
Business Strategies for the 21st Century

Build Loyal Employees

Employees must be made (allowed) to understand what their contribution is to the profits of a company. Owners/managers must create a culture in which every employee knows each month how well (or poorly) the company is doing in meeting its profit, sales, and growth forecasts.

Every employee must be held accountable for their role in the company's profitability. They must be rewarded or "punished" depending on the performance of the company and their own goal attainment.

Employees must be made aware that, in most cases, payroll and personnel efficiency are the largest variables in a company's profit attainment!

Great companies build great workers and promote from within whenever possible. This is possible because employees are trained, aware, and dedicated when managed as the assets they are.

Cut Costs

Identify all the areas of cost within the company. Prepare an operating budget that "trims the fat" and stick to it! Attention to the "pennies" of a business will add up to dollars very quickly.

Empower employees to help identify ways to cut costs without hindering productivity, efficiency or **profitability!**

Install an employee suggestion box. Its easy to forget that workers know more about cutting costs without hurting quality then anyone else.

Expand, but do so prudently and profitably.

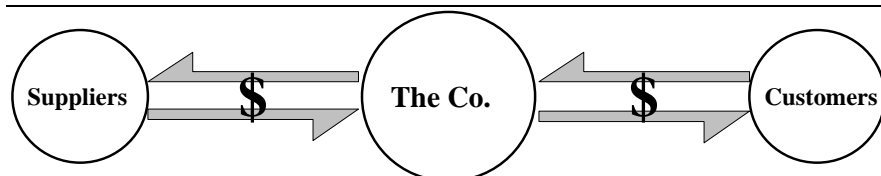
Bottom up planning is the key in expansion of any kind.

The goals of the company must be firmly established and documented with the "dollars and cents" of any expansion mapped out. Contingency plans must be formulated and no "flying by the seat of the pants" can be allowed.

Before any expansion of any kind is carried out competition must be analyzed and the return on investment must be charted.

Build ongoing, productive relationships between both vendors and customers.

Treat both vendors and customers with honesty and respect.
Without both, there is no business!



Keep margins and markups as low as possible.

Don't become a slave to "cost accounting", no matter how important it is!

Realize that cost accounting does not recognize that incremental gross margins from additional sales *usually* exceed the incremental expense of handling the sales.

Through the use of accurate Break-even analysis companies that consistently penetrate and capture markets concentrate on the amount of gross margin dollars that can be generated ... not the percentage gross margin alone!

Always equate quality and price.

This speaks to the integrity of the owners/managers.

Costs can always be cut from operations but if the company wants to keep it's customers, it can't cut corners on quality.

Use the company's *management process* to guide and control the company.

Management is an art as much as it is science.

A great manager, like a great artist, to truly work his magic, must have all the tools to do his "job" at his fingertips.

The majority of today's owner/managers do not make use of all their strategic assets using a Management Process, to control operations and drive accountability. Those who do, have an edge that is hard to beat. They can truly be entrepreneurs (again) and build the business as it should be profitably and aggressively.

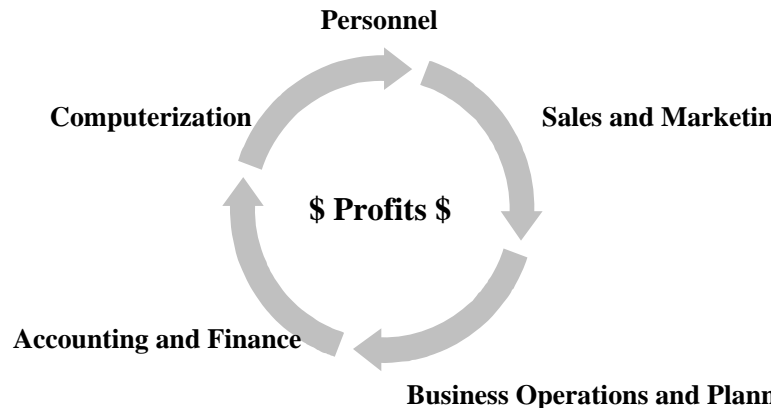


The Management Process

In most small to medium sized businesses, the **owners** spend **100% of their time** deeply immersed in the **daily struggle to maintain and operate a profitable enterprise**.

They have little or **no time to devote to the management process that will insure** not only **profitable long-term growth** but also the **more basic goal of business continuation**.

