

Your Blueprint for Business Success

Most businesspeople intuitively know that the key to a profitable business is having a business plan—a blueprint for success. However, many companies operate without one, focusing instead on the issues of the moment without committing to a long-term strategy.

A business plan does not need to be complex, but it does require several elements to be effective, including:

1. Executive Summary;
2. Description of the business;
3. Marketing Plan;
4. Financial Management Plan; and
5. Management Plan.

Appendices to the business plan should include supporting research, documents and financial projections.

Writing your business plan down

To help develop your business plan, sit down and write answers to the following:

What is a reasonable expectation of profitability and in what time frame?

How will the business pay you and any team members?

What are the estimated expenses?

What is the pricing strategy?

What is the demand for what you are offering and what profit margin can you expect?

Keep in mind your business

values and mission and make sure your business plan reflects these.

Your business plan should serve to:

- Help you determine and coordinate all aspects of business operations.
- Give you a means to analyze and determine how best to improve your business.
- Assist you to determine the risks and benefits associated with any changes.
- Decrease your chances of making a mistake or not considering important factors in your business.
- Increase your chance of success.

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Could your customer loyalty program do with a check-up?

While you may think you have loyal customers, you can't risk becoming lazy or complacent about them. How long since you last considered why customers should continue to do business with you?

Use this handy checklist to make sure your loyalty program is relevant and successful:

- All employees know and understand the meaning and importance of customer loyalty
- Customer loyalty goals have been built into all employee KPIs and tied to performance bonuses/rewards.
- You have implemented a way to evaluate and review loyalty rates regularly
- You reinforce the company's commitment to loyalty by regularly posting the rates for everyone to see
- Your team is involved in the deployment and maintenance of the loyalty program
- You have an range of marketing, selling and customer-care tools aimed at cultivating loyalty at each customer stage
- You have identified the five biggest loyalty breakers in your company and have developed plans for eliminating them
- You continually monitor your loyalty program and actively seek ways to modify and fine-tune it.

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Business planning – seven golden rules

Michael Gerber, chairman and creator of the E-Myth (www.e-myth.com) advocates when writing a business plan, “the longer the better”. Each year he recommends you “re-write your plan so as to refresh your memory about what you have done with your life and what you are intending to do with it.”

Michael Gerber’s seven golden rules for the *Business Plan That Always Works*:

- It should be heart centered, that is dominated by your feelings, not by your

thoughts.

- It must be your plan and no-one else’s. It must begin and end with you.
- To discover your plan – to know what your heart wants – you must stop thinking about it.
- Highlight your inner motivation, not just a series of benchmarks or objectives.
- Stick to continuous frames of reference to achieve within a certain amount of time.

- It must reflect the life you live, not the life you want to live because you can’t plan to be someone you are not.
- Follow your heart, not your head. The most productive business planning involves not thinking about ends, but experiencing the means. This will help differentiate you from your competitors in the hearts of your customers/clients.

“Desire is the starting point of all achievement, not a hope, not a wish, but a keen pulsating desire which transcends everything.” –Napoleon Hill

Using your website to acquire new customers

Have you ever worked out how much it costs to acquire each new customer via your website? If not then you’re not alone... according to the Macquarie Graduate School of Management, approximately only 35% of companies know their customer acquisition cost.

Use this simple formula you can use to estimate what it costs you to acquire a customer via your website.

(Website Development Costs / Expected Life of website) + Monthly Promotion Costs + Monthly Maintenance Costs) / New customers

1. Website Development Costs: total cost to develop and implement your website (including any subsequent modifications).
2. Expected Life of website: how

long (in months) do you think that this website will be useful to your company before it requires a major overhaul?

3. Monthly Promotion Costs: how much do you spend each month on promotional activities which include your web address?

4. Monthly Maintenance Costs: how much do you spend each month on running and maintaining the website? Include staffing costs for maintaining the website and handling web enquiries, as well as hosting costs, and ISP fees.

5. New customers: number of new customers per month who have purchased at your website or who have purchased via another method after having visited your website.

When you have an estimate of

what it costs you to acquire a customer via your website, you’ll then be able to work on:

- Reducing your overall marketing costs by improving your conversion rate.
- Increasing customer value by analyzing the lifetime value of your customers.
- Pursuing low-cost alternatives for low-value customers.
- Identify where you are losing sales leads and put in place methods to plug the leaks.



