10 Keys to Accelerate Growth in 2017

Increase Profits 61% - Drive 5 to Earn More
Why Plans Fail - Align 5 to Work Less

Article is from SBDC's
CEO Accelerator: Coaching for More Time & Money!
Increase Profits 61% in 12 Months & Build Equity of $10 Million+ in 5 Years
(Program's Objectives)

www.marylandsbdc.org/accelerator
(Schedule, Application, & Description)

Limited Number of Full & Partial Scholarships Are Available

For More Information, Contact
Russell Teter (Certified Coach) at rteter@umd.edu or 240-463-8686

SBDC at University of Maryland is the only state-wide program that provides world-class executive coaching exclusively to CEOs of independently owned businesses.
Increase Profits 61% - Drive 5 to Earn More

“It is one thing to WANT money— everyone wants more— but it is something entirely different to be WORTH MORE! Many people mistake their WANTS for their JUST DUES. Your financial requirements or wants have nothing whatever to do with your WORTH. Your value is established entirely by your ability to render useful service or your capacity to induce others to render such service.”

Napoleon Hill – *Think & Grow Rich* (1937)

CEOs forget that business is about servicing others with the purpose of making money. It is not simply showing a positive number on your income statement or cash on-hand listed on your balance sheet. It is literally having the dollars in your pocket with the freedom to spend on your family.

Even those that are making money do not always have peace. The freedom to enjoy the fruits of the labor is something business owners lack. Not knowing how and why you are making money creates anxiety from fear. If you do not know how you are making money, if it stops, you can’t make the corrections.

What is equally dangerous is if your employees do not know how the company makes money.


“*Every Business Is The Same Inside*”

“*Cash, Margin, Velocity, Growth, and Customers*”

“In today’s world, no growth means lagging behind in a world that grows every day. If you don’t grow, competitors will eventually overtake you.”

“But growth for its own sake doesn’t do any good. Growth has to be profitable and sustainable. You want growth to be accompanied by improved margins and velocity, and the cash generation must be able to keep pace.”

For a summation of these five building blocks, go to:

**YouTube: Ram Charan – Building a Successful Business**

The CEO Accelerator system breaks a business into the five areas that generate profits and develop manageable strategies to increase each by 10%:
“Drive 5” to Earn More

1. Number of Prospects
2. Conversion Rate
3. Purchase Amount per Customer per Transaction
4. Number of Transactions per Customer per Year
5. Profit Margin

These five become a basic equation for business that breaks down goals for profit and dictates the basis of a business model. Every business operates on this equation. The difference between a good company and a great company (one that provides the owner with “Time & Money”) are those who understand and utilize this equation.

Many business owners do not know their current equation. Determine your current numbers then develop strategies to Drive EACH.

**Driver #1: Number of Prospects:** These are the businesses and agencies that define potential customers. In creating the current equation, these are the numbers of organizations communicated with over the past 12 months.

**Driver #2: Conversion Rate:** This is the percentage of prospects that become customers.

**Driver #3: Purchase Amount:** Retail stores and restaurants typically use the average dollar amount spent by customers during a visit. Service businesses use either a contract amount or a billing rate.

**Driver #4: Transactions:** This is the average number of transactions per customer per year, such as billable hours per customer

**Driver #5: Profit Margin:** Current profit margin is determined by dividing net profit (sales less expenses) by net revenue. If profit margin is 12% for every one dollar in revenue received, 88 cents goes to expenses and 12 cents is profit. This percentage is an indication of how cost-effectively a business operates.

Increase the dollars in your pocket by developing strategies to make small incremental increases (improvements) in all five drivers. If an owner increases “One Driver” by 50%, the result is a 50% increase in profit. Drive each by 10% each, the result is a 61% increase in profits. Over five years, this results in a 968% increase over the current profit.

Question: If you increase one Driver by 50%, why is your result a 50% increase, when, if you increase 5 by 10%, it results in a 61% increase?

**Answer:** A 5th grade math principle: the power of the multiplier effect. Use this basic math principle to grow your business. In addition, it is easier to make minor improvements in five areas of his business than to make major changes in one area.

