



**SHEPHERD
& GOLDSTEIN**
Business Consultants and
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Grow your Business

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Build Me Up Buttercup...

The recession took its toll on stock values, including the stock value of your business. The Dow is down 22% from where it was three years ago. It's probably safe to say the value of the majority of small to medium sized businesses (SME) declined at least that much. And for most SME owners, the value locked-up in their business is their primary source of retirement income. The baby-boomer SME owners are three years closer to retirement with twenty-plus percent fewer "moths" in their wallet. It's time to build value and the articles that follow provide some tools for that reconstruction.

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A Vision Shouldn't Be A Mirage

A 'vision' is defined as 'An image of the future we seek to create', or, in other words, who and what we want to be. Individuals can be so motivated by a compelling vision of what they want to achieve that they take fate in their own hands and move heaven and earth to attain it. It can work the same in the organizational context – a business' vision can be the unifying and motivating force that lets employees know where the business is going and generates the enthusiasm to keep them working towards it. It can be a signal to customers too, about what they can expect from your business.

A good vision statement is a sentence or short paragraph consisting of two to four sentences or a number of bullet points. McDonald's has a very precise vision statement: 'McDonald's vision is to be the world's best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile.'

But don't be deceived by the apparent simplicity of that statement, developing a good vision statement is based on a lot of preliminary hard thinking. Here's the basic process.

1. Make separate lists of the following things that might suggest ideas for the vision statement:
 - Products/services: what you do and how well you do it

- Technology: in some businesses creative use of technology forms the core mechanism of reaching their vision
- Employees: good employees are vital to achieving business goals and many vision statements include a reference to the value the business places on respecting their team
- Customers: customer focus and customer service are absolutely pivotal to achieving business success so they always get mentioned in a vision statement
- Your values and philosophy
- Your vision: how you see the business in the future

2. Pick out the most important points.
3. Obtain input from other people: A vision can be a highly personal thing and in some businesses the personal view of the owner becomes the vision. But for employee buy-in purposes brainstorming with them can work best. It can then draw on the imagination and intuition of many people, providing they all share similar interests in the organization and have sufficient knowledge to project it into the future. Keep the ideas realistic – a vision statement must be achievable as well as inspirational.
4. List some positive words – words of aspiration and inspiration for your statement.



You now have the raw material for writing up your vision statement.

Select your most important words and combine them into one sentence or develop a number of sentences and put them into one short paragraph.

There are no hard and fast rules about creating a vision statement, either as to exactly what they should contain or how they should be developed. What is basic to the process is to take your time so as to be very clear just what the things are that the business does aspire to and to phrase the result in a positive and inspirational manner. One good paragraph can describe a wide range of things – your values, services and what the business will look like. It is the pursuit of this image of success, what success will look like, that really motivates people to work together.

Don't think the process stops with having developed the statement. Its real purpose is to enthuse employees and keep them on track. Even if they have been part of the development process, there is an ongoing need to remind them of what the vision is. There is a personal responsibility as well. To be truly successful, your visionary attitudes (such as providing superior customer service) have to be reflected and communicated in what YOU do and the way YOU do it.

It may seem like stating the obvious, but a business that has a vision of where it wants to go is much more likely to get there than one that does not.

Keeping Your Business On The Right Track

A business plan is a roadmap that sets out your route for the development of your business. It doesn't tell you just about the current state of the business, its strengths and its weaknesses, it will also show up the opportunities and what needs to be done to stay ahead of the competition.



You might think you know all this now and don't have to write it down. But what if something happened to you and someone else had to take over the operation? What would they need to know so it was still

there and profitable when you returned? This is the kind of information contained in your business plan and its good insurance against the unknown.

It clarifies your objectives

What are your goals? These will be in your business plan, the original goals you had plus any additional objectives that arise in the course of business. Your business plan spells out

the goals and shows the milestones along the way that tell you how close you are to achieving them. Goals are flexible and can be as varied as achieving a certain level of turnover or simply acquiring new customers. It's important, however, that each is presented in the same way – as a target with milestones or indicators that will let you measure how near you are to achieving it.

It contains your business vision

A vision is your description of how the business will look at a specific date – usually three or five years from the time the statement is written. This is another part of a business plan that's regularly updated and describes how the business will look from the outside (to customers) and from the inside (to management and staff) when it has achieved the goals that are presently set.

It outlines your company's mission statement

The mission statement is another expression of the businesses' long term goals. The mission of all businesses is to conduct profitable business of course, but it should also have other intangible goals covering such issues as morality and ethics. How do you want your business to treat its customers? How does your business want to treat its team members? The mission statement is both long term and ongoing - a statement of principles of business conduct and behavior that rests above the metrics of commerce.

