



THE SMALL BUSINESS SUPPORT KIT

7 KEY FOCUS AREAS TO HELP IMPROVE YOUR BUSINESS PERFORMANCE

Spend time on the things that matter most so you can trade more profitably and enjoy the lifestyle you set out to achieve in the first place.

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INTRODUCTION

There is no doubt running a small business is a tough gig and it can be a relentless journey that in many instances impacts both ones physical and emotional well-being. Despite the huge sacrifices many small business owners make, the majority are totally committed to their respective businesses and are ultimately driven by the immense satisfaction and rewards that comes from all their hard work. To these brave people, the long hours and dedication to their customers is all part and parcel of following their dream of running their own show and living life on their own terms.

Whilst the excitement of starting your own business is palpable, the reality of how much work is involved eventually sets in and suddenly time becomes a luxury commodity. Then finally the hamster wheel picks up significant pace and the inevitable burnout feeling starts to weigh you down. This is when I hear some of you say: "it's all just too hard" and the dream starts to fade away in the distance. The irony is that many of you have already established a good business and are actually doing quite well or are in the early stages of the business and have developed something commercially viable and are ready to go. But whether it is building it up from scratch or managing a healthy customer database, similar feelings of being overwhelmed or the lack of control tend to erode that initial mindset of complete excitement and passion. It usually rears its ugly head when the realisation hits home that being a technical specialist in your area of expertise is simply no longer enough to run a smooth and successful business operation.

It becomes even more frustrating when everyone around you gives the same well-meaning advice that you need to start working "on" rather than "in" your business. Yes, of course you know all that and better still, you completely agree – right? The problem is that it sounds like you are going to have to invest a considerable amount of time and energy that you simply don't have, to do just that – learn all the facets of how to run a business like a general manager and the thought of that can sometimes feel daunting.

Well, I hear you loud and clear. So, I have decided to put together this report to demystify a few things for small business owners to contemplate, with the aim of invigorating your strategic thinking processes and reduce your time stress in the long run. Before rushing off to enrol in an expensive business course or blindly hiring an even more expensive consultant, I thought why not break it down into the seven key areas that I believe are critical to success. A solid generalist knowledge and perspective in these important domains will not only provide the clarity you need to move forward and get on the front foot, it will also help you develop the strategic insights to grow a sustainable business that supports the lifestyle you want and deserve.

So, Let's get straight into it and discover the 7 key areas small businesses can focus on to improve performance:



LEADERSHIP



SALES



MARKETING



CASH FLOW



PROFITABILITY

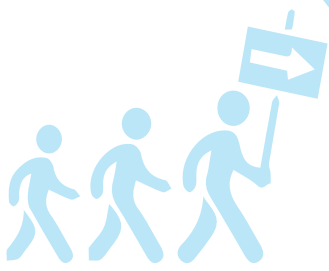


TECHNOLOGY



CREATIVITY





LEADERSHIP

Leadership is probably one of the most researched topics in business management, and for very good reason I might add. There is also no shortage of insightful information out there to help improve your leadership capability, so the purpose of this section is to share my perspective and summarize some key ideas to consider as a small business owner or general manager. Another important point to make is to try and not think of leadership as a finite skill to develop but more of an evolving personal development plan. I strongly believe that leadership is a craft that you need to practice on a regular basis and so it becomes part of your business routine. Here are three things worth considering:

LEAD YOURSELF FIRST

The most important person to lead and manage first and foremost is yourself. Before you can earn the right to lead others, I believe you need to develop a minimum baseline of self-awareness to be qualified to do so. This taps into the broader emotional intelligence compartment of understanding your strengths and weaknesses, what makes you tick and what core values you are not willing to compromise on. The ability to manage your emotions, especially during times of stress, conflict or uncertainty is another fundamental imperative to improve self-leadership. Whilst this journey of self-discovery can often be confronting for many, it is a real opportunity to provide clarity and focus on achieving your business and life goals. Seeking support from a trusted professional to help guide you through this process is a noble undertaking and there are many credible resources available to enhance self-efficacy. What I tend to find though, is that many people I know, miss the first step of starting with being kind to themselves just as they would behave toward someone else they care about.

