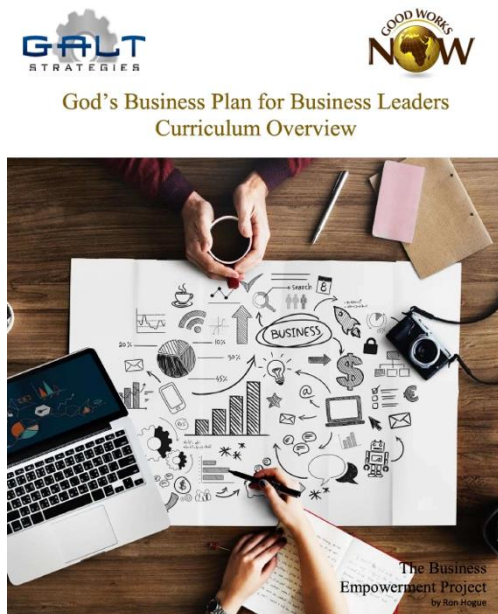# The Business Empowerment Playbook

The Business Empowerment Playbook

CHANGE becomes the catalyst for realized potential

BLIND SPOTS can be the bottleneck to ongoing success

IGNORANCE creates the prison for possibilities to be free

SMALL THINGS become big things when they are the right things to do at the right time

It has been astutely said, "You don't know what you don't know." Therefore, having others who can *HELP* with what you don't know is priceless. Passion alone doesn't get you very far. It takes knowledge, discipline, accountability, and time. The goal of the *Business Empowerment Project* is to help business leaders discover the business laws that will unlock the door to their company's potential.

We call it *God's Business Plan* because we believe God not only created business but also created the playbook that helps a company realize its full potential. That potential is not just its ever-increasing profits, it is also its impact on the world. What's inside of our curriculum? Here's a quick sampling.

In *The Law of Community*, we show you that business is people. People are, in fact, your greatest asset. Because of this, we give you a process on how to hire the right people and how this law, if properly followed, protect the owner from heartache and burnout.

In *The Law of Culture*, we show you how to build a culture that will attract top talent, keep them, and empower the company to positively impact their employees

and strategically change the world. In fact, almost every major company now hires to their culture, not to the needed position.

In *The Law of Progress*, we equip you to prepare your company for the necessary changes they must embrace in order for your company to grow. Why do employees resist change? How do bring the whole company with you when youhave to implement change that many may disagree with? We don't just talk about the challenges to change; we give you a Change Strategy that overcomes potential problems to necessary change. Not only that, we give you a "Decision Impact Questionnaire" that help you assess whether the current decision you're considering is right.

In *The Law of Vision,* we help you understand the value of planning. You have to see before you build or progress. Therefore, we explain the differences between a Business Plan and a Strategic Plan. The old adage is true. If you fail to plan, you are planning to fail. This one lesson alone could change the trajectory of your company in ways you can't even imagine.

There are 11 laws of business that we unpack in detail giving any business owner the guidance needed in order for their company to realize greater potential.

1. Law of Stewardship: Who's in charge of my company anyhow?
2. Law of Vision: What kind of company am I desiring to build?
3. Law of Process: What steps do I take to maintain progress in my company?
4. Law of Alignment: How do I adjust things and change so my company will always grow?
5. Law of Value: How do I use the profit and loss statement to see in real time the real picture of how my company is doing?
6. Law of Reciprocity: How do I conduct business so everyone feels like they've won?
7. Law of Accountability: How do I keep everyone on point to the processes and culture we've built?
8. Law of Community- How do I join others to my business who will empower my company to succeed?
9. Law of Progress: How do I implement change so the people in my company will buy in and not cause problems, or worse, leave?
10.Law of Management- How do I make sure that I and my leadership team are being responsible with the money, people, and processes God has given us?
11.Law of Culture: How do I create a life-giving environment where everyone flourishes?

4 Tools to Use Immediately for Positive Growth

(These 4 tools are in our business development curriculum. By giving these to you, we want to give you a flavor of what we love helping our clients with as they develop their businesses)

TOOL #1: The Process Success Formula: An Explanation and Example

1. Define a problem.
   Every department of any company will have multitudes of challenges. This formula assumes you are addressing the most urgent problems first. For instance, instead of addressing internal problems that don't affect cashflow- like cleaning the break room or filing old invoices- you tackle problems that affect your revenue- like acquiring new customers and training sales people who can produce sales.

2. Implement an instant solution with defined accountability.
   When you define a problem, you then call a meeting with the company leaders and the department heads to create what seems to be the best solution for right now knowing that this solution may or may not achieve the results you need. The implementation of the solution must be attended by defined accountability. This means those given the task of implementing the solution must communicate with their direct reports that the solution has, indeed, been implemented. The curse of many organizations is the lack of follow through. Delay is not an option! Sometimes people don't implement immediately but decide to wait on schedules, new hires, or more training. To keep the company growing, the solution must be implemented quickly with the owner, manager, or department head making sure that those who are doing the work with this new solution are reporting to them that the solution is now being utilized.

