{MIGHTYunderdogs}

Building a successful business doesn't have to be so complicated.

MAKE MY LIFE EASIER

Getting from Vision to Execution

Catalyst for Growth - Successful Habits

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Overview - DATA (SBA)

- 41 million businesses registered with IRS
- 97% are less than 10 employees

- 4.1 million new startups since 2020
- 2.0 million will not make it past second year
- 1.4 will not make it past 5th year
- 700,000 for 2025

Part 1 - Barriers to Growth

- The 3 Barriers (Catalyst) to Profitable Growth
  - Leadership
  - Systems and structures
  - Market dynamics

Part 2 - Vision to Execution

- The Execution Roadmap (Growth Formula)

  – getting your strategic plan onto one page so you can execute it

Our Agenda Today (Part 3)

- Successful Habits for Growth
  - Priorities
  - Rhythm
  - Metrics

So What do you DO?

> ***The good news is that there are some simple, practical habits that will help you overcome these barriers…***

Successful Habits for Leadership Teams

Priorities – Top 3 to 5 and #1

Rhythm - Executive Team Meetings

Data Driven - Metrics

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Habit #1 - Priorities

- Priorities *have* to start at the top
- Top 3 to 5 focus areas (maximum) and know what is #1
- Issues where leadership *team* focus will have greatest impact for the company
- For 3 year horizon, current year and next quarter

GROWTH FORMULA™

TARGETS AND RESULTS

Company: _____

3 Year

Date _____

Metrics

1 Year

Date _____

Metrics

Key Focus Areas *(Top 3-5)*

○ ❶
Select Current Progress

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Key Initiatives *(Top 3-5)*

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Select Current Progress

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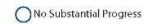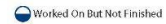Select Current Progress

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1st Quarterly Rocks | (Top 3-5)

Metrics

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2nd Quarterly Rocks | (Top 3-5)

Metrics

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3rd Quarterly Rocks | (Top 3-5)

Metrics

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4th Quarterly Rocks | (Top 3-5)

Metrics

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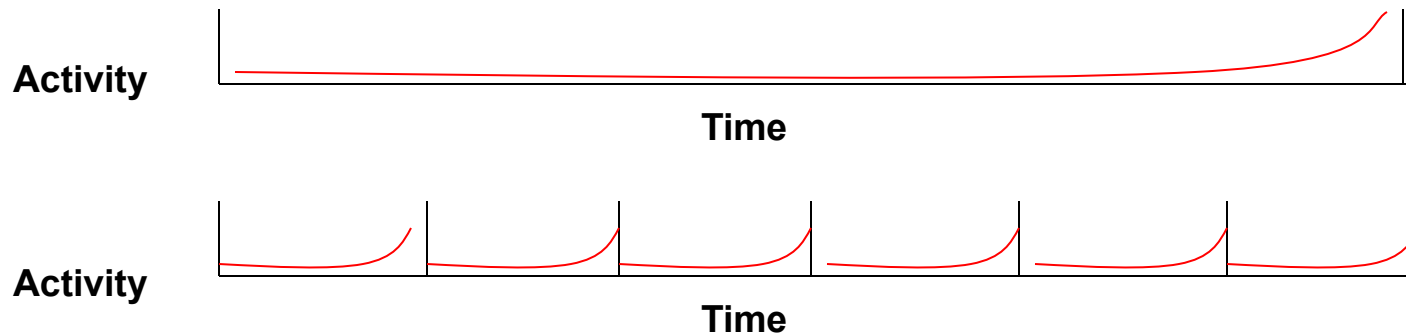
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Successful Habits for LeadershipTeams

Priorities – Top 3 to 5 and #1

Rhythm - Executive Team Meetings

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Rhythm is about Frequency

Activity

Time

Activity

Time

Increase the frequency and you will naturally increase the results

Habit #2 – Meeting Rhythm

- Annual team off-site – 1 day

- Quarterly team off-site – ½ day

- Monthly team meeting - 2-3 hrs

- Weekly team meeting/call – 1 hours

- Daily huddle/call – 15 minutes *maximum*

*This structured format utilizes about 3%
of a team's total time*

Meeting Agendas

Daily Huddle (10 – 15 minutes)

- What's up with customers, suppliers and/or employees?
- Is anyone stuck and who can help them?

Weekly Meeting (60 – 90 minutes)

- Good news check-in
- Top 3 short-term priorities
- Customer and employee hassles
- Work on a quarterly Rock
- Commitments/cascading messages
- Wrap – one sentence close

Monthly Meeting (2-3 Hrs)

- Good news check-in
- Smart & critical numbers
- Update on each quarterly Rock by owner
- Team course corrections on Rocks if appropriate
- Work on a quarterly Rock
- Commitments/cascading messages
- Wrap – one sentence close

Commitments and Cascading Messages:

- What decisions did we reach during today's meeting?
- Who needs to know about those decisions?
- Who will communicate those decisions, how and by when?