INFLUENCING OTHERS

I really love the phrase, "reading the room", as it kind of gives off this inferred meaning of having a superpower or like a sixth sense that can be deployed to solve or diffuse any problem. While I think there is some truth to that, calling it a superpower goes a bit too far. Much has been said on how to lead and influence others and so I have no intention of reinventing the wheel in this report. What I will say is that it doesn't have to be overly complicated to apply some basic principles to engage with others and earn their trust. I suggest starting with showing an interest in those you manage by asking powerful questions and being present in the moment by actively listening. Build your empathy muscle and don't be afraid to show a little vulnerability from time to time. Just be real for goodness sake!

MENTAL FITNESS

Perhaps I have saved the best for last. Drawing from sporting days many moons ago, being mentally tough or having a "big match" temperament is something that has been drilled into me from a young age. The big buzzwords like resilience and perseverance cannot be overstated but we all know it is easier said than done, especially when in the midst of making those hard leadership decisions. The more nuanced factors at play here, are those ingrained self-limiting beliefs and self-sabotaging behaviours that hold us back and makes climbing the mountain feel impossible at times. Introducing you to these ideas in a short paragraph is as far as I can go in this forum, but try having a go at challenging your current thinking a little more and bring an element of curiosity into your worldview. See what happens.





SALES

Have you ever heard the phrase: “Top of the P&L”? Well, now you have anyway. Sales (also shown as revenue or income) is the very first item you will see on your profit and loss statement. The message here is pretty obvious, without sales there is no business, or another way of putting it, everything else comes after sales. I know I am harbouring on this point, but regardless of what stage your business is at, there needs to be a consistent focus on sales activity throughout the lifecycle. As an experienced sales professional throughout my career, I believe that irrespective of whether you offer a product or service, implementing a proactive sales process will help you avoid those cyclical ups and downs and help you grow a sustainable business over the long term. A great way to get on the front foot is to develop the following:

STRATEGIC SALES PLAN

Clearly set out your sales objectives over the next 12 months. Include realistic and easily trackable key performance indicators. Dividing this into quarterly milestones is a structured approach to fast-track things and is a great way to incorporate your 90-day sales plan so you can get cracking and build momentum.

SALES PROCESS

Design or re-engineer your current sales process that is more in line with using a design thinking approach. Rather than focusing solely on all the benefits your product or service provides, try and understand what your customers really need or the problems they are trying to solve. Then map a simple process that is easy for others to follow, while at the same time enhances the customer experience from first impression to onboarding.

ALWAYS DELIVER

Do not overpromise. Start by recording every customer interaction in your CRM system (if it ain't recorded, it never happened!). This way, you can track your customer's journey, manage expectations and deliver the desired outcomes. More importantly, this will build credibility and solidify your brand reputation – all of which facilitates future sales and attracts more of the customers you want!

RETENTION

It is no secret that constantly chasing new customers can be a time consuming and rather expensive acquisition strategy. This often results in sidelining effective low-cost strategies to further engage your existing customer base. A strategic account management approach that aims to communicate ongoing value to existing customer needs is a recipe for innovation and can have a significant impact on future sales revenue.





MARKETING

Unless you have a marketing background, aligning yourself with a good marketing consultant could be one of the best investments you make. They will help you shape and implement your marketing strategy, test and measure marketing campaigns, teach you all the acquisition cost jargon you need to understand and most of all give you line of sight on your return on investment. But here's the thing, no one knows your business better than you do and it will save you time and money if you become an active participant in the marketing process – and your consultant will love you for it! Make sure you know your limits though and be clear on budget expectations. Starting small with a test and measure approach is definitely the way to go. Here are a few things to consider before you engage a marketing expert:

KNOW THE BASICS

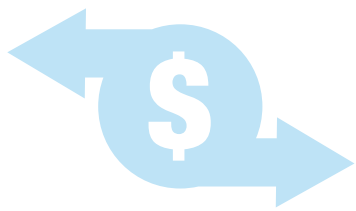
I think it is time to move beyond the 4 P's and rather focus on some of the key elements that will lay the foundations and support your marketing strategy across the board. First thing is to know what your ideal customer looks like or more specifically target the right market segment that will benefit most from your product or service. Secondly, take a real hard look at your business and work on coming up with an honest evaluation on what differentiates you from your competitors (please do not spend only 5 minutes on this and end up with quality and service – that is just sheer laziness!). Lastly, create and communicate your value proposition – don't be shy, be proud and let people in on your secret but do it in an authentic way.