3. Measure and track the results immediately.
   This part of the formula is critical. Often, new solutions or processes are implemented but the success of the new process is not measured or tracked which leaves the company leadership clueless as to its effectiveness. Therefore, a short timeline with a report to leadership must be defined before launching the solution. For instance, let's say you change the script of a salesman's presentation to sell a product. You don't wait for a month and then review. You ask him to report after each presentation for a week to see if it is having a positive change in his ability to make sales.

4. Simply and quickly communicate success or failure.
   Once you have enough information that you have tracked since the implementation of the new process, you must communicate this to the manager, department head, and/or owner. If it needs adjusting, you adjust. If it needs to be dropped because it is not effective at all, you drop it. The point is, you determine success or failure quickly so you can move on to a new solution if the one you created doesn't work. And, as a point of information, many will not work. But implementing creative solutions repeatedly will eventually lead to a process that yields results. The key to doing this step in the success formula is to set a time in the future to review results. For instance, if you create a solution on Monday, you set up another meeting on Friday at 10am to evaluate success or failure. This keeps everything on track and everyone accountable.

5. Repeat the process until the needed results are achieved.
   This process of creating successful processes to deal with problems must be a repeated and ongoing discipline. The goal is to find the solution. It may become tiresome and frustrating but you must believe in faith that there is a solution to the problem. It is simply a matter of implementing solution after solution until an effective answer is found. Once again, you don't allow an ineffective solution stay in place. You determine if the solution works quickly. If it doesn't, you stop that solution and you determine a new one. If it does work, great! You then move to another problem that is high on the priority list of things needing attention.

Here is an example. Let's say you have a cleaning business. Your business cleans offices after hours and also cleans homes that are vacant before they are rented out or go on the market for sale. The success of this business is ongoing clients who give you repeat business.

Recently, you've lost a few clients and have not been able to acquire new clients to make up for the lost revenue. You typically get new clients by word of mouth, the sign in front of your store, or from a monthly ad you place in the local newspaper. Unfortunately, none of these are working at present. So, here's how this process success formula might work. You call a revenue building strategy meeting.

1. You define the problem: The need for more reoccurring revenue from new clients.

2. You implement an instant solution with defined accountability: There are two ideas that are placed on the table. First, go to all your present clients and ask them for referrals who may need their businesses cleaned. For each client who gives you a referral that turns into a paying client, you will give them 50% off their bill for a month. Second, you decide to make fliers that you can hand out to businesses in a part of town where you don't have clients. The goal is to add between 5 and 10 new clients by doing these two things. You make this decision on Monday. You decide to take the rest of the week to create the flier that you will pass out the following week but will try to hit at least 5 of your existing clients Tuesday through Friday. You will meet on Friday to determine the success of the referral idea. You will then pass out the fliers on Monday through Wednesday the next week meeting on the Friday of that week to see if anyone has called about the flier ad.

3. Measure and track the results immediately: When getting referrals from your existing customers, you are now tracking the ratio between referrals given and how many of the referrals allow you a meeting to share your services. There then needs to be a ratio between how many referral appointments you have with the number of people who become clients.

   The results might look like this: 30% of the current client base of 50 clients gave referrals. Of that number, 40% of the referrals converted into appointments. Of the appointments, we were able to convert 25% into new clients. In raw numbers, out of 50 clients, 15 gave referrals. Of those 15, we were able to get 30 referrals (some gave more than one referral). Of the 30 referrals, we were able to make 12 appointments. Of the 12 appointments we were able to sign up 3 new clients. So, the goal of signing up at least 5 new clients is almost met.

You would do something similar with the flier distribution. Let's say you distribute fliers to 75 businesses in a district you do not work in as of yet. Of that number, you have 15 or 20% respond wanting more information. You meet with these 15 prospects and have 5 of them or 33% contract for your services.

When meeting on the Friday meetings, you would conclude that this marketing solution worked because it achieved your goal of adding between 5 and 10 new clients. One thing you learned is that after a period of time, you could probably implement the referral marketing solution with your new clients since their business relationships would be totally different from those of your original clients.

4. Simply and quickly communicate success or failure.
    When having your meetings on the first Friday and second Friday, you would be able to communicate that both ideas worked.

5. Repeat the process until the needed results are achieved.
    In this example, you were able to achieve the results you needed. But let's say the flier idea didn't work. You passed out the 75 fliers and it resulted in only 1 new client. From that you learn that you need another solution to add new clients. Therefore, you would call another revenue building strategy meeting and begin the process formula again making sure to follow all the steps.