**Result:** More money is less time.
Spend some time to understand your current business equation. Set goals for 12 months from now. Look at increasing each Driver 10% for a 61% increase in 12 months.

If your profit increase is more that 61% or you increased a driver more than 10%, ask yourself why. Ten percent is continuous improvement, making small incremental changes. A Driver above 10%, a profit above 61 percent in 12 months, is making dramatic changes, making major innovations. You need to ask yourself if this is possible. Do not set yourself up for failure.

<table>
<thead>
<tr>
<th>Current</th>
<th>12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prospects</td>
<td>7,500</td>
</tr>
<tr>
<td>Conversion Rate</td>
<td>10.0%</td>
</tr>
<tr>
<td>Customers</td>
<td>750</td>
</tr>
<tr>
<td>Purchase Amount</td>
<td>267</td>
</tr>
<tr>
<td>Transactions/Customer</td>
<td>3.5</td>
</tr>
<tr>
<td>Revenue</td>
<td>700,875</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>9.4%</td>
</tr>
<tr>
<td>Profit</td>
<td>65,882</td>
</tr>
<tr>
<td>Increase in Profits</td>
<td></td>
</tr>
</tbody>
</table>
If your profit increase is less that 61% or you increased a Driver less than 10%, ask yourself why. You need to ask yourself why this is not possible. Why don’t you have the ability to make minor continuous improvements? It may be a sign that you need to make some changes to your money making model. If you cannot fix it, get a new money making model.

Cars have a check engine light for a reason. Fix it before it is breaks down miles from home. It may be time to get a new car. Frustrating, but things have a life span. Do not focus on the business model; focus on your desire to make more money and have the time to enjoy the money. Focus on who has money and what job they need to get done. Your profession may change over time. Keep your eye on the ball.

After you set the goals for each Driver for the next 12 months, begin to think about strategies to increase each Driver. For example, Driver #3: Purchase Amount, what can you do to increase the amount spent by customers per visit/order by 10%? How can you increase the average hourly billable rate by 10%? McDonald’s asked that question back in the 1970s. They began to have personnel ask customers one question, “Would you like fries with that?” In the marketing world, this became known as the billion-dollar question. McDonald’s has generated billions in new revenue over the years with six words.

What will happen to your profit if you “Drive 5” to Earn More each year for five years?

A whopping 983% increase! Again this is not making any dramatic changes. It is making very small changes over time.

Your business could look very different in five years. Who has money and the job they needed done changes over time. You might need to diversify your business model vertically or horizontally. However, if you keep your eye on the money ball, it is amazing how you begin to see opportunities for growth.

Having more dollars in your pockets starts with an understanding of where you are now and where you want to be at a specified time.

Your money making equation (“5 Drivers”) is like your GPS coordinates. The more accurate you are with the starting point and ending point, the better the directions. Use the worksheet and spend some time on your current and 12-month numbers. Serial entrepreneur and business author John Herman says,

“Know the Math, or No Money”

Do not go to the other extreme and never move forward because you struggle with the numbers. Get as close as you can over a few days and then start moving. You cannot steer a parked car.

One business author that has a similar approach is Brad Sugars. Review this principle by watching,

You Tube Brad Sugars’s Five Ways to Passive Profits
<table>
<thead>
<tr>
<th>Prospects</th>
<th>Current</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,500</td>
<td>8,250</td>
<td>9,075</td>
<td>9,983</td>
<td>10,981</td>
<td>12,079</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Conversion Rate</td>
<td>10.0%</td>
<td>10%</td>
<td>11.0%</td>
<td>12.1%</td>
<td>13.3%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Customers</td>
<td>750</td>
<td>908</td>
<td>1,098</td>
<td>1,328</td>
<td>1,603</td>
<td>1,945</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Purchase Amount/Customer</td>
<td>$267</td>
<td>$294</td>
<td>$323</td>
<td>$355</td>
<td>$391</td>
<td>$430</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Transactions/Customer</td>
<td>3.5</td>
<td>10%</td>
<td>3.9</td>
<td>4.2</td>
<td>4.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Revenue</td>
<td>$700,875</td>
<td>$1,026,151</td>
<td>$1,502,388</td>
<td>$2,199,646</td>
<td>$3,220,502</td>
<td>$4,715,137</td>
</tr>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>9.4%</td>
<td>10%</td>
<td>10.3%</td>
<td>11.4%</td>
<td>12.5%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Profit</td>
<td>$65,882</td>
<td>$106,104</td>
<td>$170,882</td>
<td>$275,207</td>
<td>$443,223</td>
<td>$713,815</td>
</tr>
</tbody>
</table>

