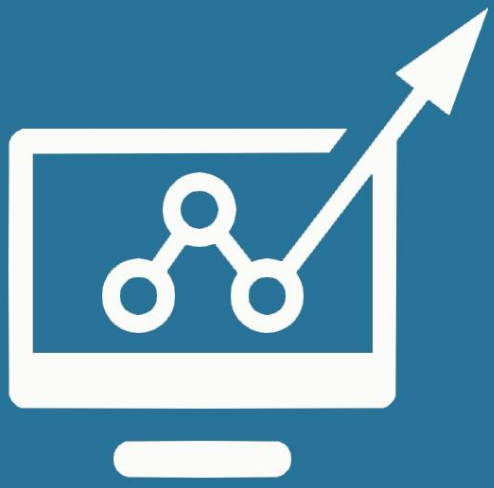
Market Beating Business Strategy



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The 7 Simple Steps That Will Transform Your Business And Take You To The Top

By Tim Scholten

Are you one of the 82% of companies that have continued to fail to execute a good strategy?

When organizations have a strategy they often fail to break it down into simple terms and simple steps that their front-line team members can support and implement. Most team members can't connect how their work affects the strategy of the organization or even why their work matters. When your team members don't support your strategy, successful implementation is almost impossible.

If this sounds like you or if you haven't had a clear strategy that you can communicate to your team in a while, you aren't tapping into the real power in your organization.

At Visible Progress, I have helped hundreds of businesses and non-profits learn to leverage our 7 Step Market Beating Strategy process. This process is so powerful, that when it is correctly implemented can change the course of your business. We've seen companies that have been plodding along suddenly break out of their old ways with new energy and enthusiasm across the organization. The results they achieve in just one year equals

several of their past years performances. Team members are inspired to take your company's performance to new heights.

If you are ready to stop plodding along and start to really compete in your market with the simple goal of making your competitors wonder what you are doing that is having such a fantastic impact, then you need to implement these 7 steps. I've laid them out here so that you can make this year the best one yet. When you follow these steps for Market Beating Strategy, not only will your plans be better, but your team will start jumping in and making your plans a reality. You won't be able to stop them from making this your best year yet.

Send me a note when you exceed your goals this year!

Sincerely,

Tim Scholten

President, Visible Progress

Strategy is what provides legs to your goals. Goals are often just numbers on a page. They don't make anyone feel anything. You can however bring them to life through strategy when you show people how you are going to make those goals a reality. Strategy is where your team can help you think through the best possible means of achieving your goals. By involving a subset of leaders on your team, you are also creating disciples for helping you communicate and execute your plan.

Without a clear strategy, your team will decide for itself what is important and your ability to lead them in one direction will be limited. Strategy is one of the MOST important steps you can take to move beyond ordinary results to extraordinary results.

AVOID THE LAW OF DISTRACTION

There are hundreds, maybe even thousands of things that will call for your attention throughout the year. It's your job to keep your team focused on your strategy. As the leader, being out front with a laser like focus on your strategy will inspire your team members. When the see your vision and passion for where you want to go, it will bring new energy to your firm.

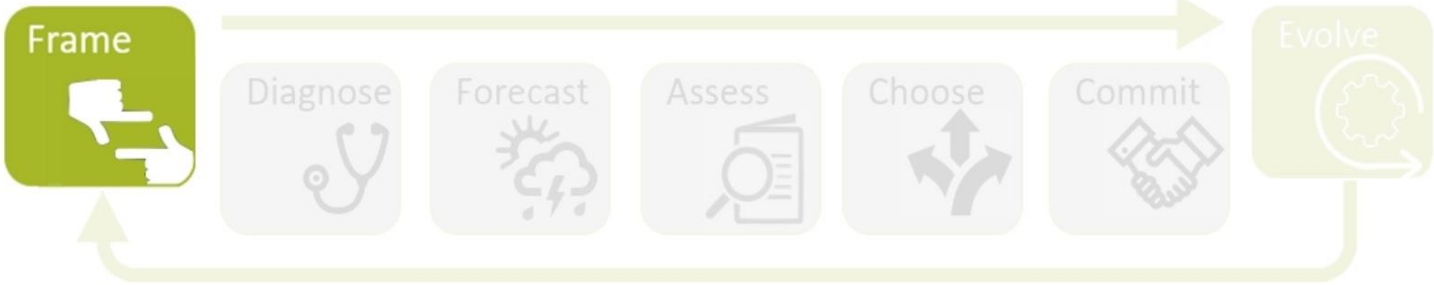
This is one of the most common areas where execution of strategy begins to fall apart. You lose focus. You start paying attention to other things, and your strategy becomes just a neat binder sitting on a shelf somewhere. DON'T let this happen to you and your team. Keep your strategy in front of you and your

team every month. Make sure that you and your team are making Visible Progress towards your goals.

