

More Money, Less Work, More Fun!

7 principles for smart growth in today's business environment

Many of you will work hard to set goals and devise business plans to achieve growth... in sales, in profits, in business valuations. At the same time you probably feel a little "befuddled" about what to expect given the current state of the economy and business environment.

The following list of "tried and true" principles for growing your business came from my 20 years of experience working with hundreds of small and mid-sized companies throughout the United States. They work during an economic upturn or downturn. Whether it was the Mid-western recession of the mid-80's, the early 90's California recession, the late 90's boom or today, time has proven these seven growth principles. Keep them in mind as you plan today and in the future.

1. Grow from the inside out.

To profitably grow your sales, build off the foundation already proven successful in your company. Build off of either your customer base or your product and service portfolio. Prioritize opportunities according to this list:

- The easiest way to grow your sales and profit is to sell more of your existing product to your existing clients.
- The second easiest way is to sell new products to existing clients.
- The third priority should be to find new clients for your existing products.
- Don't create new products for customers you don't have yet.

Another way of looking at this is that it is easier and less expensive to find new products for existing customers than it is to find new customers.

2. Build a "brand promise" and live it daily.

Once you have been in business for two to three years, your customer base is large enough that, through a focus group or interviews, you can uncover why they "really" buy from you. That's brand promise. Once you know and understand that promise, integrate it into every aspect of your business. Just think of United Airlines' brand promise to provide you with the "friendly skies." Did they live that promise daily? Would they be where they are today if they had?

3. Put people first.

On one of my new motivational calendars this saying appears: "Keep your employees happy and they will keep your customers." Another page says, "Companies don't succeed, people do." Whether times are good or not, the most

successful companies have found that people are the critical difference to long-term success in a competitive environment.

4. Values validate valuation.

Having worked at Enron in its early days of the 80's and now lived to see where it ended up, I have no better testimony as to the importance of defining company values and living them. In the end, they do validate your company's valuation.

5. Lead to create and maintain wealth.

Michael Gerber has a great quote, "Owners need to work ON their business not IN it." How much time do you spend every week working IN versus ON your business? Your job description and duties should be oriented so that the business operates without you. Those businesses have higher valuations.

6. Hire both leaders AND managers.

Leaders work on strategy, vision, mission, values and goals. They rely on managers to create systems, implement goals, deliver the brand promise. Every business needs both leaders and managers. The person who can be both a leader and manager is truly gifted.

7. Monitor, Monitor, Monitor...whatever you measure will improve.

I've never seen this fail. When clients are short on cash and they start measuring it, cash goes up. When businesses don't have enough sales to cover overhead and they monitor sales daily, sales go up. When employees overspend and management starts monitoring, expenses go down.

With these simple tenets, there's no reason for any year to be a mystery to you. If you haven't started setting goals and developing a plan for this year, start now. If you have, did you incorporate these guidelines?

The big payoff if you follow these guidelines is simple: make more money, work less hours, have more fun. So go for it!

Wishing you wealth, health and happiness for today and beyond

Pam Watson Korbel
CEO & Business Synergist
SmartGrowth, Inc.
303-790-9131
pam@smartgrowth.com

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14 Inverness Drive East Ste. B220, Englewood, CO 80112
303.790.9131 303.790.9356 www.smartgrowth.com
CEO & Head Coach: Pam Watson Korbel Editor: Bill Geller
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