

FOR MANY, OWNING A BUSINESS IS THE ULTIMATE DREAM.

But turning that goal into a reality isn't always easy. It takes more than desire to make a company flourish—a leader must have courage, vision, and relentless discipline to make their enterprise truly thrive.

When firefighter Steven McLeod founded Fire and Safety Australia, he had no experience in starting his own business. But through many setbacks and hard lessons, he learned the keys to success and turned his company into a multimillion-dollar organization. In *Courage for Profit*, he shares his formula for creating a booming enterprise within ten years. From defining a specific and winning strategy for the future, to building a solid team, to asking the hard questions and overcoming ego, to understanding the ins and outs of money and marketing, McLeod offers practical advice and real-world examples that will help any owner or consultant craft a plan for commercial triumph.

Being your own boss may not be easy, but by following McLeod's straightforward formula, you'll see maximum results. Just combine clear vision, focused discipline, and a whole lot of courage, and you too will unlock the secrets to business success.



STEVE McLEOD is the director of Courage for Profit, a consulting and coaching company aimed at business leaders who want to dramatically grow their business and profits. Trained as a firefighter, Steve grew his first company, Fire and Safety Australia, from zero dollars and one employee to an award-winning, leading provider of emergency-response training and services, employing more than 100 employees across Australia with revenues well in excess of 20 million dollars.



STEVE McLEOD — COURAGE FOR PROFIT



STEVE McLEOD COURAGE FOR PROFIT

USING COURAGEOUS DECISIONS
TO DRIVE BUSINESS SUCCESS



ADVANCE PRAISE

Steve recently ran a Strategy Day for our leadership team. I cannot think of a better person to have helped our leadership team establish goals, actions, accountabilities, and most importantly, achieve alignment. Importantly, Steve ensured that we implemented our actions following the Strategy Day, so it was not just another bottom drawer planning document as so many other companies do. With his enthusiasm and firsthand experience as a CEO of a high growth business to share, I would highly recommend Steve if you want to rapidly grow your business.

COREY WHITE
DIRECTOR

HAINES MEDICAL AUSTRALIA

I've worked with Steve McLeod from Courage for Profit in action for over a year now. His business knowledge and delivery of strategy is first-class. Steve also has an analytical business mind. Steve conducts our annual Strategy Day and quarterly Strategy Days; in addition, we requested his expertise in assisting us on our advisory board. If you have a strong desire to align your business, grow your business to the next level, and make sure you are keeping the business on the right path, I would highly encourage using Courage for Profit.

RICK NIEUWENHOVEN
CEO

NIEUVISION AUSTRALIA

Meeting Steve McLeod has been the best thing that has ever happened to my company. In only a few short meetings, Steve has inspired me to give my company a substantial make-over. We have worked together identifying areas that needed improvement and solving problems as they came to light. This has resulted in more enquires from new clients into the new year than ever before. Steve is an excellent motivator and very experienced in the areas of training, services, and sales. I could only hope that our relationship continues well into the future.

TONY HARITONAS
DIRECTOR
DRIVER DEVELOPMENT AUSTRALIA

Since we completed the strategic planning process with Steve, there has been an immediate and noticeable improvement in communication and alignment in our senior team. We have seen action on growth opportunities we just never got around to previously. Steve has a knack of breaking down and reverse engineering success regardless of the type of business.

ROB AUBIN
CEO
LA BIOSTHETIQUE AUSTRALIA AND NEW ZEALAND

After doing Steve's training session, I walked away with my mind completely blown. It's amazing how after a few hours he brought so much clarity on what it takes to truly scale our company with a step-by-step roadmap. If you're looking for help with the growth of your business, Steve is your man.

NATHAN CHAN
PUBLISHER
FOUNDR MAGAZINE

The very first day Steve ran a strategy session for the company, he helped us achieve more alignment amongst our management team than we have ever had before. He helped us implement systems for accountability and focus that enabled us to have our most profitable quarter ever and to improve sustainability within the company. Steve is able to ask the tough questions and get straight to dealing with core issues.

RICHARD STAFFORD
MANAGING DIRECTOR
BLACKBIRD IT

I have been lucky enough to be involved in both one-on-one and group training with Steve McLeod and can't speak highly enough of his knowledge and passion for helping others. Working with Steve, I have learnt specific strategies around growth, people, process, and finance; he has given me a thorough understanding and a know-how to implement the learnings with instant and measurable results. More importantly, Steve has always followed up and held me accountable, ensuring I get the most out of each session. I have no hesitation in recommending Steve and would highly encourage anyone to get involved in his coaching or training.

JOE WOODHAM
DIRECTOR
TORII RECRUITMENT

I have known Steve for a number of years in different capacities. When I needed strategic guidance, Steve was the first person that came to mind. He is a clear thinker who was able to assist me to elucidate my commercial goals and objectives. Steve manages to eliminate the “outside noise” and facilitated the creation of my plan and roadmap in a practical and effective way.

MARK FRANKS
DIRECTOR
ABERDEEN PAPER

Steve isn't just another strategy consultant. It's like a discussion of everything he has ever read and learned, tried, and tested through practice with an acknowledgment that your business has its own set of intricacies. We learn from our mistakes as much as our successes, and Steve is humble enough to admit he has learnt from both. He talks from experience, and that's why I listen with trusting ears.

ANDREW HARDWICK
DIRECTOR
HARD EDGE

Steve McLeod has been an excellent source of constant inspiration, positivity, and encouragement. It was thanks to him and the many training sessions of his I've attended that I found the courage to move out of my comfort zone and attempt to explore and conquer unknown territories. As challenging as my journey as an entrepreneur has been, Steve's training enabled me to cope with constant stress by analysing my

goals through an objective and prudent assessment of their merits and requisite resources. Today, I am adept at keeping my emotions out of my business dealings and setting clearer and more achievable goals for myself and my company.

DIKSHA KHANA
DIRECTOR
AMAZEOLGY

You feel the hunger and drive the second you meet Steve, and it's infectious. There is no B.S., and he cuts deep into the very fabric of why I am in business. To be at the top of your game, you have to go through some testing times, and Steve has come out the other side, providing a springboard of learning and experience to catapult businesses to excel.

ROTEM ROTENBERG
DIRECTOR
COBILD

We have known Steve for many years now, and his passion, commitment, and drive are second to none. He always goes the extra mile and genuinely cares about the success of our business. Recently, we attended a workshop with Steve to discuss growing our business for the purpose of selling for the best price. We walked away feeling very motivated and inspired. The level of professionalism and constructive advice was first-class. I would recommend Steve and Courage for Profit to anyone.

TERRY KERSHAW
DIRECTOR
EAST COAST FIRE AND SAFETY

Steve is an amazing mentor! He was incredibly generous when I was going through some major business challenges with the buyout of a business partner, subsequent growth, and eventually, the sale of the business. Steve helped me identify the top key areas to focus on, which have had dramatic effects on the bottom line. One change implemented after a session with Steve resulted in a 15 percent increase in gross profit. I cannot recommend Steve more highly and hope to use his services in future businesses.

REBEKA MORGAN
DIRECTOR
LIVING FUNDRAISERS

I was lucky enough to have Steve as a mentor...and the wealth of knowledge he imparted to me during this time was once in a lifetime. Steve has a way of guiding each entrepreneur to truly be inspired to achieve more than they could imagine through implementing his simplified tools, which led him to his own business success. Steve is so passionate about sharing his keys to success, and I know this book will be instrumental in so many entrepreneurs' journeys.

HANNAH VASICEK
DIRECTOR
FRANCESCA JEWELLERY

The world of business is often analogised as a voyage of discovery. Standing at the helm of the ship, business owners often have a good idea of where they want to end up, but even steering the vessel, let alone knowing which route to take, can

be a challenge; particularly when dealing with fickle external factors that necessitate ongoing adjustments along the journey. Steve is the answer; he has successfully made the voyage himself and effectively assisted many others to do the same. When Steve came on board to help us, he quickly distilled all the company data that we had become swamped with into key KPIs that everyone could understand. Not only did this enable us to take swift action with conviction, it gave us better management alignment than we've ever had. I could not recommend working with Steve more highly; his passion for business improvement is infectious!

BEN CORBETT
DIRECTOR
BLACKBIRD IT

Steve is the greatest business coach I have encountered and an absolute inspiration. I was fortunate enough to learn from him over eighteen months. He's direct, courageous, and an absolute master at his craft. My experience during the program, as well as one-on-one with him, has been a complete game changer to scale my business. I have no doubt this book will be filled with the most valuable insights you can get your hands on.

SALLY KLOPPER
DESIGN DIRECTOR
SALLY CAROLINE

COURAGE FOR PROFIT

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**USING COURAGEOUS DECISIONS
TO DRIVE BUSINESS SUCCESS**

STEVE MCLEOD



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COURAGE FOR PROFIT

Using Courageous Decisions to Drive Business Success

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I have some amazing people around me who have significantly shaped my life, without whom I wouldn't have achieved anything of substance.

TO MY AMAZING WIFE, KELLY.

You are the person who has always been partnered with me during our wild ride in business! You are my rock, the person who keeps me balanced and provides more support than I thought was possible! All success we have, we've achieved together, and I could not have achieved any of this success on my own.

TO MY WONDERFUL BOYS, MAXWELL AND LACHLAN.

I'm inspired every day by both your enthusiasm and your stubbornness to achieve your goals! You are amazing kids and I'm blessed to have you. I hope that as you get older, you enjoy this book and it helps you both shape your own future in some way. I'm extremely proud of you both.

TO MY MUM (GISELA), DAD (GREG), AND MY BROTHER (ROB).

I was extremely lucky to be raised in a wonderful family with great values and a supportive and loving environment. The three of you always believed in me, supported me, and have encouraged me. I am who I am because of you.

TO MY EO FORUM MEMBERS PAST AND PRESENT.

My EO experience has dramatically changed my life. Everyone has contributed with amazing experiences. Thank you in particular to Andy, Andrew, Mia, Rotem, Emma, Kym, Robert, and Graham. You have each made me a better person, and you've opened my eyes with your wisdom, your honesty, your experiences, your challenges, and your dreams.

TO MY FIRE AND SAFETY AUSTRALIA TEAM.

Growing this business changed my life. Everyone has contributed along the way in our journey! This amazing experience has made me a better leader. I'm especially proud of those who have stood by us in the tough times and risen through to help us achieve our vision. I'm excited about the years ahead and continuing to make a difference in the world—"to forever change safety in the world...one experience at a time."

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INTRODUCTION

“My job is not to be easy on people. My job is to make them better.”

—STEVE JOBS

Every business leader wants to achieve massive success for their business, whether that success is defined as growing a company to make \$1 million profit per year whilst the owner is playing golf, growing a team of one hundred employees who are engaged and working together with a great culture, retiring with a cheque for \$20 million to have financial freedom, building a billion-dollar revenue business, or changing the world by introducing a new product or innovation. There is one word that is rarely mentioned but has enabled all successful leaders to define their own path and achieve their own definition of success. That word is Courage.

Courage provides the strength to the business leader to keep going in the face of the unknown. Courage is required when leaders hit a brick wall of cash flow problems, customer complaints, legal issues, and employee challenges to smash through the setbacks to achieve their own definition of success. Courage will enable the leader to keep pushing forward even when everything feels like it is falling down around them. Courage is the key to successful growth for every business, and though courage is a word not often mentioned in business circles, it is a word that must be introduced.

Courage is rarely spoken about, yet in my opinion the most important, core attribute of a leader to take their business from where they are now and grow it to the next level and achieve their own dreams of success.

When courage is combined with a strong and compelling vision, relentless discipline, a well-thought-out strategy, and a thirst for improvement, whereby the leader truly thirsts for constant, never-ending improvement in every single part of their business, it can lead to business success beyond your wildest imagination. Courage is the cure to the catastrophizing that occurs in all entrepreneurs' heads, the thoughts of potential failure and trouble that seep into your consciousness.

Many leaders turn to strategy and business “theory” when looking for direction, when what they really need is to truly embody courage to succeed. You can have a fool-proof business plan, the financial backing required, and a compelling vision, but when everything appears to be falling down around you, it takes courage to make the right decisions. It takes courage to choose the unpopular path, courage to confront the unknown, and courage to lead a business towards a compelling future of success that no one else can see but you.

I was a full-time firefighter for more than eight years. The word “courage” is associated a lot with firefighters, emergency services workers, and military personnel. During work as a firefighter, you are often required to confront your fears as you are tested to your limits physically, mentally, and emotionally during life-and-death situations of extreme pressure. As a firefighter, you run into burning buildings when others run out. When combating emergencies such as building fires, bush fires, complex vehicle rescues, medical emergencies, and rescues from extreme heights, fear is a natural emotion. That is why continuous training, discipline, teamwork, and courage are critical skills for firefighters.

When you are called to help people in what often is the scariest experience of their lives, firefighters must con-

front their fears, remain calm, enact a clear plan, display courage, and work together as a team to get the job done, as lives depend on it. Following any large incident, a debrief would occur where analysis would consider how effective the emergency response was and what improvements could be learned for next time. Failure is not an option. You cannot simply tell people in life-threatening danger, “Sorry, we failed.” It was my experiences as a firefighter and as an entrepreneur that shaped me into who I am today.

I believe that the word *courage* is just as important for business leaders as it is for emergency services workers. As I began my first business, Fire and Safety Australia, I slowly transitioned away from being a full-time firefighter. I found myself relying more and more on courage, because that’s what I knew. I did not have an MBA, a university education, or a business background. All I had was life experience and a “failure is not an option” mentality.

The start of any business is: Survive or die. Nine out of ten businesses don’t exist after five years, and only a very small percentage of businesses that are started ever grow in excess of \$10 million in annual revenues. Often, this is because the catastrophizing thoughts are too much, and the business owner gives up because it’s too hard and they don’t want the stress. They stop growing because “things

were easier when the business was smaller.” Often, the business owner stops trading, gets a job, and moves on with a “normal” life.

I remember breaking down in tears after the first four days of starting my business. I had been getting no response to my hundreds of cold calls to try and get started. I thought Fire and Safety Australia was dead before it even started. However, I had a real belief in the training services that I was offering, so I gathered my courage, kept going and going, and I made a decision to “never quit” until I achieved my vision of success.

I believed that, like in my work as a firefighter, failure was not an option. There would be no plan B; no potential failure would stand in my path. I was going to make this work, and nothing would stop me. I would have the courage to make this the successful business that I knew it could be.

I stayed working as a full-time firefighter for my first three years in business whilst working eighty- to ninety-hour weeks so that I could reinvest everything back into the business. It was 24/7 work, but it was the only way I could fund my business. I had no money for a rainy day to fall back on, and no choice to accept failure. I took on my business and knew that my only option was success, that it would give my family and me opportunities that

we hadn't previously had, and that it would change our lives forever. My wife and I agreed that this would be our opportunity, that we would bet everything on it, and that if we failed, we did so whilst daring greatly.

Life was tough in those early days. The pressure was on me to not only sustain and grow the business but to also provide for my family. There was no profit and little cash, as every dollar the business made was spent on marketing, upgrading the website, or on new equipment to grow the business.

I remember taking a second mortgage on our home to fund business growth. My wife and I made a huge decision, took an enormous gamble, and risked everything that we had. If the business hadn't succeeded, financially, we would have crumbled as well. We would have lost our house and been left with nothing. The amount of pressure running a business puts on someone in such a situation is immense, and you can never prepare yourself for it.

It took nearly three years before we started getting a return from the business, but it happened after hard work, relentless discipline, and courage. We doubled the revenue and profits of the business year after year, and within our first three years hit \$1 million in annual revenue. Four years later (after I was running the business full-time and had

left the fire brigade), we achieved greater than \$10 million in annual revenue. During this time, I made many mistakes, learnt a lot, and have many great experiences to share with you in this book.

One of the reasons I enjoy owning my own business is that it gives me full control of my own destiny. If I work hard and deliver on my promises, I get results. No one controls my pay cheque but me; the amount of money I earn and the lifestyle I live is controlled by me.

There were many hardships that I faced throughout my journey, and I contemplated quitting. Often, curveballs that I never would have expected came up to hit me right in the face. I always relied on my “failure is not an option” mentality, and I persevered through the hard times. I had to dig deep, rely on my courage, and keep pushing and pushing until I broke my way through each challenge and emerged on the other side victorious.

When I meet business owners I often ask them, “Have you ever questioned what you do and thought that, on occasion, you’ve had enough, maybe you are not good enough, and maybe thought about quitting?” The ones who say no, I always shake my head at and think they’re either a liar, they must have a crappy business, or they’re not setting their goals high enough. The ones who say yes,

of course, are the ones who've persevered and grown a substantial-sized business; they are honest with themselves and they know how hard things are.

Around five years ago, I was asked by the Entrepreneur's Organisation in Melbourne (where I have been a member for seven-plus years) to mentor new business owners with \$250K-\$1 million annual revenue businesses. This was very successful, and I received great feedback. So, I was selected to become a trainer for the Entrepreneurs Organisation, giving full-day business growth workshops to other business owners across Australia for groups of fifteen to twenty business owners with revenues from \$250K-\$50M+ four times per year.

Facilitating these workshops helped me to reflect on the things that got me through my experience in growing a business. This became my opportunity to give back to the organisation that helped me by sharing my knowledge. Helping others grow their businesses became my new passion, and that's why I want to help you.

Everything you are about to read, I have experienced first-hand throughout ten years of business growth and having coached and trained hundreds of business owners and business leaders. Businesses I've mentored and coached range from \$100K per annum in sales with one owner/

founder, to businesses approaching \$100 million in annual sales with more than 600 employees, across all industries.

My mistakes in those early years were plentiful. I didn't have a strong vision when I started. When the financial pressures grew, my vision was to be able to employ a few others to help and to build a successful life. But, as I started to employ people, I realised I'd run out of cash. We were profitable, but I didn't know anything about balance sheets, cash flow, or average debtor days.

In the early days, I used to hire people because they had a pulse and a résumé that looked okay. I never looked at prospective employees' cultural fit or did any job-based aptitude testing. I went and hired all these people and turned almost all of them over in the next couple of years, after I found out the hard way about how to hire effectively.

The list of my mistakes could go on, but that's not the point. The point is I believe that it was my courage to move on and learn from those mistakes that helped me succeed. That is the knowledge I want to pass on to you.

I will make you think long and hard about your own business and about yourself. I will give you examples of successes and failures. I will give you the tools you need to succeed, but you must have the courage to make your

business a success. My hope is that there is something within this book that resonates with you and causes you to make a major change and dramatically improve the profits of your business.

I warn you that there is no magic formula. There is no substitute for hard, focused work to achieve business success. If you are not falling asleep whilst working at your computer at two in the morning a few times per week, you are probably not working hard enough, and you may be leaving business on the table; you could likely achieve more. No great business can be built in a few hours per week.

ICHI-GO ICHI-E

This book was written for you as the reader and you alone, as a personal 1:1 business advisory session. You are a business owner or a business leader, and you want to grow your business, dramatically improve your profits, and achieve your own personal definition of success. You realise that if you do not change, then nothing changes. You understand that as the leader, you are the bottleneck in your business. I know you; you likely have this book because the title intrigued you. I can tell that you have a thirst for improvement and an insatiable desire for more. Failure is not an option for you, and you are willing to do

whatever it takes to succeed. You will leave nothing on the table from today forth in the pursuit of your definition of business success.

Several years ago, I attended an entrepreneurs' conference in Osaka, Japan. At this conference, the theme was the Japanese saying, "*ICHI-GO ICHI-E.*" The English translation of this is: *'As though it were a meeting that could occur only once.'*

This has since stuck with me, and I use this saying to remind myself of how important it is that I hold nothing back from every coaching session, business growth workshop, and keynote presentation that I deliver. I know I can dramatically help business leaders to improve themselves, and I can dramatically help businesses to grow their profits.

As you read on, I will show you the equation that has helped me to achieve my definition of business success and shapes how I coach and grow businesses. This equation is: Vision + Courage + Relentless Discipline + Thirst for Improvement = Success.

I am excited about embarking on this journey with you, and I want you to read this book and imagine that I'm sitting in a room with you speaking to you and only to you. I'm giving you the same information, the same effort, and

the same focus that I would give to a family member, to my closest friend, or to a client. This book is written for you, and you have my total focus and dedication throughout. My job in working 1:1 with you is not to be liked. There will be times when you think my honesty is too much, and I am too tough on you. Life is tough, business is tough, but get through your toughest times with courage, and I know you can succeed.

I have written this book to give you everything that I can. I have left nothing out, and I am giving you every ounce of my experience and everything that I can possibly share to help you to achieve your own definition of success. I am not here to be liked. I am not here to tell you what you want to hear. My sole purpose is to make you better in your business and dramatically improve your business and your life.

ICHI-GO ICHI-E. Let's start this journey together. You now have this ONE moment, this ONE opportunity, and I want you to treat this meeting between you and me as if it will occur only ONCE. This is YOUR time, and YOUR opportunity to take YOUR business from where you are now to the next level—YOUR SUCCESS. YOU decide if you are going to capture this moment right now, take massive action, and move your business forward towards your definition of greatness, and change your business and

life forever. Or, you can choose to let this opportunity slip through your hands forever. It is YOUR CHOICE.

Today is the first day where you will promise yourself to have the courage to grow your business, the courage to break through what is standing in your way, the courage to silence the negative voices in your head, and the negative voices surrounding you that say, 'You cannot...You will not...You are not good enough'.

Today, you will have the courage to tell the world and everyone around you, 'Give me your challenges. Give me your fears. I will show you the results. I will achieve my personal definition of success. I have the courage required. I HAVE THE COURAGE FOR PROFIT'.

ICHI-GO ICHI-E - TODAY IS THE DAY!

Yours sincerely,
STEVE MCLEOD

NOTE: Some names within this book have been changed to protect the individuals.

SUCCESS = VISION + COURAGE + RELENTLESS DISCIPLINE + THIRST FOR IMPROVEMENT

The above equation is the recipe for success that you will learn from this book. This equation is for businesses of all sizes, and I have personally used this framework to help take businesses with revenues ranging from \$100,000 to \$100 million per year to new heights. I've added millions of dollars in top-line revenue and millions in bottom-line net profit growth. Here is how this book will help you in your journey.

VISION

Maybe you already have a vision of your business, or at least a viewpoint on what success looks like from your venture. Whether that vision is big or small, I will help you see the future ahead, to truly know what you want to achieve, and I will give you the tools to get you there.

One of the biggest lessons I learned during my toughest year in business was that you must have a strong vision that you care deeply and passionately about to get you through the tough times. A strong and compelling vision was the only thing that kept me going during this time when I seriously considered quitting. I knew why I was in business, why it was important to me, and why I wanted to be there.

I have always had a clear vision of the future based around my goals. Ever since I was a kid, I have been extremely goal-oriented and dissatisfied with anything less than perfection. That vision and pursuit of excellence is what drives me forward. When I know why I'm doing what I'm doing, and why I'm passionate about it, I can look forward and see what the future holds and push myself through the most difficult of times. You can never prepare for the unexpected, but if you have a strong vision that compels you, you can get through it. If you always come back to a strong and compelling vision, you can summon the

courage to get through anything. You can look into the future, see your future self, and realise that with hindsight, this current problem isn't going to look as bad once you achieve your vision.

When I look towards the future with a clear vision, I can stay calm and carry forward. If I am in a bad place where cash flow is low and I've been worried about being able to pay wages, or I've been involved in a very difficult situation, I remind myself that this might be a terrible time now, but in a year's time, if I keep pushing through, if I summon the courage to keep on going, I will be celebrating with my wife and enjoying a glass of champagne, because it will have been a fantastic year, and our lives will be better because of it.

I am a huge fan of Tony Robbins, the best speaker I've ever seen, and one of his core beliefs is, "Things don't happen to you, they happen for you." I use this in my daily life, looking for the lessons out of every tough situation to carry me through.

A strong and compelling vision helps me maintain the courage to keep going. If you do not have a clear vision of what success looks like to you, it is very difficult to maintain the courage to keep going. When things get tough, you will stop dead in your tracks, and you will not

achieve the success you are truly capable of. Your vision is your pep talk, your north star, the destination on your map. Having a clear and compelling vision is your way of telling yourself that it will all be worth it, because this is what the future holds.

COURAGE

“Courage” is a word you don’t often hear in business, but it is a word that is important for getting through the hard times and making challenging business decisions. If I look back at my business career, the courage was being able to make a decision and take action in the face of adversity, to not accept the possibility of failure, and to back myself no matter what the odds of failure were.

So many business owners lack courage; they may have a clear vision or goal, but they lack the internal strength to get through the tough times. They think good times will last forever, and that the bad times will last forever, as they wallow in the fear of the unknown, never reaching their true potential. They leave so much opportunity and success on the table because of their psychological state.

I’ve worked with many business owners who are not making any real profit and whose businesses are slowly dying due to a lack of profit and cash. Most of the time the

business owner has recognised that they must reengineer the business; otherwise, business failure is very possible. Knowing that the change needs to happen is one thing, but having the courage to make the change is another.

Some business owners will never have the courage to make tough decisions like firing the wrong employees, or making several employees redundant, because they're worried what others will think, or what others will say, or they hate the idea of having to remove someone. I believe that most businesses do not achieve success, not because they fail to hire the right people, but because they fail to fire the wrong people. I don't like firing people either, but if you don't have the courage to make the right decision for the long-term health and sustainability of the business, then things will get worse and worse until there's nothing left of the business and your employees are all out of work.

I was teaching a business growth workshop recently, and a gentleman got up and told me that things were really tough, the toughest situation that his business had ever been in. His business was losing money, and the future didn't look good; he was currently on track to lose \$300,000 for the year. So, I asked him how many people were in his organisation. He said about thirty.

I looked him in the eye and said, "I want you to close your

eyes and imagine that right now you are in a trench in a war zone. When you look left and when you look right, you see your employees, and you want to know that you can trust those people. You want to know they have got your back as you storm the enemy lines to victory. How many people are in your team that are not performing up to expectations and don't have the right values and attitudes, that you don't trust to storm the enemy lines?" He came up with five names immediately.

I asked him, "Have you given these people fair training, an understanding of their job roles, and what they need to do to improve?" He said, "Yes." I asked, "If these five people were not in the business tomorrow, what difference would it make? Would you lose clients, work, what?" He said, "Maybe the business would be better off, as these people acted like cancers within the office and were not part of the team. They were a nightmare to work with—always showing up late and making excuses for not hitting their goals."

I said to him, "Why then are these people still part of your organisation? Why have you not removed them from the organisation to save the costs of employment and ensure that you have a great culture?" He said, "I'm scared that if I remove them, it may affect the rest of the team; they will think that we are going backwards."

And I replied, “If you’re in the trenches, and it’s clear that these people don’t achieve fair performance targets, and they do not align with the behaviours and culture of your organisation, you must have the courage to remove them before they drag the entire team down.”

He agreed with me, and when I next saw him a few months later, he told me he had fired these five nonperforming people, his culture was better than ever, and his company was on track to return to profit. He told me that some of his employees asked him, “What took you so long to remove them?”

Courage is not a word; it is a mental and emotional state that stems from the desire to succeed, often requiring great personal sacrifice from the leader for the overall betterment of the business.

When I was in the fire brigade and we were faced with dire situations, we operated under the principle of triage. The idea was that you always made the decision to do the thing that saved the most lives, that did the “greatest good for the greatest number,” as not everyone could always be saved.

This is how I approach business. When people are afraid to make cuts in staff or remove the wrong employees, I

make the triage comparison and note that, in order to save thirty, there might be four or five people that don't make it. When you're the business leader, everyone is relying on you to show leadership and keep the business on track. When you have no money in the bank because you're overstaffed, you're one small disaster away from the business closing.

You need to have the courage to make the important decisions to move the business forward. I know too many business owners who are so worried about what others think, they fail to have the courage to follow through on the tough decisions that they need to make, but they will not make. They're too worried to fire someone, or call to get the money they're owed by clients who are taking too long to pay, which is why I see so many businesses facing cash flow issues.

Having courage is being able to make the phone call to chase overdue money, even though it's something that you don't want to do. No one likes chasing money. No one likes firing someone. I don't want you to stay there paralysed with fear of what others might think. I need you to have the courage to move forward, the courage to do what must be done, the courage for profit.

RELENTLESS DISCIPLINE

I often ask entrepreneurs to rate their level of personal discipline from zero to ten. Most people respond between a three and a six. To them, I say, imagine how much more profit you would make if you were a seven, an eight, or a nine out of ten in discipline? Imagine how efficiently and profitably your business would run if you were disciplined enough to concentrate your focus and efforts on the most important tasks required to build the business, not the trivial crap that bogs you down.

I find a lot of the business owners and leaders that I meet at business growth sessions (before I work with them) set annual goals at the beginning of the year and then don't look at them until six or twelve months later after generally not succeeding. This "strategic plan" or list of goals is a waste of time, as this important document becomes buried in the desk drawer and nothing is actioned, and the business continues to perform mediocrity and doesn't achieve its true potential. This cannot happen, or your business is doomed to do nothing but fight the endless fires that are burning.

For me, the relentless discipline comes in when you can set not only annual goals, but also weekly activities, where you grind week in, week out to ensure that you hit your weekly goals, and therefore your annual goals and vision.

The relentless discipline of measuring and reporting on weekly activities is what is required to truly grow your business to its potential. If you maintain relentless discipline day in, day out, week in, and week out no matter what, you will achieve your goals and your personal definition of success. Here, it's about figuring out the key things that need to be done over the next twelve months to move the business forward, then checking in every week to see whether you're on track or off track with the goals for the year. Relentless discipline is doing what needs to be done week in, week out to move the business from where it is now, to where you want it to be.

THIRST FOR IMPROVEMENT

I have no university degree and no MBA. What I have are ten solid years of growing a business from nothing into a profitable, sustainable, and successful national organisation with approximately one hundred employees. I have five years of training, mentoring, and coaching hundreds of business leaders. I am obsessed with learning and improvement.

Many of my peers went to university and studied business management, commerce, or marketing to try and get into business. Whereas for me, my business experience was initially brought about by attending the school of hard

knocks, making mistakes and learning from everything that I did. I had a constant thirst for improvement in the business and myself.

I engaged mentors, consultants, and business coaches, and I paid top dollar to obtain all the information that I possibly could from them. I implemented everything I learned with relentless discipline and dramatically improved my business.

In 2010, I stumbled across the Entrepreneurs Organisation (EO) and joined this great organisation, which promotes learning through experience sharing from business owners. This organisation has been instrumental in improving my business knowledge and my business growth throughout the years. I am extremely thankful to my EO forum members past and present for their generosity, openness, and sharing, which has helped to shape me into who I am today.

I have always viewed my education in school and in business as an investment in myself and an investment in my business. I was happy and am still happy to pay tens of thousands of dollars to someone who can add real value to my business and show me something that I previously have not seen, as I have an insatiable desire for learning and growth.

As I approached my final year of high school, I set a personal vision of scoring in the top 10 percent of all students in the State of Victoria (Australia). I set this top 10 percent benchmark because I wanted to prove to myself that if I worked hard, I could achieve anything, and set myself apart from any other job candidate who applied for employment in what was a challenging employment market. I decided that I would, in my final year, accept nothing less than an A+ on any examination, and if I received an A+, that this was not acceptable to me unless I scored a 100 percent perfect score in my examination.

I decided that I would do whatever it took to achieve this and I would leave nothing on the table, which meant I would do whatever it took to hit my goals and accept nothing less than total commitment and relentless discipline from myself. I had a thirst for improvement and a compelling vision that I knew I had to hit. I would study four to five hours per night every night of my year twelve, final high school year. I would go to bed exhausted, falling asleep purposely listening with my headphones to tape recordings that I had made of me dictating the subject textbooks and all of my notes into a voice recorder. I would play these as I went to sleep so that the subject seeped into my brain, and I knew the textbooks verbatim. I would go to weekend university seminars on how to improve my knowledge retention and improve exam results, spend-

ing time reading everything that I could, sponging every possible answer and every possible idea that would help me in my quest to achieve my vision of success.

I once got into a stand-up argument with my year twelve legal studies teacher, as he graded my examination a nine-and-one-half marks out of a possible total of ten marks, even though it clearly was good enough for a 10/10. The reason for the argument was when he said to me, “Steve, it doesn’t matter how good your paper was; I don’t ever give 10/10!” For me, this was a travesty that I wouldn’t let go unnoticed. My stand-up argument with this teacher in front of the entire class was me not accepting that, “he doesn’t give 10/10” as a reasonable answer. I walked into the senior school principal’s office and said that unless this teacher changed his attitude, I wouldn’t be returning to class; I would prefer to study on my own instead as he was not a proficient teacher. His arrogance and lack of support only hurt students.

Conversely, my year twelve business management teacher said I was the hardest working student that she had seen in fifteen-plus years of teaching. I did more practice examinations, more homework, more papers for her to mark as practice examinations, and I put in double the effort compared to anyone else near me. I wasn’t the smartest student, nor was I the most talented or gifted, but I had

an extremely clear vision of what success looked like. I followed the relentless discipline required to achieve my vision. I had the courage to say no to my friends who went out partying and drinking and called me a nerd so that I could study. I had the thirst for improvement to take on board the constructive criticism that I faced. Over the year, I accepted nothing less than perfection.

For me, the pursuit of perfection was key, even though I didn't want to get into university, and even though I didn't need a top high school grade for my chosen career at the time. I wanted to achieve the best that I possibly could and leave nothing on the table to get an edge over someone else in the job market that I would face in the future. I literally wanted to fall over from exhaustion after my final high school examination, knowing that I had honestly given my final year of school results 100 percent of my effort, 100 percent of my commitment, and 100 percent of my energy. I wanted to be able to look back with no regrets, knowing that I had given it my all, my everything.