Let’s get YOU started with the seven steps.

Market Beating Business Strategy

Step 1 - Frame



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What is the right set of questions?

FRAME

You should always begin developing your strategy by framing what you are trying to achieve. Goals give you some framework, but don't describe what you are and aren't willing to do. The best method I have found to frame your strategy is to consistently ask yourself the right questions.

One of the companies I worked with decided that an important decision for them to frame their future was to NOT take their company public. You see, they were 100% employee owned. That sense of ownership was important to them. They felt that answering to Wall Street instead of their employees would change the family feeling of their company. This decision helped to frame many other decisions. There was nothing either good or bad about the decision, it was just a defining decision that helped them focus their strategy.

Begin focusing your strategy with these FRAMING questions:

What business are we in?

What markets to we serve?

_____

_____

Who are our competitors?

_____

_____

What products do we sell?

_____

_____

What it our competitive advantage?

_____

_____

What does our ideal customer look like?

_____

_____

What business are we not in?

_____

_____

What things do we want to avoid?

_____

_____

What is our greatest opportunity to grow?

_____

_____

What are our capital constraints?

_____

_____

Are there any absolutes? (example: shareholders must receive a return of x)

_____

_____

Your specific question…

_____

_____

Your specific question…

_____

_____

Your specific question…

_____

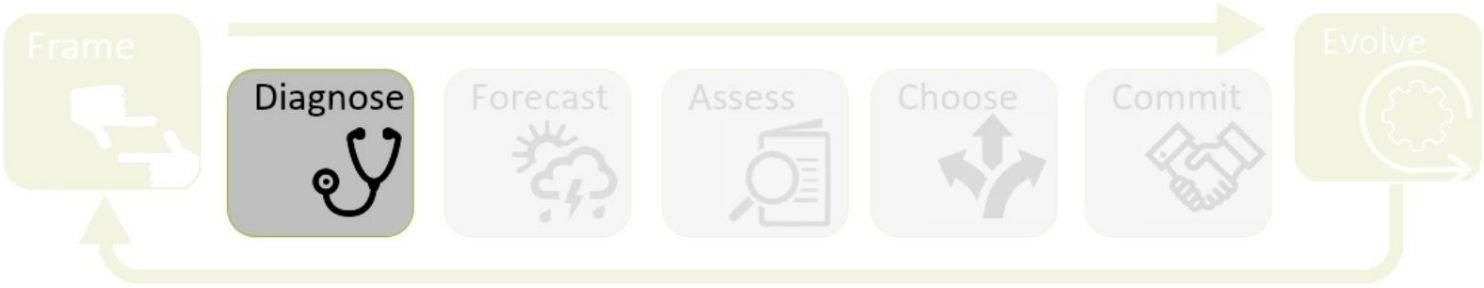
_____

List any important decisions you have made here:

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

Market Beating Business Strategy

Step 2 - Diagnose



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How do we make money?

DIAGNOSE

Diagnosing how you make money is your next step. Understanding what drives your profits as well as your costs is important for developing and prioritizing strategy. I have worked with teams that knew how they made money overall, but never really understood what was driving most of their income. While working overseas, I worked with a Hospital that also had a Nursing School. The school was important to them as nurses weren't abundantly available. Their nursing school became renown for producing great nurses. Other hospitals often hired them before they finished their commitments to this hospital. They were quite frustrated with constant nursing shortages. When we asked them why this was still a problem, it was because they couldn't expand the nursing program to meet both the internal and external demand for nurses. When we again asked why, it was because of a shortage of housing for the nursing school.

At we conducted an analysis for them. Much to their surprise, we discovered that their nursing school was one of the most profitable arms of the hospital. Finding a way to expand the nursing school seemed to make much more sense. When we studied it further, we found that they could pay for new housing

in as little as 3 years by adding 100 rooms to their dormitory and 100 nursing students to their program. This would create more profit for the hospital and solve their constant shortage of nurses.

