



THE PILLARS OF BUSINESS SUCCESS

You should not even think about expanding your business until all the fundamental aspects are working properly. There are four main pillars that need to be in place before your business can be expanded.

The first is only a mindset. What does that mean? The business owner has to be accountable and has to take ownership. He also has to be responsible. Many business owners go into denial, blame and excuses. Whatever you tend to focus on, that is what you are going to get more of. If you tend to focus on problems, which is what denial, blame and excuses does, you tend to get more problems. We challenge owners to change their attitude - and that change will alter the circumstances and destiny of the business. This is the most important quality in a successful business - the mindset of the business owner.

The second pillar is cash flow. It is not just a question of bringing it in, but also a question of how to stop if from escaping. Many SMEs want to build their business very rapidly. In order to build a business, you need to have a foundation, which is called cash flow. It is important that a business owner has a comprehensive understanding of what makes up cash flow and ways to improve it. You cannot grow a business without cash. Unfortunately, many business owners, when they do not have a lot of cash, they go into anxiety, worry and fear. It is very difficult to run a business when you are only sleeping two hours a night out of worry. First, reduce your worry by stopping the cash flow leaks and then work to build up your engine, which just happens to be the next pillar.

The third pillar is in understanding the importance of systemising your business. Treat our business like a car - once you've stopped the cash flow leaks, you then need to build up the engine. In most SMEs, the owner is the business. Let's say your business is running at 200km/hour on a four-cylinder engine. If you accelerate it any more, you will blow out the engine, which just happens to be you, the owner.

You have to replace yourself by building systems. Then the systems become the business. It is difficult to get great people, so what you need to do is to create great systems that make average people look great. You need to

systemise every part of your business in such a way that it should effectively run without you as a turnkey suggestion. Now, I am not suggesting that you franchise your business. Just consider the philosophy of franchising to build a business that is highly leveraged, highly scalable and also gives the owner an exit strategy when he or she chooses to sell or to pass on the business.

Now, do not think about expanding until you have these fundamental systems in place. You can expand your sales and marketing - but what will happen if you are already working 80 hours a week? All you have done is now forced yourself to work 120 hours a week, whereas creating systems gives your business leverage. A system will be like dropping in an eight-cylinder engine into your little car. Now you can accelerate.

As you expand your business engine, you will also experience revenue growth. This is the fourth pillar. Once you have a larger engine, then you have capacity. The greatest and most fun way to grow your business is through revenue growth generation. You can rip out costs, but only to a certain degree, then the business and its foundation will become very shaky. In revenue growth strategies, you have to look at your business from five variables and ask: How can I generate more inquiries or leads? How can I increase the average dollar sale? How can I increase the conversion rates that I am receiving at the moment? How can I increase the frequency of transaction? How can I increase the margin?

Here is the key: Before you improve something, you have to know where you are at. You have to test and measure what those variables are and then you have to introduce strategies. Once you have introduced strategies, then you have to see what results those strategies have delivered. Eliminate anything that is not working and then systemise anything that is working as part of your sales and marketing system.

So, before you accelerate your business too hard and too fast, concentrate on building and fortifying the pillars of your business. Create a positive mindset, stop the cash flow leaks, systemise your business and build revenue growth and then you will be able to accelerate your business into the fast lane. **mb**

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