



Trusted Advisor to Business Owners

New Years Resolutions 2009

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What are some of the better New Years Resolutions that you've heard about. I know you get around and meet with lots of small business owners. I'm wondering what other entrepreneurs are thinking about. Thanks for sharing.

We all make promises to ourselves and our companies, for things that are likely to lead to a better year ahead. It's important to keep our eyes on the ball, as we manage through a troubled economy. That's where resolutions can help be our point of focus.

Let's concentrate on The Five Sisters of any well run business: Finance, Sales, Operations, Marketing and Human Resources. Why do we call them The Five Sisters? They're like family. They need each other. They fight with each other for the attention of the owner, or parent, of the family. They develop at their own pace, but in relationship to each other. Without one or another of them present, the family seems incomplete, no matter how frustrating it may be to deal with each of them individually or in a group.

Finance resolutions are about understanding and using the resources of the organization. Finance is where we keep track of the money of the business.

- "I will build a long term wealth game plan for myself and my employees, by doing more than strictly tax planning."
- "I will spend this year working with a budget, analyzing performance and learning how to predict and manage the expenses of the business."
- "I will learn to build a reserve fund, even if I can only afford to set aside a few dollars each week into that fund."

Sales is where past, present and future customers work with the company. Sales is the heart of the business, pumping revenue and opportunity into the organization.

- "I will build a pipeline that is 4 -5 times what we need for new business opportunity, so that we always have options."
- "I will develop a forecasting system that I can trust and rely on, to tell me what our future looks like, and where we need to focus."
- "I will visit or call on every customer at least once, to make sure they know how important they are to my business."
- "I will learn how to figure out which prospects are right for my business, and which ones to turn away."

Operations is the core delivery mechanism of every small business. It is where most owners spend too much time, worrying about whether things are just right. It is important, but only if there is business coming in, and if that business is profitable.

- "We will deliver a profitable product or service, that meets or exceeds customers' quality standards and willingness to pay."
- "We will map out on paper what we do to produce and deliver to our customers, to help us better understand how to improve things."
- "We will get better at communicating with customers."

Marketing is all about making announcements to the universe of potential buyers and finding out who is listening, for present or future need. It is the lifeblood of any well run business

- "I will make a list of all the marketing things we could do, and put together a budget and a plan of attack."
- "I will use marketing deliberately to grow the company's pipeline of opportunities."
- "I will look to acquire new products or services that our customers want, as I work for ways to improve the ones we already deliver."

Human Resources is where it all comes together, through the people who do the work of the business. HR is about recognizing, rewarding, and growing the potential of the business' human capital.

- "I will provide each employee with an honest review of their work, including feedback on how I see them fitting in as we grow the business."
- "I will set high expectations, for myself and those who work for me, and I will generously reward those employees who go above and beyond."

- "I will create a learning environment, and figure out how to attract employees who want to better themselves through their own efforts."

And now for the most important set of resolutions: the owner's long term view of the business. Without the following, it's just a day job. With a set of "owner as leader" resolutions, the business can be set on a path to long term success.

- "I will develop an exit strategy, and start working toward it."
- "I will learn to separate myself from the business, so that the business can survive without me."
- "I will learn to manage risk, develop wealth, and treat the business as an asset."

That's it folk! Have a Happy New Year!

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