



This article first appeared in the July issue of *My Business*
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RETAILING TONY GATTARI

Make your retail business boom

WHEN I START working with new clients, they usually have a fair idea of where they want their business to be over the next few years. However there is often a lack of clarity as to how each component drives the business. There are five key components that need to be combined if you really want your business to boom and for your business to give you what you want.

1. Key objectives

That is, what your business must achieve at the end of two to three years so it grows and prospers and provides you the business owner(s) with the lifestyle of your choice. If you do not have this clearly defined, then your business might simply have you doing what it wants – and your business can make a very cruel master with a demand on more hours, more time away from you family and more personal cash injections.

Your key objectives should be exciting, specific, and once achieved should give you a feeling of extreme accomplishment.

2. Killer mission

The ongoing achievement of your mission will propel you toward the attainment of your key objectives. Most mission statements are ‘feel happy’ useless statements that achieve nothing for your business – let your mission statement be a map toward your goals (key objectives).

Your mission is a strong statement of how you are going to reach your goal, by when, and by what methods you are going to achieve this. Remember where the word mission comes from – the armed forces, such as – “we will take that hill by 0900 hours using extreme and deadly force so command can use that route for the supply of our troop in x region”.

Management uses your mission to assess your businesses performance with

regard to marketing, sales, operation, human resources and finance. If each area is focused on performance in line with your mission, then your business will achieve its key objectives.

3. A-class clients propel your business to new heights

Most owners expand their business without taking into account how their client base will affect their business and its ability to achieve their key objectives.

Clients can destroy your business if they are the wrong type. Imagine for a moment that you expand your business and you bring on more clients who are hard to deal with, always complain about what you do, expect the lowest price for the best service, and are always pestering you with no real benefit. All of that adds up to them being a D-class client. Imagine doubling your business and all of them are D-class clients – let’s face it, you would never want to show up at your business.

A-class clients are the answer. Your A-class clients will support you and your business in achieving your key objectives if you know who they are and how to find them.

4. Purpose gives you heart

A major reason behind employees not working the best they can or not working toward the achievement of the owner’s key objectives is because they don’t feel any heart in the business. The purpose of the business is either sterile, does not exist or does not inspire any emotion. As such the employee can only work for money and treat you like all the other businesses they have worked for – and let’s face it; some of the businesses out there are not good.

5. Your powerful exit from your business

Your exit from your business needs to be defined now in order for you to get the most

from your business and to add to your life. Every exit strategy has a different requirement from how your business needs to be designed.

- **Sell the business** – If you are going to sell your business then you will need to make sure that your business shows a healthy profit, has clients (A, B, C, or D class does not matter) and can be operated by the new owner and provides an opportunity for growth.

- **Sell the business to family** – This requires more thought and requires that you systemise the business to a higher degree as the normal status of ‘sell to family’ requires an ongoing payment back to you, so you will need to be sure they will be open every year and can pay and are happy.

- **Management** – This is where you get a manager in to run the business. The business will need to be highly systemised, reporting back to you, and the direction and ongoing mission of the business clear.

- **Merge with another business** – The merger will be for either strategic benefits or to create a larger and stronger business. Systemisation may not be an issue if the other firm is strong in this area, however that will depend on who has the clients and who has the systems and what the benefit is from the merger. ●

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