I finished the year with the following fifteen marks across five subjects: A+, A+, A+, A+, A+, A+, A+, A+, A+, A, A, A, A, A, B+. I was ranked in the top 4.40 percent of all students in the entire State of Victoria with a score of 95.60/100.00. In the subject of Business Management, I was ranked equal first in the State of Victoria with a perfect score of 50/50 out

of more than thirty thousand students. I say this not to try and impress you, but to show you that whilst I was always an intelligent student, I was never the smartest, nor the most talented, nor the most naturally gifted. However, with a compelling vision of my end of year grades, the relentless discipline to study four to five hours every night, a thirst for improvement as I refused to accept anything less than perfection, and tremendous courage to avoid all of the teenage traps such as alcohol, I exceeded my own personal definition of success. My final high school year shaped my life forever, as it proved to me that if I put my mind to something, I could achieve my personal definition of success.

SUCCESS

This equation has helped me to achieve many goals and dreams that I have had both in business and in my life. Success takes many forms, but you cannot achieve what you have not defined. You will be able to achieve your personal definition of success by using the exercises within this book and implementing the principles of this equation.

Use this equation throughout every aspect of your life to achieve great things. Let's now start by setting your personal definition of success, a strong and compelling vision for the future of your business. A vision that will drive you, challenge you, and inspire you to greatness.

YOUR COMPELLING VISION: YOUR DEFINITION OF SUCCESS

*“Success is doing what you want, when
you want, where you want, with whom
you want, as much as you want.”*

—TONY ROBBINS

Every business leader has a vision for their business. Whether that vision is as simple as providing their weekly household income, or as grand as wanting to change the world, there is immense power and opportunity with a strong and compelling vision.

A vision is the destination on the map to success for your

business. A strong and compelling vision gets you, the business leader, out of bed every day and shows you what to focus on. It motivates and inspires you to greatness, and when times are tough, your vision keeps you going as the light at the end of what can be a very dark tunnel.

If I hadn't had a strong vision, I wouldn't be here today. I would've closed or sold my business years ago when things got tough and I was confronted with negative thoughts of failure, tremendous challenges, and a loss of hope. Your vision is your statement about your business to your team and to yourself regarding what success looks like, where you are going, and why you do what you do.

A vision gives you that extra drive, as it's the definition of success for your business. It's also what outsiders will look at if you want to get equity investment. The institutions and investors want to be shown what success looks like in the future of your business.

I have always had my business vision clearly visible for my team and me to see. When things really sucked, I would look at it and know that I could take the short-term setbacks and pain, because I could clearly visualise what the future looked like. This is what I'm building, this is my definition of success, this is my destiny. Your best team members will enjoy being taken on this journey towards

your vision; often, this can inspire them to reach new heights and have more engagement with the business than ever before.

When people struggle with their vision, I always ask them, “Why did you start your business? What made you passionate about your company in the first place? Why do you do what you do?”

Figuring out the thing that you’re passionate about and why you do what you do can be a great way to ignite your vision.

A vision is the destination of success that you want to achieve in five to ten years’ time. A great vision should be something that lasts, something that makes you proud, something that inspires you and challenges you to greatness. That doesn’t mean you can’t change it, but it means that most of the time, 70 to 80 percent of the vision should remain reasonably constant. If your business takes a right turn or a left turn, that vision is still your long-term definition of success. By having a clear and compelling vision, you subconsciously think about it, and more of your actions will be related to that vision, which in turn produces better focus and alignment in the business.

I was speaking with a lawyer once, and he told me that

he was really struggling with how to write a vision for his law firm. I asked him why he started his business. He said he wanted to help people with property law, because they need to make sure they've got the right legal advice when they're buying property, because a lot could go wrong.

I asked this lawyer what could go wrong. He told me that if someone buys a property and they don't buy it properly, they could have all these problems, and they could risk their entire wealth. I asked him why he cared about it. He answered simply, and I questioned him again and asked why it mattered. He gave me a short answer, but I didn't let up. I relentlessly continued with my line of questioning. Every time he gave me an answer, I asked him what else mattered.

I was trying to get him to have a clear picture of the future. After about five or six questions from me, he got to the point where he could say that the reason he started his company was because he wanted to help people have a positive property purchasing experience and be protected. That was the seed of his vision and where his passion lay.

When I got him to realise the thing that he was passionate about again, why he started his business in the first place, why he spent years studying law at university, why he worked such long hours, then he could formulate his

vision. He could now start to think about what the business would look like in five to ten years' time. He could figure out the specifics that made him happy with the business. He could tell me how many people he would help in the coming decade, and the amount of transactions that would take place, how many people he would employ, and what his culture was like. He could tell me all the details that made up his vision, because he had clarity on why he was in business and the difference that his business makes in the world.

NIEUVISION: A COMPANY WITH A VISION

Nieuvision utilises their vision very well for the benefit of both clients and employees. Founded by Rick Nieuwenhoven, Nieuvision's vision is to help middle-income people of Australia to live well during retirement without having to rely on the government-funded pension. Rick used to work as a financial accountant and then as a financial planner. What he found was that so many people's retirement plan was to rely on the government pension. However, he understood that the government pension only covered the basics and didn't provide enough money for someone to live comfortably in retirement. He witnessed a lot of people struggling to pay bills, unable to go on holiday, or buy gifts for their grandkids.

Upon recognizing the shortcomings, Rick decided he wanted to have a business that helped people build a retirement nest egg through wealth planning, financial planning, and property investment.

He put his vision at the forefront of the company. When he talks to prospective clients or when they go to his website, the vision is clear. He makes it apparent that the vision is to help the client from day one to have a lifetime financial plan, so they don't retire and have to rely on the government pension, but instead have the freedom to do whatever they want to do.

Rick has been very clear about his vision from day one, but if that is not the case with your business, I will show you how to set a great and inspiring vision.

In my first couple of years with Fire and Safety Australia, I didn't really have a vision. My only vision was to simply get out there, work hard, and provide for my family, whilst helping the community by providing outstanding emergency response and safety training services.

I remember there came a point about two years in, when my son was six months old and I was traveling all the time and didn't get to see him enough. I was still in the fire brigade and working enormous hours. I thought, why

am I actually doing this? What do I want to achieve? Why is this worthwhile?

It was that point of reflection that made me think about the vision. When I asked myself the question, “Why am I doing what I’m doing?” I thought long and hard. It wasn’t just about money or freedom, although these were both very important to me (and although neither existed at that point in time!); it was more about the legacy that I wanted to leave. It was about the difference I wanted to make in the world. I wanted to be able to look back one day and be proud that I had built a company and a team that made a difference in the world. That’s when I realised that I had a compelling vision.

A strong vision not only captures people’s minds, but more importantly, it can capture people’s hearts as well.

The reason I started Courage for Profit, and the reason I wrote this book has nothing to do with money. I would do what I do for free, as I truly love helping business owners and senior leaders to achieve their definition of success. This was the same when I was a firefighter. I wanted to help people, to save lives, and to make a difference in the world. I also wanted to create a lasting legacy.

When I started Fire and Safety Australia, I knew that my

business could prevent fatalities and injuries and help people to save lives. I had the belief that if everyone did one of my training courses, if everyone experienced great emergency response and safety training, that they wouldn't put themselves in the situation where a fatality or serious injury could occur. Or, if by chance they did, they would know what to do to get themselves or others out of an emergency situation and save people's lives.

When a company has a strong vision that has a positive impact on the world, that vision also impacts the employees, and it spreads from there.

For Rick's employees at Nieuvision, the vision is about inspiration and helping the community obtain financial freedom. They know they're not just turning up to work simply to do the job of an accountant; they're helping people secure their financial future. Rick's employees are proud to work for him, because they know that the work they do is helping people to stop relying on the government pension.

The same is true with the employees of Fire and Safety Australia. They know that they're truly helping people stay safe and reducing fatalities and serious injuries in the workplace. They are making a real difference in the world.

COURAGE FOR PROFIT VISION

When creating my new company, Courage for Profit, I started out by thinking about my vision before I even launched the company! I thought about why I want to help business owners, what success will look like in ten years, and what my core values are.

After much deliberation and following the same guidelines and exercises that I set for you in this book, this is the vision of Courage for Profit (check it out for yourself at www.courageforprofit.com). I make it known by including it at the bottom of my e-mails and in every proposal that I send.

My Purpose

To dramatically improve the profits of businesses and enrich the lives of business owners

My Vision

To dramatically improve the profits and lives of 10,000 business owners

My Values

Courage

Passion

Thirst for improvement

Never give up

My Superpower

Inspiring and teaching businesses to grow by leveraging my personal experience of more than 10,000 hours growing businesses

My Motto

“My job is not to be liked...my job is to make people better.”

—Steve Jobs

A strong and compelling vision is the basis for all large business decisions. Your vision is not a dream board, but it's being able to close your eyes and say this is what my future looks like, this is what success looks like, this is our compelling future.

ALIGNING YOUR EMPLOYEES WITH YOUR VISION

A strong vision greatly contributes to a great culture within a company. I encourage all my clients to be clear with their team about what the vision for the business is. People want to be part of something that's successful. When the vision of success is clear, it creates extra buy-in from people to the culture and to the organisation as a whole.

If you don't tell your employees what the vision is, you are missing out on the potential to engage your team at a

higher and deeper level. You may have already engaged their minds with your leadership, but a strong and compelling vision can also engage their hearts. You cannot expect people to really engage and align with the business if you haven't explained the journey that the business is on, what the future looks like, and of course what opportunities may arise for your team.

The top two reasons why an employee leaves a company are: (1) they don't like their boss, and (2) they don't see themselves having a future with the business. When you don't show employees the vision and the journey ahead, you miss out on a higher level of engagement with your employees, because they don't know where the business is going and how they fit into the future. When they don't understand where you're going, they start wondering where they should be, sometimes leading to not seeing themselves with a future in the business.

The job of the business leader is to align the team towards that vision and put the strategy in place to achieve it. If no one knows the vision, the fault lies with the business leader.

When I was recruiting for Fire and Safety Australia, I would e-mail any short-listed applicant our 2020 vision, as shown here, that I had created for the company.



Fire & Safety Australia VISION 2015-2020

In the calendar year 2020 FSA will train 100,000 people and provide 10,000 Emergency Response Shifts



In 2020 we will provide:

- Fire, Safety, Rescue, High Risk License and Incident Management Training
- Emergency Response, Paramedic and Safety personnel to Oil & Gas, Mining, Defence, Airports, Construction, Manufacturing, Government
- Outsourced Safety Advisors, Safety Managers & WHS Consulting
- Fire, Safety, Rescue Equipment
- Online Emergency Training Courses
- Portable & Fixed Fire Equipment Servicing



Our Purpose: *'To forever change safety in the world...
One experience at a time'*

Our Values: *'Be memorable', Thirst for improvement,
Passion for safety, Commitment to our team and clients*

Our Clients: *Companies who are passionate about the
safety of their people and value safety above cost*



In 2020 we will have:

- No Lost Time Injuries since our company inception
- 200+ employees
- Company revenue exceeding \$50 Million
- FSA employee happiness rating of 9.5+/10
- An employee share ownership plan with the potential for all FSA employees to own part of the company
- Completed at least 4 more acquisitions of competitors in strategic areas that provide FSA competitive advantages in new geographic and services markets
- A social media presence of 100,000+ people
- A trainer/ESO traineeship program which graduates at least 3 people annually through a 'recruit' training course and they then obtain 1 year of employment with FSA
- The best employee utilisation and billing rates in the industry
- International expansion opportunities

I would ask the applicant to check it out, then set up a time to meet together for a coffee the following week to chat and go over any unanswered questions about the job.

When I met up with the interviewees after giving them the vision a week earlier, I would ask what they thought of the vision. Some people would find it amazing and get excited to be a part of the journey, and I would see how they would light up with passion and enthusiasm. Others would express that they thought it sounded cool, but it also sounded like a lot of work to accomplish. I would determine who was really aligned with our vision and who was not before I hired the person.

My goal with our vision was to engage employees emotionally, to show them why we do what we do, what our future looks like, and the journey that we are travelling on together. So many business leaders complain that their employees don't care about the business or they're not connected, yet the problem is they've never actually shown their employees their vision for the future. Such leaders are missing a huge opportunity to increase engagement with their employees.

A clear vision will state where the business is going, what the journey is going to look like moving forward, and what the business will look like in five to ten years' time.

When this is clear, employees can decide for themselves if that vision is something that excites them. If the vision lines up with their passions, then great, they can join in; if not, then it's an easy way to move forward without them.

You need to be clear on your vision; it needs to be compelling and it needs to be your definition of business success. The vision is the first component of the equation for a successful growing business.

EXERCISE: FINDING YOUR BUSINESS'S VISION

I want you to define what business success looks like to you in a very clear and measurable way. I want you to have a clear picture of success, of what you want to achieve, and be emotionally bound to achieving it. I want your vision to motivate you and to inspire you and your team to greatness.

To inspire you, I want you to consider the following list of questions and answer them when you complete this exercise. But I don't want you to think about your vision while sitting at your desk in front of a laptop. I want you to get outside and move. I want you to block out no less than three hours, go for a walk by the beach or in a park, turn off your phone, and get away from any distractions. Then let your mind roam free and take this book as a guide.

Distraction-free, in a quiet park or at the beach, sit down somewhere away from the office and ask yourself:

- What will success look like in five to ten years' time?
- What will the business look like in five to ten years' time?
- What's the vision of the business in five to ten years' time?
- What does business success feel like?
- What kind of attention does your business get (awards, press, etc.)?
- What does success mean to you?
- What services/products does the business provide?
- Why do you do what you do?
- How big is the business?
- What revenue do you do?
- What profit do you do?
- How many employees do you have, and what is your culture like?
- What customers do you have?
- How do your customers talk about your business?
- What locations are you in?

There is no rush to answer these questions perfectly; rather, I want you to note down everything that comes into your mind onto paper. Write copious notes to get everything out of your head, then start to filter through

them into what is important, what defines your vision of success, and why it is important to you.

NOTE: Personally, I always do this exercise at the beach (where I love to relax!), sitting on the sand, hearing the waves crash and feeling the sun on my skin. Go to the place that is comfortable for you and that relaxes you.

I want you to find somewhere relaxing, somewhere quiet, and I want you to close your eyes. I want you to imagine that it is ten years in the future, and that you and I are sitting together in the same location where we are now. You have an enormous smile on your face, you are truly happy, and you are telling me what the business does, what the business looks like, how successful the business is, and the difference that you make in the world. Enthusiastically and passionately, you describe in minute detail every aspect of the business, painting the picture of how the business now looks. Everything you envision is what the business has become. I want you to think about every aspect of the business that matters. This is your vision; this is your definition of success, and this will be your legacy.

Close your eyes, think grandiose thoughts. Ten years is a long time. Aim high. Think about employees, customers, culture, finance, awards, donations, and products. What drives you? What makes you passionate to move forward?

Remember that Facebook is only about thirteen years old. Billion-dollar businesses like Instagram, Snapchat, and many others have been built in less than ten years. You can achieve a hell of a lot in ten years' time. You can build a big, powerful, and amazing company in ten years that can change the world. Do not sell yourself short.

Think about what you want the business to look like in ten years and why it's important to you.

Start writing down everything that comes to mind, thinking about everything within your business. Imagine that you could achieve everything in your business that you had written down in ten years' time.

Refine these notes into the top ten to twenty items that form your vision by thinking about what is the most important to you. I then suggest that you sit on these answers for about a week, let them percolate through the back of your mind, and you will then have your answers.

However, once I had my answers, I would force myself to follow it up with the question of, why?

If success for you means earning one million dollars a year to spend, then ask why. Why is it important for you

to earn a million dollars? The answer might be that if you have a million dollars in the bank, then you have financial freedom and the lifestyle you desire. You can do anything you want to do.

For every answer you get, keep asking, why? Keep doing this until you are solid in your vision. Anything that is not written down on that paper is not important to you. Anything that you don't have a really strong reason for will likely not be worthwhile, as you will forget about it when things get tough. Without a strong reason why, you will not be able to smash through the ever-present brick walls and silence the negative voices in your head.

Once you feel good about your vision, go tell someone about it. Explain all the details. If you're not happy or smiling when you talk about this stuff, it's the wrong vision. If it doesn't inspire you to think about the future, then it's not connecting with you enough. Your vision must be compelling; it must be your definition of success. I should be able to read back your vision to you and say WHEN you achieve all this, on a scale of 0-10, how happy will you be? If your answer is not a resounding 10/10, you have left something on the table and perhaps not pushed yourself hard enough during this exercise.

If you have business partners, I suggest that you each do

the exercises individually first, then together share your thoughts and find the common ground together.

Be confident, be strong, set a vision that will become your business's compass. Use it to find your destination: success.

Keep doing this practice until you have a very clear vision. Once you have a compelling vision, you can start to form a strategy to turn your vision into a reality. I've seen far too many business owners create an annual strategy that has nothing to do with their vision, as they focus on fighting fires and not really growing their business to the next level.

Once you have a clear and compelling vision, you can then build an effective and actionable annual strategy to start bringing that vision to reality.

There are a thousand different ways to grow a business. Building a strategy means figuring out the most effective steps that you're going to take over the next twelve months to reach your vision. The strategy is built around how you are going to grow and move from where you are now towards your long-term vision.

YOUR STRATEGY: CLIMBING THE MOUNTAIN TOWARDS YOUR VISION

“I’ve missed more than 9000 shots in my career. I’ve lost almost 300 games. 26 times, I’ve been trusted to take the game winning shot and missed. I’ve failed over and over and over again in my life. And that is why I succeed.”

—MICHAEL JORDAN

I like to envision a business that wants to grow like climbing a colossal mountain, where the vision is at the top of the mountain—your definition of success. Then, I draw a

line about a tenth of the way up the mountain. I call this base camp. Base camp is where your company needs to be in a year's time to be on track with the journey towards your five- to ten-year vision.

When I coach clients, I ask what are the top three things that need to happen to go from the bottom of the mountain where we are now, to get to where we want to be in twelve months' time. What do you need to do to climb the mountain?

You might figure out that you're going to need to walk ten miles a day up the mountain to achieve your vision. This is when you employ relentless discipline.

If you know you need to walk ten miles a day, then you don't walk eight, and you don't walk nine, you walk at least ten miles every single day for the entire year. You can't be lazy. You can't sleep in. You don't go play golf. Day in, day out, you walk ten miles a day, because you know that that's the only thing that will get you to your personal definition of success and achieve your strong and compelling vision.

When you're growing a business, you continue climbing up the mountain day after day, year after year, continuing to monitor your progress and improving your technique.

You keep walking those ten miles for as long as you want to grow and as long as you want to get closer to your vision with relentless discipline.

To succeed in making your vision a reality, you must have a clear plan for the twelve-month journey ahead. Your personal core value of courage will keep you going through the bad weather and when things don't go according to plan; your thirst for improvement will allow you to look at the situation and continuously reassess and improve along the way. If someone in your team is not putting in their ten miles a day, you reassess, coach them, and look for them to improve. If your team member is not improving or not putting in the effort, you tell them to leave the team so that you can continue to climb up the mountain.

A solid strategy is built around understanding how you will get from where you are now to where you want to be, in the most effective and efficient way possible.

DEVELOPING A STRATEGIC PLAN

When drafting an annual strategic plan, generally, most businesses try to accomplish too much. Rather than saying that they're going to do three things exceptionally well, business leaders come up with a list of one hundred things they'd like to do in a year, which are generally more urgent

than they are important. When it gets to the end of the year and you ask them what they've accomplished, they usually say they didn't accomplish anything meaningful, and they feel like a failure because they didn't achieve what they set out to achieve at the beginning of the year. They fought the burning fires in their business, but they didn't move the business forward. They stayed stagnant on the mountain, not really climbing but not really falling off, either. They wasted another year in their business life with no meaningful progress.

Being able to refine the list of things to do in a year down to a few things helps bring the focus to what's important: the long-term vision of success, and the few things that are required to get the business there. It's much simpler (although not necessarily easier) to focus the entire business and align the entire team around a few important goals for the year as opposed to a huge list of things "to do."

Four to five years into my business journey with Fire and Safety Australia, I did not have a refined priority list, and I was trying to do too much. I had a team of about thirty people. With the exception of a great finance manager, most of the people who were supervisors didn't have the leadership skills they needed to hold their teams accountable and align their teams around a small number of critical priorities. We were doing about five million

dollars in revenue at the time, and we were a business trying to make our way up the mountain to become a ten-million-dollar company in two to three years' time. We were never making as much profit as we thought we should have been making, because we were always focused on growth in revenue instead of growth in profit, generally overestimating revenue and underestimating expenses.

My strategy at the time was actually not a strategy at all, but rather a never-ending to-do list—a collection of do this, do that, build a new website, hire this person, buy this equipment, open this office. I looked out and saw that the weather was bad and decided to do X. Then the next day I decided to do Y. There was no clear, actionable strategy to grow the profits of the business and move us up the mountain over a twelve-month period.

I always felt that I was missing the opportunity for alignment with the team, because they would always say that I was going in different directions. This was true, because early on, I had never structured my business strategy into the most important initiatives for us to undertake.

Around five years into my business growth journey, I was fed up with the to-do list mentality and looked at ways to improve my strategy. I went to a session presented by a famous business author named Verne Harnish. He

talked about doing quarterly sessions, where you have a strategic planning session every quarter with your team.

These ideas struck a chord with me, and quarterly sessions felt like a great way to align everyone in the team together, so I adopted the practice and saw immediate results in my business.

Before doing these quarterly sessions, I had a vague idea about strategy and what needed to happen, but my team had no idea what our strategy was or what needed to happen for the business to continue to grow and succeed.

For the last five years at Fire and Safety Australia, we've run an annual Strategy Day and quarterly Strategy Days with our leadership team. The sessions consist of one full day with my senior team members every quarter where we sit down and look at our five-year vision and our annual goals and figure out if we're still on track and what needs to change. Then, we determine the most important few things that we need to do over the next three months and the next twelve months to keep us on track for our year-end goals and execute with relentless discipline.

For a company to be successful, everyone needs to be on board and moving in the same direction. Strategy is not just formed by the business leader or the business owner.

It is crucial for the senior leaders in the company to get together and provide input and vigorous debate about how the company can move up the mountain towards its long-term vision. Everyone needs to know the strategy to ensure that they understand the key objectives that need to be completed over the year ahead to help the business grow and succeed.

THE STRATEGIC PLANNING SESSION

I am generally engaged to facilitate six to eight strategic planning days for various businesses each month. I'm brought in to align the leadership team and produce a one-page strategic plan with input and buy-in from the leadership team, normally working one day per quarter with each business. When I'm conducting a strategic planning session, among the questions I ask are, "What will business success look like one year from now?"

It might be that you've launched a new product, or opened a new office, or hired more people, or earned extra revenue, but whatever it is, those are the things that will form the building blocks of your strategic plan for the year ahead.

Creating a strategic plan is about setting specific and measurable goals to move the business up the mountain.

Strategy is about deciding what we will focus on this year, and what we will not focus on. It's about deciding on the urgent vs. the important goals and deciding what are the key decisions we need to make to be successful.

Business owners need to be very clear about the annual company goals and ensure that they are S-M-A-R-T:

S-Specific

M-Measurable

A-Achievable & Accountable

R-Realistic

T-Time Based

By having SMART goals for the year, everyone knows whether the goal has been achieved or not at the end of the year. If the goals are not measurable and specific, it's difficult to create a plan of how to achieve them. The more specific we can be around this plan, the more likely we are to be successful in achieving it and ensure that we are focusing on the most important things.

Businesses fail to move forward when they make non-

specific goals like wanting more revenue, or better customer satisfaction, or more profit! The nightmare scenario here is that you employ someone as a national sales manager and you pay them a lot of money to grow the revenue of the business. At the end of year one, they come back to you and say they've done a great job because they've grown the business by one hundred thousand dollars, and you retort that it wasn't a good job because you wanted to grow the business by two million dollars! This situation happens all too often when the goals are non-specific, and it creates animosity between business leaders and employees, eroding trust. The more specific that we can be about our business goals, the better we can manage and align our team toward them.

To create a strategic plan, you must determine the top three goals for the entire business for the twelve months ahead, and decide the top three goals for each senior leader or each department within the business. In smaller businesses, these three goals might apply to the whole business, or, each employee might have their own three goals.

During the strategic planning session, you will initially focus on your goals for the year ahead—where do you want to get to, and how will you ensure that you can get there—and begin a brainstorming session with your senior

team members. Generally, this conversation starts with a discussion around revenue, profit, and margins. Then we discuss the annual goals in terms of each area of the business: finance, sales, operations, quality, marketing, customers, suppliers, and so on.

This is when we start to join together the strategic plan and have a clear path for us to move up the mountain, towards our annual goals, which are in alignment with our vision. From the strategic plan, we then implement a weekly Key Performance Indicator (KPI) dashboard that requires us to set weekly measurable goals. It is one of the best things that I ever implemented in my business. Our weekly KPI dashboard then shows us the weekly activities that we need to accomplish to ensure that we are on track with our annual strategy week in, week out.

Following training sessions with hundreds of business owners, running dozens of strategic planning sessions, and my own business growth experience, I've designed a one-page strategic planning template with an integrated weekly KPI dashboard that works for all businesses of all sizes across all industries.

2016-17 COMPANY GOALS (PERSON ACCOUNTABLE)	QUARTER 1 – WEEKLY KPI DASHBOARD	Green	Orange	Red
Whole Company (Steve-CEO) 1. \$5M Revenue and \$750K EBIT 2. Develop Financial Services Application (App Store) with 5,000 downloads to retain existing clients and attract new clients "millennial" generation 3. Investigate 5 potential acquisitions in NSW/QLD, and obtain a \$2M bank funding facility as part of our long-term strategy to grow by acquisition 4. Obtain team member happiness score of 8+/10 and implement core values strategies below	Monthly Company Revenue Result	>100%		<100%
	Monthly Company EBIT Result	>85%		<85%
	Weekly KPI Dashboard Total KPIs "Green"	17/22		11/22
	Achieve hours per week on acquisition project as follows for the previous week	5		2
Finance Team Goals (Emma-CFO) 1. Financial Monthly Reports by 15th of following month (P&L, Cash Flow, BS) Budget vs. Actual & YTD 2. Accounts Receivable Days <35 Days by end of the year and less than 1% of debtors 90+ days 3. Provide Weekly billable hours report to managers by employee	Weekly Bank Reconciliation Complete	5pm Tues		12pm Thurs
	Accounts Receivable Days	<40 Days		>50 Days
	Weekly cash flow report generated and sent to CEO	5pm Mon		12pm Weds
Sales Team Goals (Jayne-National Sales Manager) 1. Achieve \$1.5M in new client revenue and recruit one additional sales person 2. Maintain hourly billing rate average nationally of \$200 per hour excluding tax 3. Establish 2 non-competitive strategic alliances that each produce five leads per month	New Client Revenue Previous Week	\$15K		\$7.5K
	Face-to-face client meetings from sales team	45		15
	Total Sales team forward pipeline (3 months)	\$750K		\$400K
Victorian Operations Team Goals (Tim-Operations Manager) 1. Operational Budget vs. Costs 100% or less 2. Customer Net Promoter Score 70%+ 3. Ten percent of existing up-sold to gold product	Variation to previous month's operation's budget	0%		>10%
	Previous week's customer Net Promoter Score	70%		>50%
	Jobs completed on budget within target timeline	85%		70%
New South Wales Operations Team Goals (John-Operations Manager) 1. Operational Budget vs. Costs 100% or less 2. Customer Net Promoter Score 70%+ 3. 10% of existing up-sold to gold product	Variation to previous months operations budget	0%		>10%
	Previous weeks customer Net Promoter Score	70%		>50%
	Jobs completed on budget within target timeline	85%		70%
Quality, Health and Safety Manager (Edward-Compliance Manager) 1. No lost time due to injuries to our team members or customers nationally 2. Implement ISO9001 Quality Management Certification nationally 3. Ensure compliance to Health, Safety, Environment, Quality Plan	Complete weekly audits of internal Quality, Safety, Health, Environment systems/processes work	1 audit		0
	On target with ISO9001 Quality Certification milestone plan	YES		NO
	Conduct Monthly OHS meeting, quality meeting, OHS newsletter, quality newsletter	YES		NO
Marketing Team (Anne- Marketing Manager) 1. Grow website traffic by 10% to 60,000 annually 2. Grow inbound leads by 15% to 600 annually 3. Roll out new brand and website	Website Traffic Previous Week	1153		1000
	Inbound leads previous week	12		9
	Hours booked next week in calendar for rebrand project and new website roll-out project	4		1
ALL COMPANY ACTIONS TO GROW OUR CULTURE				
All Team Members involved in a Weekly Huddle Structure – Strategic plan progress e-mailed out weekly (aligns with 2025 Vision) – Weekly Leadership Team meeting held Tuesday morning 9am-10am – CEO F2F engagement across the country to engage with NSW team monthly – Internal monthly newsletter circulated to whole of company and company core values superstar award given out by final day of month				

This template is the exact annual strategic planning template that I use when conducting business advisory and strategic planning sessions with clients and their leadership teams, whether the business is a \$500K revenue business or a \$100 million revenue business. This template puts the roadmap to success over the next twelve months onto one page, with the weekly KPIs that must be tracked.

NOTE: At my website www.courageforprofit.com, under Free Online Resources, you will find five different examples of this plan from all industries (retail, professional services, manufacturing, logistics, etc.).

The strategic plan example here is of a financial services business that has twenty-five employees across Victoria in New South Wales. There are seven senior leaders in the business. There's a CEO, a CFO, a sales manager, an operations manager, a quality and health and safety manager, and a marketing manager.

Everything on the left side of the page indicates the top three goals for the company and the senior leadership team/department leaders, and everything on the right constitutes the KPIs that measure whether those goals are on or off track on a weekly basis, which forms the weekly KPI dashboard.

Every department manager will normally have three goals, however, the ultimate business leader (CEO, MD, etc.) may occasionally have a fourth or fifth goal, depending on the complexity of the organisation, but no more.

On the left-hand side of the page are the annual goals. Here, you indicate what you've figured out you need to do over the next twelve months to be successful for the year ahead. Firstly, you look at the entire business and what the whole business needs to accomplish. Secondly, you look at each department within the business and what they need to contribute for the year to be successful.

Each senior manager has three S-M-A-R-T goals for twelve months. These goals are the three most important things they need to do to move the business forward in alignment with the business's annual strategic plan.

For example, the sales manager's top three annual goals are to:

- Achieve \$1.5 million in new revenue
- Maintain an average hourly billing rate of at least \$200 per hour
- Establish two non-competitive strategic alliances which each contribute at least five referrals per month

These goals are S-M-A-R-T and these must be achieved for the business to hit its twelve-month goals and to remain on track in climbing the mountain towards its ten-year vision.

In this example, everything on the left-hand side of the page has a timeframe of one year. They are the key goals that need to be achieved for the business to reach the level of success desired.

THE WEEKLY KPI DASHBOARD

The weekly KPI dashboard is the way in which you will drive the relentless discipline and relentless focus of the entire business to execute your annual strategic plan goals and continue to move the business forward towards your compelling vision each week. The weekly dashboard is the best insurance that your business can ever implement to ensure that you execute on your plan. A plan without execution is nothing, worthless.

The weekly KPI dashboard will ensure that your creativity, your innovation, and your desire to hit your compelling vision and your annual strategy will succeed.

EXAMPLE: FINANCIAL SERVICES COMPANY

WEEKLY KPI DASHBOARD — Q1	Green	Orange	Red
OBTAIN 2 INTERNAL REFERRALS PER WEEK	2		0
CEO Revenue % Actual/Target Net Profit % Actual/Target	100%+ 100%+		<90% <90%
Weekly Leadership Team KPI's Green	17/21		11/21
On target with weekly milestones for acquisition and app development project plan	YES		NO
CFO Average Accounts Receivable Days	<45 Days		>50 Days
Weekly bank reconciliation complete	5pm Tues		5pm Weds
Weekly cash flow report generated and sent	5pm Mon		5pm Tues
NATIONAL SALES MANAGER Weekly new business revenue	15k		7.5k
Face to face prospect meetings by sales team	45		30
3 months sales pipeline value	\$750k		\$500k
VIC MANAGER Variation on previous month operations costs to budget	0%		>5%
Net Promoter Score average last 7 days	>60%		<50%
Jobs completed within target date	85%		79%
NSW MANAGER Variation on previous month operations costs to budget	0%		>5%
Net Promoter Score average last 7 days	>60%		<50%
Number of clients up-sold to GOLD product	5%		0%
COMPLIANCE MANAGER Complete weekly HSE or QA audit of one company project with report completed afterwards and provided to leadership team	1		0
On target with weekly milestones for ISO9001 implementation project plan	YES		NO
Conduct Monthly HSES committee meeting, HSES report and compliance newsletter	YES		NO
MARKETING MANAGER Online unique website visitors	1000		700
Weekly website leads previous week	10		6
Roll-out new marketing materials and web-site inline with milestone plan	YES		NO

The weekly dashboard is a traffic light system with green, orange, and red. Each weekly dashboard KPI has a specific number attached to it or a YES/NO answer for the green and red columns. In this traffic light system:

- Green indicates you're on target to reach the goal. Generally, this means the activities you have completed in the last week or activities measured up until the end of this week are on track to hit your corresponding annual goal.
- Orange is not on target, but not drastically off track either. Think of orange as not the end of the world, but currently the activities that you are measuring are not on track with your annual goal, so you potentially risk ending up short of your annual goal. You need to proceed with caution and look for how you can improve your results.
- Red indicates that you are significantly off track with the activities that correspond to your annual goal. You are at a risk of not achieving your annual goal (normally red is set at 50–70 percent of the green KPI, or at a breakeven point for the business/department).

There are also important things to note about the weekly dashboard.

