

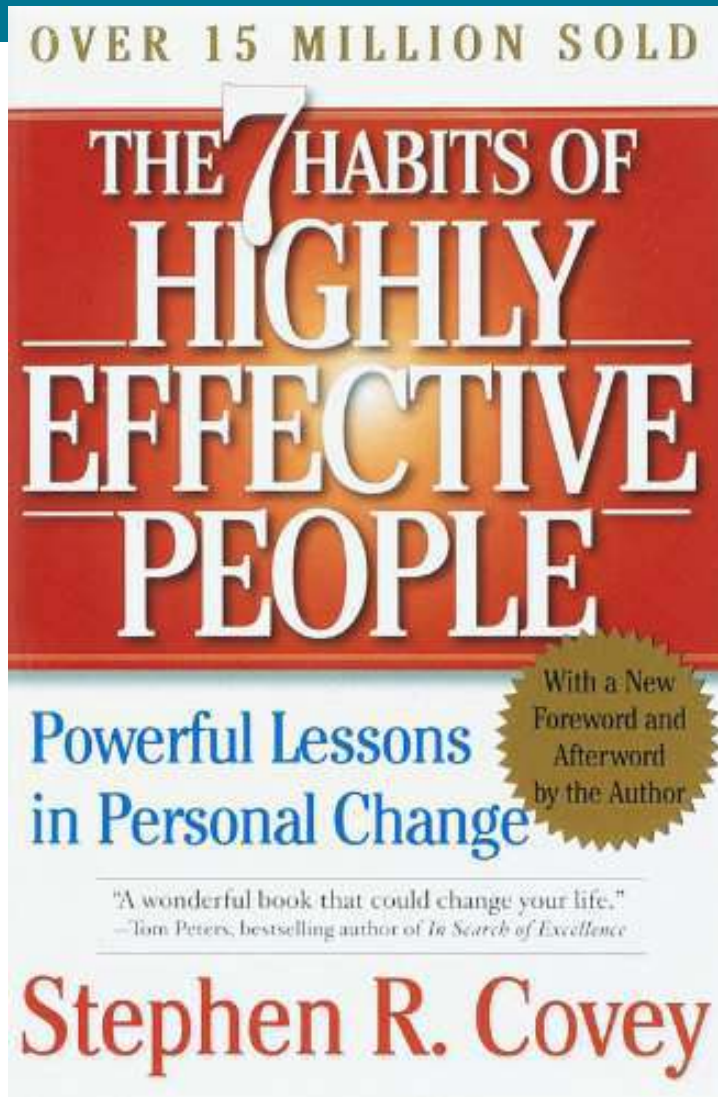
CRITICAL SUCCESS FACTORS FOR BUSINESS GROWTH

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Find more at www.PiedmontAve.com/Resources





“Management is doing things right; Leadership is doing the right things.”

Stephen R. Covey

My Approach

- Shift IDEAS to creates Results
- Firehose = Increased Anxiety
- Create PAIN NOW = Actions
- End with Simple Solutions

What is ONE thing you will DO after this workshop?

WHAT WE WILL COVER

- Review Common Business Issues
- Business Assessment Across 5 Key Sectors
- Key Performance Indicator (KPI) Audit
- Leveraging Technology
- Next Steps

BUSINESS GROWTH STATISTICS

- 50% of businesses only survive the first 4 or 5 years
- Poor management has been stated as the #1 reason for failing businesses
- Companies who revise their Key Performance Indicators (KPI's) by 10% are much more likely to reach their goals

4 THINGS EVERY BUSINESS OWNER NEEDS TO KNOW

- ❑ The profitability of the business depends on how well the employees consistently perform critical activities
- ❑ Employees perform best when they understand how their performance effects the bottom line, and how their performance is measured
- ❑ Small changes in critical areas can have a great impact on the bottom line
- ❑ What gets measured gets done, and what gets rewarded gets done again

ASSESSING YOUR BUSINESS ACROSS 5 KEY SECTORS

1. Marketing & Sales
2. Financial
3. Operations & Production
4. People
5. Innovation & Technology

Which Is Your Companies
Strongest Sector and why?

