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## 10 tips to avoid losing focus on basic business principles

by Greg Fisher

**Growing a business is often all consuming and the time, energy and effort it takes to be successful often means that business owners become snowed under and fail to see the wood for the trees.**

Losing focus on basic business principles can happen very easily and it can happen to the best entrepreneurs. Suddenly you are trying to be everything to everybody and you end up serving nobody.

Here are 10 basic business principles, designed to help owners and managers of growing businesses refocus their attention on the foundations of a successful venture. These principles are common sense to most entrepreneurs but they are often overshadowed by a range of other distractions.

### 1. Decide what you do (and what you don't do)

You need to broaden your vision but narrow your focus – being effective in business is about knowing what you do and don't do. Making a conscious choice in this regard can help you focus and enable you to avoid getting pulled in too many different directions. Being strategic is as much about knowing what it is that you don't do as it is about deciding what it is that you do. Deciding what you don't do helps you manage your most precious resource, time, most effectively.

#### To do:

- Make a list of what you do
- Make a list of what you choose not to do

### 2. Decide who you serve (and focus on them intensely)

You can't be everything to everyone so at least be something to someone – having a clear idea of which types of people fall into your target market will assist you in meeting their needs. By meeting people's needs you offer value but if you don't know who it is that you intend to serve it becomes a lot more difficult to offer them value and you end up being useless to everybody. Be specific about your target market – age; gender; preferences; class and geographic region.

#### To do:

- Define your target market (now) – be specific

### 3. Decide what makes you different (and do it)

Howard Schultz, CEO of Starbucks said "Whatever you do, don't play it safe. Don't do things the way they've always been done. Don't try to fit the system. If you do what's expected of you, you'll never accomplish more than others expect." Being successful is about being different. There are so many offerings in the marketplace that if you are not clear how you are different you will just get lost in the crowd. People are attracted by difference, so stand out.

#### To do:

- Make a list of things that make your business different.
- Review this list and ask: "Do these things truly make my business stand out?"

#### **4. Manage cash flow (very closely)**

Your bank balance is your truth – monitor it; know it; respond to it. Too many business owners and entrepreneurs are afraid of knowing what is in the bank. By not checking on your bank balance you are not going to change it. The reason most businesses shut down is not because they are not making profit, but because they run out of cash. You can be making loads of profit but if you can't pay employees and creditors you will ultimately be put out of business. Not monitoring what is in your bank account is akin to driving your dream car along a winding farm road at night with no lights on. You can't see where you are going and therefore can't adjust for obstacles in your path so you land up crashing and destroying your dream. Entrepreneurial happiness is a positive cash flow.

##### **To do:**

- Build a process to monitor your bank balance daily
- Put things in place to keep the bank balance positive
- Get invoices out timeously
- Incentivise customers for early payment
- Follow up on outstanding payments weekly
- Don't pay expenses until they are due

#### **5. Manage employees (incentivise them for success)**

Andrew Carnegie said: "Take away my people, but leave my factories, and soon grass will grow on the factory floors. Take away my factories, but leave my people, and soon we will have a new and better factory." Without able and willing employees your business can't grow. Employees offer you the largest amount of leverage for creating success in your business. Focus on them intently, understand their values and what drives them, invest in their development and care for them intensely and over the long term, when all is added up you will be handsomely rewarded. Employees are what really make a business; an entrepreneur just creates an environment in which they can flourish.

##### **To do:**

- Plan a one-on-one discussion with employees. Find out their perceptions; show them you care, tap into their source of motivation

#### **6. Manage customer expectations (under promise and over deliver)**

The most powerful marketing tool for any business is "word of mouth". If you promise and don't deliver then word of mouth turns into a negative downward spiral. If you are conservative in terms of what you promise and then surprise customers they talk about it. Make customers talk about your business for the right reasons.

##### **To do:**

- Think before you promise. Keep a promises made list with dates – try to deliver well before each date

#### **7. Set goals (and go after them)**

"The future you see is the future you get." – Robert G Allen. The power of committing yourself to something will pull you and your people in a direction. If you commit to nothing you will go nowhere but if you commit to something challenging but attainable it will mobilise you and your team to achieve great things. Write your goals down and passionately share them with others.

##### **To do:**

- Write down your business goals for the next 30 days, 1 year and 3 years
- Put the company goals up in places where people can see them

### **8. Expose yourself (tell the market what you do)**

Get out there and make the services of your business known. Create a website; exhibit at a trade show; sponsor a local sports team; write an article for the press; send out an email newsletter – do whatever it takes to get people to associate your company with your product or service. This need not be expensive if you work hard and are clever.

#### **To do:**

- Plan a different promotional activity each week for the next five weeks

### **9. Persevere (through the tough times)**

Successful business people are defined not by how they react when things go well, but rather how they react when things go badly. Great businesses are built in the tough times and low moments when the business manager buckles down and decides to do what needs to be done to get through. All businesses go through tough times but the good ones persevere through them to come out the other side and enjoy the success that follows.

#### **To do:**

- Think about what could go wrong in your business in the next 12 months. Decide now how you will react if and when this happens

### **10. Always maintain your integrity (in everything you do)**

This is the glue of a successful business and a successful business person. Integrity builds trust and trust is the foundation of any successful enterprise – trust with employees, customers, suppliers and shareholders. Do whatever it takes to maintain trust and operate according to a set of values that have a moral grounding.

#### **To do:**

- Look at yourself in the mirror and ask: "Is everything I do ethical and right – would I be willing to share all my business dealings with my mother?"

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**Entrepreneur**

**Source:** Entrepreneur magazine is the biggest selling business magazine on US newsstands, and is now available in South Africa. Visit our web-site at: <http://www.entrepreneurmag.co.za>.

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