- The weekly dashboard is not the most important com-

ponent of the annual strategic plan. The top three goals for the business and for each department/senior leader are the most important part of the strategic plan. However, the weekly KPI dashboard generally indicates if you are tracking towards achieving your goals, or if you are tracking away from your goals.

- Wherever practicable, each business leader and department leader's three dashboard KPIs should generally consist of two leading (forward-looking) KPIs that look into the future, and one lagging (rearward-looking) KPI. This is especially important for the sales and marketing KPIs. This ensures that we are not just measuring our results from last week, but we are determining if we are on-track or off-track with our targets for the full year.
- It is worth remembering that sometimes seasonality within a business can yo-yo weekly dashboard KPIs up and down. However, don't let this distract you. The only way to determine if you are on-track or off-track with your annual goals is to track your weekly dashboard KPIs over a four- to six-week period to determine the overall trend.
- The first time this system is introduced into your business, you will probably find that 70–80 percent of your weekly dashboard KPIs are correct, but 20–30 percent may not be right, with the wrong numbers or KPIs to measure your goal tracking. This is okay, so don't let

this affect you. This takes some practice to ensure that you are measuring the right KPIs. Sometimes, you will find that you are measuring something that later on is less important, or you are not getting the value from the specific KPI. However, before you just leave out this KPI, instead, you should consider how else you can measure the progress towards the annual goals to determine if you are on-track or off-track on a weekly basis. Replace the KPI at the end of the quarter if it is not giving you real value about how you are tracking towards your annual goal.

- Consistent red dashboard KPIs. If you are consistently scoring red for four or more weeks in a row, you need to review the goal, review the dashboard KPI, and review the performance of the accountable business leader. It may be that you set the wrong KPI, or that the leader requires extra coaching to improve their performance. Or, it may be that you have the wrong senior leader in place running that area of the business. If the latter is correct, the next chapter on “people” will significantly help you through this challenge with techniques to improve performance through coaching, and an analysis tool to determine if the person is the right person or the wrong person.

EXAMPLE: NATIONAL SALES MANAGER - WEEKLY KPI DASHBOARD

Let’s review the earlier example company where the national sales manager’s annual goal is growing the business by \$1.5 million in new revenue over the year ahead. This example shows one lagging indicator and two leading indicators to measure on a weekly basis.

WEEKLY KPI DASHBOARD — Q1			
NATIONAL SALES MANAGER Weekly new business revenue	\$15k		\$7.5k
Face to face prospect meetings by sales team	45		30
3 months sales pipeline value	\$750k		\$500k

Examples of leading indicator (forward-looking) KPIs to consider could be:

- Sales Pipeline Value
- Number of orders taken
- Number of proposals presented to prospects in the last seven days
- Number of face-to-face meetings with prospects
- Cold calls made
- Number of sales teams that are rated “A” with 8/10 performance rating or higher

Examples of lagging indicator (rearward-looking) KPIs to consider could be:

- Revenue last week
- Average dollar sale or average gross profit margin last week
- Average transaction per customer
- Number of repeat customers who bought last week
- Customer feedback about their experience with the sales team
- Overall customer retention

As a leader during my years growing Fire and Safety Australia, I found that the traffic light system was the best tool I ever used to keep the senior leaders aligned, focused, and engaged in the strategic plan every week. It breeds accountability, as everyone must bring in their numbers and announce them to the leadership team every week.

A well-implemented weekly dashboard means there is no risk of this plan being stuck in the desk drawer, no chance that the goals are forgotten about, and it forces the leaders to bring their numbers to the leadership team meeting each week for alignment and accountability.

This dashboard measures if we're generally on track with our annual goals, and it gives us a good indicator of our success in the weeks and months to come, based on the current activities and future trends of the business. This gives the business leaders the visibility as to whether

or not changes need to be made to strategy, resources, people, or performance to keep on track with the annual strategic plan.

The weekly KPI dashboard corresponds to the goals of the strategic plan; it is focused on the few most important numbers that matter to the business, not all of the numbers in a business. These numbers are not generally just financial results or numbers, but KPIs from all areas of the business that together must align and perform so the business hits its annual plan.

Unfortunately, many business owners put a business plan in place and then find themselves six to eight weeks later realizing they're off track with their plan. The reason is that they are not obsessing about their plan with relentless discipline with their leadership team each and every week, so, unfortunately, the business never achieves its potential.

I always like people to imagine that these business leadership principles and relentless disciplines are like flying a passenger aircraft. Imagine if you were the captain of a 747 aircraft and had a few hundred passengers on board, and you were flying a plane from Sydney, Australia to Los Angeles, USA (around a fourteen-hour flight!). It would be foolish to look only at the map to check how you are tracking at the time you were due to arrive fourteen hours

into the flight! Neither can you just check your position every few hours to see if you're on track or not, because if it's six hours later and you realise the aircraft is off track, it may be too late to correct the problem. You might not arrive at your destination, or you might run out of fuel and crash! In addition, you also can't say over the PA system on the aircraft, "Hello, ladies and gentlemen, we're flying north today. We're not sure where we are flying, or when we will get there, but we are flying safely!" This is why it is critical to involve and communicate the plan with your team to ensure alignment and direction across the business. Growing a business is exactly the same.

You cannot check in on your dashboard KPIs and annual goal progress once per month. You must have relentless discipline, look at it weekly, and determine if you are on track or off track and why. Then, take the necessary corrective actions and make improvements along the way. The weekly KPI dashboard is less around profit, less around sales, and more around ensuring that we are doing the key day-to-day activities that will ensure we achieve our annual goals. The elements in the dashboard are generally not outcome-based (lagging indicator KPIs). Instead, I want you to focus on the activities that are going to lead to the goals (leading indicator KPIs).

If you don't look at the progress of a KPI dashboard on a

weekly basis, you may find yourself falling behind on a consistent basis. Let's say your goal is a certain profit or revenue, and your financial year starts on July 1. You look at the financials two weeks after the end of the month. So, on August 14, you get your July financials and realise your costs were much higher than expected. By the time you're able to put a strategy in place to reduce costs in the business, and you have modelled the financial impact and business impact, which takes another two to four weeks until they take effect, you're already halfway through September. You're almost a quarter of the way through the year, and you've blown up your entire annual strategic plan for the year, because you took your eye off the ball and didn't have the relentless discipline required to look at the numbers weekly!

What if you are working on a large project with a six- or twelve-month duration and you are finding it difficult to measure a KPI weekly?

I once had a software client who was recruiting a vice president of Asia with the goal of substantially growing their business in Asia. This was a twelve-month goal, but he didn't see how he could measure it weekly. He saw it as either he hired someone, or he did not in a year's time. As you now know, an annual measurement has too high a chance of failure.

This person was stuck on how he could have a weekly dashboard KPI attached to this annual project. He was measuring the wrong thing. What he needed to measure was the amount of time he spent networking, in meetings, speaking, and briefing recruiters to find this new key hire. His dashboard number in green was set to three hours of running this project per week. We agreed that if he spent three hours a week on the project of recruiting the VP of Asia, he would have that person within a year. If he spent zero hours each week, he wasn't going to have that person in a year. This meant he could still determine if he was on track or off track on a weekly basis, because he had a time commitment set around the annual project target. In this example, the other option would have been to set a twelve-month project plan with the weekly KPI of Green=Project Plan Weekly Milestones on Track, Red=Project Plan Weekly Milestones not on Track.

You must always think about the activities that are going to lead to your goal being achieved or not achieved. If the goal is to grow web leads, what are the activities that can be measured? Rather than just measuring web leads alone, which is a lagging indicator KPI, it is also relevant to measure leading indicator KPIs such as: how many social media posts get posted, or how many outbound e-mails are sent, or the number of unique visitors per week, or the e-mail signup rates.

The weekly dashboard gives the business leader a good health check of what's happening in the business on a weekly basis and allows them to see if their subordinate leaders and subordinate team members are doing the right activities and how each department is performing. This is the business scoreboard that measures business performance and the individual department leader's performance on a weekly basis.

You will see on the strategic plan example that the second weekly dashboard KPI for the CEO is 'Weekly leadership team dashboard KPIs Green'.

As the ultimate business leader at the top of the organisation (business owner, managing director, CEO, etc.), the most important weekly KPI to measure your performance and that lets you know whether you and the business are tracking in accordance with the annual plan is by providing the answer to this question: "How many weekly business dashboard KPIs are green?" This shows me the CEO's performance clearly. The ultimate business owner is at the top of the organisation, and you have the ultimate accountability for the entire business's performance. Therefore, how your team performs is a reflection on you. If you are a senior leader with supervisors that report to you (e.g., general manager, COO, CFO, operations manager, warehouse manager, etc.), then this KPI

may be useful for you also, to measure your team's overall performance.

If you're a sports team, your measure of success at a given time during or after a game is the scoreboard, whereas your scoreboard each week as a senior manager or the CEO is the weekly dashboard for your organisation.

The day that you should care the least about in your business is yesterday. Yesterday is gone, so are the sales you did yesterday, or the win you had yesterday, or the profit you made yesterday. What you should be most interested in is what's happening today and tomorrow. Your ability to look at and influence the activities that you're doing today and tomorrow can assist you to accurately forecast how you're going to perform next week, next month, and over the next twelve months.

It's incredibly hard to see the future unless you're surrounded by the right data, and the weekly KPI dashboard gives you the data to determine whether you're on-track or off-track with where you need to be to hit your annual goals. This is the data that will forecast the future revenue, profit, and cash in the business. If you can measure your weekly progress towards your goals and employ relentless discipline to complete the required activities, then the business's performance can drastically improve.

Of everything that I've used when I've facilitated strategy sessions for clients, the weekly KPI dashboard is the one thing that has always brought about the most change. When you're a manager reporting in each week, there is a high level of accountability for you to perform, because the scoreboard and your performance are highly visible to your peers and to your manager.

In most companies, you don't get to see anyone's performance. The weekly KPI dashboard is the way to visibly see how every senior leader is performing in the business. If someone isn't performing, everyone can see that quite clearly, so the peer pressure and accountability that is created is a great thing.

Even if you don't use this exact strategic planning template, what I want you to take away from this is to ask yourself, "How can we measure our annual goal progress on a weekly basis?" If you can do that, you will dramatically improve your likelihood of success. There are so many companies I have seen that have gone five years and not hit their plan or budget once, but at that moment when they figure out how to measure their annual goals on a weekly basis with forward-looking KPIs, they start making meaningful progress with their plan in as little as two to four months' time.

Once you have mastered the weekly KPI dashboard for

the senior leadership team, I recommend that you introduce smaller versions for each of your departments so that everyone in the business is connected to the overall business strategy.

THE ANNUAL STRATEGIC PLANNING PROCESS

While you have learned everything you need to know to create your annual strategic plan, I have created the resource and exercise below for you to use as a quick reference, and for you to now go ahead and complete.

If you are new at this, or if you lack confidence, consider bringing in an outside facilitator, or having someone coach you through the process. However, if cost is a constraint, then do it yourself and give it your best shot, as this is the most critical day in your company each year. You must do it at least one day per year to move the business forward (preferably four days per year for larger and more complex companies).

Gather the senior leaders of your business together and get off-site, away from the day-to-day operations of your business. If you are a smaller business, perhaps gather a few trusted key employees and walk through this strategic planning process. Ensure that your phones are off and your day is free from all business distractions. Your day running

your strategic planning session is the most important day of your business year. Great planning, great preparation, and great discipline will lead to a great outcome.

THE TEN-STEP PROCESS TO SETTING AN ANNUAL STRATEGIC PLAN

When creating your yearly plan, remember that a lot can be accomplished in a year. You could sell the company in twelve months' time, obtain external investment, or you can even double or triple the profits of your company within that short span. Aim big!

As you move through the ten steps, here is a template you can use for guidance.

VISION 2027:
PURPOSE:
VALUES:

2016-17 COMPANY GOALS (PERSON ACCOUNTABLE)		QUARTER 1 - WEEKLY KPI DASHBOARD			Green	Orange	Red
Business Role/Name & Accountability 1. 2. 3. 4. 5.							
Business Role/Name & Accountability 1. 2. 3.							
Business Role/Name & Accountability 1. 2. 3.							
Business Role/Name & Accountability 1. 2. 3.							
Business Role/Name & Accountability 1. 2. 3.							
Business Role/Name & Accountability 1. 2. 3.							
ALL COMPANY ACTIONS (IF APPLICABLE)							

INSERT COMPANY PHOTOS / LOGO / MAKE IT YOURS!

THE STRATEGIC PLANNING PROCESS

1. Start off by talking about your strong compelling vision of where you want to be in five to ten years' time. Think back to our last chapter about visualizing your own personal definition of success. Talk about why your vision excites you and the difference that your business makes in the world. Spend ten to fifteen minutes talking about why you do what you do and obtain input from your team about how the business is currently tracking.
2. Now, go through each of your core values and talk about examples of current employees who are living your core values. Talk about each core value and link it to an employee. Use core values stories to start the day off with passion and enthusiasm.
3. Brainstorm with the group, "What does success look like from today?" Ask everyone in the room this question; ask them what they want to get out of today, and what they want to ensure that we talk about today that is critical to move the business forward towards our vision. Write these answers on a flipchart so that these answers are your guide for the day and keep them on display within the room.
4. Complete a business results presentation or a summary of how the business has performed in the last twelve months. Record what has worked and what has not worked. Then share this with everyone in the

room. Use this as a way to start thinking about the areas to focus on during the day.

5. Circle back to your compelling vision in five to ten years' time. For the business to hit your vision in five to ten years' time, what do I need to do in the next twelve months? What will success look like in twelve months for the business?
6. *When I run these sessions, I ask people to close their eyes, to visualise themselves and the business in twelve months' time. "Imagine that we are in this same room, with the same people in twelve months' time...this year has been the best year in the history of our business...we have achieved great things! We're here together celebrating our fantastic year. What have we achieved for this year to be great? What are the key three to five things that we've completed this year so that this year was awesome and we've moved up the mountain towards our vision?"*
7. I normally give people two to three minutes with their eyes closed to think about what a successful year looks like; then I ask them to open their eyes and on a blank sheet of paper write everything down that came to mind.
8. After they have written down their key areas of success for the year ahead, I put all of these answers from all participants up onto a whiteboard. We list all ideas, then as a group, we look on the list for the three most important areas of focus for the entire business. If

we only achieved three things for the entire year, yet the year was still extremely successful, what did we achieve? Work around the room getting all thoughts and reasons, and discuss all ideas until we get the top three most important things that we need to accomplish over the entire year to move the business towards its five- to ten-year vision, so that we have a fantastic year!

9. We then apply our S-M-A-R-T (Specific, Measurable, Achievable, and Accountable, Realistic, Time Based) formula to these goals with a twelve-month timeframe. As a leadership team, we agree on the top three goals for the business for the year ahead for this year to be successful.
10. *NOTE: Ideally, look for only three goals for the entire business to be aligned around. Occasionally in businesses that are very diverse, or operate several companies within one brand/group structure, or businesses that are going through a period of mergers and acquisitions, this may extend to four or five goals for the entire company. However, I stress to you that less is more: the fewer goals you can focus the entire business around, the higher the likelihood of goal achievement. Never exceed five goals per business leader!*
11. We then look at what each department needs to contribute. What does success look like for each department/senior leader in the business, and how

does this contribute to the overall company strategy?
What are the top three goals that need to be completed over the next twelve months to move each department forward in alignment with the overall company plan?

12. I then ask the senior leaders to apply our S-M-A-R-T formula to these goals with a twelve-month timeframe. The senior leader presents these top three goals to the senior leadership team for agreement, questioning, and debate.
13. *NOTE: Sometimes for smaller businesses (less than ten people), we may not break down the plan by department; instead, we may extend our list of entire-company goals from two or three to five or six and bring everything together into our entire-company plan.*

<p>CEO – WHOLE OF COMPANY GOALS (CEO STEVE – 25 EMPLOYEES ACROSS VIC & NSW)</p> <ol style="list-style-type: none"> 1. \$5M REVENUE, 15% PRE-TAX PROFIT (\$750K Net Profit) 2. Develop Example Services co. application with 5,000 downloads 3. Investigate acquisitions (sub \$2M purchase price) in QLD and/or NSW (develop a list of 5+) and obtain bank funding of \$2Million 4. Obtain team member happiness score of 8+/10 and implement actions from happiness survey below
<p>FINANCE TEAM GOALS (CFO EMMA – 3 IN FINANCE TEAM)</p> <ol style="list-style-type: none"> 1. Financial Monthly Reports (P&L/BS/Forward cash flow) submitted by 13th month, including all mgt. cost reports vs. budget 2. Accounts Receivable Days <35 Days by end of year (Q4 average) 3. Provide weekly billable hour %'s report to services team
<p>SALES TEAM GOALS (SALES MANAGER JAYNE – 3 IN SALES TEAM)</p> <ol style="list-style-type: none"> 1. Achieve \$1.5 million in new revenue 2. Maintain average hourly billing rate of at least \$200 per hour 3. Establish two non-competitive strategic alliances which each contribute at least five referrals per month
<p>VICTORIA TEAM GOALS (STATE MANAGER MAX – 8 IN VIC TEAM)</p> <ol style="list-style-type: none"> 1. Operational budget vs. actual cost 100% or less 2. Customer Net Promoter Score 70%+ 3. 95% of jobs completed by target date
<p>NEW SOUTH WALES TEAM GOALS (OPS MANAGER NSW LACHLAN – 8 IN NSW TEAM)</p> <ol style="list-style-type: none"> 1. Operational budget vs. actual cost 100% or less 2. Customer Net Promoter Score 70%+ 3. 10% of clients upsold to gold product
<p>QUALITY & HEALTH AND SAFETY GOALS (COMPLIANCE MANAGER EDWARD)</p> <ol style="list-style-type: none"> 1. No injuries to our national team or customers 2. Implement ISO9001 certification 3. Ensure compliance to HSE plan
<p>MARKETING GOALS (MARKETING MANAGER ANNE)</p> <ol style="list-style-type: none"> 1. Grow website traffic by 10% to 60,000 web visitors 2. Grow inbound leads by 15% to 500 3. Rollout new marketing materials and website as per marketing plan

Example of Strategic Plan Goals for the entire company and each department

14. Following agreement on the S-M-A-R-T goals for the entire business and each department within the business, we then start putting together our weekly KPI dashboard. For this exercise, each annual goal has a specific weekly KPI attached that is reported at the weekly leadership team meeting, and indicates if the annual goal is on-track or off-track each week. This relentless discipline of reporting these numbers each week gives the business leaders a good health check about the business progress and how it is tracking towards our goals for the year ahead.
15. Set the Weekly KPI Dashboard for the business as it relates to the business goals.
16. *NOTE: See Chapter Four: Relentless Discipline, for a full explanation of leading and lagging weekly KPIs and how this weekly dashboard is critical to integrate within the annual strategic plan.*
17. Now bring together the annual goals and the corresponding weekly dashboard KPIs for the entire company into the annual strategic planning template. As a leadership team, go through the plan in its entirety to ensure that everyone is willing to be held accountable to the plan and to ensure that everyone is bought into the importance of the plan. Come up with the key goals so you can align the entire company to the strategic plan and obtain buy-in to the plan. Set the weekly leadership meeting day and time

(sixty to ninety minutes each week) and commit to the process.

18. To conclude the day, I always like to get people to stand up and state, “What stood out for you today? What did you learn?” This is your time to tell everyone your degree of certainty in the annual strategic plan. You can share what you’ve learned or your experiences. Then, recognise anyone who is living your core values that stood out to you.

That’s it! It is a simple ten-step process, but it is far from easy! Normally, this takes a full ten-hour day to complete. However, if a business has a lot of existing challenges or is in trouble financially, it can sometimes take a second day to diagnose and treat the underlying business issues.

Out of the entire process, Steps Six and Seven are the most challenging, because you discuss and debate the company and departmental annual goals. This can sometimes take many hours, and the facilitator must be a strong and influential leader to align the team together and both push the team harder and pull them to a central direction.

Depending on the existing successes or challenges within the business, these steps can have team members bogged down for a long time. As a leader, you have to pull everyone through this; you must not give in to temptation to

focus on everything that you should be doing! Focus on the most important three goals to drive the business forward, execute with relentless discipline like your business's future depends on it, and then watch your business dramatically grow towards your vision of success!

NOTE: If you still struggle with this or lack confidence, engage a professional strategic plan facilitator like myself to work with your business and get the job done so you have a rock solid strategic plan in place for the year ahead.

EVERYONE IS IMPORTANT TO THE STRATEGY

Everyone plays a critical role in the success of the business, whether they are the CEO, CFO, sales manager, customer service representative, sales person, or a junior employee. All employees' roles are important, and the business must connect all employees to the business strategy.

When I was CEO of my business with one hundred employees, I took this responsibility extremely seriously. If I made significant mistakes, five or ten people could potentially be out of work, and the accountability always ended up with me. I was unwilling to go and risk their livelihood and the business's future, based on guesses. I wanted to look at everything each week to be on top of

where we were headed and make the decisions to help us grow.

Most senior managers adapt this system easily because they understand the reasoning behind it. They know the importance of having a finger on the pulse of the business to figure out what's working and what's not working. Rarely, but on occasion, a senior leader will be concerned that their subordinate team members may think that the weekly KPI dashboard is micromanagement. I completely disagree. Micromanagement is when a leader is sitting over their team member's shoulder and telling them what to do throughout the day, as well as how to do it and when to do it (something I hate!). The weekly KPI dashboard is the exact opposite. It is a list of weekly KPIs whereby you relinquish some control over your subordinate team, you allow them to report the numbers and accept accountability for the work required to be completed and the resulting numbers.

While no one has looked back at this system and regretted implementing it (all who have adopted this system still use it weekly), there can be some pain experienced along the way. I always give business leaders a warning that this system might take some time to adjust to. My word of warning to everybody who implements it is that you may have a few people who move out of the business because

of the intense accountability. This, however, is probably a good thing. Some employees resign because they don't like being held accountable, and they don't want their performance to be visible to others shirking accountability. High performers will want to show everyone what they have achieved, whereas the weaker performers generally want to blame others and hide from accountability.

The high performers will have the relentless discipline to carry through and achieve their weekly goals, and that is key. Do not set a grand vision and a winning strategy, yet let it fail because of a lack of discipline. Relentless discipline is tough, moving forward every day and climbing up the mountain ten miles per day and never missing, but the rewards will change your business and your life forever.

RELENTLESS DISCIPLINE: IMPLEMENTING THE STRATEGIC PLAN, WEEKLY KPI DASHBOARD, AND WEEKLY MEETING

*“A good plan executed violently now, is better
than a perfect plan executed next week.”*

—GENERAL GEORGE S. PATTON

There are two schools of thought when it comes to how often you create and review a strategic plan in your business. Businesses with less than ten or fifteen employees that are growing slowly (under 10 percent per year) can

probably get away with annual strategic planning sessions, where the senior leaders or the entire team goes off-site away from the office. However, companies that are larger than fifteen employees, or are growing more than 10 percent per annum, probably need to involve more people and look at each quarter separately, with a separate day off-site each quarter to complete quarterly strategic planning sessions.

Whether you do the strategic planning sessions annually or quarterly, the point is that you are consistently reviewing and improving your strategic plan, checking in on your weekly KPI dashboard to make sure that as things change, you have the right goals and KPI measurements in place.

The litmus test for creating the strategic plan is to determine the three most important things for the business to focus on for the entire year ahead. If you're achieving all of your goals in the first quarter alone, you are either extremely good, or more likely, you haven't set the bar high enough. A year is a long time in business, but let's say that one of them, you do complete. Let's say my client found that VP of Asia within three months.

At the quarterly review of how the business is tracking, he would then look at changing that goal out. He would look at what the VP of Asia needs to produce for the rest

of this year for this role to contribute and for this role to be successful. I should be able to pick up your strategic plan and clearly understand what you want to achieve, and use that to run your business. If, when I pick up the document, I cannot understand what it means, you have more work to do.

If you find that you're changing your goals more than once a quarter, because you're completing them too quickly or they're not the right fit, then you haven't set your goals up correctly. You will certainly get better at this the more you do it.

Maybe you are one of those senior leaders who is "squirrel-like," constantly changing your goals and your focus and looking for "shiny objects" to distract you. This strategic planning structure will give you more discipline. Unless there is a dramatic change in the environment that your business operates in, you should not be changing your strategic direction more often than quarterly. Leaders who are prone to distraction by new and shiny opportunities (hence the name squirrel!) and are constantly changing direction need more discipline and more structure. These leaders need to move away from constant changes in direction and strategy as this distracts their team, and they will not achieve peak performance. I don't want to hinder the business leader's ideas and strategic brain at

all! Rather, I want to harness that energy with more discipline so their work is more focused on a quarterly basis, which will lead to more effective outcomes.

Once you have a clear annual strategic plan and a weekly KPI dashboard, your achievement of that plan comes down to relentless discipline. It comes down to your ability to follow through on those key activities that need to be completed every single week to move the business forward.

The best thing about the KPI dashboard is that if it is implemented properly, the strategic plan never becomes a bottom-drawer exercise. Some companies spend all this money to put a strategic plan together that's fifty pages long, and then they leave it in the bottom drawer and never check on it again. The plan then means and achieves nothing. It's much better to get the entire year's plan onto one page and hold everyone accountable with a clear, weekly, sixty- to ninety-minute leadership team meeting.

WEEKLY MEETINGS: LEARNING TO BUILD A STRUCTURED INTERNAL MEETING SYSTEM

During the early days of Fire and Safety Australia, I would catch up with each of my direct reports for around an hour each week. There wasn't a communication system in place, and I spent a lot of time repeating myself. I would

talk to the sales manager and think we were set, but then the finance manager would mention something about sales, and I'd have to go back to the sales manager and talk to him again.

It was a constant, inefficient communication system because I was catching up with everyone individually, cross-checking details, and being caught up in “he said / she said” rather than gathering everyone together and leading the conversation. As we grew, this inefficiency reached a point where it was unsustainable and hurting the business, as I was working harder and harder for the same outcome.

The first thing I did was figure out how we could get everyone in the same place at the same time. As a national company, we had to figure out how to make this work. We set a weekly conference call at 10:30 a.m. on a Wednesday. This meant that no matter what time zone someone was in in Australia, they could make it work, because it was neither too early nor too late for anyone. Here, we reported on the weekly KPI dashboard, and each leader was required to give a quick update on how they were tracking against their annual goals. We shared stories of great employees who lived our core values, and we used this time to move the business forward and improve ourselves every week.

Instead of doing six to eight one-hour meetings a week, we now had a system that gathered everyone together for sixty to ninety minutes. The information was shared across all departments, so I saved many hours each week and only had to have one highly focused leadership team meeting.

This gave me a good understanding of what was working and what wasn't and how the business was tracking. From the weekly KPI dashboard, I could determine what I needed to spend extra time on to help and support those people who had KPIs in the red or orange.

While this required everyone to be personally accountable for each of their teams, it also required courage on my part. I had to be more open and have the courage to share my profit-and-loss statements with the senior management team, which I'd never done before. The payoff was that everyone understood how we were performing. Everyone had input into problem solving and suggestions for how to fix things that weren't working in the business.

When I was operating inefficiently, my days were filled with endless meetings. I was having to do six or seven hours of individual meetings on a Monday, and they took all day, so I hated Mondays! When we brought everyone into this weekly meeting routine, I now had much more time to drive our other strategies to grow and improve

the business, saving myself six to seven hours of time each week.

When you first implement this weekly meeting, staff members might think that it will only last a month. But this should be something you make happen every week of every month for as long as you're in business. This weekly meeting will help everyone maintain alignment with the company's goals and ensure that you can measure the health of the business and how you are tracking towards your annual goals. There's no hiding with this weekly meeting and weekly KPI dashboard; it employs relentless discipline. If there's a bad week, the problem is addressed immediately so that a bad week doesn't turn into a bad month, that leads to a bad quarter, that leads to a bad year.

The weekly leadership team meeting is compulsory. Unless someone's away sick or on holiday, the meeting must be attended. If for some reason the CEO is away on holiday, someone else must run the weekly meeting.

This is the relentless discipline required to achieve your vision. Hold yourself accountable to make this meeting happen every week without fail. I have some coaching clients who send me their weekly meeting KPI dashboard at the end of each meeting. I don't necessarily look at

all of the KPIs, but by requiring them to send it to me, I hold them accountable for doing the meeting week in and out, and measuring the business performance every single week.

Every week the weekly KPI dashboard is to be examined with the leadership team to identify whether the strategy is on- or off-track. The meeting focuses on how the company has performed and what is standing in the way of getting green the following week, where there are orange or red KPI results.

When I was CEO, the only meeting I attended every single week without fail was the weekly leadership team meeting where we looked at this dashboard. The dashboard would provide a quick health check across the business. Every manager would report in on their three goals, and it was a great way to see what areas of the business were healthy and what areas of the business were a little sick and required extra attention. Having that weekly meeting for the entire year maintains the relentless discipline required.

The strategic plan should sit on every senior leader's desk (I have mine as the background image on my laptop). The CEO should have the discipline to implement the strategic plan, but the benefit is that it forces the relentless

discipline on the senior leaders, which in turn improves their focus, discipline, and output. Every week, the senior leaders need to look at the strategic plan and KPI dashboard at least twice, once to prepare their report on how they are progressing with the tracked KPIs, and once in the meeting to say, “I’m red, orange, or green.” No one can ever forget about the annual strategic plan, because there is that relentless discipline of the weekly meeting to check in constantly.

The CEO can now begin to manage better as well as ensure they have the right team of senior leaders. High performing employees thrive in this situation, because they get to see how they’re doing. It makes it easier to recognise them for their good work. The CEO can also see if there is one person that’s in the red for months and can start to think about whether they need to be supported, coached, or replaced.

The data that’s provided by the weekly KPI dashboard allows you to make better decisions. When you come back to review the strategic plan every quarter, you can look at the dashboard, look at the goals, and determine how you’ve performed and what changes need to be made. The dashboard gives the CEO a glimpse into the business’s performance, and shows them who in the senior leadership team is performing, and who is not.

One of the biggest things to come out of setting up a weekly KPI dashboard and conducting a weekly meeting is that it improves communication and alignment within the company. One of the reasons people leave an organisation is because they don't feel they know how the organisation's tracking. They don't feel like they're a part of it. The KPIs keep all of the different business units accountable to their part of the annual strategic plan. There is more visibility and people know how everyone's performing. They feel more aligned with the goals and they want to keep working hard to achieve them.

The biggest benefit of the weekly meeting is that communication flows up to the senior team in attendance and back down after the meeting to the rest of the company to ensure everything stays in alignment. When the senior managers discuss business performance, they can disseminate that information to their teams so that everyone is involved and connected to the entire business.

If in the weekly meeting the senior managers learn that customer service is down to two people that week because of annual leaves, the sales manager can then go back to his sales team and explain that customer service is short-staffed, and it will be a slower week. He can tell them the short-term measures that are being taken to improve the situation so they don't get completely off track.

When there is a cross-sharing of information across the whole business, every single week on the same day at the same time, issues can be sorted right away instead of weeks or months down the line where most often it is too late. The weekly meeting is the most important meeting of the week.

Right now, if you want to immediately improve the communication in your business and the execution of your strategic plan, block out sixty minutes every week in your calendar and immediately invite your senior leaders to this reoccurring weekly meeting. Right now, set the calendar invite, invite the people required, and start using the power of relentless discipline.

WEEKLY MEETING AGENDA

I've added this weekly meeting agenda template so you have a proven agenda to follow for your weekly leadership team meetings and weekly department meetings.

Below is the weekly suggested leadership meeting agenda (sixty minutes) that I suggest you implement for the next twelve months to ensure that you achieve your annual strategic plan. Gather your senior leadership team in a meeting room, or have a Skype call with no distractions, and progress through all the agenda items below.

WEEKLY LEADERSHIP TEAM MEETING AGENDA

First section (rear-view mirror, twenty minutes)

- One Word Barometer (In one word, describe how you are feeling, e.g., happy, frustrated, awesome, annoyed, upset, etc. What one word describes your feelings?)
- Core Values Nomination of a team member (Who has stood out to you, and what core value did they demonstrate—core values covered in chapter five)
- Annual Goals and Weekly KPI Dashboard Update. KPI Report each attendee (Red, Orange, Green, and the numbers)
- Bottlenecks (What stands in the way of hitting your annual goals and green weekly KPIs? What are your concerns? What problems must be solved?)

NOTE: If you are sharing company financials with your leadership team, I suggest that once per month the weekly leadership team meeting goes for an additional thirty minutes (ninety minutes total), so you can go through the financials with your leadership team.

Second section (looking ahead, forty minutes)

- Use this forty-minute block of time to brainstorm together: problems that need to be solved at the senior leadership team level, areas of major decision required,

how to fix problems that came up in the “bottlenecks” area.

- Actions from the meeting for the next seven days: who is accountable and what must be done?
- One Word Barometer

The weekly meeting is the business leader’s way of ensuring that the members of the leadership team are on track and business performance is on track with the annual strategy. If the company is small—under ten people—then the whole business generally attends the weekly meeting. If the company is bigger—over ten—then generally the senior leaders of the business should be in attendance, not the entire company.

I like to start off every meeting with core values stories! I’ll usually ask who has lived or demonstrated our core values. Beginning with a core values story brings a positive vibe to the meeting and commences it in the right direction with energy and enthusiasm.

After that is the weekly KPI dashboard update. Here, we look at the right-hand side of the strategic plan and go through each team to see if they’re in the red, yellow, or green. Everyone should be prepared for each meeting with their results, so that the business leader can see quickly how well the company is doing overall. They can then

place that into an Excel spreadsheet vertically, so they can see how each of the departments is doing over time.

At Fire and Safety Australia, I wanted to make sure information flowed up to the leadership team and flowed back down.

