

Ten Crucial Questions for Your Business Future

The right question asked at the right time can affect your business future more than you can imagine. It has the power to completely and instantly shift your mental activity, your entire thought pattern, and ultimately the actions you take. Over the last several years I've asked small, medium and very large business owners endless questions that have helped them achieve far greater levels of success than they would have had thinking the way they were – only moments before.

While the following may not be the only ten questions – or even THE ten questions, they are ten questions that you must answer if you want your business to flourish. The right answers are critical to your company's future.

1. How many underserved prospective clients are in your target market?

The number of prospective clients - prospects – available to you relates to two key considerations: the total revenue possible from this client base, and what kinds of marketing tactics will be most cost-effective. If yours is a 'mass market,' advertising will almost certainly be part of your marketing mix. By contrast, if your market is very small (I once sold software to the top-50 international banks) you can contact each and every prospect individually.

2. How large do you envision your business?

Does your vision include being a Fortune 500 company? If so, check question 1 above, and make sure you've got a whopping market. On the other hand, many business owners would be completely satisfied generating \$5 Million with a staff of 50; pocketing \$1 Million per year and selling the company for \$10 Million when they are ready. How you answer this question governs the kind of markets you can enter, whether you are vertical or horizontal in nature, mass market or niched, as well as the kind of management structure your organization requires.

3. What important changes are occurring (or have recently occurred) in your market and what is their impact on your business?

The answers to this question may govern changes to your product, your product mix and your marketing campaign. Big changes generally signal big opportunities; however if you aren't prepared for them, they can also signal the demise of your business. Dramatic increases in new housing created significant opportunities for a client who sold estimating software and brought a field-ready, cost-saving product to market just in time.

4. Who is your competition and why are you clearly a better choice for your prospects?

It may shock you (on the other hand, it may not) how many CEOs cannot provide a compelling answer to this question. Recently, I was at a meeting for Microsoft Business Solutions Partners, and spoke to a number of the VARs who came to improve their marketing programs. When I asked about their competitive advantage, three separate resellers answered telling me how long they had

been in business, and how well they understood their customers. Yeah? Well, so what. If you don't want to get blindsided by your competitors, you need to understand their capabilities. And if you want to outflank them in turn, you'd better have ammunition more powerful than your length of service.

5. How important is 'service' to your clients, and how do you plan to deliver it?

Some markets require high service, and some do not. What about yours? If you are playing in a market where customers expect to get their hands held, you need to be geared up for it. A software company client of mine implemented a large and effective sales push, only to have their Help Desk swamped with new customer service requests. Ultimately we fixed this with a set of new support policies, a knowledge base, an active user forum, plus effective staff training, but it almost sank the company.

6. Is your business model scalable? In other words, could you grow your business by 50%, without your expenses growing by the same ratio?

If not, you can never be any more profitable – in percentage terms – than you currently are. You may sell more, and earn more in absolute terms, but for each dollar you sell, you will make the same, and probably less, money. This means a potential acquirer will not pay a financial premium for your business, because adding money to your business won't make it more profitable.

7. What are the 3-5 critical factors for your business' success and how would you rate your company in each factor?

Where do the profits in your business come from? What are the areas where you beat the pants off your competitors? Why do clients seek you out? These are the critical areas of success -- and you'd better be damned good at them. Rate yourself on each, and create an improvement program wherever you are lower than an 8. I've done this exercise with many of my business-coaching clients, and it has probably created more value than any other.

8. What portion of your business operations has documented, repeatable, scalable systems? Are there systems that cover the critical success areas?

This is the solution to the problem raised in question 6. It is also your ticket to a well-earned vacation. Ask yourself, if you left for four weeks without voice mail or e-mail, would your business be better than you found it, about the same, or a smoldering ruin? You may think that not all areas of your company lend themselves to systemization, but all the important ones do. Sales? Marketing? Product development? Customer service? Consulting? All systemizable.

9. How good are your finances?

Your financial picture and your market share, analyzed in the context of a growing or shrinking market determines the future of your company. If you've got lots of surplus cash you can do anything. You can create completely new products if you have to. Next best thing is strong cash flow out of which you can pay for development, buy a competitor, or expand revenues with new technology. (One of my clients recently reinvigorated their business by buying a non-competitive

player selling products to their legal clients.) But if your bank account is poor and your cash-flow weak, you are in a tough place, particularly if your market is shrinking. My Grand Strategy Model would tell you to sell your company for whatever you can get, and invest the proceeds in a healthier market sector.

10. Is your market growing or shrinking, and what is your current market share?

This is the other key to the Grand Strategy. If you dominate your market, is there enough room to grow? And if not, whom can you steal business from? If your market is expanding there may be years of growth left, but if it is stable or shrinking, the forecast may not be so good. This is where cash balances and cash flow come in. With them you can develop new products and services to expand the size of purchase transactions or increase the frequency of repurchase.

If there is just no room for increase, think about how you can tweak your product to redeploy it in an adjacent market space. At a time when a client's customer's just wasn't buying their old products, (and recently, whose customer's were?) we shifted much of their resources into providing interim services, and thereby saved the company until the new products came out.

Stephen H. Jones is the founder of GROWTH STRATEGIES, and provides 'hands-on' turnkey Sales and Marketing solutions for businesses. Since their inception in 2001, Stephen and his team have become the 'secret weapon' for small businesses.

With their unique strategy creation - and implementation at the tactical level, their guided solutions produce results, and have managed a strong reputation throughout the small business community.

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