One of the final thoughts to leave with you is the admonishment to enjoy the process of finding solutions to life's problems. We see problems as roadblocks to success, peace, and joy. Problems are simply opportunities that allow us to discover unique solutions. People are innovators simply because they found solutions no one else would give the time, money, and energy to create. The choice is always yours.

TOOL #2: Creating Good Key Performance Indicators (KPI's)

Businesses always have priorities. There may be a dozen things the company does but priorities are the current activities that need to be focused on and addressed.

Sometimes these priorities can determine whether the company survives or not. Many times, employees just do what they want to do thinking they are productive. The problem is, they may not be doing the things that need attention right now. You, as an owner or manager, will not know this unless you practice accountability. So, how do you keep your employees focused?

Focus is created by defining what is called your key performance indicators, or KPI's. These KPI's become the means by which managers keep their employees focused on what their priorities are and they also become the scorecard by which the employee is graded when it comes to performance. Key performance indicators (KPIs) are measurable goals or targets that determine how effectively an individual, team, or organization is achieving a business objective, goal, or priority. Businesses use KPIs to help their employees at all levels focus their work towards achieving common and timely goals.

So, what makes a good KPI? Educators and practitioners have created an acronym to help companies know how to create good KPI's. That acronym is the word "smarter". KPI's should be:

1. Specific: It should be a detailed, simple, and clear description of what you want to accomplish.
2. Measurable: It should have measurements that define clearly the goal. You will have dollar amounts, numbers, or percentages.
3. Achievable: It should be within reasonable reach and not so far-fetched that it would take a miracle to achieve it. Some managers set KPI's that are not achievable but their thinking is, if they set a goal that is realistically unachievable, it will motivate their employees to go further than they would have otherwise. The problem with this thinking is their people never succeed. They are never able to reach the goal. Even though they may please the manager, in their eyes, they always fail. It is much better to give your employees many small wins by creating realistic KPI's rather than goals you know they will probably never achieve.
4. Relevant: KPI's should be tied to the department or space that needs focus. For instance, marketing is different from sales. A marketing KPI would be to increase leads by 5% by the end of the current quarter. A sales KPI would be to convert leads into sales by 10% by the end of the current quarter. A marketing KPI is not the focus of the sales team. And normally, converting leads is not necessarily the focus of the marketing team. Relevant also means KPI's should be tied to current needs and priorities. If people are canceling

their service because of repeated customer service issues, a relevant KPI should be focused on improving customer service.

5. Time-bound: All KPI's need a time boundary attached to them. For instance, it is not enough to say for a marketing KPI that you will increase your leads by 5%. You must add that you will increase your leads by 5% by the end of the month, or the end of the quarter. How you reach the KPI is a strategic planning meeting. It gives the "how to" steps of reaching the KPI.

6. Evaluate: KPI's need to be evaluated on a regular basis. Sometimes, if you are never able to meet the KPI, you must evaluate it to adjust or change it. You have to ask questions like…

   "Is this KPI too unrealistic?"
   "Do we have the right people, supplies, and support team to accomplish this KPI?"
   "Is the timeframe too restrictive?"
   "What are the main hindrances that are causing the KPI not to be accomplished?"
   "Is this KPI still relevant?"

7. Re-evaluate and Readjust: Similar to evaluate, re-evaluating is looking at the KPI to make sure it is aligned with ever changing company priorities and goals. Evaluating and re-evaluating are themselves a method of accountability.

TOOL #3: Using the Profit and Loss Statement

The profit and loss statement is a financial statement that summarizes the revenues, costs, and expenses incurred during a specified period. It is statement that lets the owner know regularly where the company is financially. Amazingly, many business owners do not use the P & L statement. If you were to ask them questions like…

"What were your expenses last month?
"What was your true profit last month after all costs and expenses were deducted?"
"How much have your expenses increased over the last year?"
"Why have profits not increased over the last quarter?"

…many don't know. The only thing many small business owners know is that they either do or don't have money in the bank at the end of the month. That's it! Because they are not evaluating the value of the company through the real time

lens of its expenses set against its profits, they really cannot measure the true value of the company correctly. The P & L statement basically allows the business owner to do three things.

1. Measure the current financial status of the company.

   Most companies have many things that confuse the true value of the company. They having changing expenses, ongoing debt, and profit margins that fluctuate constantly. What the P & L statement does is calculate all these dynamics so they can know the true financial state of the company whenever that report is run. Some run the P & L on a quarterly basis and some on a yearly basis. It's best to run the P & L on shorter time frames such as monthly or quarterly so you can see trends that may not be good for the company. The point to make is you want an objective tool that allows you to know the current financial status of the company. You do not want to guess or assume when it comes to the actual financial picture of the company. That's why running P & L's regularly and knowing how to read them properly is essential for any business owner.