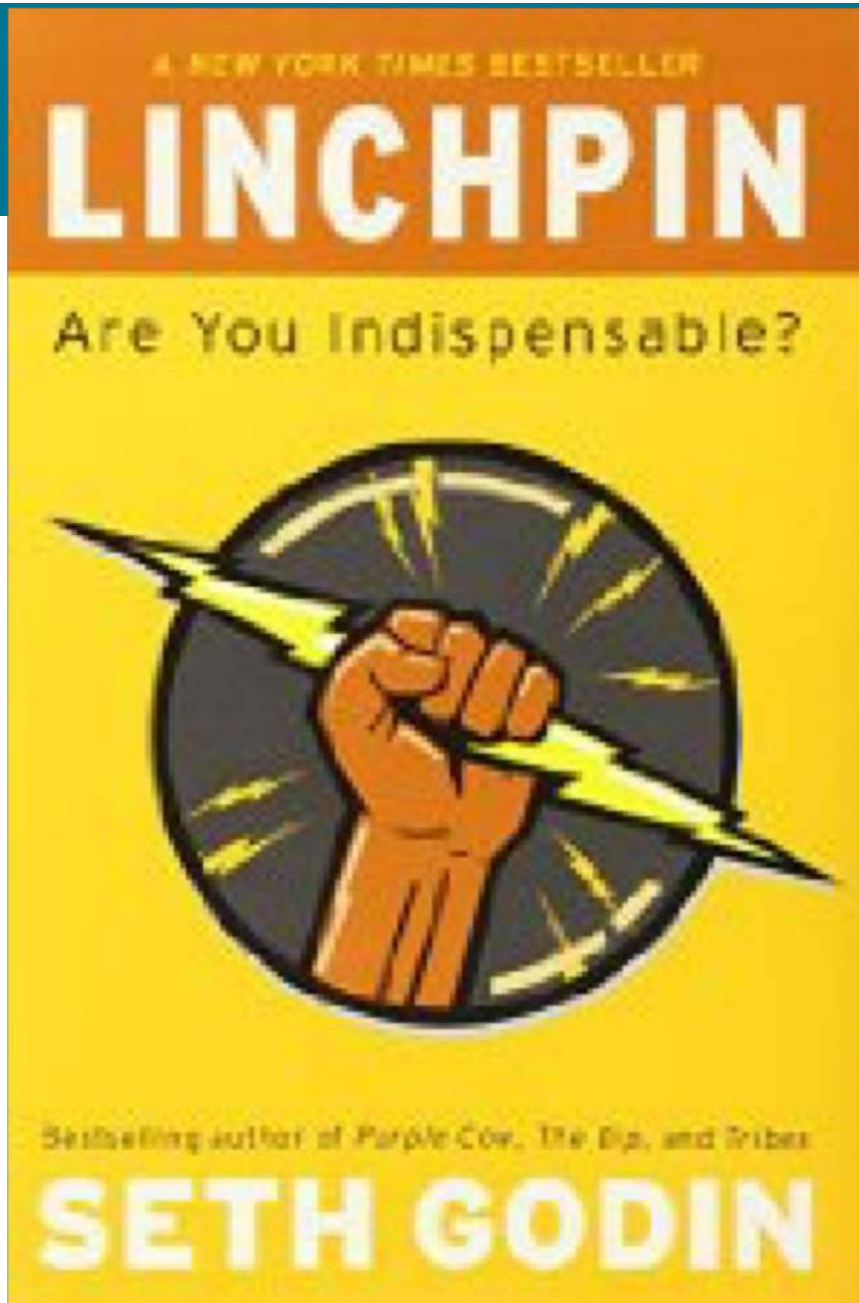


SECTOR I: MARKETING & SALES

- ❑ Market Share
- ❑ Brand Awareness
- ❑ Referrals
- ❑ Customer Loyalty
- ❑ Lifetime Value of a Customer



Cost of acquiring a new customer: 6 to 7 times more than keeping existing customer.



“The problem with competition is that it takes away the requirement to set your own path, to invent your own method, to find a new way.”

- Seth Godin

FORM AN ALLIANCE WITH A SIMILAR BUSINESS



- Can be a powerful way to expand quickly.
- Can generate positive PR & possibly another business name to associate yourself with.

SECTOR 2: FINANCIAL

"When I was 17 years old and just starting the business my mother said to me, 'Don't chase the money. It runs really fast. Do the right thing and it will follow you.'" After that I spent all my time perfecting the model."