MARKETING STRATEGY

Once you know the basics, you may be surprised at how much easier it is to integrate with your internal or external marketing team. Familiarise yourself with the different marketing options available to you and as a small business owner it will be extremely helpful if you are well versed in understanding important concepts and how they can make an impact by increasing brand awareness, customer consideration and conversion rates. Try and get up to speed as quickly as possible by learning the key differences between various marketing strategies such as direct vs indirect, outbound vs inbound, online vs offline, push vs pull and B2B vs B2C channels.

Whether you look at the top, middle or bottom of any sales funnel, it is important to realise that both the sales and marketing functions are intricately linked, and their inherent successes or failures completely depend on one another. Simply put, these two vital areas go hand in hand and close collaboration between them is critical to growing your business.





CASH FLOW

The best way to describe the importance of cash flow in your business is comparing it to your heart pumping blood to keep you alive and well or the engine that keeps your car running. I'm not sure who exactly coined the phrase: "cash is king!" but there is unanimous agreement amongst businesses of all shapes and sizes that adequate cash flow management can either make or break you – it's that black and white. What astounds me most is that many small businesses still struggle to differentiate between cash flow and profitability and seem to just shove it into the overarching financial management cupboard. Again, unless you have a finance background, having a solid accountant or virtual CFO on your team is probably non-negotiable. Understanding the basic difference between accrual and cash accounting and knowing how the timing around money flow impacts your business, is something you should be well aware of as a small business owner.

Here are some ideas to discuss with your accountant and have more meaningful interactions beyond producing financial reports and completing end of year tax returns:

WORKING CAPITAL CYCLE

Your financial statements provide a treasure trove of information on how your business is performing. Why not utilise some of this data to quickly work out how effectively you are managing your working capital requirements. Calculating some simple ratios such as debtor days, creditor days and inventory turnover days can help identify potential timing issues in your working capital cycle. Use these numbers to guide you in putting systems in place to improve efficiencies and mitigate risk.

FINANCIAL DISCIPLINE

Managing cash flow requires discipline, no bones about it. There is no better way to hold yourself accountable for good financial management than to prepare a cash flow forecast. It doesn't have to be complicated, a simple spreadsheet or even pen and paper will suffice – just do it! Once you have put in the effort to do one, make sure you follow up regularly, revise and update as you go. This will not only help you plan ahead but will also give you visibility of your cash runway and train your mind to think carefully before you spend.

STRUCTURED PAYMENTS

As you have gathered by now, cash flow is all about timing. With the continuous enhancements in financial services products and other payment technologies, it may be worth having a conversation with lenders or suppliers to provide greater repayment flexibility that suits your cash flow. A great example of this is could be to reduce repayment amounts during those quieter months and then increase them appropriately during busier periods. Aligning cash inflows with outflows is a smart way to reduce unnecessary stress.





PROFITABILITY

Regardless of the type of organisation you run, I assume you are in business to make a profit – bottom line! Even not-for-profits need enough income to cover costs and build reasonable surpluses for future sustainability. Unfortunately, I still come across many business owners that are obsessed with turnover and that acquiring more and more customers is the barometer for success. I talked earlier about the importance of sales and how the journey starts there, but the story ends with how much profit you take home. This is the ultimate measure of success and is a key metric in determining the value of your business. I suggest clarifying your understanding of and building adequate knowledge around the following:

BREAK-EVEN ANALYSIS

One of the first questions I ask clients is: “what is your break-even point?” Some have a gut feel, but many simply do not know. Without getting too technical and being all formulaic, I am unapologetic in my firm belief that this is something that all business owners should at least have an approximate knowledge of. A simple internet search will help you find the formula quite easily but going through the process of finding the correct numbers to plug into it will give you insights into your business on another level. Also, once you know your break-even units and dollar amounts, the process of planning for best and worst case scenarios becomes a more straightforward task and can provide further clarity around achieving your profit goals.

PROFIT & LOSS STATEMENT

Take the time to learn the basics of how your profit and loss account works. If numbers are not your thing, talk to your accountant or business advisor to help you identify some of the key areas to understand and look out for, from a business owner perspective. As someone from a financial services background, spending time with clients to interpret what the numbers mean is often a very empowering experience for them and emboldens their decision-making abilities in a substantial manner.

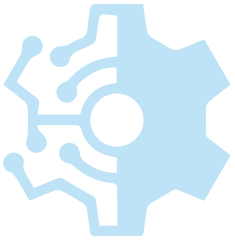
I recommend starting with understanding your margins and in this sense, know the difference between gross and net profit margin. Remember, these numbers are expressed as a percentage of sales. Secondly, use the consistent margin approach to plot all your major operating expenses such as wages and rent as a percentage of sales. This will not only give you relevance and relativity to the numbers but will also provide you with the ability to perform a comparative analysis from period to period.