Cover all the management essentials

Businesses are organic in nature, changing constantly but always with growth in mind. Your business plan is also organic – an ongoing record of the changes in your business as well as a structure for the changes that will take place in the future and their intended consequences. Here are just a few of the many possible elements that can be incorporated into your business plan:

- Your products/services – The present and planned range of products/services you sell, together with any development your firm undertakes to create its own products/services
- Your management structure – A statement of positions, responsibilities and authorities
- Your finances – How the business is funded and how it will repay its loans, your company's credit policy and how it will be enforced
- Your marketing plan – How your business will be marketed, the promotional budget, the target market, future plans for expansion, and
- Your succession plan – When you intend to leave the business and how you will realize its maximum value

Every business should have an up-to-date and functional business plan. It will tell you where the business is going and how it's going to get there. It will focus the efforts of you,

your management and the rest of your team on the drivers that will bring you what you want from the business. It is, in other words, a map to the future of your enterprise.

Building Your Business

To build a business you have to be good at marketing yourself, your experience and your skills. This requires a mix of strategies – some traditional, some innovative. Here are some suggestions that can help.

Define your vision

To know what you have to offer, determine the unique qualities you can attribute to your business and yourself. Look at the type of business you have, your experience in the industry, your position in the market, the special knowledge of your team members, and the business location. These are the elements of what you have to ‘sell’ to customers – existing and new.

Clearly articulate the long-term view that you hold for your business. Don’t allow yourself to be focused on short-term needs or personal ambition.

Involve others in your planning and be open to their ideas. Talk to your team members and your customers for some fresh insights and ideas.

Establish your brand

Now that you know what you have to offer customers and where you want to be in the long-term, you can begin to market your business and make it grow in a structured way.

Develop your ‘brand’ – a logo, a corporate look, perhaps even a slogan. Be visually unique and have a style that represents what you are and where you’re going. Carry this through into a corporate brochure and a website.

Get more business from your existing customers

It’s always easier to sell more to an existing customer than to create a new customer. Ensure all your team members know the complete range of products, services, and value adds you offer so that nobody misses an onselling opportunity with a customer.

Take some time in your team meetings to develop and introduce new products and services you would like to promote to your customers. Tell your team how to spot potential opportunities and create awareness with customers.

Ensure that you regularly raise awareness of your products and services among your existing clients through direct mail-outs and email newsletters. Keep in regular touch with customers and don’t give them a reason to look elsewhere.

Go after new customers

Look for opportunities to promote yourself and your business to potential customers. Get involved in local business and social groups. Offer your services as a speaker, or organizer.

Spend time, not money, and become a part of your community. (This also helps with your existing customers, of course.)

Approach local newspapers about providing an advisory column in your areas of expertise. Offer to answer readers’ questions on your industry. Become recognized as a source of information.

People like to buy from someone they know. For most small to medium-sized enterprises there’s no better way to build a business than by marketing yourself. Define your vision, establish your brand, then go out there and get the customers!

How Do You Know What You Don’t Know? - Get A Business Health Check

All businesses have weaknesses. If you want to sustain and grow your business it’s vital to address them before they threaten your chances of long term success.

In many SMEs the manager, while usually acutely skilled in their particular profession, has only a problematic understanding of the wider range of management skills that are essential to business continuity and growth such as strategy development, financial forecasting, marketing, information technology and so on.

While their own specialist skills often provide the major strength of the business, it’s the lack of experience in all those ancillary aspects of management that create dangerous vulnerabilities and that can bring a business undone. For a business to survive or grow, all the different parts have to be working and meshing smoothly.

Managers often become aware of their limitations only when something starts to frustrate their plans or a crisis looms up. The business has grown to a certain point and now there is a lack of focus or strategic direction and they don’t know where to take it next; or operational inefficiencies are starting to show and there is increasing waste and delays in production; customers are leaving for no apparent reason and they can’t seem to win new ones; there are performance issues with employees that they just don’t have the knack of coping with to get things back on track; there’s confusion about what technologies might improve production or how to implement them.

An Important Message

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Since no small business owner/manager can be expected to be on top of all the managerial skills that go towards making a business operate profitably what can they do to know what they don't know?

Analyze how the business is currently performing over all its critical operations – often referred to as a business health check— is a short, highly focused question and answer review that will enable you to identify the areas of your business that need improving and the areas that offer the best opportunities for profit growth. A good business advisor should be able to perform this service quickly and provide you with a detailed report on areas that need attention.

Once you have comfort having identified what's wrong and put a name to it, what you really want is a cure. Good advisors can do more than just diagnose. They have

enough knowledge of business basics to be able to offer advice and suggest specific actions to improve the areas of weakness.

Being able to make informed decisions hands you more control over taking the business where you want it to go and improving its competitiveness.

There are many facets to managing a business successfully and you really can't afford to ignore any of them. A business health check is a painless exercise that can identify your operational strengths and weaknesses and the opportunities and threats that exist in your industry and market. An objective assessment by our experienced business advisors could make a huge difference to your business. It will provide a greater understanding of the issues underlying poor performance and deliver concrete suggestions for how to go about improving things.

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Comments? Changes?

We all want to improve what doesn't work...but we need YOUR help! Share your improvement ideas and topics you would like to read in future issues with:

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