*–Tariq Farid,
founder and CEO of Edible Arrangements*



FINANCIAL

- ☐ Revenue
- ☐ Profit Margin
- ☐ Gross Margin
- ☐ Cash flow
- ☐ Bad debts
- ☐ Depreciation



SECTOR 3: OPERATIONS & PRODUCTION

Cost Per Unit

- Number of Employees
 - Response Time
- Quality Data
 - » Timeliness
 - # of orders failed before delivery
 - # of orders not delivered on time



Working with Suppliers

Satisfaction with Suppliers

- Responsiveness
 - Costs compared to competition
 - On-time delivery
 - » Overall satisfaction
 - **Defects (#,%)**

Supplier Satisfaction

- Opportunity for profits while providing quality
 - Responsiveness
 - Payment

DIVERSIFY Products & Services

Examples of ways to diversify:

- ❑ Identify additional needs of the demographic that you're currently targeting
- ❑ Sell complementary products or services to your existing customers
- ❑ Expand into new geographies
- ❑ Design Reseller Programs
- ❑ Integrate others' products
- ❑ New revenue streams from multiple markets



Jeffrey Gitomer's
LITTLE BLACK BOOK
of CONNECTIONS



— 6.5 ASSETS —
for Networking Your Way to
RICH Relationships

“All things being equal, people want to do business with their friends. All things being not quite so equal, people **STILL** want to do business with their friends.”

- Jeffrey Gitomer

SECTOR 4: PEOPLE

MOTIVATING YOUR TEAM / EMPLOYEES

- Help inspire employees to identify what they are passionate about at work, then provide them with projects in their area of interest.
- Make sure everyone understands the key role they play in contributing to the success of the department; creating positive team energy.
- Empower your employees to succeed and provide them with opportunities to learn and grow.

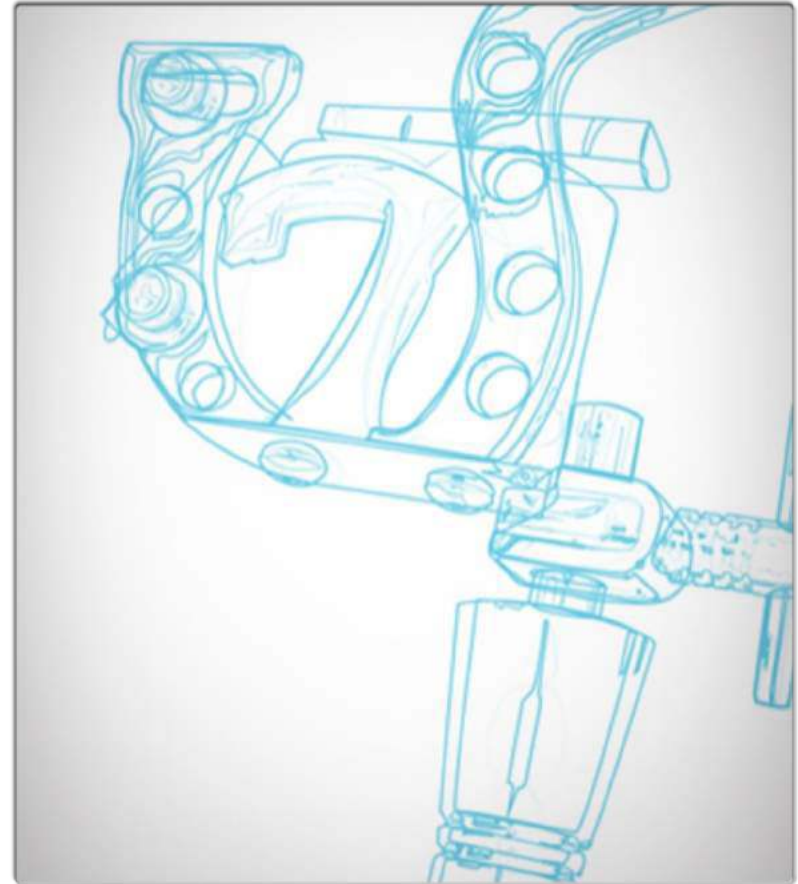


MOTIVATING YOURSELF

- ❑ Identify & remind yourself what you are passionate about at work
- ❑ Be open to growing & expanding your vision, but also a strong leader who knows how to focus on the key vision at all times
- ❑ Make time to take care of yourself

SECTOR 5: INNOVATION & TECHNOLOGY

- ❑ Online expansion to leverage a strong online presence and footprint
- ❑ Establish efficient ways to keep in contact & interact with new or existing clients
- ❑ Design content marketing strategy based on user behavior