Growth in Profit: 61% 159% 318% 573% 983%

Numbers are rounded; verifying the math as it is written will yield different results.
## Worksheet
### Drive 5 to Earn More

<table>
<thead>
<tr>
<th></th>
<th>Last 12 Months</th>
<th></th>
<th>Next 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prospects</strong></td>
<td></td>
<td><strong>Conversion Rate</strong></td>
<td></td>
</tr>
<tr>
<td>x</td>
<td></td>
<td>=</td>
<td></td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Purchase Amount</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Transactions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Profit Margin</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>=</td>
<td>=</td>
</tr>
</tbody>
</table>

**Growth in Profit**
**Why Plans Fail - Align 5 to Work Less**

“If the first plan which you adopt does not work successfully, replace it with a new plan, if this new plan fails to work, replace it, in turn with still another, and so on, until you find a plan which DOES WORK.

Right here is the point at which the majority of men meet with failure, because of their lack of PERSISTENCE in creating new plans to take the place of those which fail.”

Napoleon Hill – *Think & Grow Rich* (1937)

What are the core issues that cause mediocre results?

“Seventy percent of strategic failures are due to poor execution of leadership. It’s rarely for lack of smarts or vision,” said author Ram Charan in *Execution: The Discipline of Getting Things Done*. Successful business owners are great at execution.

Do you have a strategy issue or an execution (implementation) issue?

Strategic planning is a key to success. The old adage is true: failing to plan is planning to fail. Writing a strategic plan, however, does not guarantee success. Many plans never get implemented (executed). They become bookends or paperweights. Business plans fail because entrepreneurs only focus on strategy; they ignore the other five elements that must be aligned to the strategy to realize profitable results.

In order to realize the desired outcome, CEOs need to dedicate time to review, reflect, and rejuvenate from the outside looking in at the business. Spend time reviewing your current plan and going through planning phases:

- **affirming Dreams (goals)**
- **understanding Obstacles & Opportunities**
- **identifying Resources, and**
- **outlining Steps within a critical path.**

After you affirm your Dreams (goals), it is time to understand both the opportunities you can convert and the obstacles you can control as well as the resources you can use now.

The purpose of this exercise is to outline critical steps that will generate more time and money.

Outlining steps to take each year was an approach by John. D. Rockefeller; Rockefeller’s approach has been presented by Verne Harnish in his book, *Mastering the Rockefeller Habits*, (2002), based on *Titan*, the biography of Rockefeller first published in 1997.

Rockefeller removed himself from the day-to-day of his business, opened his mind and thought about what he could do to gain more money. He focused on “what he could do.” Successful CEOs do not waste their time complaining about what is out on one’s control or talking about opportunities or resources that do not exist.
Rockefeller limited his priorities to five. Then, from those five, he identified his top one priority.

There are ten areas of your business that need to be assessed for opportunities and obstacles; five of these boost profits and five eliminate chaos.

Let’s look and the five that boost profits first.

The approach is to break your business into the five areas that generate profits and develop manageable strategies to increase each by 10%. This is called the

“Drive 5” to Earn More

Driver #1: Number of Prospects
Driver #2: Conversion Rate
Driver #3: Purchase Amount per Customer per Transaction
Driver #4: Number of Transactions per Customer per Year
Driver #5: Profit Margin

Most business owners invest largely in one Driver. If the business increases prospects by 50%, one gets a 50% increase in profits. If a business owner increases (drives) each of the five by 10% each, one gets a 61% increase in profits. Over five years, this results in a 968% increase over current profits. The math is simple and results from the power of the multiplier effect. It is easier to make minor improvements in five areas than to make major changes in one area.

On the first worksheet below are fifteen statements about your ability over the next twelve months to generate profits.

Rate each statement in two separate categories.