Each team—finance, customer service, training, sales, etc.—would have their weekly meeting on a Monday afternoon or a Tuesday morning. The structure for their meetings would be the same, except the dashboard results they each had would be different. All junior employees might only have one number to hit each week, instead of three.

On Wednesday morning, we would have our senior leadership team meeting. All the information gathered in the team meetings would be brought to this meeting. If there was anything important, such as large fires burning, or potential risks, that information would be shared at the senior leadership team meeting.

If there was a plan decided in the senior leadership meeting that information would flow back out to the team members. That constant flow allowed us to continue to grow, because it meant that everyone understood how the company was tracking. On top of the weekly meeting, I also sent out an internal monthly newsletter or CEO

update that let people know how we were progressing against the plan. This kept everyone abreast of what was happening in the business.

The relentless discipline of weekly meetings holds everyone accountable. They can't hide, because there's more transparency and accountability. Also, there is a bit of peer pressure from the rest of the business because everyone can see each other's results.

This transparency also creates a healthy environment for a group discussion where everyone can contribute. If you're struggling with conversion rate, you can use the experience, knowledge, and skills of everyone in the meeting to solve a challenge. From there you can ask what needs to be done to get the KPI dashboard back on track and into the green. The group discussion allows you to brainstorm and use the collective intelligence of everyone to move the goal forward.

After the discussion comes the actions recorded following the meeting. I'm not interested in meeting minutes, but keeping records of the KPI dashboard and the action steps committed to during the meeting is important. If you decide that something needs to change to reach the weekly goal, then make sure this is clearly recorded using the S-M-A-R-T formula.

NIEUVISION: CREATING AN EFFECTIVE COMMUNICATION STRUCTURE

As we mentioned earlier, NieuVision is an integrated financial services firm that does accounting, financial planning, property sales, management, and more. They are very diverse through these different income streams and business units.

When I worked with NieuVision, I looked at their internal communication structure, and I found that the communication in their business could be improved if we introduced a weekly meeting. The business had grown from the founder, who could easily communicate all that was happening in the business to about twelve staff.

One of the key things we wanted to do to encourage teamwork across the business was to increase referrals between the departments. The goal was set that one internal referral had to happen every day.

The goal of internal referrals was set at 260 per year, which was one for every business day. If they converted half of the internal referrals, each of which was worth two thousand dollars a year, they would grow the business by a quarter of a million dollars in revenue.

For a year, they kept this communication structure of

a weekly leadership meeting. Six months into the year, they had reached the equivalent of nine months of internal referrals. By creating a simple communication structure and setting a yearly goal that could be broken down into a weekly goal, they had improved the growth of the business.

The communication structure enabled everyone to understand where the business was going. Everyone then became aligned with the company's goals and knew how the business was tracking on a weekly basis.

By having everyone in the same room or on the same telephone call, peer pressure and accountability is created amongst everybody through transparency. The relentless discipline that you apply to these meetings and your weekly KPI dashboard will drive your business forward to new heights.

When I follow up with a business owner after doing an annual strategy session and they're able to show me their weekly KPI dashboard with all numbers filled in, and that they've run their weekly meetings, I know they will perform well. If the business owner says they were too busy and they skipped a few weeks, I know that they're already gone and that they will not achieve their strong and compelling vision.

When I'm facilitating a strategy day, and I have a leadership team from any size business with anywhere from \$1M-\$100M revenue in a room, I make sure people can relate to how important this strategic plan is. I ask them to imagine what they will feel in a year if they follow the plan. Normally, people will say that if they achieve everything, it will be amazing. They will be on the right track, and the business will be killing it. They'll have more staff, more clients, more revenue and profit. Plus, they will want to celebrate this success together as a leadership team with some fun!

GETTING THE RIGHT TEAM TO CLIMB THE MOUNTAIN

“You can please some of the people all of the time, you can please all of the people some of the time, but you can’t please all of the people all of the time.”

—JOHN LYDGATE

It is impossible to grow any business without the right team of people. Having the right people is key to executing your strategy, driving the business, and achieving your vision. Having a reliable team of engaged, motivated, and driven employees will give you the freedom that will allow you to spend time away from the business, yet the

business will continue to grow its profits. I want you to develop a reliable team that is as engaged in your business as you are, that loves your customers as much as you do, and is as driven to achieve greatness as you are.

The right team members look at the weekly KPI dashboard and want to consistently be in the green, they want to be successful, and they are driven to achieve the business's goals. The wrong team members stand out, as they do not contribute in a meaningful way to the team's success, will shirk accountability for their KPI results, and will normally blame others for their problems and missed goals instead of taking ownership. You could have the best people, but if they aren't in alignment with your vision and your strategic plan, you will achieve nothing of great significance.

The only way for your business to reach your compelling vision, hit your annual strategic plan, and become a sustainable and profitable business that works without you is to have the right team of people who hit their required performance and share your core values.

I have taught hundreds of different business leaders across all industries, and commonly I observe that the business fails to show their employees what success looks like from their role. They talk a lot about position descriptions and job responsibilities, but they fail to set specific targets and

KPIs for their employees that clearly show what success looks like, and how their role contributes to the overall success of the business.

HAINES MEDICAL: MASTERING ACCOUNTABILITY

Haines Medical, a medical supplies business, was growing well. The two shareholders, the CEO and founder, had created a solid business. They started small, initially with one person, and when I met them, they had reached a critical point of around fifteen employees. Because they had come from a small start, they didn't have a management structure in place. Everyone was still reporting to the CEO.

The two shareholders were in alignment with their vision and complemented each other. One was conservative and was very careful about employing new staff and the costs associated with growth, and the other was hyper-aggressive and wanted to employ everybody!

Each of the two owners came together to set their twelve-month goals. Combined, they were the perfect recipe for a business leader.

My role was to help them grow their company in a manageable way. I sat down and asked them where they wanted

to be in twelve months. I asked them what success would look like in twelve months' time, and what the vision was for the business. We talked about the vision and the key things that needed to be put in place to reach that vision. From there, we decided that their best plan was to create a management structure with both a sales manager and a marketing manager with specific accountabilities for performance, and to improve the internal communication.

We promoted two existing employees and almost halved the number of reports to the CEO. Instead of fifteen, it ended up being around eight. They looked at the situation and figured out how to invest the extra focus that the CEO now had into the company. Then we looked at the goals for the twelve-month period and created a weekly KPI dashboard for the leaders based on their annual goals.

By freeing the CEO and getting the right people into leadership positions (especially the sales manager and marketing manager), the company was able to hire an additional five sales people, and over the last twelve months, the company has grown exceptionally well. They are on track for their best year ever. Their employees are aligned with the vision and the culture, and they have formed a senior leadership team who are accountable for the business's performance.

Having a high-performing team is one significant compo-

ment of ensuring that you have the right people. The other significant component is to have a team that is built on strong shared values and a strong culture. That culture starts at the top, with you, the business leader. The number one job of the CEO or business owner is to make sure the right team of people is in place living the core values and performing to hit the annual strategic plan, which will lead you towards your strong and compelling vision.

Companies that invest in culture by having strong core values attract the right people, remove the wrong people, and overall have a higher likelihood of business growth, because they have a strong culture and strong alignment.

HOW TO BUILD A GREAT CULTURE BASED ON SHARED CORE VALUES

Recently, at a business growth workshop I conducted in Sydney, I was asked by a young female entrepreneur, “What is culture? I hear it all the time, but what does it mean and why is it important?” What a great question!

I believe that the culture of your business describes the shared values of how your team works together within your business and with your customers, the guidelines of what is right and what is wrong. Core values are a way of defining how your team behaves and acts with colleagues

and customers. What do we hold as special, what are the guidelines for how we treat our team and our customers? Your culture defines how your employees will act when the boss isn't around! It defines how engaged, inspired, motivated, and connected your team is both inside of the business and outside of the business.

Do you have a culture where your team members actively help and assist each other? Or, are your team members negative, condescending, in-fighting and not communicating well?

For an organisation to have a strong culture—one of connection and alignment—they should define and implement three to five core values that define the culture of their organisation and provide the guidelines that align the required behaviours of the team.

Core values are the lifeblood of an organisation. These guiding principles describe your culture, how you work together, how you act, how you approach challenges and what is important to you. These core values are what you want to encourage across your team, the behaviours that you will use to screen job applicants before they come into the organisation and to remove people for contravening if they are already employed within the organisation, to maintain a strong culture.

Businesses must define what their culture is. The best way to establish a culture in a business is to have a set of three to five core values. Core values are the behaviours and attitudes that the business has that are based around how the organisation and people behave and what is encouraged, and what is discouraged. This is not necessarily just honesty and trust, because those are things you may expect everyone to have, but these are the things that make the people in your business who they are: the values that shape the day-to-day behaviours of your team.

EXAMPLE ONE: FIRE AND SAFETY AUSTRALIA CORE VALUES

At Fire and Safety Australia, we had four core values that were used for every personnel decision in the business:

- Passion for Safety
- Thirst for Improvement
- Commitment to our team and clients
- “Be Memorable”

The first was passion for safety. We wanted people who were passionate about safety and loved what they did. We wanted people who passed on that passion to others while they were training. When someone is passionate

about the product or service they're providing or selling, customers will feel it.

The second value we had was thirst for improvement. I've always believed that everyone in an organisation should contribute to the improvement and growth of the organisation. Thirst for improvement means that everything can be fixed and improved. I wanted people who were open to constructive criticism and who suggested ways to do things better. People with fixed mindsets didn't do well in our business, because we wanted people who were champions of change for the team to grow.

Our third value was commitment to our team and clients. To me, the word "commitment" means support. I wanted to make sure our organisation supported people and what they were going through, whether our team was affected by difficult financial circumstances, a difficult relationship, or something else entirely. I wanted to ensure that the business supported our team through their tough times. If someone rang for help, you helped them. If you asked your manager for help, they were there for you. Our commitment to clients was that when they asked us to be there, we were there on time. If that client needed extra help or support, we gave it to them. We were training people to deal with others in life or death circumstances, and we made sure we showed them 100 percent, and gave them

an amazing training experience. No one was to be ignored, because we made a commitment to our team and clients.

The last value was being memorable. To be memorable as an organisation meant that we wanted to be memorable for the right reasons. We showed up on time, we gave a fantastic presentation, we left a great impression, and people remembered what they learned. They could then apply this to a dangerous emergency event.

EXAMPLE TWO: AUSTRALIAN ARMY CORE VALUES

The Australian Army has tens of thousands of soldiers to protect Australia and Australia's national interests. More than a century old, the Australian Army has a reputation for bravery, tenacity, and getting the job done.

The Australian Army has the following message relating to its core values on its website: (<https://www.army.gov.au/our-people/our-values>)

The Australian Army's cultural and ethical foundation is its values and the bonds of trust and respect between every person who joins in service to our nation.

These core values form the bedrock of everything we do:

- **Courage**, moral and physical, to act in the best interests of the nation and the Army; including the moral strength and professionalism to balance the will to win with compassion, and mateship with duty.
- **Initiative** to explore opportunities and embrace innovation to improve the Army and our service to our nation.
- **Respect** for ourselves, our colleagues, our community, and our history of service to the nation; acknowledging that each one of us has earned the right to wear the Rising Sun badge and the responsibility to uphold the values and traditions it symbolises.
- **Teamwork** to support each other, our Australian community, our allies and our regional security partners in striving to achieve our mission; in a world connected by digital communication, such national and international “communities” exist in both physical and online domains.

CORE VALUES IN ACTION

EXAMPLE ONE: CORE VALUES IN ACTION – FIRE AND SAFETY AUSTRALIA

Around four years ago, I hired a national sales manager for Fire and Safety Australia out of a large corporation who came highly recommended. She was very experienced and a great person who interacted well with the team and the company. We set our strategic plan, and

her three weekly goals were around sales, face-to-face meetings, and pipeline value. While she got along well with everyone, every week she was continually in the orange or red with her weekly KPI dashboard.

I asked her what she needed to be able to move forward and get her weekly KPIs green. She responded that she needed a better team. I told her that it was her team, and she had the power to hire and fire anyone she deemed necessary. It seemed like a good solution, but she didn't change her team. A few weeks later, she was still landing in the orange or red. Again, I asked her what support she needed to move forward. This time, she said she needed marketing to deliver more leads.

I told her that I wasn't asking what everyone else could do to contribute to the sales team's success. I was asking what she could do. These were her results, and she needed to own them. On her weekly dashboard, her team was supposed to do sixty face-to-face meetings each week, and they were consistently underperforming. When I asked her why her team was underperforming, she didn't know why. I told her to go find out. The next week she came back, and again she was in the red—her team had only done forty meetings. I asked her why once more, and this time she said it was because her team told her they couldn't do as many meetings per week.

I told her that she was the sales manager, and that she was accountable for the sales team's performance. We'd sat down to do the yearly plan, and she'd said that she needed to do sixty, which equalled twelve face-to-face meetings a week for five people. Now she was telling me that the calculation wasn't right. I told her I wasn't going to accept the change just because it was hard work, and we were now two months in. Either we had to achieve our goals, or we had to look at changing our salespeople.

Shortly afterwards, as I was preparing to terminate her employment, she resigned. This was the first time I understood what it meant to hire the *right* people, not simply *good* people. She was a good person and quite experienced, but all her experience working for large, multinational companies didn't serve her well in this situation. She lacked the "commitment to our team and clients" and the "thirst for improvement" core values.

When you have an employee that always blames someone else for their shortcomings in the weekly meetings, that is a clue that this could be the wrong person. If you ask the person who consistently falls in the red or orange what you can do to support them, and they shift blame and say they're doing fine, they're not the right person. You want a person who can tell you that they're struggling and asks for the support that they need. When they can give you

direct answers, like they need extra training or assistance, then you know you have the right person.

EXAMPLE TWO: CORE VALUES IN ACTION - AUSTRALIAN ARMY

Lieutenant General David Morrison was Chief of the Australian Army from 2011–2015. Following investigations alleging serious misconduct that was highly demeaning to women, General Morrison announced that he had suspended three members of the Army, ordered action to consider the suspension of five others, and suggested as many as nine more could face disciplinary action. He described the e-mails as "explicit, derogatory, demeaning, and repugnant."

In a video posted on the Army's official YouTube channel, a visibly irate Morrison described the alleged behaviour as a "direct contravention" of the Army's core values. "If that does not suit you, then get out!" he said. General Morrison told anyone not willing to work with women and accept them as equals that, "There is no place for you amongst this band of brothers and sisters."

Morrison's aggressive response of, "If that does not suit you, then get out!" was directly related to the Australian Army's "respect" core value. During his speech on his

YouTube video to the members of the Australian Army, he quotes, “The standard you walk past is the standard you accept.” Morrison’s aggressive response was widely hailed by Australian and American media.

In reflection on the above example from General Morrison, as a business leader, you cannot walk by and accept behaviour that contravenes the core values of an organisation. You, the leader, have the accountability to enforce your organisation’s core values. If you walk past and allow transgressions of your core values to take place, it will destroy your culture, and you will have no credibility.

Have the courage to take action and not accept behaviour that contravenes your core values. Sometimes actions taken may result in a financial loss, but you have to set and enforce the standards that your organisation will accept. Anyone who does not live your core values does not deserve a place in your organisation.

CORE VALUE EXERCISE

Now let’s do an exercise to define what your three to five core values are, so we can start looking closely at whether we have the right people or the wrong people in our business.

Complete the Defining Your Core Values worksheet. By starting this core value discovery process now, we can start to think about what should be the guidelines for behaviour that exist within our organisation. What do we want to encourage and promote amongst our team?

My suggestion is that you complete this exercise with your leadership team or people whom you believe positively reflect your culture (not by yourself, unless you are a one-person business). By the way, if you are a one-person business, this exercise is still critical for you! Think about how you should screen-in/screen-out your sub-contractors, future employees, and potential business partners! Avoid some of the hugely expensive critical hiring mistakes that I made early on by understanding and implementing your core values now, and using them in the hiring process to determine people's cultural fit to the business.

Following the exercise, unless you are certain that the values are the right ones, sit on the outcome for a week or two. Let the words and phrases simmer in the back of your mind so that you can determine if they really are the right core values for your organisation, and if they really are the guidebook for the behaviour expected of you and your team going forward.

DEFINING YOUR CORE VALUES

Core values are the lifeblood of an organisation. Core values form how your business acts, what it holds true, and what guides the behaviours of your team.

Steps to defining your core values:

1. Below, list your best employees, the people you believe live and breathe your culture, who are great role models for other employees. List their name and why they are a great role model. What words describe them? Come up with ten examples of why they are awesome.
2. If you have a team of less than ten people, use the same people multiple times along with different examples of why they are great role models. If you are a team of one person, talk about words to describe yourself and why you would be a great role model. Or, if you are a smaller business, you can use sub-contractors or other stakeholders as examples instead of employees.

EMPLOYEE NAME	WHY ARE THEY A GREAT MODEL? WHAT WORDS DESCRIBE THEM
EXAMPLE 1 Steve	Steve is passionate about what he does. Boundless energy and passion in his presenting style means that he truly shows energy, passion, enthusiasm
EXAMPLE 2 Lynda	Lynda has such an extremely hard work ethic. Doing whatever it takes to get the job done, and supporting her team members in any situation and helping them to achieve their goals.
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

3. What patterns stand out? What are the words that are common throughout the ten examples? List the ten common words below that stand out to you:

4. From the ten words above, what is the language of your organisation? As a group, discuss what words stand out to you and why. What words/phrases are you most passionate about? What has grown your

company from where you were to where you are now? What words/phrases will continue the organisation on the journey over the next ten years? Each group member has three votes; vote on the most important words/phrases that stand out to you and list them in order of importance.

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

- Take the first five words/phrases. Debate each one individually. Is it really a defining guide to how you should behave within your organisation? Do these five encompass your organisation's values? Do several words mentioned combine into a phrase that is more meaningful? Come up with the top five words/phrases and list them below, and then give a current example where an employee or several employees live this value.

POTENTIAL CORE VALUE WORD OR PHRASE	DESCRIBE A CURRENT EXAMPLE OF IT BEING LIVED

6. As a group, ponder each of the following questions and challenge/debate them in relation to your selected core values:
 - a. Are these truly the lifeblood that runs through your organisation?
 - b. Are these so core that you would lose money or fire an employee if these values were not being adhered to?
 - c. What about the language? Does the language correlate with your organisation?
 - d. Do you have current examples of these values being lived within the organisation?
 - e. Are your values just values, or are they core values?
 - f. Do the words/phrases mean something to everyone?
 - g. Is there anything missing that is core to the business and our values?
 - h. If we multiplied our numbers of employees by a factor of ten (e.g., 50 employees now $\times 10 = 500$), would these values still hold true?

- i. If we achieve our five- to ten-year vision, will these values still hold true?
7. If you have answered yes to these questions, these are your core values. List them below, push them out into the organisation, promote them, enforce them, lead by example with them, and live them.

1.
2.
3.
4.
5.

NOTE: With a group of twelve to twenty people, this exercise can take four to six hours to complete.

PROMOTING YOUR CORE VALUES

Once you establish your core values, promote them every single time you recognise a team member for great performance. Link their great performance to a core value, to the underlying behaviour that you want to encourage for the rest of your team. Use your core values to reward and recognise people, but also use them as a measurement tool for people who don't fit the culture of the business.

If people won't live your values, don't want to be part of

your culture, or don't contribute to the business with the right attitude, you must have the courage to remove them from the business. Put your core values on the wall, use them on your e-mail signature, and talk about them with your employees at every meeting, whereby you nominate someone for demonstrating your core values.

Use and promote your core values in everything that you do. Use creative themes, rewards, and celebrations to bring your core values to life. Ask your team how we can bring our core values to life. Start now! People may look at you strangely when you first talk to them about this, but over time, after you repeat yourself regularly, you will eventually break through and have your core values form the language of your organisation.

THE RE-HIRE TEST: KNOWING WHAT YOU KNOW NOW, WOULD YOU ENTHUSIASTICALLY REHIRE ALL EMPLOYEES IN YOUR BUSINESS?

The above question was the best but also the most challenging and important question that I have ever been asked in business. The first time I was asked this question was around seven years ago by a speaker named Cameron Herald. In my next chapter, I talk about becoming a leader of influence, and the secret to becoming a leader of influence is asking a great open-ended question!

At the time, I thought long and hard about my answer. And my answer was no. I wouldn't hire everyone again. The truth was, if I wouldn't enthusiastically rehire everyone, then they shouldn't be there. Early on in my business career, I lacked the courage required to make the tough decisions to fire the wrong people, but I also didn't really know how to know if it was my fault or the wrong person, and I found it challenging to determine who were good employees and who were not.

Now it's your turn to ask this great question. Knowing what you know now, would you enthusiastically rehire all the employees in your business?

If the answer is yes, you must already have a great culture and be practicing much of what I've already written about in this book (or you are lying to yourself!). If your answer is NO, or MAYBE, then this next section will dramatically help you with how to improve your situation and have a definite answer.

NOTE: When I run a business growth workshop with fifty-plus business leaders in attendance and I ask them the question above, it is normal that out of fifty people in the room, only seven or eight people will say “YES,” they would enthusiastically rehire all employees! Wow! This proves my strong belief that most businesses don’t hit their goals because they fail to fire the wrong people.

EVALUATING YOUR EMPLOYEES

When I do a planning session with senior managers and their teams, we sit down and look at the business as if we’re looking at a sports team so that we can decide if we have the best possible team talent available to hit our annual strategic plan. We cannot win the AFL Grand Final or the NFL Super Bowl if we have a team of average or below-average people. For long-term success, we need to have the right team, a clear strategic plan, a weekly KPI dashboard, and a strong shared culture underpinned by our company core values.

When looking at your business, we will go through the list of all your employees, and we will look at their individual performance. We will rate your individual employee’s performance from zero to ten, and then we will talk about the numbers to see how well your team is performing and where we can help to improve them. If the person

scores a seven out of a possible ten, then we talk about why and how they could get to a ten. Then we talk about communicating that with the person. If you haven't communicated what a ten-out-of-ten performance looks like for your employee, you cannot expect them to achieve ten-out-of-ten performance with any level of confidence.

The weekly KPI dashboard is one tool that can give you an honest appraisal of your employees' performance. You can't simply state that you like or dislike someone regarding their performance. We require measurable targets as a basis for our judgement. The weekly KPI dashboard gives you real measurability that takes emotion out of your employee's performance. Most business owners I talk to make people decisions based on emotion; I hear confusing messages like, "Trust your gut," which are hit-and-miss in terms of their success. These are not smart business decisions.

Now, let's look at reasons why people haven't worked out in the past. Why have some of your previous employees not worked out?

The most common two reasons that business leaders tell me why people don't work out in their business are either: the person is a bad cultural fit, or the employee's performance was below the required standard. When I

work with business owners, I get them to consider their direct subordinate employees, and first, we rate their adherence to the company core values from a zero to a ten.

A zero is someone with the worst possible attitude who doesn't fit in with the culture at all, and a ten is a rock star who is an ideal cultural fit, who lives all the organisation's core values and is the perfect role model for other employees.

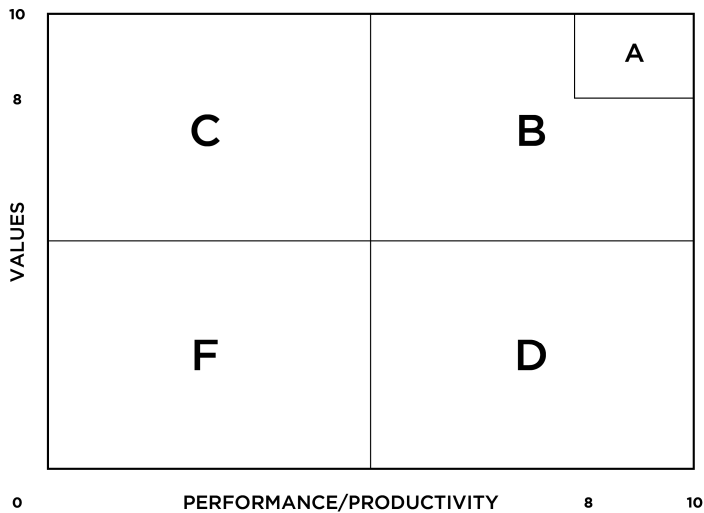
Often, when leaders are asked how someone rates culturally, they will respond that most of the time the person is good, and they end up being rated a seven (*I have a saying that a 7/10 score is often a 5/10 score in disguise!*).

The second thing I ask about is performance for the employee. For example, a response from a business leader that "This employee I rate as a ten out of ten" tells me that the person is killing it, knocking it out of the park, achieving everything that they're required to achieve in their role.

If they say the person is an eight out of ten in performance, I will ask why. In a recent company I worked with, the sales manager was talking about a sales person. In this case, the employee is usually getting the result and hitting their sales revenue targets, but not doing the follow-up work required, therefore justifying the 8/10 performance rating.

One by one, now we are going to rate all your direct reports in your organisation on this worksheet, following the instructions below.

PEOPLE EXERCISE - DO I HAVE THE RIGHT PEOPLE IN MY TEAM?



INSTRUCTIONS

1. Consider each of your employees who are your direct reports. Rate their adherence to your company core values and their general fit within the company culture on a 0-10 scale (Vertical Axis).

Note: If you have not yet defined your core values, use your

best guess on where you think the person sits in relation to their alignment and fit with the company culture. Then repeat this step later once your core values have been thoroughly defined.

2. Consider each of your direct reports. Rate their performance on a 0-10 scale (Horizontal Axis).

Note: If you have implemented a weekly KPI dashboard, use this as a measure of performance based on how they are progressing against their weekly KPIs and annual goals. If you have not implemented this yet, use your best guess in relation to their performance. Then repeat this step later once your core values have been thoroughly defined.

3. Mark an “X” where the person sits on the scale between both values alignment and performance (where the lines would intersect) and mark the employee’s initials.

Once you have decided where that person sits on the scale, they’ll fall in the categories of A, B, C, D, or F (try and not have them sit on the edge of the categories! Don’t sit on the fence! Have courage to make a decision!).

INTERPRETING YOUR RESULTS AND IMPLEMENTING LEADERSHIP STRATEGIES

Let’s go through individual strategies on what to do

with your employees in each box, and what we can do to improve their performance and alignment to the business.

BOX A

Let's say an employee is a nine in performance and a nine in cultural alignment and has earned a place in box A. This person is a rock star! They're the superstar employee that everyone wants to have and no employer wants to lose! They have the right attitude and the right culture. It doesn't mean they can't improve, but they're rated highly. This is the kind of person who contributes to organisational success. You want to keep these people, because they contribute to the growth of the business.

Further considerations for improving performance for employees in Box A:

1. Have you shown the employee what 10/10 performance/values looks like with clear goals and KPIs? Do they know where they sit following a performance-related discussion with you?
2. Has the employee been given internal and external additional training to help them improve their core skills?
3. Can this employee be used to train/induct/mentor other employees?

4. Do you know what motivates/incentivizes this role?
Can you learn and implement a system that rewards them for their performance?
5. Are there opportunities to give them more responsibility within the organisation if they have the requisite skills/experience/ aptitude?

BOX B

Let's say the next person falls into Box B. This is someone who's a six in performance, and an eight in values. They're a good cultural fit, but their performance isn't up to standard yet. For this person, we look and decide how we can help them. Maybe they need extra coaching, extra mentoring, or help to improve. Provided this person can move over time into an A, then you should continue to invest in training and coaching this person.

Further considerations for improving performance for employees in Box B:

1. Have you shown the employee what 10/10 performance/values looks like with clear goals and KPIs?
Do they know where they sit following a performance related discussion with you?
2. Has the employee been given internal and external

additional training to help them improve their core skills?

3. Can this employee be mentored by a more senior employee from Box A?
4. Is this person in the right role for their skills and experience?
5. Have you talked to the person to understand how they feel they are performing?

BOX C

The person that's in the C box has values from six to ten, but their performance is low, between zero and five. They have the culture and the attitude that fits with the business, but they require significant improvement. These are the people you should try and invest in. Give them time; mentor, support, and coach them. Figure out what's missing. Maybe you haven't shown them what success looks like. Maybe they think they're doing a good job, but they're not, and they have no idea. These people put in the effort, and generally with a bit of training or support, they can move from left to right.

Further considerations for improving performance for employees in Box C:

1. Have you shown the employee what 10/10 perfor-

mance/values looks like with clear goals and KPIs? Do they know where they sit following a performance related discussion with you?

2. Has the employee been given internal and external additional training to help them improve their core skills?
3. Can this employee be mentored by a more senior employee from Box A?
4. Is this person in the right role for their skills and experience?
5. Have you talked to the person to understand how they feel they are performing?

General considerations about leading people in Box B and Box C:

The people in the top half of the people chart have the right values, cultural alignment, and attitudes. They often require more training, coaching, and mentoring to succeed. The people who fall in the bottom half are the ones you should be the most concerned about.

The tougher decision to make around employees is when someone is a good person who fits the core values, but is not hitting the required performance targets. This is a person who might be a nine on the values chart but a three in performance.

I once employed an operations manager we'll call "Leigh." Leigh was a nine out of ten in values and a three out of ten in performance. He was a good person, but his performance was below average. He had around twenty people reporting to him across several teams. He just couldn't get his team to deliver what they needed to deliver. He let his staff walk all over him, because he wanted to be nice to them all and found it very hard to discipline his team when required, and to focus on the most important tasks.

I took a long time with Leigh, growing increasingly frustrated and trying to coach him to improve his performance. He was in the business for eighteen months, and during those eighteen months, we had quite mediocre performance in the operations area of the business. All he'd do is talk and try to please everyone all the time. He wouldn't take action, so I tried to coach him. I tried to mentor him. I kept giving him more and more options, but eventually after eighteen months, I decided that he didn't have the leadership quality to make hard decisions in his team and improve the performance of the team.

I fired Leigh. It was very difficult, because he was a nice guy whom I had a lot of time for, and his values were high, but he was never going to achieve a ten out of ten in performance in this role. I am happy to invest time in coaching and mentoring the people that have the right

values and attitudes, but he could not achieve the performance that I needed him to do. I had the courage to move that person out of the organisation for the good of the entire business.

A lot of people thought I was very harsh when I removed Leigh, because he was a nice guy. He was a nice guy, but the problem was in his dashboard. He would never hit green because he couldn't execute. He was always hitting orange or red, and so was his team, so he would never achieve a ten out of ten. I summoned the courage to let him go, to put the needs of the business ahead of the needs of one person. I had to do the greatest good for the greatest number.

BOX D

Someone who is a D has cultural values from zero to five, but has high performance. These people can be difficult to fire. Everything we've talked about would say we should fire this person, but typical business owners have trouble doing this because they make the company a lot of money.

Further considerations for improving performance for employees in Box D:

1. Have you shown the employee what 10/10 core values

alignment looks like? Do they know where they sit following a values-related discussion with you?

2. Have you talked to the person to understand how they feel they are living the core values, and ensured there is nothing in their personal life affecting them?
3. Have you given the employee an official warning so they understand that this behaviour is not acceptable, and every time you see such behaviour you call it out and follow through with your warnings?
4. If the above has not worked, the person cannot stay and must be fired. Have the courage to do the right thing for the values and culture of the organisation. Fire them, move on, and focus on hiring someone with the right values.

EXAMPLE: BOX D

I once had a salesperson whom we'll call "Bob." His performance was very good. If his budget was \$1.2 million in annual sales, he did \$1.5 million. He was absolutely a nine out of ten in performance. The problem was that he had a poor attitude and cultural alignment. He would backstab other team members. He would not help his colleagues. I would rate him a two out of ten in alignment to our core values. He was a person who made us a lot of money, yet his core values alignment was terrible.

What I generally say with people like Bob is that we need to have a one-on-one discussion to make sure there is nothing else that's going on that's affecting their values, because they're performing well. Sometimes people can have home circumstances, or be going through health or marriage issues, or other things that can cause their core values alignment to suffer.

Have a one-on-one conversation with them, talk to them, and give them an opportunity. If that opportunity shows that no, their cultural alignment is still not there, then that person needs to be fired.

Following a written warning given to Bob, he resigned and did us both a favour, as he left and saved me having to fire him. In my experience, I've never had someone in Box D remain in the organisation for more than a year; it's never worked out long-term for me regardless of the person's performance. Put control measures in place before you fire them so you're not going to lose the business with them, and then fire them. Generally, I do not make these people work out their notice periods with the business. I remove them so that the business can recover and move on.

BOX F

Anyone who earns a place in the F category needs to

leave. F stands for failure, and F must lead to FIRED! Fire them immediately if you can, depending on the employment laws in your country, or if you can't, they need to be warned that they will be fired soon if they do not significantly improve. Make sure you get them out of the business, because they're killing the business.

Further considerations for improving performance for employees in Box F:

1. Have you shown the employee what 10/10 core values alignment looks like and what 10/10 performance looks like? Do they know where they sit following a performance-related discussion with you?
2. Have you talked to the person to understand how they feel they are living the core and how they are performing? Have you ensured there is nothing in their personal life stopping them from performing?
3. Have you given the employee an official warning so they understand that this behaviour is not acceptable, and every time you see such behaviour you call it out and follow through with your warnings?
4. If the above has not worked, the person cannot stay and must be fired. Have the courage to do the right thing for the values and culture of the organisation. Fire them, move on, and focus on hiring someone with the right values.

Lastly, I want you to rate yourself, the business leader!

That's right, what is good for your employees is good for you, also. Where do you rate your core values 0-10? How do you rate your performance 0-10? What box do you sit in?

I always do this "rate yourself" exercise with my clients, often to their surprise! This is the "thirst for improvement" core value in action. Do you have the thirst to continue improving yourself? Go ahead and rate yourself and think about what category you fit into.

I want you to be honest with yourself. What is required for you to be a 10/10? What are you lacking? What skills or training can you obtain to help you?