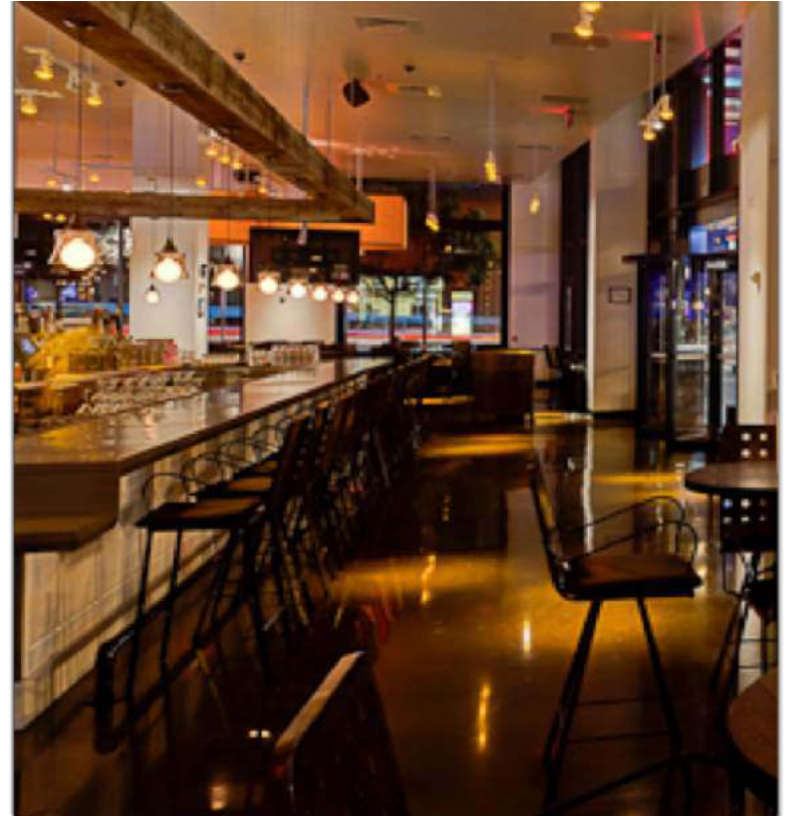


Key Performance Indicators (KPI)

"Key Performance Indicators (KPI) are quantifiable measurements that reflect the critical success factors of an organization."

KPI—DIFFERS DEPENDING ON THE ORGANIZATION

- A business may have one of its KPIs be the percentage of its income that comes from returning customers
- A school may focus its KPI on graduation rates of its students
- A KPI for a social service organization might be number of clients assisted during the year



KEY PERFORMANCE INDICATORS

- ❑ Reflect the organization's goals
- ❑ Are key to its success
- ❑ Are quantifiable (measurable)

Without a way to accurately define and measure, there's no value to a KPI.

For example, "Generate More Repeat Customers" would not work as a KPI without some way to distinguish between new and repeat customers

STEPS TO IMPLEMENT A KEY PERFORMANCE INDICATOR

- **STEP 1** Define your strategy
- **STEP 2** Audit existing measures
- **STEP 3** Develop new measures
- **STEP 4** Analyze and Report
- **STEP 5** Continuous Improvements

Step 1 – Define Strategy

- ❑ Strategy reflects **Vision, Mission & Values**
- ❑ Set Goals
- ❑ Align team members on strategic issues
- ❑ Identify barriers

Step 2 – Audit Existing Measures

- Identify **available data**
- Review **measurement processes**
 - Accuracy
 - Timeliness
- Identify gaps

QUANTIFIABLE MEASUREMENTS

- ✓ What is measured?
- ✓ How often it is measured?
- ✓ What does the measurement tell us?
- ✓ How is the measurement used?
- ✓ Action plan?

Step 3 – Develop new measures

- ❑ Bridges the gap identified in Step 2
- ❑ Measures must reflect performance and progress of business
- ❑ Must be quantifiable
- ❑ Must be comparable with another number
 - Last year
 - Budget
 - Goal
 - Trend

Step 4 – Analyze and report

- ❑ Written **summary** and **graph** of actions to be taken
- ❑ Easy to read
- ❑ One page summary
- ❑ Graph



Step 5 – Continuous improvements

- ❑ Set **priorities** based on strategy
- ❑ SMART goals
- ❑ Assign **accountability**
- ❑ Track improvement
- ❑ Set new goals!



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KPIs AUDIT

Sectors:

- ❑ Marketing & Sales
- ❑ Financial
- ❑ Operations/Production
- ❑ People
- ❑ Suppliers
- ❑ Innovation

Quantifiable Measurements:

- What is measured?
- How often is it measured?
- What does the measure tell us?
- How is the measure used?
- Comments action plan

Next Steps

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QUESTIONS?

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