperity in their life and business.

The Problem

What is the fatal flaw that you are committing? Are you in a similar position to this client

Sam had worked for an employer for several years, and considered going out on his own.

He saw how the owner seemed to run the business without any apparent major problems, but he relied on Sam a great deal to get things done and to keep the clients happy.

So instead of working hard to make lots of money for his boss, Sam felt he should be entitled to a larger share of the profit. The only way to achieve this was to start up his own business.

Initially his customers were delighted with his work, and he quickly became busy with more work that he could handle on his own. He needed to employ staff.

Before he knew it, he had three employees. With each new employee, Sam's work load seemed to grow faster than his profits. Now it feels like he works just to pay his employees and keep them busy.

He is often frustrated by the amount of work that gets done or is not done. He can't be sure that the work is getting done without him watching over his employees. Plus he seems to spend all of his time answering queries and solving problems.

A lot of the time, Sam is concerned about how he is going to pay his employees every week.

With all the mistakes being made by his employees, jobs seem to cost more than they should. Plus the jobs get dragged out longer than he expected, resulting in margins being squeezed, customers complaining, and then they are slow to pay.

He considers scaling back to operate just by himself, but this just locks him back into "working on the tools".

Sam goes to see his accountant at the end of the year, and finds out that he has a tax bill, with no funds to pay it. Then he wonders where all the money went.

How Real is The Problem

Sam's situation is actually quite common, and you may be experiencing some of the issues he has.

Thirty-three percent of small business owners reported working more than 50 hours per week, while an additional twenty-five percent said they work more than 60 hours per week, according to a poll of readers of the New York Enterprise report.

Closer to home, Greg Hayes from Hayes Knight Accountants & Advisors noted that

"There's an Australian attitude of 'Running a business, how hard can that be?' So many people don't ask for help because they think they will be okay".

When we do have a client that comes to us to discuss these sorts of problems, they have generally been struggling for a while. This just means it will take longer to find and apply the solutions.

What we do find with these clients is a common theme – lack of planning, lack of procedures, and lack of control.

Right now, most small business owners are feeling that they are not able to grow the way they should be able to. They feel that there is just too much pressure from trying

to get things working out right with their customers and staff, and that there is just not enough money to cover all the constantly increasing costs.

Andrew Beattie of Investopedia noted in his recent article – “The 5 Biggest Challenges Facing Your Small Business” that “the hours, the work and the constant pressure to perform wears on even the most passionate individuals”.

We know that some of our clients have thought they could be better off to just shut the business down. Then they can go and work for a wage, which should reduce all the stress and pressure.

However, there are three problems associated with this decision, and we have heard all of them said by our clients over the years.

“If I walk away from this business, I lose all the value from the time and effort I have spent building it up. Plus I am not sure I want to work for someone else, and help them make a huge profit, while I get paid just a living wage”.

“I enjoyed being my own boss, making the decisions, and getting creative with solutions and helping all my clients”.

“I have a great bunch of clients, and I want to continue helping them”.

The impact of this uncertainty is that the business owner feels frustrated and stressed. He knows that there must be answers to what he is going through. But he does not know what these answers are. He is sure that others find it easier to run their business with more success, but how do they do it?

The potential cost of having to walk away from the business would be bad enough for the owner with the lost money. In addition, the impact on his self-esteem would be long lasting.

He also is faced with the problem of getting back into the work force. This could take some time, even if he has the necessary skills.

The Solution

We have a client who went through a number of years before we were able to help him turn his business around. Now the business has re-established its value, and our client has better relationships with his staff and clients.

He is no longer thinking of selling the business for whatever he can get, but is looking forward to and achieving greater prosperity. He now has money and property in his super fund, and takes home a much higher wage.

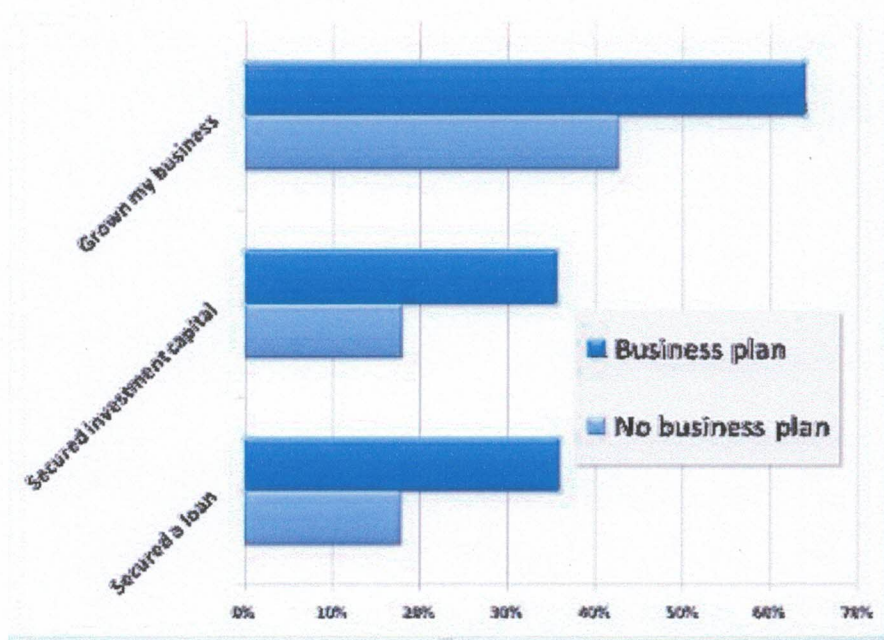
There are five critical tools that successful businesses use to overcome the problems that are impacting on other small businesses.

They have a Business Plan

If you are going to avoid staying in a short term focused environment, and be able to move out to doing long term development of your business, you must have a business plan. Your business plan contains your long term goals.

Then from that business plan, you need to set up a detailed action plan. Your action plan follows a series of steps to achieve the goals in your business plan.

In a 2016 survey from Small Business Trends, of nearly 3000 businesses surveyed, those with a business plan were 20% more successful in growing their business, compared to those with no plan.



They apply Performance Measurement and Control

You have most likely heard of Key Performance Indicators, or KPI's. They are used to keep track of your business by monitoring both financial and non-financial performance.

They use Effective Systems

Most small businesses have systems in place for their operations side. This describes and defines how they do the work process, the tools used, the equipment, and the materials.

Less time is usually spent on getting communication with their staff sorted out. This means spending time on developing job descriptions, operations manuals, and appraisal systems.

McDonalds operational manual covers everything from hiring to product delivery to customer interaction. This is what enables McDonalds to operate very effectively with teenagers running the business.



They have a Structured Marketing Plan

To get your message to the market that shows your points of difference from your competitors, you need a structured marketing plan. The objective of that plan is to find out and focus on what your customers really want, not just what they may need.

They use a Mentor

Successful small business owners get help from experts when they need it. This may be to guide your business through the growth phases, and to get through those times when it does seem too hard.

Cathy Freeman, like most high performance athletes, had a mentor in her coach, Peter Fortune. A coach cannot do as well at what the athlete does. So the coach helps the athlete to understand what they need to do, and how best to do it. They help with discussions on split times, training methods and approaches, diet needs, and sports psychology.



You may have started using some of the tools.

Or you may be stuck in the situation described earlier, where Sam cannot go either forward or back. His business is causing him great stress, and no solution is appearing.

You now know that this is not correct, and that there is a solution, or at the very least there are further steps that you can take.

Don't accept that running your business is hard, take action and talk to us if you want support and assistance.

Contact Quantum Financial Group on admin@qfgroup.com.au, or 9799 3832.