Something that in the past was always a problem, became their number one strategy for the coming year.

Diagnosing your specific issues, challenges and opportunities is your next step. Here are some questions to help get you started.

What part of your business drives the greatest portion of your revenue?

_____

_____

What part of your business drives the greatest portion of your expense?

_____

_____

What might be preventing you from growing your most profitable segment?

_____

_____

What new opportunities do you have to grow your business?

_____

_____

Are there ways to improve the profitability of this or other segments of your business?

_____

_____

Are there technological advances that could help you improve?

_____

_____

Are there other markets in which you could operate more profitably? (better margins or lower costs)

_____

_____

What technology do you already own that you are NOT fully leveraging?

_____

_____

Are there new products or services that you could cross-sell to new and existing customers that would drive increased profits?

_____

_____

Are there new partnership opportunities that would allow you to expand at little or no cost?

_____

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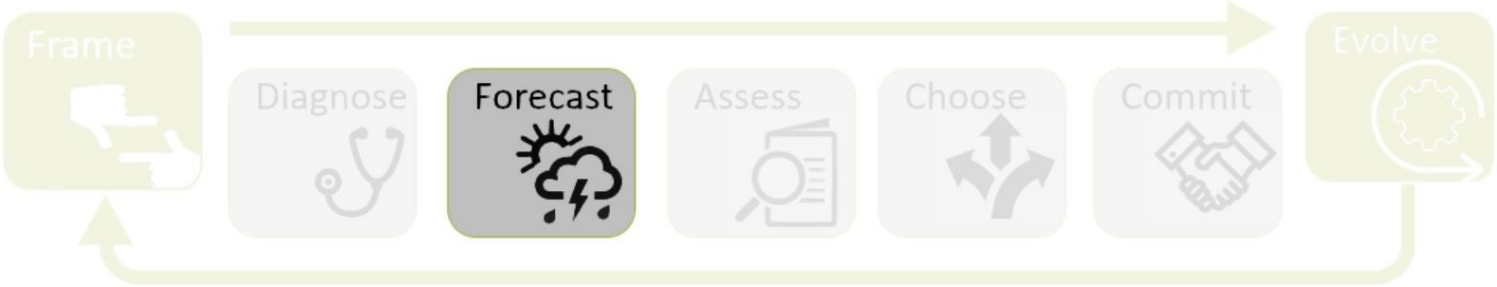
Step 3 - Forecast



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What future do we need to prepare for?

FORECAST

Forecasting the future of your business in the next important step. This step requires that you look at the condition of the market, your industry, the economy, and your competition. The important thought here is that you don't want to miss an opportunity for unprecedented growth or be amid an expansion if the market is contracting. Being aware of the direction of your business is critical to your decision making.

I worked with one client that had their sights set on expanding their business just as the economy was moving into a recession. It almost put them under. Had they waited 3 years until the economy started growing again, they wouldn't have experienced the level of losses they did, and needed to borrow much less money to expand once the economy improved.

Another company I worked with did the opposite. They stayed hunkered down doing what they had always done. Their business was manufacturing products for housing out of wood. The industry was moving to injection molded plastic because of

cost and expanded life of their product. This company missed the cycle because they weren't attuned to the market and weren't listening to what their clients were asking for. They found significant portions of their business were obsolete within just a couple of years. They missed a market transformation.

Take advantage of market opportunities by answering a few questions to help you get started with your forecast:

Is the economy currently expanding or contracting?

_____

_____

How will this affect your business?

_____

_____

Is your industry currently expanding or contracting?

_____

_____

Has your industry experienced any new technological break throughs?

_____

_____

Are there new products or services emerging that may disrupt your current business?

_____

_____

Are there any new opportunities for products or services that you can use to disrupt the business of your competitors?

_____

_____

Are your clients asking for anything new or different?

_____

_____

Are your competitors doing anything that could disrupt your business or win your clients?

_____

Are there any new trends in speed to market or delivery that could affect your future?

_____

_____

Add your specific question?

_____

_____

Add your specific question?

_____

_____

Add your specific question?

