

The Four Pillars Approach to Profitable Growth



When you started your business, you probably had a vision of what you wanted to do and where you wanted to take your business.

Unfortunately, the day-to-day pressures of running a business often get in the way and over time, your vision fades into the background.

The thing that distinguishes the step change that takes a business to the next level is rarely about having the money and resources to do it. It is more about having the vision and expertise.

- The vision to know the direction in which to go
- The expertise to carry through the implementation and make it work

Most businesses get stuck at some time or other. It is usually a lack of expertise that inhibits their progress.

So finding the key that unlocks the situation and takes the business forward is far more important than a lack of resources. Resources are very helpful but there are many examples of businesses with plenty of resources which flounder.

Vision

Your vision for the business is fundamental to your success. Without it you will never have a sense of direction, and you will find decision-making and prioritisation difficult.

What's your vision?

Have you written it down?

Competition and Strategy

Who are your competitors and how do you compete?

What makes you stand out from the crowd?

The answers to these questions will form the basis of your business strategy. It's good to think of your strategy as four pillars supporting your business.

1. How you generate revenue: Marketing and Sales
2. How you fulfil the demand you've created: Operations
3. The resources you need to deliver the above: Resources
4. How you measure your performance: Management Information



1. How You Generate Revenue

Marketing

Leads and enquiries are the starting point and lifeblood of any business. So promote your competitive edge to all your best prospects - existing



customers, lapsed ones, as well as new ones you would like to start doing business with. Do it regularly - in a systematic way. Are you promoting your business on-line? Today it's the most cost-effective way for most businesses to generate leads.

Sales

How good are you at converting the leads you generate and the enquiries you receive into profitable sales? Does your sales pipeline inspire you with confidence about the future of your business? A robust sales pipeline is one of the surest signs of a healthy business.

2. How You Fulfil the Demand You've Created

Operations

Delivering what the customer wants on time and at the target cost you have set is as essential as obtaining sales in the first place. What are the opportunities to improve your customer service? How can these improvements be delivered at the same or at a lower cost?

How To Write A Business Plan



It's very important that a business plan is your plan, not something you think will impress the bank manager.

It needs to be action oriented, and used as a way of clarifying what you want to achieve, as well as delegating some of these things to those around you.

The basics of a business plan are as follows:

- Where are you now?
- Where do you want to get to?
- How are you going to get there?

There is nothing new in this. It's as old as the hills. We like simplicity, which is often the cleverest route of all.

The Content of the Plan

We have adopted the "Four Pillars" model to provide a structure to any plan. Allocate a page to each of the sections and divide them into thirds so that each page has the three headings, where you are now, where you want to get to and how you are going to get there.

Now set to and start putting your thoughts down. Involve your team in it - certainly your direct reports.

Spend some time on your vision. It needs to be inspiring; but make it personal to you. Drawing rather than writing your vision can help to clarify it. Get each person to draw their vision and then share it with the team!

Once you've been through the various "pillars", try and prioritise the actions into: Now, Next and Later.

Give each action an owner and a timescale. Be realistic, you probably already have a busy business to run. Use a monthly or quarterly meeting to review progress.

Develop a financial model last and then review the actions in the light of the plan. Try to develop the financial model along the lines of key drivers.

Specific things that you can do to the business to make things happen - not simply "we're going to increase sales by x%".

Writing Up The Plan

Write the plan using the pages that you have already prepared. It will enable you to review it in 6 or 12 months time. If you need to present the plan to someone, prepare a presentation first.

This again will help to crystallise your thoughts and you will start to see things from an outsider's point of view. Only when you have got everything else done, should you finally write the executive summary. Even then, you will see changes you want to make or things that do not make sense.

The executive summary may be the only thing that gets read. Keep it to no more than two pages and cover the chapter headings in the body of the plan. As new ideas occur, put them into the plan and develop them.

Sharing the Plan

It is important to share your plan with as many people as possible - suppliers, customers, staff, any other stakeholders. It may be that they need different presentations. If people know where you are trying to get to, they are more likely to help you than hinder you.

"Four Pillars"

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3. The resources you need to deliver the above

You need resources: people, facilities, equipment, money to get things done.

Without them, you will wear yourself out doing too much yourself. How do you choose the resources you need and get the best out of them?

4. How you measure your performance

Management Information

Key Performance Indicators

- Measure the things that put money in your bank account.
- The number of leads per month
- Your lead conversion rate
- The speed of completing each order/project
- Customer satisfaction
- The profit from each order/project
- The speed of customer payment

Monthly Management Accounts

These are an essential performance management tool. Are yours accurate and timely?

What to Do Now?

Develop a plan for your business using the Four Pillars approach

Get help from an outsider, someone with broad business experience who brings fresh ears and eyes.

Naturally, we would like to be considered for this role but you may already know someone else who would fit the bill.

Measure and monitor your performance regularly - at least monthly. Watch your business grow profitably.



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Next month: Setting Your Vision & Mission and Defining Your Values