Branded: is your corporate brand hurting or helping your business?

Every business, every product has a 'brand personality' do you know what yours is saying about you? Every time your customers, or potential customers interact with your business – whether via the web, over the phone, in a meeting or via an ad or piece of marketing material – they are picking up subtle cues about the way you and your business operate.

If the impression you are giving is not consistent with your product or service you are putting your business at risk. Potential customers must first like you, trust you and believe that you and/or your products will deliver what they need before they will do business with you.

If you are selling a cutting edge consumer product, your image needs to be fun, quirky and contemporary; if you are a partner in a high-end law firm, your clients expect you to be well groomed and tastefully attired, however as a tradesman if you turned up to the job in an Armani suit you'd get a very odd response.

3 tips for doing a quick pulse check of your brand

- Establish trust and create a professional environment regardless of whether you are a small, medium or large business. Phone greetings should be friendly, professional and above all consistent. The same message delivered

the same way, every time by whoever answers the phone.

- Generate an expectation of service and value by making sure your website is easy to use, provides adequate (and relevant) product information and reinforces your corporate "look", through fonts, images, colors and the way information is written.
- Make sure staff are properly attired for your industry. This is particularly important if they are client facing.

"They who dream by day are cognisant of many things which escape those who dream only by night". –Edgar Allan Poe

Keeping it in the family

Family businesses are the largest business sector in the economy today. They make up 80% of Australian business, 90% of US business, and account for more than 60% of businesses in the UK, Finland, Spain, Germany, The Netherlands, Finland, France, Portugal and Sweden.

There are distinct risks however that this sector will decline markedly over the next 10-15 years as baby boomers begin to retire and younger family members are unwilling or unable to take over.

For those family businesses built up over many years (and in some cases through many generations) the lack of succession planning by aging proprietors may well be their undoing.

In both the US and Australia, only 30% of family businesses are passed on to the second generation, and global trends show that 95% of family businesses do not survive the third generation of ownership – and often for lack of preparation of the subsequent generations.

Succession planning: the basics

- Prepare an operations manual documenting in detail, each process involved in running the business.
- Have clear legal guidelines in place. These will establish ownership and define the legal roles and responsibilities of all partners and potential successors.
- Look ahead and plan how you can incorporate the skills and enthusiasm of the next generation in your business.



How to get focused... and stay focused

There are times in any business owner's week when it feels like the walls are closing in. There are too many things to be done and just not enough time to do them. Chances are you've even forgotten why you started this business in the first place.

When this happens (and it happens to all of us at some time) it's essential to re-align your focus.

Dig out your mission and take a look at it. Are you staying true to it? Have you compromised your values and original goals because other things came along that seemed more urgent. Ask yourself "am I working on the urgent things or the important things?" There is a difference.

Tips for re-capturing your focus:

- At the end of each day make a list of things you must get done the following day. This will help you focus on the important things and not just the urgent ones.

- First thing the next morning, review your list and prioritize it. Don't be tempted to put the hard things at the end of the list because you'll never get to them and they'll end up on the next day's list (and the next day, and the next day).
- Set yourself targets and

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work on achieving them – e.g. I will achieve items 1-3 on my list before lunchtime, or I will work solidly for 2 hours on that report before having a break.

- Tackle the hard things first and then reward yourself when you've completed them. This will not only give you a sense of achievement, it will also mean that

as the day wears on and your attention fades you will be left with the easier tasks to complete.

- Set aside specific times to check your email. Turn it off in between these times...there is nothing more distracting (and time absorbing) than an email alert that pops up and breaks your focus.
- The same goes for the phone (mobile and landline)...see above for distraction potential.
- If you absolutely must remain available then re-direct your email and phone to a staff member or to voicemail. As long as you return important calls within a reasonable time frame your customers will understand.



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About our consulting services

We're not your average advisory firm. Far from it.

Our membership in the Principa Alliance means you have access to the collective knowledge and expertise of an international network made up of hundreds of professionals who specialize in consulting to small and medium-sized businesses, just like yours.

When you add to that our experience, support and guidance, you can be confident you'll have all the help you need to make your business truly extraordinary.

We can and will do so much more for you than just 'keep the score'.

Our goal is to help you build a

stronger, more profitable business, so you can enjoy greater financial freedom and a higher quality of life as a result.

Contact us today to discuss how we can help you build a business that delivers on its promise—to you, your team, and your customers.

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