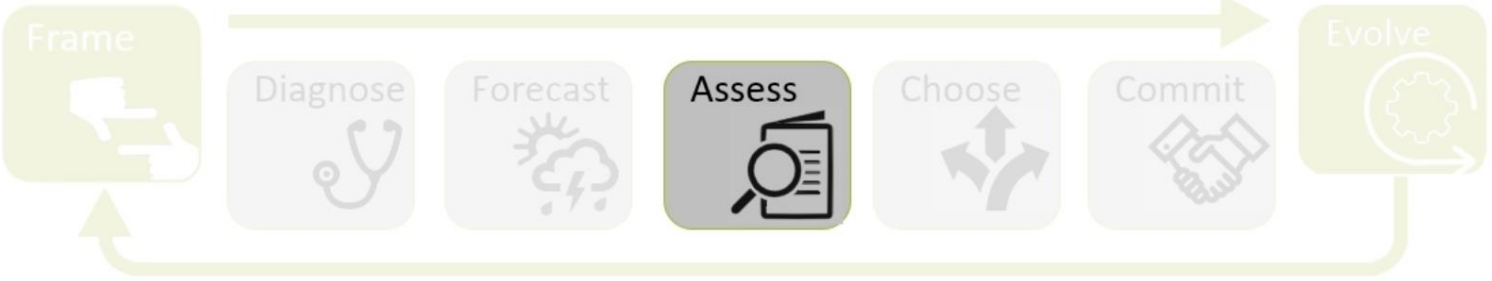
_____

_____

Make note of any significant risks or opportunities in your forecast before you begin planning your initiatives.

Market Beating Business Strategy

Step 4 - Assess



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What are the potential pathways?

ASSESS

Assess what strategies are needed to achieve your goals. Strategies are HOW you plan to achieve your goals. Strategies are your roadmap for achieving your goals. Without a roadmap or plan, it is very unlikely that you will achieve your goals.

A business client I worked with was great at setting goals each year. His team even agreed to the goals. The problem was that they never defined in detail how they could achieve their goals. The roadmap details W^3, or WHO is going to do WHAT, and by WHEN. Without this kind of detail, you are just crossing your fingers that luck will lead you to your goals. That almost never happens. This client was also stuck in very mediocre performance. His team wasn't inspired and never really got excited about trying anything new. In the end, achieving their goals was no one's responsibility, and no one was held

accountable, therefore, very little got done. Once we laid out a clear roadmap that showed how achievable their goals were, every person's contribution was measured and accounted for. That year they beat their goals for the first time. People got excited. They received a bonus. Strategy is what will motivate your team to act. It is where they see how their work matters and how they can contribute to the organizations success.

Write out initiatives that will help you build a strategy that will help you achieve or even exceed your goals. These initiatives should contain detail as follows: Who will champion it? What will it cost? What resources will be needed? What is the potential bottom line impact? How long will it take?

Capture your initiatives below:

1. Description:_____

   _____

   _____

   Champion:_____

   Team Members:_____

   Resources:_____

   Cost:_____

   Benefit (revenue or savings):_____

2. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

Cost:_____

Benefit (revenue or savings):_____

3. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

Cost:_____

Benefit (revenue or savings):_____

4. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

Cost:_____

Benefit (revenue or savings):_____

5. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

Cost:_____

Benefit (revenue or savings):_____

6. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

Cost:_____

Benefit (revenue or savings):_____

7. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

Cost:_____

Benefit (revenue or savings):_____

8. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

Cost:_____

Benefit (revenue or savings):_____

9. Description:_____

_____

_____

Champion:_____

Team Members:_____

Resources:_____

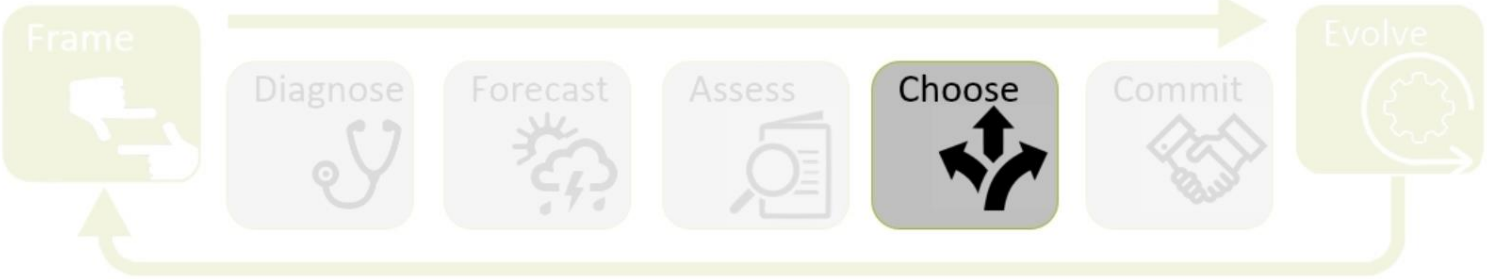
Cost:_____

Benefit (revenue or savings):_____

(Add more pages as needed)

Market Beating Business Strategy

Step 5 - Choose



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What is your integrated plan?