2. Adjust existing company processes, products, pricing, and costs in order to increase profit and limit loss.

   When you look at your P & L's, you begin to pick up on patterns and trends. Sometimes you see that costs are moving higher. You see that your bills to run the company have increased. You may realize that your pricing may need to be adjusted. If you have launched a new product, how did that impact the company? This report will help you see its affects. The P & L is a report that begins the conversation of the owner and/or executive team/board to know what adjustments need to be made immediately in order for profits to remain at necessary levels or increase. Sometimes it may mean you have to lay off employees or take other steps to limit costs. Remember, profit is what you must make. Without profit, you don't have a viable company.

3. Create new initiatives such as new products, new processes, new markets, and new marketing in order to expand the company and increase profit.

   One of the goals of the P & L is to show you if your company is maintaining steady financials with a measurable amount of profit. If you see that the

Company is barely getting by and profits are dwindling with costs slowly rising, you know you may need to get creative. Sometimes you need a new service or product that can bring in a new stream of income. You may need to expand into another part of town so you can reach twice as many customers. Or, you may need to launch an aggressive marketing strategy so you can bring in more business.

Why does a doctor use a thermometer to take your body temperature? He or she wants to know if you're running a fever. A fever is a sign of sickness and infection. The thermometer is a diagnostic tool that helps the physician know the present state of your health. In the same way, the P & L is a diagnostic tool that helps the business owner know the present state of his or her company. Learn to use it well. It will guide you and protect you in ways you cannot imagine.The P & L statement will always be able to take the financial temperature of your company on any given day. The true value of your company does not have to be guesswork. It can be based on the objective facts of your cost of goods, operational expenses, company debt, and more importantly, profit. And remember, profit is good!

TOOL #4: <u>Creating the Company Playbook</u>

One of the most helpful things a manager can do is create a playbook that describes the work of the company. In professional sports, like football, coaches have what they call "playbooks" which gives all the various plays they can run on both offense and defense. These playbooks become the WAY the team plays their games. That same idea can transfer into the business world.

A business playbook is an extensive document that describes the policies, processes, and procedures of a company. It shows how the business operates, the

people who do the work, how the company is organized. It brings everything about the company into one complete and well-organized document. Typically, it becomes the official manual that all managers come back to in order to manage the company or their department correctly.

If the company has different departments, each department will create its own

playbook in which all departmental playbooks become a part of the overall company playbook. For instance, you may have a sales playbook for the sales team, a marketing playbook for the marketing team, a Human Resources (HR) playbook, and so forth. Every company will create processes for each facet of the company. These processes, along with attending policies and procedures, become the WAY the company is run. It is always evolving, changing, and refining its content to reflect the latest operational procedures used by the company.

There are examples of playbooks online, but these steps will help you get started if you need some guidance.

1. Determine a Template
   A template is simply a format that will help you organize your content. For instance, if you're familiar with google drive, you can create folders in your company drive that holds all documents and processes for each department. Or, you can use Microsoft Word document that breaks all processes and procedures into departments as well. The important thing is to decide on a template and use it uniformly throughout the company.

2. Organize the Content by Categories
   Just like a book, you must create each category so the content can be added to each of the categories. Categories could include the following:

   - Company History and Vision
   - Company Core Values, Code of Ethics, and Culture
   - Organizational Structure: flow chart that shows the governmental structure of the company
   - Marketing Department: policies & procedures
   - Finance Department: policies & procedures
   - Service Department: policies & procedures
   - Sales Department: policies & procedures
   - HR Department: policies & procedures for hiring, on boarding, benefit tracking, compliance, terminating
   - Management: policies & procedures for the office, general manager, the CEO, executive team or board of directors

3. Create your Content
Once you have the categories defined, then take each category and begin creating the content. This will entail reviewing all your current operational procedures, pertinent documents, and departmental policies as well as current key performance indicators for each department. Beyond this, it will entail including job descriptions of each person in each department. Basically, you will want to define what the department does, who manages or runs the department, all existing workflow, operations and procedural documents, and all performance review documents as well. It is helpful to use each team within each department to put this information together, making sure nothing is overlooked.

4. Use the Playbook
Once you have the playbook created, the entire company needs to use it. As you use it, you will see holes in what you've created or things that need to updated or removed.

5. Review & Update the Playbook
It is vital that the playbook be a living document. It must be intentionally reviewed by each department, the CEO, and the executive team often. Therefore, these reviews need to be put on the company calendar so each department knows when to review, sending all changes up to the general manager and, ultimately, to the CEO, board of directors, or the executive team.

Summary

Building and growing a successful and stable company takes many skills. Without proper planning, processes, structure, management, and culture, growth often stagnates and often declines. Galt Strategies, having worked in 21 industries, has seen it all. Using the concepts and principles in the business empowerment playbook, we have seen company after company step into hypergrowth when they followed our guidance. We hope this summary has been helpful to you and gives you a small sampling of how we help companies succeed.