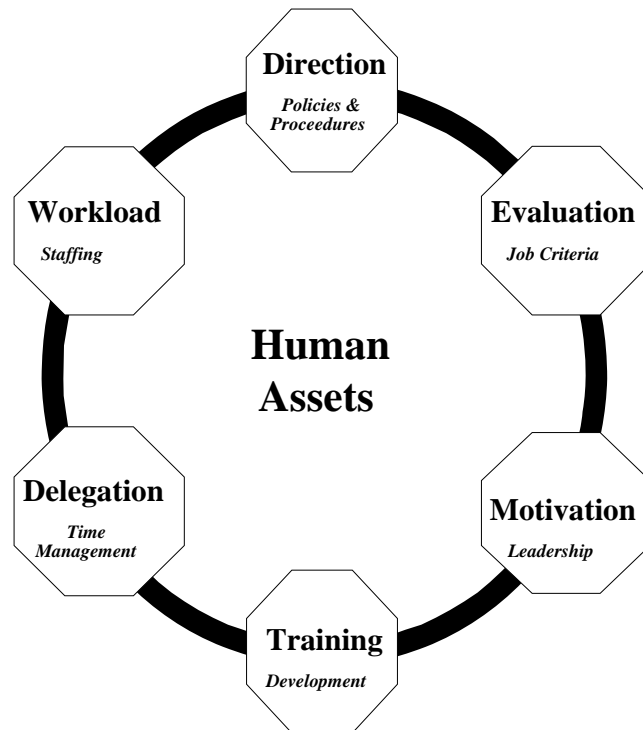
In its simplest form, the **management process must focus on controlling and developing the following business components**:



It is necessary for each of these components to support each other to help assure that the company will be managed and directed to maximize its competitive advantage.

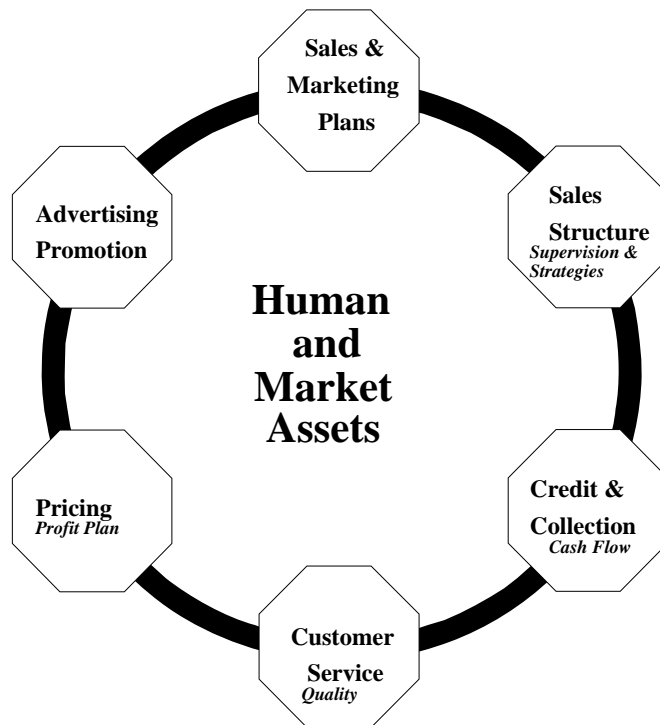
Personnel

This area deals with the practices involved in the managing of the company's **most important resource, it's human resource**. This is often referred to as personnel management. It deals with the functional areas of recruitment, selection, retention, development, assessment, motivation, and adjustment of personnel.



