



By Dr Greg Chapman

Why are some people more successful in business than others? Why do 98% of micro-businesses stay micro? The biggest risk for owners is not that their business will fail; it is that it will stay small. Their micro-businesses become a micro-stayer.

However, there are some businesses that do emerge from this micro-stayer bubble. They not only survive, they thrive. What is it they know that the micro-stayer don't? The emerging businesses understand there are five pillars of business success.

- The first of these pillars is the plan. As the Cheshire cat said to Alice: "If you don't know where you are going, any road will get you there". Without a plan, most businesses just meander until the owner tires and retires with little to show for their efforts. Many owners believe they don't get the breaks they are looking for. Thomas Edison said: "Most people don't recognise opportunities because they come dressed in overalls and look like hard work." Your goals are your opportunity finders. As you write them down, you start to find them.

When people do plan they can fall into the trap of analysis paralysis. They may produce a beautiful looking plan, with lots of charts and analysis, perhaps created by a consultant, and it just sits on a shelf gathering dust. Due to the effort in producing such a plan, the owner may never

do another. However, you can get 80% of the value of a plan with 20% of the work, with a one page business plan. President Truman said: "Planning is essential, but plans are useless". It is the planning process that identifies your opportunities; the rest of the process just enriches your consultant.

- The second pillar of business success is marketing. History is littered with examples of superior products failing because of poor marketing. If you can remember the days of video tape, Beta was the technically superior product, but VHS won the retail market. It is just not enough to have a better product. You will not be successful if you don't spend the time convincing buyers the benefits of your products and their points of difference. "Quality" is not a point of difference – everyone says they produce a quality product. Have you ever heard anyone say: "Buy from me – my products are lousy?" So, if you don't know why people should buy from you, why should your customers?

When you have a marketing strategy, you can forecast your business. You will know where the next customers will come from, and will be able to grow, as you will have the confidence to put on more staff, as you will know how you are able to pay them. This also turns your business into a valuable saleable asset as potential buyers will be able to see how you generate new

business and know if they follow your marketing plan, they will be able to produce similar results.

- The third pillar is business systems. Without systems in your business, when you are not there, nothing happens and you will never have a business that runs without you. With business systems in place, your business becomes more productive, you can employ lower skilled people to do more of the work.

How many five star chefs do you see in your McDonalds restaurant – part of the highest turnover restaurant chain in the world? The business becomes scalable. Mistakes are less likely to happen and the owner gets out of the business of fighting fires and has the time to work on their business. The owner no longer needs to be there every day as they can manage their business by reports.

- The fourth pillar is people systems for the recruitment, development, management and retention of your staff. A business with good people systems motivates their staff and produces the best results. The cost of a wrong hire and high turnover is as much as 50% of their annual salary. Studies show most people who leave a business are not chasing a higher wage, they are sacking their boss! Businesses with poor people systems rapidly find themselves in decay. People systems enable the owner to manage the performance of their staff,

to develop those who are not currently performing and reward those who are creating the highest value for their business.

Each of these four pillars depends on business education and knowledge. This knowledge can be obtained through reading, courses, coaching or consultants or through the far more costly process of trial and error. However you obtain this knowledge, it is not enough for business success. There is one last pillar.

- The fifth pillar is the discipline of the owner. You might know all these things, but if you don't implement them systematically, then your goals will be elusive. Seek out those who you know who have been successful. Ask them what they have done to achieve their success. They will talk about each of the four knowledge pillars and then how they found a mentor or coach to provide the discipline and support in the implementation of their plans and strategies.

As a step along this journey, there is a complimentary Mission Statement tool available for Supplier Woodworking Magazine subscribers at www.FivePillarsBusinessSuccess.com

Dr Greg Chapman is the author of the top selling book; The Five Pillars of Guaranteed Business Success. Visit www.FivePillarsBusinessSuccess.com to download your complimentary copy of Mission Statements Made Easy tool.