Maybe you need to attend a training course, join a peer-led organisation, or study at TAFE (Technical and Further Education) or university? Maybe you need more discipline? Maybe you need to increase your hours working in the business each week? Maybe you are not living all of your core values? Maybe you are in the wrong role in the business?

Maybe you have no one holding you accountable, and you

need to consider an advisory board or a business coach to assist you and help you. Maybe a mentor, someone who has been there before and can give you advice based on sound experience in growing a business.

Rate yourself and be honest with yourself. Take full ownership over where you are in this moment in time, and where you want to be in the future.

MAKE THE TOUGH DECISIONS AND GET YOUR HEAD OUT OF THE SAND



Many business people in a leadership position do not have the courage to go through the exercises on the former pages and instead ignore the performance and culture of their team.

Maybe some “weak” people have already put the book down and described the process as “unfair” to employees! These people (as leaders is not an accurate word to describe them) have their head in the sand, as they have not been shown how to analyse the performance and cultural alignment of their teams.

They don’t look at how their employees culturally align with the values and their performance. They don’t have regular conversations with people. They just hope it all works, but hoping doesn’t get anyone anywhere; hope is not an effective business strategy!

Rather than having your head in the sand and ignoring the problem, you need to have the courage to make decisions, the courage to face these challenges head on, and the thirst to improve your leadership qualities. You need to determine if you have the right people and the right team to achieve your strategy and climb up the mountain towards your vision.

The tools I’m giving you here will help you monitor your employees’ core value alignment and their performance. However, there is a chance that if you implement these, some of your people will leave, and you will likely have to fire some employees also. Some people don’t like the high level of accountability that comes with this system.

If people leave, that's for the best. They've self-selected out because they don't see themselves fitting in with the core values or with the performance expectations of the business. This is good. When you have extremely high standards and make people accountable, you filter out the people who don't want to be there. Never be scared of having high standards in your business, as the best people will rise up to meet them.

Business owners should not be satisfied with a business that cannot achieve its potential. Having anything less than people in the "A" Box, or people who cannot improve to be in the "A" box will not help you meet your vision and your definition of success. You are paying these employees. You should be paying someone for an eight or nine in performance who wants to be a ten, not someone who's a six in values and performance and does not want to improve. To keep someone in the organisation, they don't have to be a ten, but they need to have the ability to improve themselves, take on-board constructive coaching, and get into that "A" box within the next three months.

The Bobs of the world (high performance but low core values alignment), even if they're delivering good results, should be fired if they are told to improve and they do not improve. Otherwise, they will likely cost you great people. Other great "A" people will eventually leave to

work with a better and stronger team. Often, I observe that the people who have strong core value alignment but are not performing stay around the business for years and years, because the business leader likes them even though they're not performing, so they take no action and the business experiences mediocre performance.

As nice as these people are who align to your core values, if these people have been given the required coaching to perform successfully and they cannot, then you need to have the courage to make a change. If you can't make a change, then you're the bottleneck at the top of the bottle holding the business back. Have the courage, do what is right for the business, because you will never achieve your annual strategy or your vision if you do not have the right team.

I always have this sanity test I use before firing someone. Can I look at myself in the mirror and say to myself, "If that were my son that I employed, would I treat him the same? Have we been fair and reasonable and tried our best to assist him, with clear standards and clear expectations?" If my answer is yes, then I'm happy to fire that person. If I've given them the coaching, the mentoring, the training, and I'm being fair; if I can look myself in the eye and say to myself that I gave them all the opportunities and training that I could, then I can fire them and sleep soundly at night.

This might sound tough, but I can deal with people thinking that I am tough. I'm trying to build a great business, and I will relentlessly pursue my strong and compelling vision of my personal definition of business success. To achieve my vision, I must have the courage to make these difficult decisions. I also think that I am extremely fair and supportive of people. If I look in the mirror and think that I haven't given that person the training and support, I feel as though I need to invest more time with them and give them the best opportunity that I can. Then, once I've given them all the support I could possibly give, if they still can't perform, then I will fire them.

You should not be willing to risk the whole business on one person who cannot perform, and generally that person is the person who doesn't want to learn, doesn't want to listen, and doesn't want to improve. The person who does want to improve should always get attention and assistance. Coach, mentor, and support that person. The person who doesn't care to get better, should not be supported, mentored, or helped; they should be fired.

The standard that you walk past is the standard that you accept in your business.

The people analysis worksheet is a good way of determining if you have the right people on your team. I suggest

that you complete this exercise quarterly for your entire company with your leadership team.

However, if you don't have clear goals and a clear KPI dashboard to measure their performance, then anything you do is a guess. You should never fire anyone who is surprised to go. Everyone should have a clear understanding of their performance in relation to the expectations of the business. You need to make sure you've got clear performance standards for each of your employees. Once you have those performance standards linked to a measurable number or dashboard, then you can put them on this worksheet and know that you've been fair and reasonable. If the company or senior leader doesn't make expectations clear, the business is more at fault for the performance of the employee than the employee themselves.

Most people have not done this because they're waiting for a performance review that only happens every six or twelve months. Waiting for a performance review is a waste of time. Don't wait six or twelve months to tell someone they're not performing! Have courage, put down the book, talk to them right now this instant about the areas in which they're under-performing, and give them training, coaching, and the opportunity to improve.

If you wait, by the time six months has come around,

you're going to be negative towards them, and they will be negative towards you. You won't be able to improve anything. Have the courage to have an honest conversation about what you can do to improve and where the standard is and what they need to do to get back on track. If you don't have that honest conversation, if you don't have the courage to look at how they're doing and to make those difficult decisions, the business will not hit its potential.

A lot of businesses fail to hit their annual strategy because they've failed to have the courage to have difficult conversations, and make difficult decisions regarding their employees. You can't build a great sports team with people who are less than a five out of ten in culture or performance, so you can't do it in your business either.

I have taught this people leadership framework to hundreds of business leaders. My "body count," which represents the number of employees fired by business leaders after attending my training sessions, is certainly in the many, many hundreds!

But I think that this is a great thing! I'm inspiring business leaders to make courageous decisions and take action for their business to achieve their personal definition of success, and the employees concerned will go on to

other careers that better suit their performance and their culture. Win-Win!

Often, people feel overwhelmed at this point in the business growth program. By now you may worry that there's so much to do and that it will be very hard to implement. Have the courage to continue. Know that there is a reason that less than one out of every ten businesses that are started today will be alive in ten years' time. It's because the majority of business leaders fail to have the courage required to make the hard decisions.

This formula will help you achieve the success you want to achieve and that you are capable of achieving. I encourage you to look at it as small steps. This is a journey, and along the way, you discover the different tools and techniques that you can use to build your business. Each quarter, these small improvements will improve your leadership skills and the performance of your business. You will get better and improve your business over time.

Growing a business is a journey and not a destination. You can put all these mechanisms into place, but success takes time. Remember earlier, when I spoke about relentless discipline? Building an amazing business requires nothing less. Relentless discipline and thirst for improvement are core values that you as the leader need. This next chapter

will give you the tools that you need to become a great leader, an influential leader that will shape the destiny of your business and align your team to your compelling vision.

BECOMING A LEADER OF INFLUENCE

“Transformational leaders don’t start by denying the world around them. Instead, they describe a future they’d like to create...”

—SETH GODIN

A real leader is a leader of influence. A leader of influence is a leader of change who will drive the company forward, a leader of action who leads and influences others by the example that they set. A leader of influence has the courage required to make hard decisions to chase their dreams and a personal definition of success.

As a business leader, you are the chief cheerleader in your business. When everything is falling down around

you, when you've got cash flow issues, supplier issues, customer issues, and employee issues, you're the person who needs to step up and remind people that although things may be tough now, they will get better.

Great leaders don't just describe the world as it is around them. They describe the world they're creating. They understand that today may be tough, but they must remain focused on an optimistic future. They have the courage to tell people that although the goal may seem a long way out, if they complete the required weekly activities with relentless discipline, they will experience success.

Great leaders remind everyone about the vision and core values of the business in every communication that they send, and as often as possible.

If the company vision is to climb a mountain that takes five years to summit, then we need to make sure that we've got the right strategy. Building a business is like climbing a mountain that takes five to ten years.

We can't shortcut it in a month. We can't shortcut it in a year. It's going to take five to ten years.

The key things to remember are:

- You need to have the right team.
- You need to be communicating regularly about the progress up the mountain.
- You need to check in on the weekly KPI dashboard.
- You need to have the relentless discipline to make sure that you're still communicating together even when things aren't going according to plan.

If you don't have the right team, if you don't have the relentless discipline to do the things that you know will keep you on track with your annual strategic plan, and if you're not communicating regularly, it's going to be tough to climb up there.

Relentless discipline in your communication is imperative when climbing the mountain to maintain your progress. There'll be times when you'll want to skip your weekly meeting because things get hectic, but you can't make excuses. You must remain disciplined to commit to the weekly meeting and weekly KPI dashboard.

The business owner that commits to the weekly meeting and the weekly KPI dashboard knows that it will move them up the mountain. It will ensure that the team knows the results of the company. It will create transparency and accountability for team performance, showing clearly what must be done to improve it.

The leader that understands that their role is to get the best out of their people is the one who will continue to grow. The leader that doesn't have relentless discipline might grow for a year or two or three, but they're not going to grow consistently for five to ten years, because that relentless discipline is so important to make sure they've got the right people in the right roles hitting the goals within each annual plan.

If you're climbing a mountain and you go the wrong way, take the wrong path, have the wrong plan, or you have the wrong people, you're going to die on your journey.

You should look at your business the same way. If you have the wrong plan and the wrong people, or if you do not have the discipline to continue working on the activities required in the plan, the business is going to die or not reach its potential success. The more you can execute habits of discipline, and make sure you've got the right people communicating regularly, the more likely it is that the business is going to continue to grow and thrive.

MASTERING DIFFICULT CONVERSATIONS

“People don't listen with the intent to understand. They listen with the intent to reply.”

—STEPHEN COVEY

Your role as a leader is to listen and ask great questions. It's the same for a great salesperson. The best sales people in the world don't show up and talk about nothing. They have a plan. They ask great questions, such as: "What are you looking for? What have you had in the past? What have you heard about our company? What did you use of a competitor's product? What did you like? What did you not like?"

The secret of being a great leader is talking less and asking lots of questions. The more open-ended questions you can ask of your team members, the more you can start to understand them. The more you start to understand them, the more you can influence them towards the outcome that you need.

If I want to influence somebody and understand someone's alignment to our company, our values, and our vision, I should be asking them more questions. I should be sitting down with them away from the work environment and asking them how happy they are in their role, from zero to ten. Then once they give their answer, if they're not a ten, I ask how I can help or what needs to happen in the business to get them to that ten.

The more you listen and they talk, the more you're going to learn. Ask a good open-ended question and let someone start talking so you can understand how they feel.

Every time you intend to communicate with someone for a difficult conversation, you should have a purpose. You never go into a sales call without knowing the purpose of the call. It shouldn't just be a meeting to catch up. You should know why you're there and what you want the outcome to be. Is the outcome that you want them to commit to your business in the future? Or is the outcome that you want them to understand a new product? So, go into all important meetings with your employees with a purpose before you commence.

Like a chess player, you need to think three or four moves ahead. Questions are key. Before you start the conversation, prepare for the meeting ahead of time. Think about what success looks like from your communication together and consider ahead of time:

- What do you want from the conversation and what is your ideal outcome?
- What are they likely to say in response?
- How can you lead them down a path to reconnect with the strategy of the business or to realign them with the rest of the team?

If you are about to commence a conversation with a staff member who isn't performing up to the standard that you expect, or they're not hitting the required goals, consider

what is the outcome that you want from the conversation. If you want them to understand that they're not hitting the target and the way to hit their target is to do a different activity or do something differently, then you need to structure questions around that outcome. Ask them how they think they're performing and talk through it. Get them to understand that you can't continue forward in the same manner and something needs to change. Then be open to what the options for change could be, and commit to the next steps.

EMPLOYEE PERFORMANCE AND COACHING DISCUSSIONS - ASK A QUESTION OF INFLUENCE

Here are some example questions of influence that you could consider using when talking to your employees. They are based on the paragraphs above and have worked for me and my business coaching clients:

- How happy are you in your role 0-10?
- What would need to happen for you to be a 10/10?
- What can I do to help you?
- If you were me, what would you do?
- What solution am I missing here?
- If you could do things over, would you do the same things again?

- How would you rate your performance 0-10?
- What would you need to be doing to be a 10/10?
- What are you not doing that you should be doing?
- What could you do to fix the situation?
- What stands in the way of us not hitting our KPI results?
- What are the areas that you've identified as weaknesses that you need to improve to hit your KPI results?
- What ideas do you have to solve this problem?
- What do you think is the right way forward?
- What help, resources, and support do you need from me to succeed?

Asking questions can determine someone's alignment to the business. Are they capable and committed to doing the things that you need them to do? If the answer is no, well then that's a path that determines that they are in the "D" or "F" box of the people analysis tool, as outlined in the previous chapter. If the answer is yes, then you can establish the next step commitment. A next step commitment is sitting down with somebody and saying they need to improve their performance, or the way they've spoken to another colleague isn't appropriate, or there's something that needs to change, then figuring out a plan and having mutual agreement on the next step.

By the end of the conversation, they should accept that

they need to change, and then it is your job to document that through an e-mail or memo. The follow-up document or e-mail should reiterate the changes that were discussed and indicate the specific date by which they will be improved. By establishing this next step commitment, then putting it in writing, you ensure that there is a plan to move forward, not just a conversation to say that you've talked.

As the business grows and your span of control starts to grow, and there are more people that are reporting to you, it's very easy to confuse different conversations with different people. By putting the next step commitment in writing, you'll always have a record of the plan. Should the next step agreement not be followed, depending on the laws within your country, the person may need to be fired or an official performance warning given, as per the previous chapter.

SHARE THE STRATEGIC PLAN

Our job as leaders is to communicate across the business. The business leader not only needs to communicate with the leadership team, but also with the entire company to show them the direction of the company, share good news with the company, and inspire the team.

One of the main reasons people leave a company is that

they don't feel aligned with the forward vision and strategy of the business. To avoid that, communication is key. As a business owner, we need to be able to communicate amongst every aspect of the organisation.

When everyone is involved, the entire company benefits.

To improve communication, show the strategic plan to everyone in the business, not just the senior management team. If there are commercially sensitive pieces of information on the plan that you do not want to share with the entire company, such as revenue or profit figures, these can be removed. Every senior leader should walk their team through the plan and the team's weekly KPIs that need to be hit to achieve the annual goals.

When you trust the team with the information, they're able to contribute to the success of the company. When they can see what isn't going according to plan, they might have ideas on how to fix things that you might not have thought about.

You want to create an environment where the communication lines are open. The more feedback you can get around the business's performance, and what is and is not working, the better it works.

People should feel comfortable coming to you and tell-

ing you that they're not happy in the business because of X, Y, Z. You should want them to tell you these things, because it will allow you to address the problems. When you understand what is wrong, then you can fix it.

If you're not receiving any feedback, you should be concerned. When there is no feedback loop, then you're on the road to ruin. If you can create a culture where regular discussions occur, you will get regular feedback that improves everyone's performance as well as the business's.

WHY I HATE ANNUAL PERFORMANCE REVIEWS (AND YOU SHOULD, TOO)

I hate annual performance reviews because it makes no sense to me to wait twelve months to tell someone something they can improve on now, or to tell them what a good job they've done. The best time to tell someone that something can be improved is now. Not tomorrow, not next week, not next month, not next quarter, now. I have absolutely no interest in waiting to tell someone the business's yearly plan and how they can improve and contribute, and I don't want to wait to hear how they view the business, or what opportunities exist for me to be a better leader. I want to know how we can improve right away. Annual remuneration reviews are fine, but performance reviews are outdated and useless.

Too often, business leaders are scared about having open communication because they worry that they might have to pay someone more, or that the conversations will get awkward.

It's not easy to tell someone that their performance is not meeting expectations, particularly if you have not implemented a KPI dashboard and S-M-A-R-T goals for the individual. In my younger business days, I used to dread these conversations, as I didn't have clear goals or KPIs for each person. However, if you don't have the required conversations, things often get much worse. If you say nothing or you're not honest, things will get to a place where it's impossible to turn them around. If you have the courage to have these conversations and communicate honestly with employees about their performance, you will be able to move the business forward.

I always encourage people to get out from behind their desks for these conversations. When I was running Fire and Safety Australia, I hated sitting down for hours on end in my office to talk to people. Often, I'd invite managers or senior leaders out for a walk, or we'd go somewhere else to brainstorm solutions to challenges that we were facing.

A fifteen-minute walk with someone is beneficial; not only does it give you exercise, but people generally get

less angry and upset when they're walking, and they are often more creative! I also found that these meetings were of a shorter duration than when I was in the office or in a boardroom. When you can get out of the meeting room and build relationships with your employees on a one-on-one basis, you'll have a better work environment. So, share a walk with employees who are stressed, get some fresh air and exercise, and work through the challenges that you have together (and get fit at the same time!).

It's possible that some employees may come to you with opinions or thoughts on their manager or supervisor, and when they do, you can accept their feedback, but it is your job to remain neutral. Don't agree or disagree with what they say; instead, make them feel heard. Create an environment where the other person feels comfortable talking to you without fear, worry, or concern, and hear them out. You can worry about what they say later; for now, your job is to listen. Following the conversation, file this information away unless action is absolutely necessary. Don't go straight to the leader involved. But do not forget the information received, either, as sometimes this can develop patterns to indicate that you have the wrong leader within the business.

Becoming a leader of influence takes time and investment in your own personal development and learning, but it will change the way in which you lead teams forever.

FINANCIAL SUCCESS: SMALL IMPROVEMENTS = BIG PROFIT!

“Rule number 1 - Never lose money. Rule number 2 - Never forget rule number 1.”

—WARREN BUFFETT

This chapter will introduce you to how very small improvements in some key KPIs can dramatically improve your profit and cash flow. Without cash, a business dies. Without profit, a business can survive a few years, but it is always walking on the tightrope of death!

Having a business that makes no profit is like driving a car without a seatbelt. You can be fine for many years,

until one day another driver crashes into you, sending you hurtling through the windscreen to your death. Profit and cash are the best insurance that your business can weather any storms.

I train several hundred business leaders every quarter who attend business growth workshops, and the number one concern that I hear most is a lack of available cash. Having a lack of cash is the thing that will keep you up at night while everyone else is sleeping. Most business owners are terrified they're not going to have enough cash to pay wages, or to grow the business.

However, never in all my years running dozens and dozens of business growth workshops has a participant raised their hand and said that their number one problem that they needed assistance with was how to make more profit! Unfortunately, profit is still viewed by many business leaders and employees alike as a dirty word. All too often, profit is as an after-thought, not a business priority. A lack of profit is often the reason that businesses have a lack of available cash.

I can give case study after case study of business owners that I've worked with who have continued to run what was a successful company down into the ground because of their inability to make decisions around having the

right number of staff and limiting expenses. Very few companies have the right budget in place around sales, expenses, and cash flow.

People talk about sales and sales growth, but that is so much less important than bottom-line results. Too many people think about profit last, but it should be the first thing you think about when forecasting the business financials. Profit is what can be used to take out dividends; it generally is the most important component of how a company is valued, and it is the only way to grow without external equity or debt.

You should spend as much time looking at your financials each month as you do your sales. I need you to be obsessed with understanding where every dollar in the company goes. The reason I called my company and my book “courage for profit” was that business leaders need to remember that when growing a business, profit is the scoreboard of success. But winning the game and making large profits is not an easy thing. The business leader must have courage to make the hard decisions, the courage to execute with relentless discipline, and the courage for profit.

SOUTHERN PENINSULA COMMUNITY CARE: MAKING THE RIGHT FINANCIAL CHOICES FOR LONG-TERM SUSTAINABILITY

Before my grandfather passed away, he spent many days in the final years of his life at Southern Peninsula Community Care (SPCC), a non-profit aged care organisation and respite centre. After he passed away, I was asked by the CEO to join the board and help the organisation get through a troubled patch.

SPCC was a few-million-dollar revenue non-profit organisation with a few dozen employees and volunteers. SPCC provided important community aged care and respite services. The year I joined the board, SPCC had just lost around \$250,000. This was an organisation that had been around for twenty-five years and was vital for the community. It was very dependent on government funding and had limited fundraising. Every month, the expenses at SPCC were more than revenue. They were slowly declining to the point where they might have to think about selling properties, changing the organisation, or shutting it down completely.

In the year after I joined the board, we managed to somewhat turn the financial results around to a smaller loss. The following year, the existing CEO resigned, and I became the president of the organisation. My priority as

the newly-elected president was to recruit a new CEO, set a strategic direction for the organisation, and ensure that the organisation was financially stable so that it would remain around for decades to come.

I hired a woman named Kimberley, who was fantastic. Kimberley had a history of strong performance and the core values alignment to lead the organisation forward. She was a highly capable business woman who could take input, and she was someone who would lead the business through what I considered a turnaround phase.

I sat down with Kimberley and the treasurer, and we looked over the financials. I asked Kimberley to draw out the current organisational chart on the whiteboard. She drew out the organisational chart of SPCC, and I asked her what we were on track to lose in the next twelve months if we kept everything the way it was. She calculated that it was more than \$100,000. Our organisational chart was inefficient after many years of firefighting by the organisation to stay solvent and not enough time devoted to introducing a clear strategy and a clear financial budget for a sustainable business. The structure had a larger middle management structure than what was required.

I said to Kimberley and the treasurer that letting the business fold was not an option. I then took the eraser,

and on the white board, I erased every single role in the organisation except for hers and told her that going forward, the only people in the organisation were the board (all volunteers and not paid) and herself as CEO. Then, I asked Kimberley to imagine that we'd started the organisation over, that I had "purchased" the organisation, and we were to start again from the ground up. I asked Kimberley to come up with a plan for how she would run the organisation, and how she would structure it if she had to begin anew today, but not reduce the quality of care provided to our elderly clientele.

I gave her some time to figure out several options for the organisational structure, and when I came back, she'd drawn up a new organisational chart on the board. It had about three fewer roles, and she had grouped several management roles into one new role. I realised after talking over the new structure, that over many years people had been added to the organisation without much thought, as the focus was on the month to month issues as opposed to the long-term vision and strategy. The number of people had increased, but those people weren't the right people for the organisation.

We decided to move SPCC over the next three months to the new organisational chart Kimberley had developed and that I had strongly endorsed and approved. It resulted

in around three people being made redundant. No one likes to make people redundant in an organisation, but my role as the president was to think about the future. The organisation had been around for more than twenty-five years, and I wanted to make sure it was around for the next twenty-five years.

We made the changes and put in place a very strict budget. We looked at every line item from the previous year. Then we put together a new budget with new staff costs based on the new organisational structure. We then looked at the costs of how we needed to run the organisation to make sure that we had some room to move. In the new budget, we had a 5 percent budgeted surplus. The reason for a 5 percent surplus for a nonprofit was that if anything went wrong, we still had 5 percent left over each month. It also meant that if things weren't going wrong, and we started to grow, we could then start to invest that surplus back into the organisation to improve it. This "surplus" was our profit; that was the insurance that we were banking to ensure that if we had a terrible month, we may break even. We also had additional insurance in the form of more margin, so that if something went wrong, we didn't have to dip into our "surplus." Shortly after my time as president had come to a close, leftover cash was invested into capital improvements to the centre.

Every month, we went through the profit and loss statement to look at what we assumed in terms of revenue, government grants, fundraising, etc. to see if it was the same as what we had assumed for costs.

When I finished my role in the organisation twelve months later, we had turned it into an approximately \$50,000 annual surplus organisation. The lesson in this story is that if the previous boards had had a clear vision, a clear strategy, a clear budget, and the relentless discipline to look at their financials every month, and if they had considered how they would “re-start” the organisation from scratch if required, I never would’ve been in the difficult position of making several people redundant.

YOUR FINANCIAL STATEMENTS: MEASURE, IMPROVE AND GROW

You should spend as much time on managing and putting into place initiatives to reduce the costs and expenses in your business as you do on growing the revenue in your business. Most of the time, people think that sales are sexy and exciting and managing expenses is boring. But managing expenses is absolutely critical for the business to be able to grow.

There are few problems that I have ever encountered in

any business that I've run or consulted with that could not be fixed by money. Every business owner should spend between one and three hours a month on their financials, analysing the results and looking to improve.

I want you to think about how you can account for costs properly. I don't want personal expenses in your business's financial statements. You can't look at the real profit-loss results of the business if you're putting personal flights and holidays through the business. You should know what the business is honestly profiting. If you're putting personal stuff in there, you're going to get a falsified profit.

From here on out, I don't want you to just look at the bottom-line net profit result. I want you to ask why your result is what it is. Profit is something that happened last month, last quarter, or last year. Profit by itself tells you nothing. You need to know why you did what you did to be financially successful.

Sit down with your bookkeeper to review the profit and loss statement for the previous period (month/quarter/year-to-date), the balance sheet, and the forward cash flow forecast. Then ask these questions of your CFO/bookkeeper and your leadership team:

- What did we assume was going to happen?

- What happened?
- Why is it different?
- What actions are we going to take and where can we improve?
- What do the numbers tell us about our performance, and what do we need to change?

Let's say that you had a higher profit because your expenses were lower. You then need to figure out what you did that lowered your expenses so you can continue it, or if it was a one-off result. If your profit was lower because sales were lower, you want to be able to look at that and determine how you can still ensure a profit. Consider how you could reduce the monthly break-even for the business so that in a bad month you break even, as opposed to having a bad month and suffer a loss.

Most business owners that grow small and medium businesses don't think about profit, and they do not spend sufficient time looking into their expenses. When I conduct a business growth program with fifty participants and ask them, "How do we fix a business that's losing money?" 90 percent of people will say you need to find more customers and sell more. Finding more customers and selling more is a good thing, but cutting costs is so much more efficient. Every dollar you can save in cost and

expenses is an immediate and risk-free dollar improvement in profit and a dollar improvement in cash.

EXAMPLE: TECHNOLOGY COMPANY

I once worked with a technology company on their budget. This technology company is a great company. From the outside, it looks successful. They've got great team members, a great strategy, and they're winning growth awards. Revenues are \$5 million or more. However, over the last three years, despite the fact that they've turned over more than \$15 million in revenue, they've lost \$100,000 cumulatively.

I started working with the business owner and asked why he wasn't making a profit. His answer was that he wasn't meeting the sales goals. But, what I saw was that he wasn't making a profit because he was over-employed and not concentrating on the expenses within the business.

We sat down and looked at the profit and loss statement line by line. We did an analysis of the software development team to see how much of the forty hours they worked a week were billable. He thought that approximately 70 to 80 percent of the time of the developers would be billable (i.e., getting paid to complete work for clients). But, what we found was that it was much lower. Less than 50

percent of the developers' time was billable to clients! This business was undeniably over-employed.

If I'd had my way, we would have reduced the tech staff by 30 percent or more immediately, but I had some pushback, as they had a strong future sales pipeline. I said they needed to immediately reduce the staff by four people and reduce some other expenditure to save around \$350,000 per annum in the business. Like most business owners, he was reluctant to do this, because he feared that others would think he was not a good business leader, and he feared others would say that the business was going backwards.

I told him that he had two options. He could continue down this path of mediocre performance, and in five years' time, he'd be looking back saying, "I've run a business with no profit. I'm working sixty hours a week, and I'm making no money." Or, he could summon the courage and make the tough decision to reduce his employee expenses now and return the business to profitability, then grow the company further from a solid position. He had to be willing to take a step or two back now, to take giant leaps forward with his profitability. I told him he needed to have the courage to make the tough decision, the courage for profit.

This business leader was risking his livelihood, his wealth, and his thirty or so employees because he was unwilling to have the courage to remove four to five people from the business to guarantee that the business was profitable.

However, by the time I was done working with him, he'd reduced his staff by four people and was now on track to make a profit of between three and five hundred thousand dollars on that same \$5 million revenue in the first year, which was more profit than the company had made in all cumulative previous years in operation. The business had less pressure with the banks and cash flow and now was a sustainable and profitable business. By the time we finish the first year with this business, it will likely make \$500K in net profit, making it the most successful year in its entire history!

The business is now back on track because the business owner had the courage to admit that he was over-employed, his expenses were too high, and he needed to change.

Many companies make so much less money than they are capable of because they fail to have the courage to make the tough decisions, and the business performs with mediocrity.

If you fail to budget and forecast to figure out the profit you will make over the next twelve months, and you don't have the relentless discipline to review your financial statements and every line in your profit and loss statement, you will never hit your targets. When you track your financials with relentless discipline, you will reach profitable success.

Relentless discipline needs to be employed whether things are going well or not. You can't get lazy and stop doing the weekly meetings or checking in on the weekly KPI dashboard just because things are going well. You need to keep doing what you're doing.

If you don't have that relentless discipline to climb the mountain, when something inevitably goes wrong, you will fall off the cliff. Think of a strong profit as your safety rope. It's there in case something bad happens, so you can recover and your business does not fall to its death. You must make sure you've got your eye on the ball. It doesn't take much of a lack of discipline for profits to go down dramatically.

My biggest ever business mistakes happened after we'd had our most successful year of my company history. At that point, we were doing record revenue and the business had earned more than \$2 million in net profit. I made

two company acquisitions, one of which went terribly wrong because I made the decision from the perspective that things were going exceptionally well, so I didn't look closely enough at the decision, or the financials behind the decision. I failed to inspect what I expected. I would have been better off to concentrate on only one acquisition and have the relentless discipline to execute.

Following these two acquisitions completed in quick succession, I didn't have the required weekly meetings, I didn't have a weekly KPI dashboard, and I lost my discipline. But when I got the profit and loss statement at the end of that first month and saw that we had lost money, I just accepted it as a "bad month." I didn't look at why we had lost money and what had I incorrectly assumed needed to be fixed. By the time I could fix the mistakes and reduce our costs and remove the wrong people from the business, that year we were down \$1M in net profit as a result.

THE ULTIMATE LEADER OF THE BUSINESS IS ACCOUNTABLE FOR NET PROFIT AND CASH

If you are the ultimate leader of a business (MD, CEO, business owner, etc.), you have a lot of accountability. You've got employees, sub-contractors, and suppliers. You need to make sure you have the cash to pay them what

they are owed for the business to be financially stable. You are accountable for the net profit result and the cash in the business.

If you're not looking at the profit and loss statement, the balance sheet, and the cash flow forecasts for your business, then who is? Most bookkeepers and accountants are not looking at this for you. Generally, bookkeepers and accountants are making sure that you comply with the tax office, and that you are meeting your statutory obligations for employees and various government reporting requirements. They may run the reports and input the data, but are they telling you if you have enough cash for next week or next year? Are they showing you how to improve your net profit and cash flow?

At the start of every year, you should create a twelve-month profit-and-loss forecast and an integrated cash flow forecast that you track monthly to determine the financial future of the business and to ensure that you have sufficient profits and cash to meet your business requirements to grow a sustainable and profitable business.

Your integrated profit and loss and cash flow budget should tell you the cash coming into the business each month, and the cash going out of the business each month. Then you should be able to see what that looks like over the next

twelve months. Having that cash flow forecast in place will show you how the business will perform over the next twelve months and how much cash you will have.

One of the leading indicators of future low cash flow is your net profit margin shrinking. When businesses look at their profit first and then what costs the business can afford to have, they are much more likely to hit their profit targets.

It's very difficult to grow a business if you're not making any profit, because if you can't fund losses or growth, you will have to find external investments or accumulate debt. While external investments or debt aren't necessarily bad, they're not ideal for funding businesses that continue to lose money, unless there is an extremely clear strategy to stop the losses and return to profitability. The first option businesses should consider is growing the business with their own sources of capital and cash first. Then, if they've got a stable business and profit results, they can get funding quite simply and lower the overall business risk.

Instead of looking at a budget and starting with sales and then letting profit be what's left over, switch it around. When you run a business where profit is all that's left, you won't have much profit at all, and if your expenses are higher or you get an estimate wrong, often, you end up with nothing.

CREATING PROFIT AND LOSS AND CASH FLOW FORECASTS THAT WORK

Every business owner or CEO should work with their bookkeeper or accountant on the budget template I've provided here. It can also be found on my website www.courageforprofit.com under Free Online Resources.

In the Excel template, plug in your numbers for each line item and it will calculate the cash flow forecasts for you. What these forecasts will help you to see is the level of sales expected this year, and the profit expected from those sales. Most businesses should be looking at a 10 percent or higher net profit margin before income taxes. Some businesses, like legal services, or high-end professional services, might be 20 to 30 percent, while online and retail might be 3 to 5 percent, but most businesses should be looking at 10 percent or greater net profit.

When completing the Excel template, you'll enter your profit first. The purpose of this is to look at your financials in reverse. Let's say you have a million in revenue and want to make \$100,000 in profit. From there, you'll have \$900,000 left to run the business for the year. You will look at Cost of Goods Sold (COGS), and they might be \$400,000. Now you have \$500,000 left to pay staff and rent. You then need to look at how you can run your business overhead costs on \$500,000 or less.

This is a very different way of budgeting compared to the normal way of building from the top down. By looking at the bottom line net profit results first, then engineering a business by deciding how much you are allowed to “spend” on operating the business, you have a higher likelihood of success as profit stops being “what’s left,” and instead becomes the entire focus for the financials of the business.

CASH FLOW

Businesses often fail to properly analyse what money is coming in and what money is coming out of a business in a cash flow forecast. When I ask business owners, in a business to business sales environment, what their average debtor days in the business are, most of the time they have no idea. They guess. Without looking at their financials, when they tell me that they don’t have a lot of money in the bank and cash flow is poor, I can guesstimate that their net profit margin is probably poor and their average debtor days are probably sixty-plus days. Sometimes business leaders will tell me that it’s the accountant’s job to look at this. Often when the business leader asks the accountant about the average accounts receivable days, they can’t give a solid answer without looking at the reports. If the business doesn’t look at these key drivers of cash flow regularly, there is no question that the business cash flow can be severely stretched.