CHOOSE

Choosing your direction is the next step. The choices you make, the initiatives you choose, the strategy and timeline you set are uniquely yours. Consider how you should prioritize your initiatives. Since you have captured specific cost and resource detail along with the potential benefits, you can begin to assess the order in which you should tackle your initiatives. You may simply use timing for availability of team members. Or you may choose initiatives that will reduce costs. Or maybe initiatives that are the easiest and quickest to accomplish first. The key is that you need to decide how to prioritize your plans and then choose your initiatives. One method that I use frequently with teams is voting. List all of your initiatives on a flip chart or white board. Give each person a sticker numbered 1 through 4. That is their first through 4th choice. Then give each choice a point value. #1 is worth 4 points, #2 is worth three points, etc. Then re-list the initiatives in point value order. If

there are more initiatives left over that need to be prioritized, vote again on only those that are left over. These then get added to the list after the initial group. Repeat until our plan is complete.

List your initiatives in priority order:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

16. _____

17. _____

18. _____

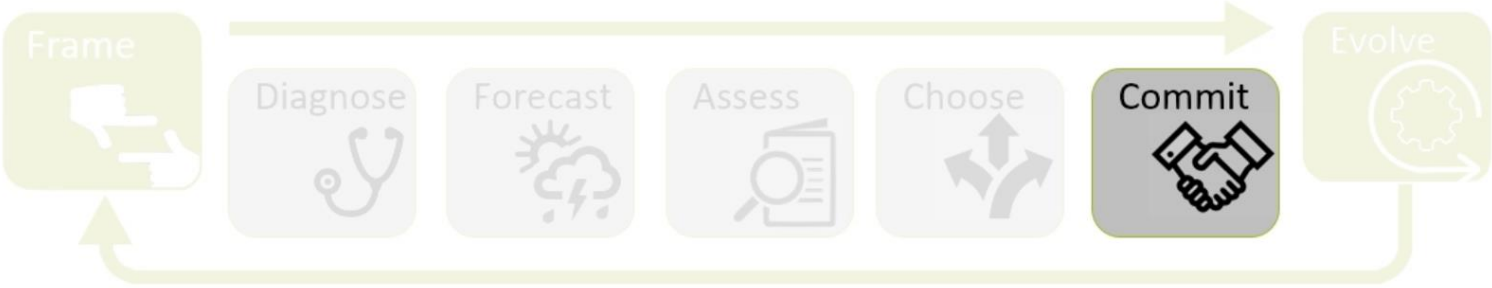
19. _____

20. _____

You can now begin to lay out your initiatives into a spreadsheet or chart that shows start and end dates for each initiative. Use this to ensure that you have the financial and people resources necessary to complete each of your initiatives within the timeframe planned. You are now assembling a plan that will get you to your one, two and three-year goals. Make sure that the documents completed represent your plan and can be easily communicated.

Market Beating Business Strategy

Step 6 - Commit



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How will you drive changes?

COMMIT

Commit is about getting your team assigned to the initiatives and committing to owning them and completing them in a timely fashion. Strategy often breaks down here for two reasons: One, leaders fail to get agreement and commitment from their team, and two, leaders fail to hold team members accountable for accomplishing their initiatives. You and your team should be discussing progress with executing plans a least monthly and reporting to your board of directors or advisory board at least quarterly on your progress.

I can't emphasize enough that this is important. It is where most companies fail. I worked with a client that went through the exercise of planning every year. Their plans were OK, but could have been better. The challenge was that the CEO didn't hold team members accountable for executing their plan. Nothing got done. When I asked team members about it, they said, "No one is held accountable here, so why should I waste my time? There

aren't any consequences for not doing it!" Their point was that if the leader doesn't hold any one accountable, the team will eventually regress to doing the least amount possible or in worst case nothing. That is what happened here. Planning was a 100% waste of time because their plans were never implemented.