BENCHMARKING & FORECASTING

Now that you can read the basics on your profit and loss, go the extra mile and do your research at the macro or industry level and benchmark your performance. This can help guide your thinking on where small improvements can be made to boost profitability.

Just like for cash flow, prepare a simple profit and loss forecast so you can consider things like seasonality and avoid those nasty one-off cost surprises that you did not plan for. This will also add an extra layer of focus on better expense management.





TECHNOLOGY

Whilst I am conscious of the fact that the key focus area of technology is far too large to cover in a few short paragraphs and I do not want to specifically talk about CRM's or ERP's, it would be remiss of me not to give it some of the airplay it deserves. Whether we like it or not, the world is transitioning to digitization and the fourth industrial revolution, better known as Industry 4.0, is upon us. We also know that technology is a whole industry sector in its own right and includes many sub-sectors with uniquely qualified experts driving continuous improvements all the time. So, if you happen to be a small business owner with an IT background then I guess you are one step ahead in this domain. If not, don't bury your head in the sand, but rather embrace it and develop the right mindset by asking: "how can this work for me?" For those who have not yet acknowledged the transformational nature of integrating more technology into their business, here are some prompters to get you to engage with this powerful business enabler:

TECH AWARENESS

Just reading up and being aware of new technologies that involve things like the IoT, Artificial Intelligence and Machine Learning will open your mind to being more receptive to introducing technological advancements into your business. Developing a positive mindset around how technology can increase potential customer reach, enhance customer experience and significantly improve internal processes, will shift your strategic thinking and drive stronger alignment with those experts in the know. Another key point to mention is the greater the general technology understanding you have, the quicker you will be able to identify those skilled functional experts that are best placed to help you grow your business into the future.

UPSKILL

When I hear the word upskill, I immediately think about significantly investing time and money in doing a new course or attending training events. These are all good initiatives and should never be discounted in any way. What I'm advocating here though, is on a much broader level and with a specific focus on building technology-based skills. This includes learning by doing or trying new things. There are some great short courses or bite-size training options in subject areas such as e-commerce, social media marketing, coding and data analytics to name a few. These are often inexpensive and cater for the non-tech entrepreneurs to engage more with technology platforms. Alternatively, have a play around yourself and have a go at creating a new social media ad campaign.

IMPLEMENTATION VESSEL

Think of a technology platform as a medium to systemise and implement your business strategy. Be careful not to over invest in state-of-the-art technologies unless you have done all the foundational groundwork in finalising your strategic objectives and have all the right people, processes, policies and procedures in place first. Use technology as a smart tool to build efficiencies and gain desired traction to grow your business rather than being over-reliant on its competitive advantage imperative and invite unwanted complacency within your business operations.





CREATIVITY

The last key focus area that I want to briefly talk about is the importance of creativity in business. Now, I don't mean the type of direct creativity that goes into producing or delivering the good or service you are currently known for, but rather the creative process of unlocking your own hidden potential to continuously innovate and try new things that are within your realm of possibility. I feel that this element is often overlooked by many small business owners and is becoming more and more critical as we navigate through an increasingly complex world. What I have also observed is that people like to categorise or label themselves as either creative or not creative, with a profound perspective that this notion of creativity is only linked to some kind of innate "artistic flair" that you either possess or you don't. It is only when I challenge these underlying beliefs or reframe the context around the meaning of creativity and how all of us have an immense amount of resources to tap into, that I start to witness some incredible changes in business owners. Here are a few ideas to ponder and help you unleash that creative person just waiting to be released:

CURIOSITY

Embracing a curious mindset is a great way to deflect your thoughts from solely focusing on solving your business problems to thinking about how your business can evolve and thrive in the future. Doing some organic market research by connecting with your customers on a deeper level and learning how they interact with your product or service can help you tweak or even redefine your entire business model. Rather than have an internal focus, get out there and be curious as to how your customers experience or perceive your business.

Also, try and take some small and measurable steps at learning how to do something in your business that perhaps you have been avoiding due to unsubstantiated self-limiting beliefs you have carried with you. Just have a go and you may be pleasantly surprised at what you come up with!