You should put as much emphasis on collecting money from clients—and if you're a stock business, on having the right level of inventory—as you do on sales and marketing. If you don't, you will have too much cash caught up in working capital, which means that you cannot take dividends from the business. Don't let your customers retain your money for longer than your permitted credit terms. Don't be a bank for your customers. Ensure that you are paid on time, or question if they really are a good client.

The weekly KPI dashboard we spoke about earlier must include the KPI drivers of cash flow for your business. Depending on the business that you are in, this may include average debtor days, stock days, stock turns, numbers of refunds given, and the average discounts/mark-downs for the week. The identified key drivers of cash flow for the business should be measured weekly so you can have your finger on the pulse early for any potential cash flow problems.

You should receive a profit and loss report, balance sheet, and forward cash flow forecast no later than two weeks following the end of the month. By the 14th of January, you should be getting the December profit and loss figures. I see some businesses that can't give me a profit and loss for the July to September quarter in December! When a business can't do this, they're at risk of not surviving,

because they're not paying enough attention to their financials, and cannot make effective decisions based on the financial results. This gets me gravely concerned about the profits and financial health of the business.

I had an owner of a small business who had about \$400,000 in revenue, tell me once that he was worried he wouldn't be able to pay wages the following week.

I had him bring me his balance sheet and profit and loss statement. On the spot, I did an average debtor day calculation and found his average debtor days were 160! This is a business that was going to make a \$150,000 profit on \$400,000 in revenue. It was a very profitable, single-person business, but having his debtor days blow out to more than one hundred could cause him to go under and not be able to pay wages to his employees.

What I discovered was that he didn't like calling people for money; he felt nervous and embarrassed calling clients for money, and he thought that it would reflect poorly on him. I asked him who owed him the most money, and I made him call that company right then and there. He was owed \$50,000 from one person. As soon as he called the client, the accounts payable department apologised and said they must have lost the invoice and paid within the following week. When I was the CEO of Fire and Safety

Australia, I'd personally call clients if we were owed a lot of money and they were continuously late in paying their invoices. We had an accounts receivable process that started in the finance team, progressed to the CFO, then ended up in a phone call from me; then it went to our lawyer to commence legal proceedings.

If this small business owner had just had the courage to make the required phone call, he would have had more cash in the bank. Instead, his customers had his money and profit because he was too afraid to make the telephone call. As the business owner, whether you think it's your job or not, you should have the courage to make those calls and to collect your money.

You need to spend as much time chasing money as you do making it. Profit is not cash. Cash isn't yours until it's in your bank account. You should not allow your clients to keep your cash for products/services that you have delivered!

I made this particular business owner accountable by making him e-mail me every Wednesday his average debtor day numbers to make sure that chasing money was the most important thing he did every week.

In thirteen weeks, he took his average debtor days from

160 days down to fifty days. The difference in his bank account was about \$100,000 of cash within a month. Having the relentless discipline to chase money every week and e-mail me updates made him accountable to his decision to change. He learned an almost fatal lesson: if you do not stay in front of the cash flow drivers of your business, you can quickly go out of business.

When you consistently check on your financials by measuring the drivers of cash flow in your business on a weekly basis, your cash flow and bank balance will improve.

TAKE OWNERSHIP OF YOUR MISTAKES AND HAVE A THIRST FOR IMPROVEMENT

As a business owner, if you can't own the fact that you've made some mistakes, you can't move forward. If you want to blame your problems on your employees, the accountant, or anyone for that matter, you'll never be able to move forward.

As a business owner, one of the best things you can do is ask yourself these questions on a regular basis:

- If you restarted the business tomorrow, what would you do differently?
- Would you have a different structure?

- Different teams?
- Different people?
- What in your business is working well that you should keep doing?
- What in your business have you not yet started doing that will help you grow your business?
- What in your business is not helpful and not productive that you should stop doing?

If you would change anything, why not make these changes now?

The easy choice is to stay stagnant, but if you have the opportunity to improve profitability and grow the company by starting/stopping or continuing with certain strategies that are working or not working, make that decision now and start your journey forward.

If you are a business owner, and you haven't had a profit in the last two or three years that met your expectations, unless you're going to have the courage to change it and implement a clear strategy to build the profits up, you might as well go back and get a job working for someone else. At least then if it goes badly, you don't lose everything. If you have the courage to make the decisions required so the business can hit everything it needs to hit to be profitable, then you can grow your business.

If the business leader's mindset is not focused on improving profit, then nothing will change. If you want to make more money, if you want more financial freedom, if you don't want to have the worries around cash flow, if you want to have cash in the bank for a rainy day, if you don't want to be at the behest of banks and investors, then you've got to have the courage to change things. You've got to have the courage for profit.

THE TWELVE KPIS TO DRAMATICALLY GROW YOUR NET PROFIT AND YOUR CASH FLOW

As you continue to grow the size of your business, it is amazing to see how small improvements to a few key KPIs can make enormous changes in the annual net profit and the annual net cash flow of your business.

I am going to show you twelve KPIs that constitute very small 5 percent changes, which can combine dramatically to grow the net profit and net cash flow for your business. Even if at first you only look at concentrating on one to two KPIs that are most in need of improvement, a 5 percent increase is not hard to implement.

Out of the twelve KPIs below, most businesses should be able to improve at least half of these KPIs quite simply to dramatically grow their profits and net cash flow. These

KPIs, when combined, can double the net profit and cash flow of the business.

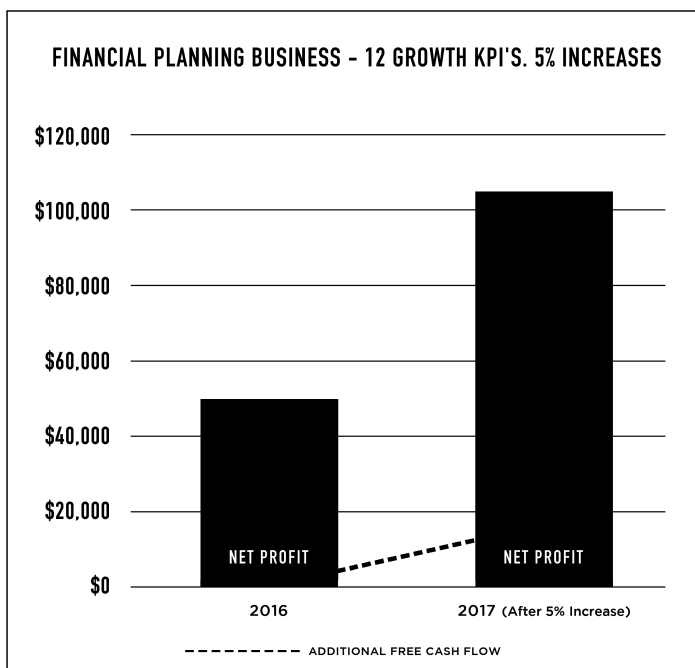
1. Existing customer retention rate (100 percent means all customers are retained)
2. Existing customers product/service sale price
3. Existing customer volume average shopping basket size/numbers of products bought per transaction, or repeat annual re-purchase rate; choose which is more applicable.
4. Number of leads/prospects for the business (or store visitors for a retail store, or website visitors for an online business)
5. Conversion rate for leads/prospects (how many people on average buy once they are in the store, or how many people accept your proposal, or website conversion rate?)
6. New customer sales price
7. New customer average shopping basket size/numbers of products bought per transaction (volume) or repeat annual re-purchase rate
8. Decrease in cost of goods sold (COGS)
9. Decrease in overhead expenses
10. Reduction in average debtor days
11. Increase in average creditor days
12. Reduction in average inventory days

Below are two examples of small- and medium-sized businesses that have dramatically grown their annual net profit and annual net cash flow by making small 5 percent improvements to some of the twelve KPI levers above. See the dramatic effect that it has on these businesses.

**EXAMPLE ONE: FINANCIAL PLANNING BUSINESS
(FEE PER HOUR) - 2016 FINANCIAL YEAR**

- First column represents all business levers and key P&L line items (Revenue/COGS/Gross Profit/Expenses/Net Profit)
- Second column represents the current \$500,000 annual revenue, \$50,000 annual net profit financial planning business
- Third column represents a 5 percent change to each business lever

EXAMPLE ONE 12 KEY KPI'S	CURRENT NUMBERS	5% CHANGE PER NET PROFIT RELATED KPI, 10 DAY REDUC- TION IN DEBTOR DAYS & 5 DAY INCREASE IN CREDITOR DAYS
Existing Customer Retention	400	400 (100% retention rate)
Existing Customers average numbers of products/services bought year	5 Hours	5.25 Hours (+5%)
Existing Customers Sale Price	\$200 Per Hour	\$210 Per Hour (+5%)
EXISTING CUSTOMER REVENUE	\$400,000	\$441,000
Number of Leads/Prospects	500	525 (+5%)
Conversion rate for leads/prospects	20%	21% (+5%)
Sale Price	\$200 Per hour	\$210 Per Hour (+5%)
Average numbers of products /services bought per transaction	5 Hours	5.25 Hours (+5%)
NEW REVENUE (NEW CUSTOMERS LAST 12 MONTHS)	\$100,000	\$121,550
TOTAL REVENUE	\$500,000	\$562,550
COGS (Financial Planning employees)	\$250,000 (50%)	\$267,211 (COGS 47.5%) (-5% lower)
GROSS PROFIT	\$250,000	\$295,339
OVERHEAD EXPENSES	\$200,000	\$190,000 (-5%)
NET PROFIT	\$50,000	\$105,339 (MORE THAN DOUBLE!)
Average Debtor Days	40	Reduce to 30 Days (-25%) \$13,698 More Cash at Bank
Average creditor days	30	Increase to 35 Days (+16%) \$3,425 More Cash at Bank
Average inventory days	Not Applicable	Not Applicable
Change in Annual Net Cash Flow	\$0	= \$13,698 + \$3,425 = \$17,123



Example One: By applying a few 5% changes to the key business levers of this \$500K Financial Planning Business, we've more than doubled the Net Profit to more than \$100K! With 2 easy-to-implement changes to debtor days and creditor days, we've shown you how to improve the cash in your bank account by more than \$17,000.

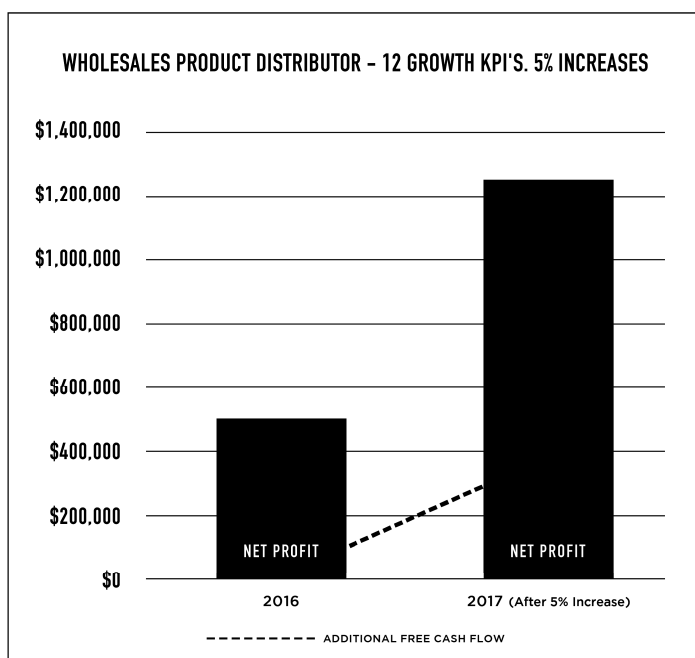
EXAMPLE TWO: PRODUCT DISTRIBUTION BUSINESS (WHOLESALE DISTRIBUTER OF FOOD PRODUCTS TO CAFÉS AND SUPERMARKETS) - 2016 FINANCIAL YEAR

- First column represents all business levers and key P&L line items (Revenue/COGS/Gross Profit/Expenses/Net Profit)
- Second column represents the current \$7,500,000

annual revenue/\$500,000 annual net profit product
distribution business.

- Third column represents a 5 percent change to each business lever

EXAMPLE TWO 10 BUSINESS LEVERS	CURRENT NUMBERS	5% CHANGE PER NET PROFIT RELATED KPI'S, 15 DAY REDUCTION IN DEBTOR DAYS AND 5 DAY INCREASE IN CREDITOR DAYS
Existing Customer Retention	120	120 (No Change)
Existing Customers average numbers of products purchased per year per customer	50,000	52,500 (+5%)
Existing Customers Sale Price (per avg. product)	\$1.00	\$1.05 (+5%)
EXISTING CUSTOMER REVENUE	\$6,000,000	\$6,615,000
Number of Leads	120	126 (+5%)
Conversion rate for leads	25%	26.25% (+5%)
Sale Price	\$1.00	\$1.05 (+5%)
Average numbers of products/services bought per transaction	50,000	52,500 (+5%)
NEW REVENUE (NEW CUSTOMERS LAST 12 MONTHS)	\$1,500,000	\$1,823,260
TOTAL REVENUE	\$7,500,000	\$8,438,260
COGS	\$4,500,000	\$4,809,808 (COGS 60%, now 57%) (-5% lower)
GROSS PROFIT	\$3,000,000	\$3,628,452
OVERHEAD EXPENSES	\$2,500,000	\$2,375,000 (-5%)
NET PROFIT	\$500,000	\$1,253,452 (MORE THAN DOUBLE!)
Average Debtor Days	60	Reduce to 45 Days (-25%) \$308,200 More Cash at Bank
Average creditor days	30	Increase to 36 Days (+20%) \$73,972 More Cash at Bank
Average inventory days	Not Applicable as tmade to order	Not Applicable
CHANGE IN ANNUAL NET CASH FLOW (EXCLUDING CHANGE IN PROFITS)	\$N/A	=\$308,200+\$73,972 =\$382,172



Example Two: By applying a few 5% changes to the key business levers of this \$7.5M wholesale business, we've more than doubled the Net Profit to more than \$1.25M! With two easy to implement changes to debtor days and creditor days, we've shown you how to improve the cash in your bank account by more than \$382,000.

EXERCISE: TWELVE KPIS TO DRAMATICALLY GROW YOUR NET PROFIT AND CASH FLOW

1. Obtain your up-to-date profit and loss statement for the last twelve-month period, or the last full year, and an up-to-date balance sheet corresponding to the end of the same period.
2. Go to www.courageforprofit.com, click Free Online Resources, and download the Business Improvement Calculator (or use the template in this book). Select

the appropriate template for your industry and fill in your P&L information. Find out your new vs. existing customers' data for the last twelve-month period (financial year or last twelve months).

3. NOTE: An existing customer was a customer who you did business with more than twelve months ago, and a new customer is a customer whom the business has brought on in the last twelve months.
4. If you do not think that a 5 percent change in the business lever is realistic, input the percent change that you think is achievable within the next ninety days. Maybe start at 2 or 3 percent. Also, if you think you can achieve more, try different numbers and model the financial results.
5. Decide from the exercise what are the three most important KPIs (no more) to focus on over the next three months, then add these three KPIs to the weekly KPI dashboard and allocate accountability to a senior business leader.

QUICK CALCULATIONS FOR FINANCIAL RATIOS:

- How do I calculate average debtor days for the last twelve months? = $(\text{Accounts Receivable} / \text{Total Sales in the last 12 months}) \times 365$
- How do I calculate average creditor days for the last

twelve months? = (Accounts Payable/COGS in the last 12 months) x 365

- How do I calculate average inventory days? = (Inventory Value / COGS) x 365

**EXERCISE: INSERT YOUR NUMBERS AND
DRAMATICALLY GROW YOUR NET PROFIT
AND CASH!**

EXERCISE 10 BUSINESS LEVERS	CURRENT NUMBERS	5% CHANGE PER BUSINESS LEVER
Existing Customer Retention		
Existing Customers average numbers of products purchased per year per customer		
Existing Customers Sale Price (per avg. product/service)		
EXISTING CUSTOMER REVENUE		
Number of Leads		
Conversion rate for leads		
Sale Price		
Average numbers of products/services bought per transaction		
NEW REVENUE (NEW CUSTOMERS LAST 12 MONTHS)		
TOTAL REVENUE		
COGS		
GROSS PROFIT		
OVERHEAD EXPENSES		
NET PROFIT		
Average Debtor Days		
Average Creditor days		
Average Inventory days		
CHANGE IN ANNUAL NET CASH FLOW (EXCLUDING CHANGE IN PROFITS)		

STRATEGIES TO DRIVE THE TOP TWELVE KPIS IN YOUR BUSINESS

This section will give you some strategies to consider driving your chosen KPIs to dramatically grow your profit and cash flow.

I've included five potential strategies to consider implementing for each KPI to improve the results. If you have two to three KPIs, never rely on only one strategy for improvement. Try one to two strategies at once, and test and measure the results.

12 KPI'S FOR BUSINESS GROWTH (ANNUAL) & POTENTIAL STRATEGIES FOR IMPROVEMENT

1. Existing Customer Retention

- Write and implement an account management plan for all existing customers that specifies call cycles, face to face meeting cycles etc.
- Offer a free annual review of the customers account and look for areas to improve your service
- Look for ways to add more value to your existing customers
- Rank your customers by spend and importance to the business and visit, manage, and reward accordingly
- Communicate using email campaigns specifically targeted to retain customers and offer additional products/services and special offers

2. Existing Customers average numbers of products/services purchased per year per customer

- Write and implement an account management plan for all existing customers that specifies call cycles, face to face meeting cycles etc.
- Offer a free annual review of the customers account and look for areas to improve your service
- Look for ways to add more value to your existing customers
- Rank your customers by opportunity value (how much additional business could we get if we had all of their business, and ask them how much additional business they buy of our products/services), and offer special offers/rebates and continue to chase this business
- Communicate via email campaigns specifically targeted to offer additional products/services and special offers

3. Existing Customers Sale Price (per avg. product/service)

- Increase pricing for existing customers (particularly those who understand the value that you add to their business, and you have performed well with no issues raised from the client for 3+ months)
- Benchmark your prices vs. competitors. If there is a good story to tell, show the benchmarking results when increasing prices
- Offer a rebate model. The more a customer spends, the less the price increase is effective. e.g. Last year the client spent \$100K. Look at your pricing strategy, but consider, for every dollar above last year's expense there is no price increase, or no price increase if they spend \$150K+ (if the opportunity value is \$50K of potential business with the client)
- Package your offerings to look at up-selling services/products to increase overall pricing, with the new products/services at a higher margin
- Productize your offerings with various levels (e.g. Platinum, Gold, Silver, Bronze etc.). Identify how you can move customers up a level by showing features and benefits of the next level

NOTE: Because pricing is so critical to the cash flow and net profit of a business, I've added additional information and potential strategies to consider in the pages to follow

4.Number of Leads/Prospects

- Try a new marketing campaign each quarter. Test and Measure (Social Media, Magazine Advertising, Sponsorship of events/clubs, Google Adwords etc.), and consider expert consultant advice to improve marketing campaign results
- Ensure that your website/marketing materials clearly state what your business does that is unique and different and target your ideal customers
- Obtain and use client case studies/customer stories within sales proposals
- Review marketing and sales materials and add testimonials, client data (client satisfaction ratings etc.), case studies etc. that paints a positive picture
- Increase the activity levels and potentially the size of the sales team/marketing team

5.Conversion rate for leads

- Train your sales team with sales roleplays, objection handling, presentation skills etc.
- Measure your conversion rate by sales person and show the results across the team
- Record phone calls or video conferences via video to identify best practices and train the rest of the sales team
- Implement an email nurturing/drip program specifically designed for new leads
- Sales Manager or business leader to spend 2-3 days per quarter on the road with sales team members and coach their performance
- Integrate case studies, customer success stories, testimonials, customer data (satisfaction scores etc.) into sales proposals

6.New Customer Sale Price

- Sell based on value to the customer
- Integrate case studies, customer success stories, testimonials, customer data (satisfaction scores etc.) into sales proposals
- Benchmark your prices vs. competitors. If there is a good story to tell, consider showing the benchmarking results when increasing prices
- Offer a rebate model. The more a customer spends, the less the price increase is effective. E.g. Last year the client spent \$100K. Look at your pricing strategy, but consider, for every dollar above last year's expense there is no price increase, or no price increase if they spend \$150K+ (if the opportunity value is \$50K of potential business with the client) 100
- Productize your offerings with various levels (e.g. Platinum, Gold, Silver, Bronze etc.). Identify how you can move customers up a level by showing features and benefits of the next level

NOTE: Because pricing is so critical to the cash flow and net profit of a business, I've added additional information and potential strategies to consider in the pages to follow

7.Average numbers of products/services bought per transaction

- Write and implement an account management plan for all existing customers that specifies call cycles, face to face meeting cycles etc.
- Offer a free annual review of the customers account and look for areas to improve your service
- Look for ways to add more value to your existing customers
- Rank your customers by opportunity value (how much additional business could we get if we had all the business), and offer special offers/rebates and continue to chase this business
- Communicate via email campaigns specifically targeted to offer additional products/services and special offers

8. COGS Reduction

- Look at every line item within COGS
- Meet with suppliers annually and look for discounts, or if no discounts, rebate models for growth
- Benchmark all supplier costs with the market and look for savings
- Review procurement and authority limits
- Look at productivity for sub-contractors, consultants, staff within the COGS line
- Do you have the right numbers of staff or are you over-employed?

9. Overhead Expense Reduction

- Look at every line item within Expenses
- Meet with suppliers annually and look for discounts, or if no discounts, rebate models for growth
- Benchmark all supplier costs with the market and look for savings
- Review procurement and authority limits
- Look at productivity for sub-contractors, consultants, staff within the expenses line and analyse if you have the right numbers of staff or if are you over-employed?

10. Average Debtor Days Reduction

- Have someone accountable for average debtor days, and measure it weekly
- Have a clear accounts receivable procedure with phone calls, email templates, considerations for stop credit, considerations for debt recovery services
- Have a customer agreement/contract with clear payment terms 101
- Follow-up overdue debtors on the day that they are over-due via phone call (not just email) and emails relentlessly until paid
- Commence education for clients on payment terms and negotiate during the sales process

11. Average creditor days Increase

- Negotiate with creditors for extended payment terms
- Have a documented supplier agreement with clear terms
- Measure creditor days weekly, and hold a team member accountable
- Have a clear delegation of authority in place and purchasing limits in place
- Review Supplier terms annually and benchmark against other suppliers in the market

12. Average Inventory Days Reduction

- Have someone accountable for average stock days, and measure it weekly
- Understand which items are slow moving or dead stock, implement a strategy to clear this stock
- Look to implement supplier agreements for stock deliveries and potential penalties (discounts) if late, or see if your suppliers can hold more stock as opposed to you
- Understand item sales cycles based on historical data and review minimum stock holdings, work with suppliers and internally with staff to see if these can be reduced
- Have your inventory management team work more closely with sales and marketing team to improve the quality of forecasting to reduce inventory

Use the twelve KPIs to dramatically grow the net profit and net cash flow of your business. These twelve KPIs can be adapted to any business. From the simple examples shown, a 5 percent increase to the basic KPIs can lead to a doubling of your annual net profit and a dramatic increase to your cash flow. Pick the top two to three KPIs and make these a part of your annual strategic plan. These KPIs can be life changing for your business and for you.

Once you have identified your top two to three KPIs and the strategies that you will implement which may form part of your annual strategic plan, you need to continually measure these KPIs as part of your weekly KPI dashboard, and have the courage to continue to hold yourself and your team accountable to these numbers.

WHAT IS YOUR PRICING STRATEGY?

As described earlier in the twelve KPI exercise, one of the simplest ways to improve profitability cash flow, is to increase pricing. Most business owners that I meet seldom increase their pricing. They're always worried about losing customers if they increase prices.

Recently a young business owner came to me very upset about his lack of cash flow and profit. After reviewing his financial statements, I noticed that his business gross

profit margin had sunk from 70 percent to 55 percent over three years. I asked the business owner, “When was the last time you increased your prices?” He replied, “I’ve never increased my prices in four years being in business. I want to be the lowest-priced product in the market.” I could see that his COGS line item had increased each year, and because he had never increased his prices, his gross profit margin (and therefore his net profit margin) had eroded over time. For this business to be profitable, and to continue to have the free cash flow to grow, he had to have a pricing strategy and increase his prices. This pricing strategy had to be driven by the market, his customers, his competitors, and his supplier pricing, and most of all, it had to be based on his required profit as defined at the start of this chapter.

Depending on what sort of business you’re in, you can generally lose 15 percent of your customers if you raise all pricing by 10 percent, and still be better off. Every dollar you’re able to raise your prices with your clients is a dollar in revenue and a dollar in profit.

I want you to pay close attention to your pricing strategy and increase your prices in a way that makes sense for your business, based on the business market and industry that you operate in. I know some businesses that leave hundreds of thousands of dollars of profit on the table

because they do not have a pricing strategy. Pricing can determine your overall profitability, so don't guess what pricing you should have; consider a pricing strategy as part of your business planning each year.

Questions to consider when setting a pricing strategy:

- Where do you want your pricing to be positioned in the market? Premium pricing, middle of the market, or lowest in the market?
- For your pricing positioning, do you have the operational strategy to match? (For example, if you have a lowest pricing strategy, do you have a lowest manufacturing cost strategy also? If you have a premium pricing strategy, do you have the premium customer experience to match?)
- If you increased your pricing today (for example if you had a 3 percent increase in pricing across all products/services), would you lose any customers?
- Can you increase your prices annually by a small amount, maybe 2-3 percent, or have smaller, less noticeable six-monthly price increases?
- What's the most effective way to increase your prices?
- Can you have various cost product/services packages to encourage buyers to buy a higher priced item? E.g., Gold, Silver, Bronze pricing packages?
- What is your sales conversion rate? Whilst high con-

version rates are very good, if they are too high, you may be able to increase your prices and maintain a very good conversion rate.

If your strategy is to be the lowest-priced provider of products/services in your industry, you need to make sure you have the lowest cost of product/personnel strategy to match. If your strategy is to be the lowest cost provider in the market, but you still have a high cost of delivery strategy which provides the best service, this could be a disaster waiting to happen.

TAKE OWNERSHIP OF YOUR FINANCIAL REPORTING

One person needs to be accountable for preparing the financial reports, and one person (often the same person) must also be accountable for the KPI drivers of cash flow (stock days, average debtor days, etc.) in the weekly leadership team meeting. You can reign in these KPI cash flow drivers just by having a senior leader who measures these numbers weekly for the Weekly KPI Dashboard, and is accountable for the changes in the numbers.

Every business owner should look at their profit and loss statements vs. profit and loss forecasts, and cash flow results vs. cash flow forecasts every month. But before

that, I want you to go through every single line item in your profit and loss statement and note whether it was over or under forecast and why. If you are a 10 percent profit margin business, every thousand dollars of cost savings is like a \$10,000 new client win.

The business owner that is too busy to check on their financials, or who says, “Finance is a weakness” and doesn’t address it, may not have a business that exists in twelve months’ time.

Most businesses I see don’t invest enough time or money to ensure they have the right finance team, the right bookkeeper, or accountant to get up to date and correct financial reports. If you’re getting the wrong data, you’re making decisions based on the wrong data. I had a client who thought he was on track to make a \$400,000 profit with his company. However, at the end of the year, he discovered there was an accounting error, and he had actually only made \$200,000. Invest the time, money, and energy required to understand the financials of your business so you can use the information contained within this chapter to dramatically grow your net profit and your cash flow!

MARKETING AND SALES STRATEGIES TO DRAMATICALLY GROW YOUR BUSINESS!

*“Business has only two basic functions,
marketing and innovation.”*

—PETER DRUCKER

You cannot have sustainable business growth without world-class marketing and sales strategies. Marketing’s main function is to grow the business by bringing in leads and qualified customers. Your marketing plan is one of the most important aspects of your business when you’re first starting out. To grow a business from zero to \$10+

million, you must dedicate a very large percentage of your weekly time to growing your business.

Great marketing is based on understanding what your business does that is unique and different from your competition and conveying that uniqueness to your prospects and customers in a way that makes them want to do business with you instead of your competitors.

A lot of businesses get stuck on the question: “What is it that truly makes your business unique and different?” They say they have the best quality, or they deliver on time, but these are things that everyone can claim. You must find the thing that truly makes you unique and different, then leverage this to dramatically grow your business.

What is unique and different about you that your customer needs and cares about? Do you have something that sets you apart from others, or is it just quality and service? If it’s quality and service, every one of your competitors will say, “quality and service.” Look at your website and at your competitors’ websites, and if you say the same thing, you won’t stand out. If you don’t stand out, you will be compared on price, and companies that continually compete on price, unless they have a strategy for low costs, will eventually make no money and not exist.

At Fire and Safety Australia, we remain the only company in our industry in all of Australia that offers a 100 percent money-back guarantee if our customers are not completely satisfied with their training. My view is that if we aren't delivering immense value for our customers, and if they're not loving our training, then they shouldn't have to pay. If they're not satisfied, then I'm happy to give them their money back. I'm not scared about doing something like that if it focuses our team on delivering on the promises that we make to our customers. Even though we might train 40,000 people a year, if we don't do a good job on some of those people, then we should not expect them to pay.

Investing in your uniqueness and the related marketing is important to grow the revenue of the business. You can't run a business with marketing alone, but when everything else is in place, marketing can help to grow your business to the next level. Right now, most businesses don't spend enough time on sales and marketing. They think business will come to them, or it will come in the same way that it always has.

SPECIFIC STRATEGIES TO GROW SALES

Every business I work with wants to grow! They want to grow to move towards their ten-year vision, feel successful

both financially and within themselves, and become a bigger and stronger business.

Four strategies to grow sales in a business are:

1. Sell an existing product/service to an existing client.
2. Sell a new product/service to an existing client.
3. Sell an existing product/service to a new client.
4. Sell a new product/service to a new client.

This simple quadrant explains how to look at four different ways to grow a business.

OPTION 2 Existing Customers are sold a new product	OPTION 4 New Customers are sold a new product
OPTION 1 Existing Customers are sold an existing product	OPTION 3 New Customers are sold an existing product

This chart of sales growth options shows four ways for a business to grow. Each has various strengths and weaknesses, and depending on the company in question,

each will be different to implement with different levels of success.

Option 1: Generally, the simplest way to grow any business is to look at the existing customer base and determine the other products/services that you currently offer that your existing customers need, and sell to them.

Option 2: Generally (although this depends on the complexity of the product/service), the second easiest way to grow a business is to look at introducing new products or services and sell them to existing customers. This strategy is riskier than focusing on existing customers and existing products/services first, because you need to develop a new product or service, which is untested. However, if you've done your job well, the existing customer will be a supporter of what you do and how you do it no matter what. You need to be extremely careful that you map out the potential new products/services, as any problems could erode your core customer base and be dangerous to you.

Option 3: The next option in the four quadrants is to obtain a new customer and sell them an existing product. The challenge here is acquiring the new customer, but the benefit is that you've got an existing product or service that you already know how to distribute and deliver, so there's less risk. The resources to support this strategy

often include investments in marketing, sales teams, and supporting people and materials.

Option 4: Generally, the riskiest strategy is to acquire a new customer and sell them a new product or service that you have not yet proven. The reason this is the riskiest is that first you must work out the customer acquisition strategy, and then you must develop a new product or service that is new and untested.

Rather than concentrating on all four of these aspects at once, businesses should concentrate on one or two quadrants as part of their annual plan to ensure clear focus and alignment from the sales and marketing teams.

Once you decide which quadrant you want to focus on, you can develop a strategy based on your focus. A successful strategic plan will figure out what can be done to sell more to existing customers. The strategy isn't always about the newest or the greatest products, or getting new customers. It's about figuring out how to get the best return with the least amount of effort and risk. For example, a strategy involving new product sales to existing clients will require a different level of marketing, sales investment, and support, as opposed to finding new customers and selling them an existing product.

When you think about how you can leverage the customers that you've already spent marketing and sales dollars on, to obtain additional sales from them before you start to look for new customers, you are guaranteed to get results.

This exercise in the strategy chapter alone can provide you with focus on what is the simplest way for you to grow the sales of your business.

Most of the time, people immediately think they'll go out and get new clients to grow. This is the same attitude with marketing and sales. When I ask people how they're going to grow their business with marketing, they say they'll go get new clients.

Generally, business leaders go for the most difficult option of chasing new clients instead of focusing on maximising sales from their existing clients. They've already spent money to acquire the customers, they have a good reputation, yet, they try to find new customers instead of selling different products to existing customers. It's like *Groundhog Day*, as almost every business owner tells me that they need new clients to grow!

Carefully consider the one or two strategies that you want to implement in the next twelve months. Include the strategies within your twelve-month strategic plan,

assign someone to be accountable, and put in place the required weekly KPIs on your KPI dashboard to measure the weekly activities.

THE UNIQUE BEAUTY COMPANY - GROWING SALES FROM EXISTING CLIENTS

I had a client once who had a company that sold beauty products. They were unique and different because they were selling products that no one else in the country did, plus they were great products. They came to me because they hadn't grown much in the last two years and they wanted to align their strategy for the year ahead.

We sat down and discussed what they were doing to grow sales (as a lack of sales growth was the primary issue that they needed help with). Their sole focus was on gaining new beauty salons (new customers). Essentially, they were falling short of their goals because they were ignoring the potential for sales growth within their existing customers. Like so many entrepreneurs, they saw new customers as their golden ticket, when their true potential for immediate growth lay within their existing customers.