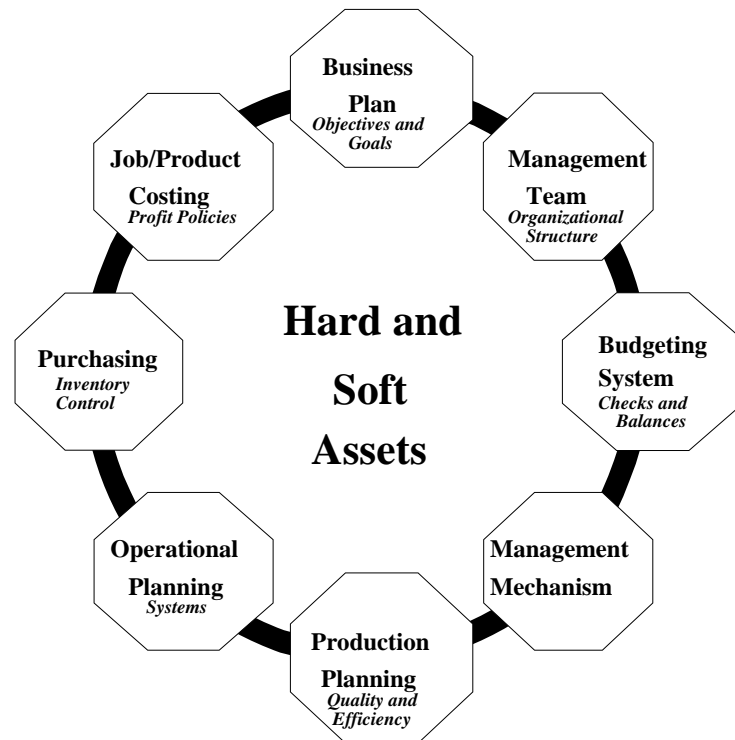
Sales and Marketing

This area deals with the **development and pursuit of profitable business** through **professional sales and marketing strategies** and the policies and procedures to support them. **Strategic and tactical plans** are needed not only to **capture new customers but also to insure that each sale results in the required profit and cash in the bank**. The company must be able to **identify and sell top prospects**; control the order process; **satisfy and service customers**; document the sales order properly; recap and **evaluate the selling activity**; control receivables; and expand to other market opportunities.



Business Operations and Planning

The control of business operations within the company is essential to generating the needed profit (and cash flow) as well as meeting long-term business expectations. **Key operating issues must be identified, planned for, and realized.** A critical area that will be intricate in each program is the system designed to monitor, measure, and assign accountabilities for each operational area. **Benchmarks** must be established and client company's future growth plotted and planned for.



Accounting & Finance

This area deals with the mechanism (system) that supplies the owners with the **financial information needed to manage the company in the short and long term**. The areas covered and systematized are designed to give the owners accurate, **timely, and simplified management tools to aid in their decision making process**.

It must be noted that this area **also deals with survival**. **Most small businesses do not go under because they are not profitable but rather because they lack capital and have poor cash management**. These areas are of prime focus in Accounting programs.

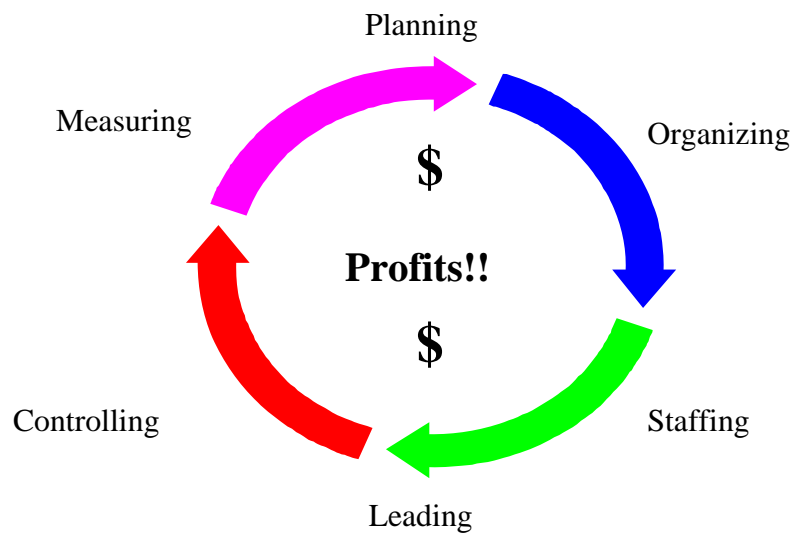


Computerization

This area deals with the use of the computer as a **powerful tool** to establish and/or intensify The Company's **competitive advantage**. While the computer is a "tool" rather than a discipline as the previous four sections are, it is such an important, time saving tool that its proper and strategic use in modern business is critical to maximize information access and profitable decision making.



The Management Mechanism



What's in it for me?



Your **company** will be placed in a position to **achieve its potential**.

The quality of **business decisions** will be **improved**.

Stress will be **reduced**.

Guesswork regarding profitability and cash flow will be eliminated.

Bank and vendor **relationships** will be **improved**.

An improved system of **checks and balances** will be put in place.

Early identification of problems to allow for proactive management will be established.

Crises will be **reduced**.

Your workload will be **reduced**.

Your time will be **freed up** for both personal and business priorities.

You will begin to function from a position of choice.

..... to name a few!

Is all this theory?



No! There are over **200 keys areas** in every company that **control** the management of **all the functional and operational areas of the company.**

No! These areas must be managed using the **pragmatic, accepted management methods used in prosperous small to medium sized business** operating today.

No! The **Management Process** is the mechanism by which **management (ownership) is guided and challenged** to make changes and set the policies that will **improve sales, profits, and organizational effectiveness.**