First rate each statement on its importance for reaching your goals in the next year on a scale from 1 to 3 with 1 representing highest importance and 3 representing the lowest importance. If you rate everything with the highest importance, then you are stating that nothing is important. You can only have five “1s”, five “2s” and five “3s.”

Then, assess each statement on your current ability to implement on a scale from 1 to 3 with 1 representing nonexistent or ineffective implementation and 3 representing a complete, effective implementation. You might want to say you are doing everything poorly, but we need to find what you are doing less and more poorly. If you focus on everything you will focus on nothing. Again, you can only have five “1s”, five “2s” and five “3s.”

The multiplication product of these two numbers yields a rating. The lower the number means the higher priorities to reach your goal. It shows what is the most important that you are not implementing well.

After you have done the multiplication, circle the five lowest numbers.
Having strategies that increase profits is only half of the picture. Business owners cannot implement strategies effectively and are on the verge of complete burnout and frustration for any of the following reasons:

1. The owner does not have systems in place that describe how work is to be done.
2. There is no structure for the right people doing the right job.
3. They lack skilled staff to do their jobs properly.
4. They lack funding and measurement systems.
5. They face Organizational Culture issues.

Business owners need to properly manage priorities by aligning five elements or they will not realize the intended dream. The concept is called

“Align 5” to Work Less

Element #1: Systems – policies & procedures
Element #2: Structure – organizing staff
Element #3: Skills – capabilities of staff
Element #4: Budgeting and Testing/Measuring
Element #5: Culture – company norms, values, beliefs

All five elements must be present and aligned with each. The elements being aligned can be explained by using the analogy of a car; a car always gets out of alignment. You constantly need to fix the alignment or else the tires wear, which can lead to running off the road and crashing. An organization works very similarly to a car.
The elements in every organization will get out of alignment. You may have a great strategy, but if you don’t have someone assigned to do the job, it will never get done. Many times the strategy and systems are not aligned. Reasons may include a strategy but no written policies and procedures to follow. Perhaps customers are not being treated correctly because your staff does not have the same knowledge of the benefits of your product/service as you.

Successful CEOs identify when the elements are out of alignment and quickly put everything back into alignment. If not done appropriately or within a certain amount of time, your organization will crash.

**Element #1: Systems**

Precise processes (policies & procedures) required to fulfill the strategies of the “5 Drivers.” Systems also include the necessary checks and balances to insure that the policies and procedures are being followed.

Effective systems can save you and your team both time and money. The basic rule for systemizing is “Systemize the routine, humanize the exception.”

Always look at putting a system in place rather than employing more people. A system means that things are done consistently, regardless of the team member.

Areas to look at for systemizing include:

- Daily office operation
- Product development
- Manufacturing and inventory
- Order processing and tracking
- Invoicing and Accounts Receivable
- Customer Service

There are four basic steps to systemization.

1. Flowchart your processes.
2. Document how it gets done.
3. Measure using Key Performance Indicators (KPI).
4. Allow the system to change/grow.

When figuring out where to start systemizing, ask yourself:

1. “What are you doing on a regular basis that a lower paid team member could be doing if it were systemized?” Systemize it, hand it over to the lower paid team member and spend your time on higher level activities.
2. “Is there anything you hate doing which could be done by a lower paid person if it were systemized?” Systemize it and hand it over.

**Element #2: Structure**

Structure is the glue that connects all the elements together. It defines the individuals assigned to carry out the processes; how people are teamed and how their work is organized. Is work going
to be completed by the owner/employees or outsourced to a contractor? Are consultants going to be used to assist?

You should have an organization chart showing who reports to whom and job descriptions detailing duties and Key Performance Indicators (KPI’s) for each position. The philosophy is that no one is irreplaceable with the goal of being able to replace anyone within a non-critical time period. This could be accomplished by cross-training so there is redundancy, having process and procedures that are well thought out and continually tested and providing employee incentives. There should be training manuals for each job. Employees should be empowered and should know the limits of their power.

If you didn’t turn up to work ever again, what areas of the business would be impacted? What Key Performance Indicators reports does your staff submit? How often? Is there a member of your staff that you could not afford to lose? Who and why? Who is the highest paid, working the least amount of hours? (Hint: It should be YOU!)

