

Where Do I Start to Fix Things

08/20/07

Question: I've been reading a lot of business advice books lately. Most talk about being on the alert for things to improve in the business. My question is, how do you figure out where to start?

Today's question comes from the owner of a service company in Stamford, Conn. The business has a good base of customers, clients and offers. It's a good time for the owner to be asking this question, as the business shifts from surviving to thriving.

Let's start with an overall assessment of the business. Then we'll prioritize the needs. We'll match needs to budget, and finish up with a to-do list that will help the company get through the next year, stronger and more prepared.

Start by thinking about vacation. Most of us have been on vacation this summer – I happen to know this owner is just getting back from a week away. As you thought about going away, what were the areas of the business that concerned you the most?

Going away on vacation is a good test of the strength of the business. You're not there to support, interfere or keep your hands on things. It has to run without you. The business has to stand on its own and if you're worried it might not do so well in your absence, that's your first clue that there's work to do.

To The Core

Think of the business functionally; finance, sales, operations, marketing and human resources. You may want to add to those core areas IT and general management. Thinking functionally should help you better plan what you need to do to improve.

Finance keeps the numbers, oversees accounts payable and accounts receivable, and owns the bank accounts.

Sales grows the business and insures accounts are happy once they're on board. Operations produces whatever has been sold and delivers the level of quality and accuracy the business has determined to be appropriate.

Marketing fills the pipeline with opportunities, figures out what the marketplace wants next that the company can deliver, and defines how to stay ahead of/away from competition.

Human resources is the people, primarily inside the business, some outside as vendors and other support networks, who work together to make the business happen.

IT is the systems, technology and networks that support communication and information management inside and outside the business.

General management is how all of these areas communicate, collaborate and work through problems and opportunities to drive the business forward.

So as you get ready to go on vacation, or ponder your next time away from the business, which area(s) concern you the most? What issues do you have about those areas? What would have to change in order for you to go away without a care for a weekend, week or a month?

Keep Track, Prioritize

To keep track of your thoughts, build a four-column table, with the headings of: area of the business, type of concern, issue that could go wrong and solution. Don't worry too much about the solution as you're getting started. That will come in a little while.

Pick the area of the business that concerns you the most. Make a list of issues – things that give you pause as you think about being away from the business for a week or two. For each issue, write down what could go wrong as a result. For example, if your area of the business is finance and your type of concern is accounts receivable, you may have several issues, including: not having enough cash coming in while you're away, a specific account getting away with not paying for work that's been delivered, not knowing whether



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the money coming in has been properly recorded and deposited.

Create a good, long list of things that keep you up at night as you think about being away from the business. Make sure each item is assigned to a specific area of the business. Decide which area of the business is your top priority, based on the quantity and severity of the issues you've listed.

Now it's time to work on the solutions. You may not be able to get the solutions implemented in short order. Try to have solutions in place within three to six months. Ask for suggestions. Don't just sit on the problem and wait for the next vacation to roll around and then find you're stuck with the same concerns. Prioritize what needs to be improved in order to make your life more trouble-free and the business more capable of thriving in your absence.

Looking for a good book?

Try "From Baldrige to the Bottom Line: A Road Map For Organizational Change and Improvement" by David W. Hutton

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