FEAR MANAGEMENT

I think it would be disingenuous for me to suggest ignoring your fears completely, but there is an undeniable truth that both fear of failure and/or fear of success holds us back. I would argue that failure to manage your fears could be the most significant barrier to facilitating creativity. Whilst acknowledging that your fears can prevent you from taking action is a good starting point, having the courage to back your ability to discover and learn new skills will provide you with the necessary space to connect with the inner creativity that you already possess in spades. By tapping into these hidden resources, you are putting in place failproof measures to sustain your competitive advantage and grow into the future.



CONCLUSION

The main purpose of this report is to share insights from what I have experienced in the field and to provide some reflection points from a different perspective. First of all, this is by no means an exhaustive list of priority focus areas for small business owners to consider and most of the ideas contained within this document do not propose a “re-invention of the wheel” in any shape or form. What I am hoping to achieve from this is two-fold: 1) The use of simple and practical language to help make sense of how you can break things down and structure your thinking in a more efficient way; 2) To be able to relate to how you feel about running your own business and that being supported along your journey can be a powerful game changer.

When you take a holistic approach to integrating these key ideas or concepts into your business practice, the benefits can go well beyond just improving business performance. They can help facilitate new ways of thinking and reflecting on your personal capabilities as well as re-igniting those early passions that created the initial spark in the early days. It can also be a revealing experience when you clearly identify which of these elements play to your strengths and which expose those uncomfortable gaps. Often the unexpected shows up as unique strengths and the breakthrough moments that follow take the strategic thinking to a new level.

As we continue to evolve in an increasingly VUCA world, the ability to balance the need to apply those core “tried and tested” business principles with the efficiency gains that come with rapid technological advancements, will be critical to success in the future. Whilst the uncertainty does present many challenges that we all need to confront, the eternal optimist in me believes there is a wonderful opportunity to blend a potent mixture of experience with curiosity, which can result in an exciting brew of innovation. This will ensure small business retains its rightful place as the leading contributor to future economic growth and prosperity.

ABOUT OREN LESHETZ

Helping small business owners improve performance and achieve their profitability and lifestyle goals is something Oren has always been passionate about. He has been fortunate enough to have had the opportunity to work with a wide variety of SME’s across various sectors for over 15 years, whether advising directly through his own business advisory and leadership coaching practice or indirectly in the capacity of financier or business banker.

Drawing on the wealth of knowledge and experience gained from building an established financial services career within the large corporate and start-up environments to understanding what it is like to run your own small business, gives Oren a unique vantage point to be able to thoroughly assess his clients’ needs and help guide them through the process of making significant business and leadership improvements within their respective organisations.

Oren’s business credentials include a Bachelor of Commerce (Economics) degree and a Postgraduate Diploma in Business (Administration). He is also an executive coach and holds a Graduate Certificate in Organisational Coaching accredited with the International Coaching Federation (ICF).



WHAT DO CLIENTS SAY...

“What an amazing experience! Oren and the Quantum Leap program make an incredible team. The program has delivered a balanced, comprehensive set of steps that is delivering tangible, positive change to our business, and helping position us above the rest of the pack. Oren made the journey so much more rewarding, with his experiences, insights and compassion. With each module, he zeroed in on exactly how the different strategies could work for my business, and each week I left with a clear and achievable plan on how to execute those strategies. At the end of the program we’d developed a ton of invaluable collateral together and I feel light years ahead of where I started from.”

Mark Morris
Founder & Managing Director – Enviroeye

“The coaching program delivered by Oren was the best Professional Development program I have ever been involved in. Oren really drilled down to the core of my values and helped me understand how those values form the basis of my leadership style, and how I can apply them to each situation on any given day. I’ve noticed clear improvements in my ability to see solutions and act accordingly, knowing that different people in my staff require different leadership approaches in order to respond. Oren really listens and makes you feel assured that he absolutely understands the nuances of your situation, the people you are working with and the unique challenges you face. I would highly recommend Oren as an executive or business coach to anyone. I have run my own business for 15 years but the insights Oren has given me remind me there is always room for learning and improvement, and that mentoring from a person with such vast experience in business is totally invaluable.”

Kye Thomas
Head of VET- Operations – Readcloud



If you need any further support and guidance in building these important capabilities, then speak to us so we can help you achieve your business goals and free up precious time so you can lead a more balanced and authentic life.

BOOK A FREE 1 HOUR CONSULTATION

Contact us directly on 0411 620 142 or oren@orizonconsulting.com.au
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