Element #3: Skills

Skills are the capabilities of the groups of people in the organization, both internal and external. The people you choose to surround yourself with will make the greatest contribution to your successes or failure. Ask Yourself:

- “Would I enjoy sitting next to this person on a transatlantic flight?” Chances are if you are calling the flight attendant an hour into the flight for a seat change, they’re not a good candidate. Remember, you are going to spend lots of time together.
- “Would I care if they worked for my closest competition?” If you start to sweat at the thought of having to sell against them, snap them up right away!
- If you were on a romantic dinner date would you want them to be your server? Do they have an attitude toward service that can match the importance of any occasion? To serve graciously in such a way that it enhances the experience of others without having to be the center of attention is one of the most crucial indicators of a great team member.

Element #4: Budgeting and Testing/Measuring

Budget an itemized allotment of funds for a given time period. You should have a personal as well as a business budget. Both should be updated on an annual basis as well as when there are major changes in your business environment. At least once a year you should have a business retreat with your senior advisors where you review last year’s budget and develop next year’s.

Testing is the process of determining how well your systems and processes are working. Measuring is the product or result of testing. In other words, when you test something, you want to measure what happens during the test.

The items you will want to test and measure are your Key Performance Indicators, (KPI). KPI are different for each business. It is up to you as the business owner to decide what your KPI are and how often you should measure them. Examples of KPI are your “5 Drivers,” marketing strategies, customer complaints, and employee turnover. With each KPI there should be a value
that signifies a red flag (trouble), yellow flag (watch list) or green flag (system is ok). This will alert you to where you need to spend time in your business.

**Element #5: Culture**

Culture represents the norms, values, and beliefs that shape the organization.

Your company’s culture is a cumulation of everyone’s personal norms, values, and beliefs. When you started the business, and you were the only person in the company, your personal norms, values and beliefs became the company’s culture. As you added employees and contractors, the culture changed as it became a blending of everyone’s culture. The more you hired people that are like you, the more it stayed the same.

Based on my experience, a person’s goals, or lack of them, say a lot about their norms, values, and beliefs.

As successful entrepreneur J.C. Penny said, “Give me a stock clerk with a goal and I’ll give you a man who will make history. Give me a man with no goals and I’ll give you a stock clerk.”

Successful CEOs are goal setters. If you truly want to create a profitable business that works without you, then you must begin by setting goals. Your goals are the guiding light of your company, something that inspires. As the old saying goes,

“**A Fish Rots From the Head Down**”

Assess your alignment of these elements on the second Worksheet. Remember, if you are out of alignment, you will eventually crash. It is wasting your time now.

As you did in the first Worksheet, rate each statement first on its importance for reaching your goals in the next year on a scale from 1 to 3 with 1 representing highest importance and 3 representing the lowest importance. Secondly, rate each statement on your current ability to implement on a scale from 1 to 3 with 1 representing nonexistent or ineffective implementation and 3 representing a complete, effective implementation. Remember you can only have five “1s”, five “2s” and five “3s” for importance and the same number of each for implementation.

Multiply these two numbers to obtain your priority. Circle the five lowest numbers to identify the most important that you are not implementing well.
Remember the reason is to turn your business upside down and shake it around to find your five transformational priorities.

Only a few questions were selected on the Worksheets from thousands of possible questions to get you thinking. Leadership author and corporate trainer John Clemens describes this as “Stirring Up Your Organizational Soup.” You might get hot soup spilled on you since this process is not fun and may burn a little. But to get the root cause issues to the surface this is critical.

Think and list on the final worksheet, ten areas that you believe that are within your control and would have the greatest impact on your twelve month goals of more time and money. Then take the ten down to five.

**What are the five areas that you can influence (control) weekly and are predictable to reaching your goals?**

What you are identifying are the small things you and your employees can do regularly that will make the greatest movement towards your goals? The belief that small changes lead to big results is called the “Trim Tab” principle popularized in FranklinCovey training. For a preview, watch

**You Tube: [FranklinCovey Trim Tab]**
Assessment Rating– Drive 5 to Earn More

Assess your ability to Drive 5 on worksheet. Rate each statement first on its importance for reaching your goals in the next year on a scale from 1 to 3 with 1 representing highest importance and 3 representing the lowest importance. Secondly, rate each statement on your current ability to implement on a scale from 1 to 3 with 1 representing nonexistent or ineffective implementation and 3 representing a complete, effective implementation. You can only have five “1s”, five “2s” and five “3s” for importance and the same number of each for implementation.