Commit to implementing your plan and follow through:

- Has ownership for all initiatives been assigned?
- Does each initiative have a clear start and end date?
- Have resources been allocated to complete the task?
- How often will you discuss progress with your team?
- How often will your report your progress?
- How do you plan to manage delayed initiatives?
- What is the benefit of seeing your plan through?
- What is the cost of not seeing your plan through?

Communicating your plans to your frontline team members is another critical step that leaders often fail to see as necessary. The reality is that strategy is implemented at your front lines. If they don't know or understand your strategy, implementation will be half-hearted at best. On the other hand, it you get your frontline team members excited and engaged in implementing

your strategy, they will likely help you take it to levels beyond your initial expectations.

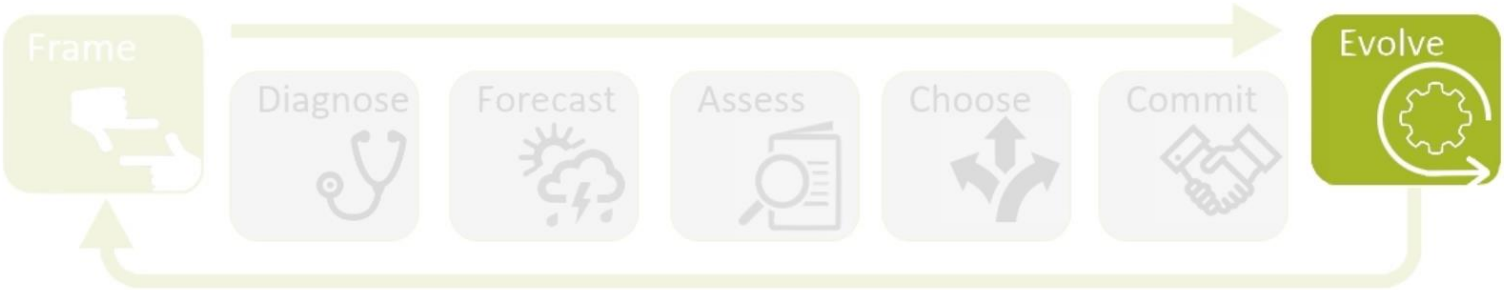
Lay out your plans to communicate here:

- What teams do I need to communicate strategy with?
    - .
    - .
    - .
    - .
- How often should we update them on our progress?
    - .
    - .
    - .
    -

Don’t let lack of communication be the demise of your strategy.

Market Beating Business Strategy

Step 7 - Evolve



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How will you adapt and learn?

EVOLVE

Evolve with changes to the market, your industry, the competition, and opportunity. Your strategy may be the perfect plan for today, but conditions change. Keep your eyes on the horizon. Revisit your plan often by making changes to the initiatives or priority as is necessary. Evolve as things change. History shows that we must evolve or die. Don't be like Polaroid when they ignored the digital evolution and failed to evolve as customer demand evolved.

The road to success has many turns, obstacles, potholes, and intersections. Some of them can be deadly. It is important to leverage the people and tools necessary to navigate your road. We at Visible Progress are committed to helping you with the tools necessary for your journey. Tools to build your personal and corporate strategy or roadmap. Tools to help you stay focused and accountable. Here are several ways that we can help you get started in addition to your Market Beating Strategy workbook:

- **The Focus5 Advantage Book** provides step-by-step instructions for your journey to success. It contains the principles and added examples that can help you navigate implementing your strategy.

- **The Focus5 App** is designed to help you plan you and your team develop and execute weekly action plans for implementing your strategy. It contains tools to share your plans and bring accountability for action to a new level. The features are designed to help you see your strategy through to success.

- **Work personally with me** one-on-one to fast-track your teams progress. The best teams have a coach. Let me help you guide your team through this first exercise to turn this process into a skill.

Turn your team into an unstoppable force that is the envy of your competition with Market Beating Strategy and the tools from Visible Progress that will help you and your team work smarter and achieve more!

www.Visble-progress.com

TESTIMONIAL

Tim helped us develop our strategy for the past several years. We have made more progress than we thought possible. With his help, we have been able to get focused on the right things and turn our company around.

Mike Pultz, Vice President
Benchmark Bank

Market Beating Business Strategy

The building blocks of great Strategy

What is the right set of questions?

How do we make money?

What future do we need to prepare for?

What are the potential pathways?

What is our integrated plan?

How will we drive changes?

How will we adapt and learn?