Rather than focusing on gaining new customers to grow the business, it is simpler and far easier in most cases to focus on existing customer growth. When you focus

on maximising the relationships you already have with existing customers, you can use it to grow the business quickly with little risk and little downside. You can use the trust and relationship you have with existing customers to your advantage. Since you've already spent the marketing money to gain those customers in the first place, you can maximise their value by continuing to market to them.

With the beauty company, we decided that their strategy would be to develop growth in sales from their existing customers. Those customers already loved the brand and generally paid on time. Instead of measuring the sales team based on how many phone calls they made to new beauty salons, they switched their focus to measuring face-to-face meetings with existing customers, and measuring the sale of both new and existing product categories to existing beauty salons.

The salespeople and sales manager were accountable for reporting how many new products they demonstrated to existing customers, and this was measured for the entire sales team on the weekly KPI dashboard, and each sales person also had individual KPIs. Within three months, the business had grown its existing client spend by about 25 to 30 percent, and it solidified the existing customer relationships that it had developed. For the first time, they really concentrated on maximising their existing

customers and maximising their results with a specific strategy for growth.

HOW MANY HOURS IS YOUR BUSINESS SPENDING GROWING YOUR BUSINESS EACH WEEK?

I worked with a woman named Kate once who had a chocolate business. As I do with any new client, I asked her why she was passionate about the business.

She had always loved chocolate, and she had a passion for chocolate that was ethically produced. She had fair-trade chocolate that was sourced from environmentally and ethically responsible providers in South America, and they had a plethora of different flavours that the large chocolate brands didn't have.

When she came to me, her goal was to grow the business so she could sell it for a few hundred thousand dollars in a few years, and to generate profits for the business to increase her income. Her business was a startup with some success and did about \$250,000-\$300,000 in revenue per year. She had a great product and had grown the business from zero to an owner's wage of around \$30,000 a year with no other real profits.

We started talking about how she had grown the business

in those few years. When she first began, she would walk into fine food grocery stores and say, “Hi. I’ve got this great chocolate. Would you like to try some?”

It was a great plan because no one ever said no to chocolate, and once they tried it, they loved the taste! After they tasted the chocolate, she offered to stock their first order for a new customer with a minimum order of only one hundred dollars. Almost everyone took her up on her offer, and she had fifty-plus stores who decided to stock her chocolate within that first year.

The problem was that growth had started too slowly. She wanted to hire a sales person and create a better marketing plan to get things back on track. Before I let her do this, we sat down and talked some more.

We looked at the financials. If she wanted to sell the business for \$300,000, we would have to get the business up to \$75,000 or \$100,000 in net profit before tax, which meant revenue needed to be upwards of \$500,000.

From there, I asked her how many hours a week she spent on business development activities to get new customers and to grow sales with existing customers.

She told me twenty hours. I was shocked, as I thought it

must have been lower as her sales were stagnating. I asked her what she did. She went on to say that she took phone calls and processed orders, and I stopped her right away. I told her that's not what I was asking. What I wanted to know was how many hours a week she spent on business development, pounding the pavement and making phone calls to existing and prospective clients to grow sales. To that she responded one to two hours. Right then and there I knew why her business wasn't growing. She was only completing two hours of business development to market and sell her products to more stores each week.

I told her that the quickest way to double her business was to commit to a minimum of sixteen hours a week, which is two full days a week, doing nothing but business development, to grow sales with existing customers and obtain new customers.

I told her that I would only continue to coach and mentor her if she committed sixteen hours a week to business development activities. I wanted her to prove that she still had the drive and the ability to go out there and do the work. I told her that if she did this, the business was guaranteed to grow. I clearly stated that if she did not spend sixteen hours per week out selling, I would not coach her any longer.

Kate took my advice and stuck to this plan. She embodied

the core value of relentless discipline each week to get out, hit the streets, and get on the phone. Karen had the courage to grow her business.

Within two years, she'd more than doubled her business to over \$600,000 in revenue, and more than \$100,000 in profit. She had an offer to sell the business for more than \$400,000! Everything that she set out to achieve, she'd achieved in less than two years, because she went out there and spent two days a week with relentless discipline to grow the business, giving sample chocolate to potential customers, and her business grew dramatically.

ARE YOU RUNNING YOUR BUSINESS OR GROWING YOUR BUSINESS?

Business owners who are below one million dollars in revenue should spend at least 50 percent of their time on business development and marketing. The question to ask yourself now is, "How many hours a week are you (if it's a smaller business) or your staff (if it's a bigger business) spending growing the business?"

Waiting for the telephone to ring is not growing the business. Processing orders is not growing the business. Delivering your products/services is not growing the business. Talking with existing clients is not necessarily

growing the business, unless it is highly targeted towards getting existing customers to buy more from you.

A great question for you to ask of your business is:

How many hours a week are you and your team spending legitimately growing the business? How many hours are you spending speaking to existing clientele and new prospects to grow the business?

Then secondly, ask, *how many hours a week should you and your team spend growing the business?*

I've asked the question above to more than 200 business owners, yet I normally get an answer of less than ten hours per week, even in companies with thirty people! This is madness!

The business leader of a business under ten employees should be spending at least half their time growing the business. That's the relentless discipline. The phone calls, the meetings, the pounding of the pavement, the proposals, and the follow-up is everything you need to be doing to make sure that you're building the business. But if you're not spending half of your time growing the business from the beginning, how are you going to hit your strategic plan goals?

As your company gets bigger, you can hire sales people or sales managers to help grow the business and drop to 20-25 percent of your own time spent on sales and marketing. When my company had one hundred employees and revenues were well in excess of \$10 million, I still spent approximately 30 percent of my time on sales and marketing to grow the business.

There are no shortcuts. Relentless discipline is the only thing that leads to sustainable long-term business growth. You need to be out there talking with existing customers and prospective customers to grow your business. Get off your chair and go meet some prospects. Think of my example with Kate from the chocolate company; she tripled her business in less than two years because she spent sixteen hours per week selling, instead of two hours per week selling!

If you demonstrate courage, demonstrate relentless discipline, and increase the number of hours spent on sales and marketing, your business can dramatically grow.

KNOW HOW TO SELL YOUR PRODUCT FIRST, THEN HIRE A SALES TEAM

Hiring a sales person simply because you feel you're not good at sales or you dislike sales will not give you the best

shot at growing the business. You must understand what works first before you can expect someone else to do it. Understand what makes you excited to run your business, and use that to your advantage. A business leader should only employ salespeople once they know what sales strategies work themselves.

I was working with a woman once who had a successful business. She felt that she was bad at sales, so I asked her why she did what she did.

She told me she'd invented her product because she'd gone through a personal experience, and there was no product out there on the market to help her. I asked her what sort of feedback she got from the customers who used her product. They all loved it, and it made their lives better. She knew they needed it, because she'd had that experience. Not many people will be better than you at selling your product or service, because you have that huge passion for it.

I told her she should go and tell that story to people. I told her that sharing the reason why she created the product, why she is passionate about the product, and how it made a difference in her life was sales!

Sales doesn't have to be complicated or scary. Once you

find why you're passionate about your product or service, you'll understand how to sell it on an emotional level that not only resonates with you, but resonates with your customer as well. Go out there and use it, or at least go out there and use it to find what does and doesn't work. Then go and bring in a sales person that you can train.

When I do workshops with business leaders, I always ask the room, "Who here loves sales? Who loves selling?" Only about half of the people will raise their hands. The people that don't love selling, generally aren't selling. They're the people who expect sales to come along, while they work on other things. But selling is important to growth.

Whether you like it or not, you have to get out and sell if you really want to grow your business. Just like the chocolate business, it takes focused effort to see exponential growth. For that business to grow, we just increased Kate's hours doing outbound sales from two a week to sixteen a week, and she tripled the size of her business within eighteen months.

Too many business owners leave sales as the last thing to do, because it's hard to call people on the phone or go door to door. But you can't sit back and expect business to come to you. If you're not out there selling your products/services, you're not going to grow.

You've got to learn to love sales. If you can't go out there and sell your product/service as the business leader, if you can't sell it to someone who needs your product, it will be extremely tough for someone else to sell on your behalf. You have to get out there and make sure you have the emotional bind with what your product is. If you know your product will help them, if you know it will make their life better, or their business better, you need to tell everyone about it, and commit to the relentless discipline required to grow.

A successful business owner has the relentless discipline required to go out and grow the business and spend half their time on it and not worry about rejection. They know what they do that's unique and different compared to their competition, and they know how many hours they will invest out there, relentlessly, to reach the customers required to grow the business.

The unsuccessful business owner expects business to come to them. Before you employ a sales person, you need to understand the sales process and what works and what does not work. If you can understand what works, whether it's phone or social media, and you've got consistent profitability, then you can hire a sales person or sales team. Because then you can give them a formula that works.

Too often, people hire a sales person and give them no other instructions except to get out there and sell. *Go out there and sell* is not as effective as a well-thought-out plan. When you've been in the trenches yourself and you have the experience of what works, you can develop a sales procedure manual, train, and coach your sales team, and grow your business.

Rather than having a salesperson come in and handing them their business cards and telling them to go sell, you should be showing them the best practices that work for your business. Show them and tell them why you do what you do, show them the passion behind your business and watch it spread to them also. When you can tell your sales team, "This is what customers will ask, these are the fears that they have, this is our unique selling proposition, this is what our company does that is unique and different," you will be more likely to succeed.

EVERYONE IN THE BUSINESS IS A SALESPERSON

In 2011, Fire and Safety Australia had around twenty staff and had doubled in size for two years in a row. We did approximately \$2.8 million in revenue. At that point, I said to the team in our annual strategic planning meeting that this would be the year we made a huge jump and doubled

our revenue. I told them that if at the end of our financial year, we had doubled the business to \$5.6 million or more, I would take everyone to Fraser Island, a tropical island off the East Coast of Australia.

That year we reached the goal and celebrated with an amazing trip with thirty-three employees to Fraser Island. To drive the doubling in revenue for the year, I focused on the motto, “Everyone is a salesperson,” because everyone interacts with customers. Finance interacts with customers when people call up to pay their bill. Customer service answers the phone. Trainers go out and teach people, and sales people are out there interacting with customers.

To make everyone a salesperson, I made sure everyone knew why we did what we did, why our customers needed us, and what we did that was unique and different in our industry. We talked about the positives and the difference we made in the world and about how to get more customers. We shifted our focus to business development and got everybody on the phone to try and do more selling. We gave everyone in the company sales training, and all our weekly meetings were focused around how we could drive more sales.

Each week for an entire year we had a spreadsheet and line graph that was sent out every Friday afternoon. On

the line graph was the \$5.6 million revenue goal, divided into fifty-two weeks. It was just over \$100,000 a week. It had two lines. One said “Budget” and the other said “Actual,” which indicated whether we were above or below the line. We looked at this every week for a year.

If we were below the line for \$10,000, I would ask everyone what we could do to narrow the gap. Then, it was a bit of fun amongst everyone trying to figure out where we could get the \$10,000 from and who might have a client or a lead that could take us there. Sometimes there might be a late Friday afternoon sales period, which would then get us back above that number.

By showing everyone on the team how we were performing and what we needed to do to improve, they worked hard. This weekly KPI Dashboard demonstrated how you can align a team and dramatically grow a business if you share the key numbers for a business and measure them on a weekly basis. This is the relentlessness required to double a business with twenty staff in twelve months from \$2.8 million in revenue to \$5.7 million in revenue.

That year, at the end of twelve months, we achieved our goal because of the alignment and drive of our team. Our alignment as a team was fantastic, because the weekly spreadsheet showed everyone whether we were over or

below the budget line. Everyone contributed towards our success, because everyone considered themselves a salesperson. They understood what was unique and different about the business and who our ideal customer was. We had a fantastic year, because we measured success weekly and kept everyone accountable.

LEADING THE SALES TEAM

When you figure out where you want to be in a year, then you can look at the sales activities that are required to grow the business. A successful business owner will keep coming back to the annual plan and make sure that the weekly KPI dashboard stays on track to meet the year's goals.

Let's say you have a 2 million-dollar business that you want to grow by 30 percent this year, which is \$600,000 extra in revenue in twelve months' time. The marketing plan must support the sales strategy. You need to calculate how many new customers you need. If your average customer spends \$10,000, then you need thirty new customers for the year.

Now you need to decide who's accountable for getting the thirty new customers and how you're going to get them. You might expect ten to come in as a result of a marketing

program that you're going to run through Google AdWords or social media. You plan to spend \$20,000 to acquire those ten customers, and the other twenty you plan to get from direct selling.

If you have a conversion rate of 25 percent, which is for every four customers you meet and present to, one of them becomes a customer, you're going to have to meet with eighty people to get the twenty customers you need from direct selling. The sales person's dashboard should now correspond to this number. The number of face-to-face meetings they must have each week for the next year should line up with the above.

In all cases, you must set accountability for the key annual sales goals and weekly KPIs. You must check in every week to know whether you're on track or off track. The best indicator whether the sales people are going to succeed or fail is the weekly activities, measured on the weekly KPI dashboard.

Set the number of phone calls required to existing clients, the number of cold calls required, the number of face-to-face meetings with existing clients, the number of face-to-face meetings with new prospects, the number of proposals that need to be written, and the size of the sales pipeline required. When you come back to the

weekly dashboard, you can ensure that things are on track, and when they go awry, you can quickly and easily correct them.

When I set up the weekly KPI dashboard for a salesperson, the three things I like to measure are:

- Last week's sales revenue
- Sales pipeline value
- Meetings—via phone or in person; cold calls, or demonstrations (industry dependent)

Your sales pipeline is a great way of showing the value of the open potential sales not yet closed. Sometimes, you can experience salespeople who haven't yet sold a lot, but who have a great pipeline value, which means they're doing the required activities. Meetings, whether face-to-face or phone calls, are important as well, because they are measurable and are the activities required to build the business. You can measure conversion rate or the number of meetings to see how things are trending.

The least important forward-looking KPI from the three KPIs listed above to measure a salesperson's performance is last week's sales revenue. That number does not tell the business leader anything about the future. Last week's revenue will not tell you how someone will do next week,

next month, or next quarter. This is why we also measure proactive activities that show the future, like meetings and pipeline value.

YOUR MARKETING PLAN

The following six topics will help you shape a marketing plan that gives your business the cut-through it needs to dramatically grow your business. The key topics to cover in any marketing plan are:

1. Unique Selling Proposition
2. Ideal Strategic Customers
3. Customer Feedback and Customer Surveys
4. Customer Loyalty
5. Increasing Conversions
6. Demonstrating How You Keep Your Promises

UNIQUE SELLING POSITION

At Fire and Safety Australia, we were looking for a new IT supplier. We interviewed a bunch of different companies, and when it got down to three, I sat in on the meetings. The companies pitched their proposal around their technology and service. When they were done, I asked each one what they did that was unique and different compared to their competition.

Their answers were standard. They said they were available at all hours, they were experienced, and they had the best people. I told them that every company had told me the same thing. I asked them again what made them special, but no one could answer the question with anything that was truly unique and different.

Most companies don't understand what they do that's unique and different, and the customer never asks. The customer will then choose on price and price alone.

You need to explain how you are different, so you aren't the company that's chosen based only on price. To stand out from your competition, you need to train your staff and sales teams on your unique differentiators, how they apply to the customer, and how the customer benefits as a result. Any business that I've worked with that has grown quickly has clearly identified what they do that is unique and different compared to their competitors.

IDEAL STRATEGIC CUSTOMERS

Every business should have a good understanding of who their ideal customer is. It's very difficult for a business to market to everybody, and be unique and different for everyone. It's better, then, for businesses to think about who the customer is that they want to market to. Who is

the ideal person within an organisation for a B2B customer, or, if they're a consumer, what does the ideal client profile look like for your best customers?

Once you understand who your ideal customer is, and who your ideal customer isn't, and you have a clear idea of what sets you apart from your competition in a unique and different way, that becomes the basis of your marketing and sales efforts. If you've got a sales team, the training with that sales team would focus on what you do that's unique and different and how that affects the customer.

Before you can decide how it affects the customer, you must determine who your ideal customer is. You need to ask a series of questions that might look similar to these:

- Are they male or female?
- What is their job title, or personal statistics (household income, geographic location, etc.)?
- Where do these people hang out? Are these people frequent flyers on airlines, or do they hang out at shopping malls?
- How are you portraying what you do?
- Are you making your margins by selling volume, or are you trying to make your margins by selling at a higher price?

You want to target the people who meet the ideal client profile and need your products and services to go to your website, or visit your store and buy. I've seen too many businesses spend a lot of money on "brand awareness" marketing campaigns, which is not highly targeted to getting customers to buy, and getting nothing in return.

The main function of marketing is to generate leads and purchases, not just to generate brand awareness. Too often, marketing managers or marketing teams use soft targets. It's better to have clear black-and-white targets around marketing that are specific and measurable. Set the target to the number of leads generated, or how many people have come through the store, or visit the website and purchase online.

For marketing to be effective, it must be measurable. When you ensure this, then the marketing dollars are dollars well spent. Most businesses that are under \$5 million should spend around 5 percent of revenue on marketing if they want high growth within their business.

Too many businesses spend little money or time on marketing. I've met business owners who have said, "I have never spent a dollar on marketing!" How ridiculous, they almost wear it as a badge of honour. Whenever I hear this said to me, I always wonder how much more we could

grow this business if they invested in marketing. I wonder what growth effects this could have on the business, as they leave so much potential revenue and profit on the table, simply because they don't want to go out there and do the marketing.

A lot of business owners that I work with engage outside consultants or sub-contractors to work on digital marketing. This is fine, but measurability becomes even more important here. Set up the expected parameters and the weekly KPI dashboard you expect to see. Figure out the weekly KPIs to measure them by before they start, and then see what it looks like three to six months afterwards. Outside consultants should be held accountable to the numbers just like an employee. If they're not willing to be held accountable, then you shouldn't contract with them, because you won't get the results you need.

CUSTOMER FEEDBACK AND CUSTOMER SURVEYS

Customer feedback is key to establishing trust with other customers. It allows you to educate your customer through case studies, testimonials, and references. You can also use a proof of concept to show what you can do for the customer that makes the prospective customer understand what you do and trust you, because they've seen examples and heard good feedback.

No matter if customer feedback is positive or negative, it is always useful. We often used a customer survey which had only two questions. We completed this customer survey after every single corporate training course that we ran, with the objective of capturing extra feedback about how we could improve the business. If you take onboard all feedback as good feedback, even if you feel that the feedback was harsh or unfair, you can use this feedback, have a “thirst for improvement,” and continually refine and better your products and services.

We used to ask three questions to all of our customers after we had finished working with them:

1. On a scale of one (lowest) to ten (highest), how happy were you with the product/service that we provided to you?
2. Comments: Why did you score us what you scored us?
3. What do we need to do for this number to be a ten out of ten?

These three questions get to the core of what we are looking to achieve, and this information can be used by the leadership team to look at how we can improve our products/services and improve the overall customer experience.

I recommend that customer data is measured weekly,

introduced into the weekly leadership team meeting, and discussed with suggested improvements. We need to be looking at this data frequently, as I feel that customer data and feedback is as important as financial data and the profits of the company.

CUSTOMER LOYALTY

Customer loyalty looks at how to get existing customers to buy more and continually return to your business. One of the biggest opportunities for growth is for businesses to sell more existing products/services to existing customers. Too often, businesses focus on how to go and get more customers, and they miss out on the opportunity to sell more to existing customers.

I worked with a marketing services business that was leaving behind a lot of untapped potential for growth. I asked them what would happen if they sold all their existing products to their existing customers. They quickly realised that they would be three to four times as big, yet they weren't doing anything to sell more to their existing clients. They had 500 clients and only took a few out for coffee now and again.

We developed a strategy around customer loyalty. We looked at those 500 clients and identified one hundred

who were spending more than \$10,000 a year. Our plan with those people was to make sure they were given a minimum of two visits per year. The sales team consisted of four people, so every week, each person had to visit four of those clients. In about seven weeks, they had visited those one hundred loyal customers we'd identified.

When they got to the meeting, they asked those clients about business and how they could improve. Then they asked about other business. They looked at what their client was spending with them and compared it to the client's overall budget. If they saw that the client only spent \$300,000 out of their \$1 million-dollar budget with them, they'd ask to propose a way to do better so they could get a bigger percentage of the overall budget.

At Fire and Safety Australia, we had a national client who was in the waste management industry. Four years ago, they spent about \$80,000 a year with us. When I met with them, I asked them how much they currently spent on their emergency response and safety training nationally. They answered that they spent approximately \$240,000 a year!

They were only spending \$80,000 with us, so we asked what the other training and courses were that they were spending money on. What we identified was that there

was one course that we didn't have, whereas the other courses we had. We asked if they were open to us providing a proposal, which would identify some cost savings if we were able to take over all that training. They agreed, and a couple months later, we had about \$200,000 out of their \$240,000 annual training budget. Perhaps, you could meet with all of your existing clientele and ask them, "What would we have to do to obtain all of your business?"

Too often, businesses are afraid to ask direct questions, but they need to face that fear. If you're a business and you've done a great job for your customer, you should be able to ask, "How much are you spending? And why aren't you spending it all with us?"

The more you can ask the questions about the additional sales opportunities and how you can go and get them, the more opportunity there is for you to grow the business. While it seems simple, so many businesses don't do this. They're more interested in what's new rather than what they already have.

Sales is about courage. Have the courage to ask the question. The more confidence you have in your product, the more training your sales team has, the more passion you will have around your business.

Before you fall in love with sales, fall in love with your product, fall in love with what you do, and show people the passion and confidence you have about your product/services. Make sure you can deliver on your promises, and then go out and sell it.

INCREASING CONVERSIONS

Increasing conversions is all about sales training and the overall credibility and trustworthiness of your business. Every dollar invested in great sales training for your sales team is well spent. It will help inform your team as to how to ask the great questions and build better relationships with the customer. It will build their skills and confidence.

Conversion rate is an area of improving sales that gets the least amount of attention. People always focus on leads, but they forget about conversions.

To increase conversions when you market your products or services, explain to the customer what you do that is unique and different compared to your competition. Show them that you can solve their problems, and appeal to them emotionally by ensuring that you will improve their happiness or reduce their fears. Ask questions to understand what they need and how you can help them. Figure out the buying signals, and have the courage to ask

for the sale. Make sure to present yourself properly. Make sure that your sales proposals properly present what you do and the unique way in which you do it.

DEMONSTRATING HOW YOU KEEP YOUR PROMISES

Another key way to improve conversion rates is to show prospective customers that you keep your promises, and that you deliver what you say you will. Here are some ways that you can demonstrate to prospective customers that you keep your promises:

- Customer References
- Customer Testimonials
- Customer Case Studies
- Customer Videos
- Press Releases
- Conducting Live Demonstrations of Products or Services
- Conducting Product Trials and Testing

In my businesses and businesses that I coach, I make use of every item on this list, demonstrating how we walk our talk and keep our promises to customers. At the front of this book, I've included more than a dozen customer testimonials and customer success stories. By showing

you these real customer success stories, you see that my business and I are authentic, creating real value for customers, and that I am trustworthy. If I did not include this information, some people could question if I really help businesses to dramatically improve their profits as much as I claim to!

In my Fire and Safety Australia business, every sales proposal has at least a dozen real testimonials; our website has more than seventy real-world case studies, and we can even provide customer phone numbers, since many of our customers are happy to act as references for us when required.

Think about how you can prove to your prospective customers that you can and do deliver what you say you do. Then back it up by actually delivering what you say you will deliver, and by keeping the promises that you make.

If you can deliver on your promises to customers, then ask them to record this as a testimonial, a case study, or as a reference for your business.

KEY TIPS TO STAY ON TRACK

A winning formula for sales relies heavily on the annual strategic plan and the weekly KPI dashboard.

When you complete your annual strategic plan, you look at the goals you want to hit in twelve months' time. With marketing, you look at what you want to deliver over those twelve months, how many leads and how many new customers. With sales, you look at your existing revenue and gross profit and determine where you want that to be in twelve months' time. Then you can figure out the strategy to sell more products and services to existing and new customers, and how to most effectively grow the business over the year ahead.

When you look at what success looks like in twelve months, you can figure out the things that need to be completed each week with relentless discipline. If the plan is to get new customers, then what is the goal for those new customers and the required strategy to get this result, and how will you measure the required activities on a weekly basis?

Once you've got your key annual strategies, then determine how to measure it weekly. Figure out those things that show how many people are coming into the business each week. It might be the number of people who walked into the store, the number of phone calls you received, web visitors, inquiry forms, or sales that you made. These are the things you can put on the dashboard to show whether you're on- or off-track.

To set weekly KPIs that measure what you're doing to get new customers, you might consider these questions:

- How many hours did you spend doing sales activities last week?
- How many hours did you spend going out to grow the business?
- How many calls did you make?
- How many face-to-face meetings did you conduct?
- What did you do to build the business?
- How many hours did you spend doing sales training?

When you set a clear vision, you're not going to fulfil that vision by sitting back and leaving everything up to chance. You have to fulfil the vision by taking strong action towards it. When you focus on the activities you need to do each week to achieve your vision, you will continue to grow and improve the business.

It's the same with marketing, except the focus is attracting people to come into the business.

If you're attracting people by spending \$100,000 a year on search engine optimization (SEO), Google AdWords, and social media, then you must have a clear vision of what success looks like. What do you expect? How many leads do you expect, and who's accountable for it? Then,

you must have weekly measurable activities that will tell you whether you're on track or off track. And you must have the thirst for improvement to measure and improve week after week, year after year to grow the business.

Every single part—marketing, sales, your people—comes back to your vision for the future and what you need to do over the next twelve months, and each week, to climb the mountain with a clear strategy.

HOW HEALTHY IS YOUR BUSINESS?

My favourite quote: “I hated every minute of training, but I said, ‘Don’t quit. Suffer now and live the rest of your life as a champion.’”

—MUHAMMAD ALI

I’ve been extremely privileged to meet and teach hundreds of business leaders from around the world. Businesses from \$100,000 in annual revenue to \$100 million in annual revenue. The more business leaders that I meet, the more I have understood that the challenges we face and the strategies that work are common to all businesses, regardless of their size, industry, or complexity.

As the final chapter in this book before the conclusion,

I wanted to create something lasting that would allow you, the business leader, to return to this chapter every quarter to measure the overall health of your business. I wanted to give you a tool, a checklist that would answer the question: “How healthy is your business?”

Of everything that I’ve written in this book, this checklist was the shortest chapter, but the hardest chapter. I want you to have a business health checklist that you can use, regardless of business size and regardless of business complexity.

I suggest that you and your leadership team complete this checklist quarterly (editable templates on www.courageforprofit.com under Free Online Resources), and identify the key three things to work on over the next ninety days to improve your business health.

On this checklist are eighty items, divided into the ten chapters of this book. Sometimes I’ve used this checklist with clients, and they’ve felt heartbroken and frustrated about how they are performing, but this is not the objective. This checklist is designed as a journey, a journey of long-lasting business health and success, whereby the business leaders can measure the overall health of the business, continue to improve, and ensure that business focus is not lost.

Some items you may feel are less relevant for your business, but trust me, all items apply to all businesses.

After completing this checklist, total up the scores and provide a rating of 0-80/100. The score index provides some thoughts on how healthy your business is, based on its total score.

Think of this checklist as a journey, not as a destination. Work on three areas to improve each quarter, and within the next two to three years, you can dramatically grow the profits of your business. Much of the content from this checklist is within this book, so if you are stuck, go back and re-read the chapters on how to improve your score in a given area. Use this as a tool to measure your progress on your journey up the mountain, to ensure that you are on track to achieve your personal definition of success.

NOTE: This business health checklist is designed for businesses with annual revenues exceeding \$1 million.

BUSINESS HEALTH CHECKLIST

CHAPTER ONE. SUCCESS = VISION + COURAGE + RELENTLESS DISCIPLINE + THIRST FOR IMPROVEMENT	YES (TICK THE BOX)
1. I live and demonstrate the core value of courage in everything that I do as a business leader, facing difficult challenges head-on with tenacity and courage, leaving nothing unsaid, and nothing not done due to fear	YES <input type="checkbox"/> NO <input type="checkbox"/>
2. I live and demonstrate the core value of relentless discipline in everything that I do as a business leader, executing my weekly KPI Dashboard as an example for the rest of my team	YES <input type="checkbox"/> NO <input type="checkbox"/>
3. I rate my personal discipline to 'ollow our strategy and do what needs to be done each week 8+/10, executing my weekly KPI Dashboard as an example for the rest of my team	YES <input type="checkbox"/> NO <input type="checkbox"/>
4. I live and demonstrate the core value of thirst for improvement in everything that I do as a business leader. I continually strive to improve myself and the business every week.	YES <input type="checkbox"/> NO <input type="checkbox"/>

CHAPTER TWO. CLEAR AND COMPELLING VISION: YOUR DEFINITION OF SUCCESS	
5. We have a clear and compelling vision for the business, defining what the future of the business looks like, and it is visible to all employees	YES <input type="checkbox"/> NO <input type="checkbox"/>
6. We formally review our vision annually to determine how we are tracking	YES <input type="checkbox"/> NO <input type="checkbox"/>
7. We regularly engage our employees with our vision by talking about the future of the business	YES <input type="checkbox"/> NO <input type="checkbox"/>

CHAPTER THREE. YOUR STRATEGY: CLIMBING THE MOUNTAIN TOWARDS YOUR VISION

8. Each business leader spends at least 3 hours in advance, preparing for the strategic planning sessions, completing pre-work and considering business performance	YES <input type="checkbox"/> NO <input type="checkbox"/>
9. An annual strategic planning session is held (1+ Days) with the senior leadership team in attendance and we have an annual strategic plan with 3-5 S-M-A-R-T goals required to move the business forward for each department	YES <input type="checkbox"/> NO <input type="checkbox"/>
10. A quarterly strategic planning session is held (1 Day) with the senior leadership team in attendance and we have a quarterly strategic plan with 3-5 S-M-A-R-T goals required to move the business forward for each department	YES <input type="checkbox"/> NO <input type="checkbox"/>
11. Our Annual and Quarterly strategic plans aligns the entire company onto one page and is clearly visible to relevant employees	YES <input type="checkbox"/> NO <input type="checkbox"/>
12. Department managers communicate and align their teams with the goals and activities required to achieve the annual and quarterly strategic plans for their departments	YES <input type="checkbox"/> NO <input type="checkbox"/>
13. After reviewing the four ways to grow a business chart, we have a clear documented strategy for the 1-2 ways we will grow sales for the year ahead	YES <input type="checkbox"/> NO <input type="checkbox"/>

CHAPTER FOUR. RELENTLESS DISCIPLINE: THE WEEKLY KPI DASHBOARD AND WEEKLY MEETING

14. A Weekly KPI Dashboard is in place across the business measuring the key weekly activities required to hit the annual/quarterly strategic plan	YES <input type="checkbox"/> NO <input type="checkbox"/>
15. A weekly leadership team meeting is held (60-90min) every week, and the weekly KPI dashboard is reported on with all senior leaders in attendance	YES <input type="checkbox"/> NO <input type="checkbox"/>
16. If a weekly dashboard KPI is red for 4+ weeks, a review session is triggered for the: Goal, Weekly KPI, the business leader, and the department	YES <input type="checkbox"/> NO <input type="checkbox"/>
17. Weekly dashboard KPI's are both leading and lagging for every department	YES <input type="checkbox"/> NO <input type="checkbox"/>
18. All business leaders (including CEO) have someone holding them accountable, and someone to go to for advice and experience sharing	YES <input type="checkbox"/> NO <input type="checkbox"/>
19. The business has an advisory board, coach, or consultant to challenge the business and provide experiences in business growth	YES <input type="checkbox"/> NO <input type="checkbox"/>

CHAPTER FIVE: GETTING THE RIGHT TEAM TO CLIMB THE MOUNTAIN

20. 3-5 Core Values are in place in the business	YES <input type="checkbox"/>	NO <input type="checkbox"/>
21. Core values are visible to all employees, used in employee feedback, recognition, rewards, and weekly core value stories are shared in the business	YES <input type="checkbox"/>	NO <input type="checkbox"/>
22. A clear strategy is agreed to by the senior leadership team to promote the core values of the organisation	YES <input type="checkbox"/>	NO <input type="checkbox"/>
23. Knowing what I know now, we would enthusiastically re-hire all senior business leaders	YES <input type="checkbox"/>	NO <input type="checkbox"/>
24. All senior business leaders are rated "A" on the people analysis worksheet	YES <input type="checkbox"/>	NO <input type="checkbox"/>
25. Knowing what I know now, we would enthusiastically re-hire all employees	YES <input type="checkbox"/>	NO <input type="checkbox"/>
26. A weekly meeting occurs in all departments, 30-60min with weekly dashboard KPI's that directly align to the businesses annual and/or quarterly strategic plan	YES <input type="checkbox"/>	NO <input type="checkbox"/>
27. All employees have an employment contract and position description in place	YES <input type="checkbox"/>	NO <input type="checkbox"/>
28. All employees have a KPI or goal to measure their success, and they understand what 10/10 performance looks like for their role	YES <input type="checkbox"/>	NO <input type="checkbox"/>
29. All employees score 8+/10 in values and 8+/10 in performance in their roles, or have a clear and measurable understanding of what is required to achieve this following a discussion with their manager	YES <input type="checkbox"/>	NO <input type="checkbox"/>
30. I have an agreed strategy with each of my subordinate employees to improve their performance using the people analysis worksheet - A-B-C-D-F	YES <input type="checkbox"/>	NO <input type="checkbox"/>
31. Rate your own performance- A-B-C-D-F. Are you 'A' and achieving at least 8+/10 in performance (based on your strategy) and 8+/10 in values?	YES <input type="checkbox"/>	NO <input type="checkbox"/>

CHAPTER SIX: BECOMING A LEADER OF INFLUENCE

32. During employee performance coaching discussions, I always ask open-ended questions and document a clear 'next step' agreement in writing	YES <input type="checkbox"/>	NO <input type="checkbox"/>
33. At least twice per year you are obtaining employee feedback from employee surveys on a 0-10 happiness scale, and you are actioning the results	YES <input type="checkbox"/>	NO <input type="checkbox"/>
34. I have trained my senior leadership team on how they can become leaders of influence and have difficult employee conversations	YES <input type="checkbox"/>	NO <input type="checkbox"/>
35. Every department in the business has a weekly team meeting to discuss goal progress, weekly KPI progress, issues arisen and important business	YES <input type="checkbox"/>	NO <input type="checkbox"/>

CHAPTER SEVEN: FINANCIAL SUCCESS – SMALL IMPROVEMENTS = BIG PROFIT!