Multiply these two numbers to obtain your priority. Circle the five lowest numbers to identify the most important that you are not implementing well.

<table>
<thead>
<tr>
<th></th>
<th>Importance</th>
<th>Execution</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Define ideal prospects and the number of prospects needed per month</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>2</td>
<td>Marketing plan including 10 lead generation strategies</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>3</td>
<td>Test and measure strategy to evaluate lead generation strategies</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>4</td>
<td>Define Unique Selling Proposition and guarantee statement</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>5</td>
<td>Test and measure strategy to evaluate sales conversion rates</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>6</td>
<td>A best practices sales strategy</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>7</td>
<td>Sales targets with evaluation and progress strategy</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>8</td>
<td>Sales training, including scripts, down-up and cross selling strategies</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>9</td>
<td>High margin product/sales strategy</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>10</td>
<td>Customer loyalty strategy and incentives to increase loyalty of current customer base</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>11</td>
<td>Customer buying habits and goals associated with buying behaviors</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>12</td>
<td>Customer relationship database and strategy to engage clients</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>13</td>
<td>Profit margin measurements and monitor it monthly</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>14</td>
<td>Evaluation of current expenses</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>15</td>
<td>Competitive marketplace evaluation</td>
<td>x</td>
<td>=</td>
</tr>
</tbody>
</table>
Assessment Rating—Align 5 to Work Less

Assess your ability to Align 5 on worksheet. Rate each statement first on its importance for reaching your goals in the next year on a scale from 1 to 3 with 1 representing highest importance and 3 representing the lowest importance. Secondly, rate each statement on your current ability to implement on a scale from 1 to 3 with 1 representing nonexistent or ineffective implementation and 3 representing a complete, effective implementation. You can only have five “1s”, five “2s” and five “3s” for importance and the same number of each for implementation.

Multiply these two numbers to obtain your priority. Circle the five lowest numbers to identify the most important that you are not implementing well.

<table>
<thead>
<tr>
<th></th>
<th>Importance</th>
<th>Execution</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Develop a process to train employees in their roles and responsibilities</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>2</td>
<td>Analysis of current system effectiveness</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>3</td>
<td>Identify processes in place and those that are needed</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>4</td>
<td>Develop key performance indicators for each team member and arrange for monthly reporting</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>5</td>
<td>Develop an org. chart showing each team members role &amp; responsibility</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>6</td>
<td>Develop strategic plan with employee input</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>7</td>
<td>Detailed job descriptions for each member of the team</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>8</td>
<td>Cross train employees so no one is indispensable</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>9</td>
<td>Evaluate job responsibilities and train other employees to handle them</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>10</td>
<td>Develop a financial reporting system</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>11</td>
<td>Develop a schedule to meet with key people (lawyer, accountant, senior employees)</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>12</td>
<td>Add KPI’s and place in reporting system</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>13</td>
<td>Create a set of personal and business goals that reflect the business culture</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>14</td>
<td>Create a vision, mission, and culture statement</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>15</td>
<td>Develop a timeframe and plan to transfer out of the business</td>
<td>x</td>
<td>=</td>
</tr>
</tbody>
</table>
Top 5 Transformational Priorities – Your “Trim Tabs”

Think in complete solitude. List ten areas that you believe that are within your control and would have the greatest impact on your twelve month goals of more time and money.

1. _____________________________________________
2. _____________________________________________
3. _____________________________________________
4. _____________________________________________
5. _____________________________________________
6. _____________________________________________
7. _____________________________________________
8. _____________________________________________
9. _____________________________________________
10. _____________________________________________

Take the ten down to five. What are the five areas that you can influence (control) weekly and are predictable to reaching your goals?

1. _____________________________________________
2. _____________________________________________
3. _____________________________________________
4. _____________________________________________
5. _____________________________________________