36. A 12 month forward Profit and Loss Budget is in place, which has been reverse engineered with Net Profit first, then all expenses/costs inputted	YES <input type="checkbox"/> NO <input type="checkbox"/>
37. The 12 month Profit and Loss budget is reviewed and refined quarterly, and changes are made based on YTD progress.	YES <input type="checkbox"/> NO <input type="checkbox"/>
38. Every month the relevant business leaders go through the P&L Budget vs. Actual, looking for areas of improvement and asking 'why' to each area	YES <input type="checkbox"/> NO <input type="checkbox"/>
39. Weekly forward cash flow forecasts, payment approvals and cash balances are reviewed by the CEO and/or CFO	YES <input type="checkbox"/> NO <input type="checkbox"/>
40. A forward 12 month Cash Flow forecast is produced and updated monthly, showing budget vs. actual	YES <input type="checkbox"/> NO <input type="checkbox"/>
41. I receive my financial reports by the 14th day of the following month (P&L, Balance Sheet, Forward Cash Flow)	YES <input type="checkbox"/> NO <input type="checkbox"/>
42. Key Cashflow KPI drivers are identified and measured on the weekly KPI Dashboard	YES <input type="checkbox"/> NO <input type="checkbox"/>
43. I have a clear plan based on the 12 key Net Profit and Cashflow KPI's. with how to grow the Net Profit and Net Cash Flow for the business	YES <input type="checkbox"/> NO <input type="checkbox"/>
44. The 12 key Net Profit and Cashflow KPI's are measured quarterly with the leadership team, and 1-2 KPI's are chosen to be improved over the forward quarter	YES <input type="checkbox"/> NO <input type="checkbox"/>
45. We have a clear pricing strategy that is reviewed quarterly	YES <input type="checkbox"/> NO <input type="checkbox"/>
46. I have clearly articulated (lawyer reviewed) client contracts and terms and conditions for our protection	YES <input type="checkbox"/> NO <input type="checkbox"/>
47. I have clearly articulated (lawyer reviewed) supplier contracts and terms and conditions for our protection	YES <input type="checkbox"/> NO <input type="checkbox"/>

CHAPTER EIGHT: MARKETING & SALES STRATEGIES TO DRAMATICALLY GROW YOUR BUSINESS!

48. We have a clear marketing plan to engage and retain our customers based on our annual strategies	YES <input type="checkbox"/> NO <input type="checkbox"/>
49. We have and are growing customer testimonials and/or customer case studies monthly	YES <input type="checkbox"/> NO <input type="checkbox"/>
50. We have a clearly defined ideal customer profile and trained our team with this, and use these messages in all of our marketing	YES <input type="checkbox"/> NO <input type="checkbox"/>
51. Regular Customer feedback is obtained and data provided to the senior leadership team weekly	YES <input type="checkbox"/> NO <input type="checkbox"/>
52. Regular competitor feedback is obtained and data provided to senior leadership team monthly as part of a 'market intelligence' review	YES <input type="checkbox"/> NO <input type="checkbox"/>
53. The top 10 business processes are documented and understood by relevant employees	YES <input type="checkbox"/> NO <input type="checkbox"/>

SALES MANAGEMENT: SALES TEAM PERFORMANCE SURVEY

54. My sales/marketing team is hitting the sales revenue required to achieve the company annual budget	YES <input type="checkbox"/> NO <input type="checkbox"/>
55. My sales/marketing team is hitting the gross margin/price required to achieve the company annual budget	YES <input type="checkbox"/> NO <input type="checkbox"/>

SALES MANAGEMENT: BUDGETS/COMPENSATION/PLANS

56. We have a clear sales and marketing plan on where we need to grow the business to over the next 12 months and how we will get there	YES <input type="checkbox"/> NO <input type="checkbox"/>
57. We have a clear systematic plan to win new business and our sales team know what we offer that is unique and different for our ideal client profile, compared to our competitors with clearly defined customer contact best practices and sales procedures	YES <input type="checkbox"/> NO <input type="checkbox"/>
58. We have a clear systematic plan to retain existing business and maximise our share of wallet with clearly defined customer contact best practices and sales procedures	YES <input type="checkbox"/> NO <input type="checkbox"/>
59. My sales team understands what 10/10 great performance looks like with clear measurable targets that I have shown them individually and I've provided a clear plan on 'how' they will achieve their targets	YES <input type="checkbox"/> NO <input type="checkbox"/>
60. All of my sales team members are rated "A" on the people analysis worksheet	YES <input type="checkbox"/> NO <input type="checkbox"/>
61. All of my sales team have an annual sales revenue/GP budget in place	YES <input type="checkbox"/> NO <input type="checkbox"/>
62. All of my sales team have a quarterly sales revenue/GP budget in place, measured with a regular pipeline meeting with the sales leader	YES <input type="checkbox"/> NO <input type="checkbox"/>
63. My sales reps know the various gross profit margins/expected RRP for my products so that their product mix can achieve the required GP margins	YES <input type="checkbox"/> NO <input type="checkbox"/>
64. I have a clear sales commission/recognition program which is in place and is based on Gross Profit/Sales Price/Gross Margin and not just revenue	YES <input type="checkbox"/> NO <input type="checkbox"/>

SALES TRAINING

65. Our new sales person induction is 3-5 days in duration, including 2+ days out on the road with an experienced company sales team member or sales manager before selling on their own	YES <input type="checkbox"/> NO <input type="checkbox"/>
66. Sales role plays are an integral part of a new sales rep induction	YES <input type="checkbox"/> NO <input type="checkbox"/>
67. Sales role plays are scheduled and conducted at least monthly	YES <input type="checkbox"/> NO <input type="checkbox"/>
68. A sales procedure that encompasses the best practises on 'how to sell' is part of the company policy	YES <input type="checkbox"/> NO <input type="checkbox"/>
69. The ultimate sales leader spends at least 3 days per quarter with each sales person for client calls, coaching, feedback and review	YES <input type="checkbox"/> NO <input type="checkbox"/>

CHAPTER NINE. HOW HEALTHY IS MY BUSINESS?	
71. This business health checklist is completed quarterly by all business leaders to identify 3 key areas for the business to focus on in the quarter ahead to grow overall business health	YES <input type="checkbox"/> NO <input type="checkbox"/>
72. All senior business leaders maintain or grow their applicable boxes ticked every 6 months when completing this business health checklist	YES <input type="checkbox"/> NO <input type="checkbox"/>

CONCLUSION. DO YOU HAVE THE COURAGE FOR PROFIT?	
73. I know that growing a business year on year is extremely tough. Less than 9/10 businesses survive beyond ten years in business. I know what needs to be done, I will do what needs to be done, I will drive the business forward. I HAVE THE COURAGE TO SUCCEED, I HAVE THE COURAGE FOR PROFIT!	YES <input type="checkbox"/> NO <input type="checkbox"/>
TOTAL SCORE OUT OF 73.	/73.

TOTAL SCORE	% SCORE IF SOME ROWS ARE N/A	SCORE RATING – ASSUMING BUSINESS IS \$1M+ REVENUE. THIS BUSINESS HEALTH SCORE RATING IS NOT ACCURATE FOR BUSINESSES UNDER \$1M IN REVENUE.
0-10	0%-12.5%	Business is on life support. Leaders must take immediate action as the business is at a critical risk of failure.
11-20	12.5%-25%	Business is sick, but surviving and can recover. Unless improvement is made it cannot capitalise on its future opportunities to grow, and is at risk of not achieving its vision
21-40	25%-50%	Business has average health, but has a healthy immune system and can grow. If strong leadership action is taken, it can achieve its vision
41-60	50%-75%	73. Business has above average health, with solid systems and processes, with action taken it can dramatically grow
61-70	75%-87.5%	Business has extremely strong health, and is capable of great success in the years to come. It must have a thirst for improvement.
71-73.	87.5%-100%	World class business health. Business within the top 1% of all businesses for business health and performance. Business must maintain its relentless discipline, thirst for improvement, and courage for profit

NOTE 1: If an area of the checklist is not applicable (e.g., some areas under Sales Team are not applicable for a website-only sales business), cross out as N/A and complete the scores based on the overall percentage of “YES” to find your business health (percentages in brackets in scoring column).

NOTE 2: Your current score only provides a baseline of where you are now. What is more important is where you are in three to twelve months once you implement the key teachings of this book.

CONCLUSION

DO YOU HAVE THE COURAGE FOR PROFIT?

*“When you want to succeed as bad as you want
to breathe, then you will be successful.”*

—ERIC THOMAS

It took me three years to grow Fire and Safety Australia from an idea to more than \$1 million in annual revenue, \$150K in profits, and thirteen employees. It then took four more years to grow the business to greater than \$10 million in annual revenue, greater than \$1.5 million in net profit, and one hundred employees. Many have said that’s an incredibly quick path, and those who did not know me said I was “lucky.” But that’s clearly not correct; it only looks that way from the outside.

The growth of Fire and Safety Australia was not the result of chance or luck, but the result of having a clear and compelling vision, the relentless discipline to do what needed to be done week in and week out, the thirst for improvement to always find a better way, and the courage to make the tough decisions and continue in the face of tremendous adversity.

As I said at the start of this book, “courage” is a word I came to know well as a firefighter, but courage is something that lives deep within all of us, and is a requisite skill for all successful business leaders. As a firefighter, I was trained to run towards an emergency most people would run away from. I confronted dangerous emergencies with the courage to do what was required to help save lives. As a business owner, I need to do the same, and so do you.

To succeed, you need to have the courage to make the decisions required to grow your business. These are difficult and tough decisions around vision, people, culture, strategy, marketing, sales, and success. This is not easy, and you will not please everyone. But when you have courage to make these decisions, you can achieve your vision and your own personal definition of success.

Just as a firefighter must go bravely into dangerous situations when everyone else is running away, as a business

leader, you must not hold back. You must lead from the front and have the courage to move forward with relentless discipline. Support your team and offer to provide the assistance they need to achieve their goals. Invest more time into improving yourself. Hire a mentor or a coach, spend as much time and energy growing yourself as you do growing your business. Demonstrate the “thirst for improvement” core value to continuously improve your skills so that each day you’re better at what you do.

When an emergency happens—a customer leaves, there are issues with finances or staff—have the courage to confront the emergency head-on. Just like I could never turn my back on an emergency as a firefighter, you must turn towards the issue and have the courage to deal with it now, the courage to demonstrate true leadership, the courage for profit.

When things go wrong, provide direction on how to fix the situation or put out the fire, then concentrate your energy on prevention and how to build fire-breaks to prevent the problem re-occurring in the future. When things are burning down around you, remain calm. Let everyone know that although things might not be great today, and they may not be solved tomorrow, the situation will get dramatically better. Remind your team and yourself of your vision, and have the courage to carry through and push on even in the toughest of circumstances.

2015 - THE TOUGHEST YEAR OF MY ENTIRE LIFE

“Let me tell you something you already know. The world ain’t all sunshine and rainbows. It’s a very mean and nasty place, and I don’t care how tough you are, it will beat you to your knees and keep you there permanently if you let it. You, me, or nobody is gonna hit as hard as life. But it ain’t about how hard ya hit. It’s about how hard you can get hit and keep moving forward. How much you can take and keep moving forward. That’s how winning is done!”

—SYLVESTER STALLONE, ROCKY BALBOA

Often, when I’m in a room speaking to one hundred people, I will tell them the story of the worst year of my business life, 2015.

It was a year unlike anything I had previously experienced. This was a year when the Rocky Balboa quote above sung out to me. I was hit as hard as I could have possibly been hit in a year in business, yet I was able to get hit and keep moving forward. I was able to suck it up and have the courage to keep moving forward.

In 2015, out of a team of one hundred people and revenue in excess of \$10 Million, I experienced:

- A staff member who left the business in a horrible way, becoming a stalker.

- I had an employee who not only became a stalker, threatening me personally and my business, but called up our clients and e-mailed staff with lies saying that we were bankrupt. This caused my business and me to suffer enormously. The horrible calls, e-mails, and messages that I dealt with were disgusting, and it affected my family and me equally.
- A staff member who attempted suicide, then took legal action against the business after telling me repeatedly, “I will never forget that you saved my life...without you, Steve, I would be dead.”
- I had a staff member who was an alcoholic, who we tried to coach and get the help required. This person suffered a marriage breakdown and attempted suicide, calling me at almost midnight one night saying, “The rope broke.” I personally helped this person, taking them home to their family, supporting them with accommodations, flying friends to see them, and getting them back on track. I supported them with tens of thousands of dollars and days and days of my total, unequivocal support.
- Unfortunately, this person came back to work, had more problems with alcohol, and decided to take legal action against me, blaming me for his attempting suicide (which was entirely untrue), after previously saying to me and many others that I had saved his life with the personal care I gave to him.

- A financial issue that resulted in a \$500K+ negative impact to the business; and
- A senior business leader in the business (who led an emergency response team of fifteen people), tragically passed away in a skydiving accident several days before he was due to attend our company annual strategic planning day.
- Imagine what it would be like to have a senior manager die in a freak skydiving accident. This person died after a severe wind gust hit his parachute (he was a parachute instructor after many years in the Australian Army); he managed to use his body and his last moments to bravely shield a young boy whom he was tandem skydiving with at the time. He devastatingly died on impact with the ground, but he managed to save the child's life. A leader of a team of fifteen people, a friend that you've known, a person you've worked with and shared jokes with who started off as a trainee employee eighteen months prior, passing away suddenly and tragically in a horrific accident.
- Imagine what it would be like having to individually call the fifteen employees who reported to him and tell them that their manager, their friend, had died tragically, and consoling each of them whilst holding back your own tears. I vividly remember being in New Zealand at the time in a hotel room, writing an all company letter within several hours of being informed

about the news to our one hundred employees, and breaking down in tears with the sadness that covered me whilst informing the rest of the company.

- Talking to the team and informing them of this tragedy was the toughest thing that I've had to deal with in my entire business journey. Nothing else I've ever had the courage to get through in business compares to what this was like. Whilst I had been previously exposed to many tragic accidents involving fatalities during my time in the fire brigade, this one hit home. I had to be strong for my team, yet I found it heart-breaking that this tragedy had occurred. Helping our team get through this tragedy was incredibly tough, yet I am extremely proud of how our team pulled together and supported each other in these terrible circumstances.

When I'm speaking to a room of business leaders, I will ask the audience to put their hand up if they've had one of these four things happen. There may be a small few who raise their hands regarding one of the four. But in my years of speaking to hundreds of business leaders, no one that I have yet met has had all four things that I outlined above occur to them in their business career, let alone in a single year.

Tragedy like this is something I dealt with in the fire bri-

gade, but it's not something I ever thought I'd have to deal with in business. You never know what the future holds; all you can do is have the courage to persevere with a strong and compelling vision to carry you forward. The thing that pulled me through that incredibly tough year was my compelling and strong vision. In 2015, I redefined our five-year vision that would take the business to 2020. This vision was what I knew we could achieve if I had the courage to push through and keep going.

Any business owner who says they have never thought about giving up is lying, or has never pushed their business hard enough or far enough. Everyone I've ever met who has grown a significant and successful business has always reached a point where they thought about walking away, where they thought, maybe this is too much, it's too difficult. For me, this time was 2015.

But in 2015, I focused on my strong and compelling vision. I looked into the future and saw my future self. I knew what I wanted the business to look like in the future, and I could see it. No matter what I was going through, that vision made me see that one day I'd be able to look back and say to myself, "This was the moment where I had the courage to stay strong. This was the moment when I decided that I must continue to lead and grow the business, this was the moment where I was able to push through to

get results, this was the moment that shaped my destiny and changed my life forever.”

When you can see your future self, you can see the fruits of your labour. You can recognise that this might be the toughest period of your life, but one, two, or even five years into the future, you will be able to sit back and know that it was all worthwhile.

It is extremely difficult to grow a business in the face of some of these horrible and tragic things that can happen to businesses and business owners. I certainly did not get every decision right. I know in my history of growing a business for nearly ten years that I made hundreds of mistakes and, unfortunately, some of those mistakes resulted in me making people redundant. Many times, I hired the wrong person, so later I had to fire them. I got the wrong supplier to partner with, so I had to change suppliers. I made lots of mistakes, but I viewed every mistake as a learning opportunity that made me the leader that I am today.

There is no such thing as an overnight success in business. You need to go and make some of these mistakes so you can learn from them. If you take ownership of your mistakes, you can move forward. It is the business leader's job to take ownership of the strategic plan, the finan-

cial results, and the results of the business. You should have the mindset that if you're not going to hit the business goals, then you should get someone else to run and grow the business. Failure should never be an option in active consideration.

Once you have clearly defined what success looks like for the year ahead, and you have the targets that you need to hit, you must have the relentless discipline to make sure you do the activities required, and the courage to make the decisions required to achieve your goals.

Often, I'm asked to coach entrepreneurs because they've got no one keeping them accountable and sometimes no one to turn to for unbiased advice. Business owners can be the worst at being accountable to someone, because they're just not used to it. They're used to being the boss.

By being accountable to someone, you are forced to know your profit, forced to report on your weekly KPI dashboard, and forced to follow through on your accountabilities. If you're not looking at the profit and loss and cash flow results and forecasts each month, if no one is accountable for the financial outcomes, then there is a real risk that it will not be done, and the business could suffer badly.

When I was CEO of my company, I was equally responsi-

ble for every failure and every success. If something went wrong in the business—I didn't have the right people, the right systems, the right structure—I needed to own the failure. I was responsible. If you don't own something, and if you do not admit your mistakes and weaknesses, you're never going to be fully invested in fixing it.

At the end of every strategy day that you hold, I want you to look at the goals for the next twelve months and say that the likelihood of hitting those goals is 100 percent, ten out of ten. You should feel that the most important thing you do for the entire year is to achieve the goals on your annual strategy plan. You should be ready to own the result every step of the way and make it happen.

The more you can do the same around your financials, the better. I want you to look back at the end of the year and say you had a great year, because you achieved your profit goal. I don't want you to finish the year worrying that the business might have to shut down because too many things went wrong and you failed to properly look at the numbers.

You can have all these things in place—a weekly meeting, a budget, and a dashboard, but if you don't have that vision for the end game, then what are you working towards?

**STICK TO THE EQUATION. SUCCESS = VISION +
COURAGE + RELENTLESS DISCIPLINE + THIRST
FOR IMPROVEMENT**

“You’ll always miss 100 percent of the shots you don’t take.”

—WAYNE GRETZKY

I’ve always believed in business that I need to take more shots whenever possible. On occasion, I have decided to risk everything, to “double down” if that is what is required. Every time I went to take a shot, I would make sure that it aligned with my vision. That vision helped me determine the shots that I took, and how to take more shots.

Every business owner goes through ups and downs, and it can be very lonely at the top. One of the best things I ever did was seek out an experienced business coach, and later an advisory board. Being able to relate with other business owners, mentors, friends, coaches, people who have been where you want to go, is incredibly helpful. I’ve always felt that I could go and “buy” the experience of someone who’s been where I am before, and that will increase my learning exponentially, which hopefully means I make fewer mistakes.

By finding a coach or advisory board, you have someone independent from your business with whom you

can talk about these issues, talk about what you're facing, and gather real life experiences on how you can solve it. Everything in business is learning. The more you're able to harness that learning for the future, the more equipped you will be to continue to grow and execute your vision.

THE VISION

To effectively grow a business, you must have a strong and compelling vision five to ten years out. The vision is the top of the mountain. In five years' time, I want to plant the flag here. This is what success looks like. The vision is the epicentre of why the business was created, and what the future will look like. It is what motivates you, what inspires you, what will keep you going during the toughest of situations. This is your personal definition of business success, your vision for the future.

When you have the vision, you can create a strategy to achieve that vision. The strategy is how to climb the mountain, what direction you will take, what resources you will need, and the plan of how you will get there no matter what challenges you encounter. It's figuring out the journey from where you are now to where you want to be.

Over the next twelve months, you're going to climb from the bottom of the mountain to base camp. Figure out how

you are going to climb and what you do that is unique and different compared to your competitors. Align your team to your strategy, and spend a full day each quarter looking at where you've come from and how to move forward.

COURAGE

Have the courage to make the hard decisions, the courage to align people even when things aren't going well in the business, the courage to have that honest conversation with a staff member that's not performing, and the courage to keep going, even when sometimes other people say to you that what you're doing isn't going to work, and that the business isn't going to succeed.

I started my business at twenty-three years old. Often, prospective clients and even employees would look down at me thinking, "He cannot be serious...what would this young kid know?" But this didn't stop me. Nothing stopped me. Not challenges, not fears, not even the horrific year of 2015. Courage is the key. Without courage, you will be paralysed with fear, you will give in to the negative voices in your head, and you will be unable to move because of a fear of failure. Push through, break through, and have the courage to succeed, the courage to win, and the courage for profit.

RELENTLESS DISCIPLINE

You must have relentless discipline to stay focused. Any less focus and you will not achieve your vision. You have to be uncompromising with yourself, relentless in everything that you do. There's no business journey that goes from zero to successful, or zero to \$10 million or \$100 million or \$1 billion that's not extremely difficult and doesn't take a lot of personal discipline and personal sacrifice. The way to get there is to recognise where you are, and then do what needs to be done every week without fail.

Each week, you must have the relentless discipline to complete the activities on your weekly KPI dashboard to track in line with your annual strategic plan.

It is natural to have a fear of failure; all of us have those concerns about being able to pay the wages, or how we will grow, or how we will continue to climb up the mountain, when sometimes it feels like we've fallen backwards. These fears are completely normal. Recognise where you are. Take failure off the table as an option. You must take measurable action to guarantee that you're going to get to the top. Use your weekly KPI dashboard, look at it every single week, and that will force you to be relentlessly disciplined in your pursuit of success.

You need to figure out how many miles you need to ascend

the mountain each day, and achieve that every single day, week after week, month after month, until you hit your plan. Your discipline, your mindset, your focus, and your activities must be relentless. If you do not demonstrate personal relentless discipline, your team will follow your example, and you will achieve mediocrity falling short of your vision.

The weekly KPI dashboard is based on the activities that you must do today to achieve your definition of what success looks like in a year's time. Every single week, you will look at how healthy the business is—red, orange or green, to say, “How is the business tracking in relation to our goals for a year's time?” You have the commitment, the courage, and the relentless discipline to do what needs to be done. This is your way of ensuring that you have the relentless discipline to achieve your personal definition of success.

THIRST FOR IMPROVEMENT

Are you honest with yourself so that you can improve every single part of your leadership ability and your business? Do you have an insatiable desire to learn and to grow? Are you satisfied with anything less than perfection?

To grow your business, you must have a thirst for improve-

ment. Never be satisfied until you are at 100 percent of where you want to be. Don't compromise, don't settle, and don't let yourself say "It's okay...this is hard." Systematically improve everything that you do.

Allow time to improve yourself and your business. Read this book, read my list of the best business books that I have read, included at the end of this book. Attend workshops and business growth seminars, listen to great speakers, join a peer-led organisation, or hire me as your coach! Focus on improving yourself and your business to continually get better at everything that you do. Commit to improvement in all aspects of your business and your life.

**SUCCESS = VISION + COURAGE + RELENTLESS
DISCIPLINE + THIRST FOR IMPROVEMENT**

To achieve your personal definition of business success and achieve your vision by building the business of your dreams—not an average or mediocre business, but a business which is going to succeed, stand the test of time, and continue to grow year after year—you must employ this equation.

This equation is my business growth framework. Every business that I've worked with that has employed this

equation and followed the nine chapters of success as outlined in this book has moved their business forward, many achieving profits and business results that have dramatically changed their business and their lives. “Life-changing” is a comment that I often get after I take business leaders through my equation for business success and full-day annual strategic-planning workshops.

There’s no such thing as the perfect business. Business doesn’t go in a straight line; business goes up and it goes down. There will always be doubts and worries that it’s impossible for the business to continue, and there will always be high points and low points.

For me, this was the hardest thing to deal with psychologically. I hadn’t yet come to terms with the fact that businesses go up and down, just as economies, countries, and even personal lives do. I let my business severely affect my personal life. When the business was going well, I was going well. When the business wasn’t going well, I wasn’t going well. When the business was doing fantastically well, life was great. But, when the business wasn’t doing well at all, life was really bad.

When things are going exceptionally well, you think you can’t lose, so you borrow more money, you do bigger deals, you hire more people, and you increase the risk. When

business isn't going well, you think that things will be terrible forever. You think it all could be over.

As a business leader, it is your job to recognise where you are, where the business is, and what needs to be done to move forward. During 2015, I questioned why I do what I do, and was I still cut out for all of this? I realised that these four horrible things that occurred were beyond my control. I did my best to focus on the things that I could control, having the courage to push forward, visualizing my future self and the success that I would become as I pushed towards my vision.

2015 was the toughest year in my business life, yet I decided that it would be the year that defined me. In 2015, I was climbing up the mountain leading my team, and the storms that engulfed us were so ferocious, so terrifying, and so heartbreaking. The storms of 2015 caused me to be swept uncontrollably to the edge of darkness; I saw the deep and dark abyss below that would have been me quitting. I almost quit, totally consumed by my fear, only to be pulled back by my courage, rising up stronger and more courageous than ever before, setting my sights on a higher mountain to climb than I had ever thought possible. It was 2015 that I realised that courage is the key, and whilst it was the toughest year of my business life, it was the most life-changing year as well. I realised that

I could achieve anything if I had the courage to follow through, the courage of conviction, the courage for profit.

I relentlessly focused on my vision, which I relaunched during 2015 as my way of showing myself and my team what the future would look like. I employed courage, relentless discipline, and a thirst for improvement to move the business forward. After the darkest days of my business life in 2015, the many thoughts of failure, the times when I was ready to give it all away, I focused on the activities that I knew would carry me towards my vision.

I decided as I put the finishing touches on my 2020 vision that my business and I would be unstoppable. I decided that from that day forth, after conquering the fears of that year, nothing would ever break me.

From that day forth, I would have the courage to move forward and smash through any walls that would ever surround me to bring myself back from the edge of the mountain where failure was an option. I managed to take my emotional and psychological resilience to a new level. After that year, I knew that I could get through anything.

I decided that I would do whatever it took, no matter what the cost, no matter what the sacrifice. Failure was

no longer an option, I would die before I quit. This was to be my journey, my success, and my everything, and I would let nothing stand in my way.

What would you do if you experienced my 2015 year? Would you have the courage to push through, or would you be cowering on the edge of the mountain, staring into the deep abyss of failure?

Whether your business has one person, one hundred employees, or ten thousand people, this business growth framework and the principle of courage equally applies.

MY FINAL MESSAGE - “ICHI-GO ICHI-E”

I wrote this book for you the reader as a one-to-one coaching session from me to you, as if I were speaking only to you. I wanted to give you my entire effort, commitment, energy, and passion at the same level that I would give to a close family member or to my closest friends if they needed help in growing their business.

I truly respect the time that you took in reading this book and the courage it takes to question yourself and your business. I am now truly excited for you! You have the tools, you have the mindset, you understand what is required. YOU just need to take MASSIVE ACTION to dramatically

improve your business and your life and achieve your personal definition of business success.

There will be many challenges along the way. Building a successful and profitable business is exceptionally difficult, but I am excited about you starting your journey towards your strong and compelling vision with courage, relentless discipline, and a thirst for improvement.

You have the opportunity, the skills, and the mindset required to achieve greatness. Greatness lives within you. You will allow nothing to stand in your way of achieving your personal definition of success. I'm so excited for you, happy for you, and proud of you for joining me on this journey.

Today is the first day of the rest of your life in your business journey—the day you take your vision of success seriously, the day you take failure off the table knowing that you have the courage to break through, and you will do what needs to be done. Many challenges will stand in your way, but you will allow nothing to stop you. You will break down the brick walls in front of you, silence the negative voices around you and inside of you, and you will have the courage to do whatever must be done to achieve your vision.

When I truly want to get myself fired up for the day ahead, I say the following mantra to myself, aloud in the car on the way to conducting a training session. Develop a mantra, an emotional toughness that will drive you and your business to the next level, and build your emotional and psychological strength. Here is mine, which I learnt years ago from a Tony Robbins event I attended and made my own:

“I am a gladiator...this is my time...I will define myself... give me your challenges...give me your fears...I will give you results...I have the courage required to achieve my vision of success...I will achieve my own destiny...victory is mine!’

ICHI-GO ICHE-E - Today is the Day.

Yours sincerely,
STEVE MCLEOD

PS: Please reach out and tell me how this book has helped you to change your business and your life! Find me on social media, e-mail me, and share with me your stories of relentless discipline, thirst for improvement, and courage! That inspires me!

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My Purpose

To dramatically improve the profits of businesses and enrich the lives of business owners

My Vision

To dramatically improve the profits and lives of 10,000 business owners

My Values

Courage

Passion

Thirst for improvement

Never give up

My Superpower

Inspiring and teaching businesses a framework to grow by leveraging my personal experience of more than 10,000 hours growing businesses

SUGGESTED OTHER READING

Clients and attendees at my business growth workshops are always asking me for recommendations for other business books to read! This truly demonstrates a thirst for improvement, and I recommend that you read six to ten business books per year!

Read this book, *Courage for Profit*, until you get the key concepts in place, then perhaps read it every six months to ensure that you are really getting the value that is unlocked within, and you live relentless discipline with the key concepts!

Each of the books below have a unique concept, and I

personally recommend them to you. So, here is my recommended business book reading list. Enjoy!

- *Scaling Up* – Verne Harnish
- *Good to Great* – Jim Collins
- *Great by Choice* – Jim Collins
- *Make Big Happen* – Mark Moses
- *Top Grading* – Geoff Smart
- *Start with Who* – Brad Smart
- *Simple Numbers, Straight Talk, Big Profits* – Greg Crabtree
- *Extreme Ownership* – Leif Babin & Jocko Willink
- *The E-Myth Revisited* – Michael E. Gerber
- *Awesomely Simple* – John Spence
- *The Great Game of Business* – Jack Stack
- *The Ultimate Sales Machine* – Chet Holmes
- *Awake the Giant Within* – Tony Robbins

Visit www.courageforprofit.com and sign up for my newsletter, as my recommended reading book list grows monthly!

MOTIVATIONAL AND INSPIRATIONAL QUOTES TO PICK ME UP SO I CAN OWN THE DAY!

You have probably noticed by now that there are many inspirational quotes throughout this book. I highly rec-

commend having a daily ritual where you listen or watch something motivational and inspirational to get you started for the day ahead. When I read an amazing quotation, or watch a great YouTube inspiration video, it makes the hairs on the back of my neck stand up, it gets me pumped, gets me psyched, and it gets my mindset prepared for the day ahead!

Before every client coaching session, client strategy session, or keynote speech, I normally listen to thirty-plus minutes of motivational/inspirational talks. If you watch me closely in the minute prior to commencing a keynote presentation, I close my eyes, visualise success for the day, repeat my mantra to myself, and get myself pumped for a day of helping business leaders to dramatically change their businesses and their lives. Go on YouTube and search “motivational videos.” There is some gold out there to get you started, get you going, and move you towards action in your business and your life!

BONUS RESOURCES

For more information, you can go to www.couragefor-profit.com to take immediate action.

Like this book, my business is called Courage for Profit. On the website is a lot of extra content. There are the exercises in editable format from this book, like the strategic planning template, the profit and loss and cash flow template, and more. They can be downloaded in Word format by clicking on “Free Online Resources.”

Everything you need to succeed is in this book and on the website. However, if you want a more personal experience, you can also contact me through the website as well.

I work with businesses to go through this formula and the concepts from this book in a few different ways.

- I conduct business growth workshops and speaking engagements (from two hours to four days) for businesses and groups of businesses at events and conferences.
- I conduct strategic planning days (annual and quarterly) with businesses directly.
- I consult to businesses as their business advisor/business coach for three hours per month via Skype/telephone anywhere in the world.
- I sit on business advisory boards to guide them through their business growth journey.
- I work with clients on the phone, and conduct sessions in person at various events around the world.

As you are now well aware, I don't believe in just coaching by asking questions; I believe in consulting and advising using my personal business growth experience. By growing a very successful business myself, I've got the clear experience in walking my talk. I love what I do.

I speak throughout Australia and New Zealand, giving talks to different associations and groups of business owners to help them to grow. I take them through one of many different topics, such as how they can set their business up to succeed, people leadership, improving finances, or how to grow sales and marketing. If you're

interested in having me come speak to your organisation, you can contact me through the website as well.

My Courage for Profit business growth training program is now online, taking the content from this book and bringing it to life in a series of recorded and live webinars! You will learn from me, be able to ask me questions directly, and I will help you take your business from where it is now and grow it dramatically to the next level! Go to www.courageforprofit.com to learn more.

Best Regards,

STEVE MCLEOD

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ABOUT THE AUTHOR



STEVE MCLEOD is the director of Courage for Profit, a consulting and coaching company aimed at business leaders who want to dramatically grow their business and profits. Trained as a firefighter, Steve grew his first company, Fire and Safety Australia, from zero

dollars and one employee to an award-winning, leading provider of emergency-response training and services, employing more than 100 employees across Australia with revenues well in excess of 10 million dollars.