Quarterly Meeting (1/2 day)

- Good news check-in
- Review previous quarter Rocks, metrics and lessons learned
- Revisit one year initiatives for open items
- Compile hot issues for coming quarter
- Prioritize top 3 to 5 Rocks with accountabilities and metrics
- Teamwork on any strategic topics
- Commitments/cascading messages
- Wrap – one sentence close

Annual Meeting (full day)

- Good news check-in
- Review previous quarter Rocks, metrics and lessons learned
- Review previous year – initiatives and metrics
- Compile successes over past year
- Revisit/set long-term strategic items
- SWOT review
- Set 3 year thrusts
- Set 1 year initiatives
- Compile hot issues for 1st quarter
- Prioritize top 3 to 5 Rocks with accountabilities and metrics
- Commitments/cascading messages
- Wrap – one sentence close

Successful Habits for Growth

Priorities – Top 3 to 5 and #1

Rhythm - Executive Team Meetings

Data Driven - Metrics

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Habit #3 – Data Driven

- Standard Corporate Numbers
  - Financial and operational numbers / ratios
  - Rear-view look
- Smart Numbers
  - Typically 2 - 3 in any organization
  - Leading indicators – what is around the corner?
- Critical Number
  - 1 or 2 numbers targeted to a critical weakness
  - Targeted for a short period of time (e.g., quarter)

The Right Metrics

- Graph it (actual against plan, etc.)

- Visual - get it up and around the organization

- Frequent - 6 data points to spot a trend

- Measure what's important, not what's easy

- Absolute numbers vs. %'s - choose which is appropriate for the type of measurement

EXAMPLES OF KEY PERFORMANCE INDICATORS

(TRY AND FOCUS ON LEADING VS. LAGGING INDICATORS)

- Sales per employee
- Sales per dollar of salary
- Inbound calls and conversion rate on inbound calls
- Sales per foot traffic
- Number of sales per day
- Average sale
- Number of pounds shipped
- Order backlog
- Work in progress
- Number of bids submitted versus number of bids converted
- Accounts Receivable
- Cash Flow
- Customer Satisfaction
- Dollars per Rep
- Employee Turnover
- Employee Morale
- Expenses < x%
- Gross Margins
- Gross Profit per Day
- Inventories
- Staff Turnover
- Profit to Sales
- Forward Sales (orders held)
- Sales per employee
- Sales per sales person
- Largest item of expense to sales
- Percent of certain sales to the total (dominant product, dominant customer/type, dominant distribution channel, emerging segment [Internet]),
- Occupancy ratios,
- Machine loading ratios
- Number of franchise openings to budget
- Membership numbers to budget
- Gross contribution of new or special segment/division to budget
- Cash reserves by burn rate in months
- Number of capital items sold
- Average sale value
- Cost per person hour
- Ratio of in-house labor to out sourced labor,
- Discard or waste ratio
- Stock holding to budget or in weeks of production
- CEO coverage of top customers
- Number of days to produce accounts
- Ratio of billable to paid hours
- Invoice fill rate versus standard (95%)
- Machine up-time versus benchmark
- # of Complaints

- Monthly Sales or Trailing Twelve Months Sales
- Accounts Receivable
- Backlog
- Net Cash Flow
- Customer Satisfaction (time, price)
- Market share
- Customer acquisition
- # of Active Customers
- Dollars per Rep
- Expenses <   %
- Gross Margins %
- Gross Profit per Day
- Inventory
- Labor Costs to Sales
- New Orders booked
- Monthly Overhead
- Quarterly Profit
- Sales to Plan
- Sales to Prior Year
- Unit Sales
- Book to bill ratio (new bookings to billed out orders (shipped))
- 10 wk. booking average
- Income per employee
- 12 mo. rolling return on assets
- month end inventory
- Backlog
- New accounts
- New stores opened
- Same store sales (yr to yr.)
- Number of active customers
- $ vol. of quotes
- % of success on bids
- Labor % of product cost
- Write downs
- Working capital - $'s & ratios
- Line of credit drawn
- A/R over 60 days and average days
- New product ideas last month
- Overseas orders last month
- Revenue per inquiry
- R&D as % of sales from new products
- New product introductions v. Competitors
- Time to develop new generation of products
- Average time to market
- Quality measures
- Process cost – per run, per unit
- Order ship cycle times
- Days supply of finished inventory
- Training as % of sales
- Customer retention %

Company XXX Marketing Metrics

Title	Location	Type of Program	Collect Contact	Subscriber Annually	2020 Views	2021 Views	Notes
Website	https://www.compass-commercial.com/		no		10,653	15.050	Page views
Blogs 2 or 3 blogs per month	https://www.compass-commercial.com/blog/	182 visits to URL				291	1,500+ posted
Podcasts	https://www.compass-commercial.com/podcasts-interviews		no		43 posted		
Podcasts TNP CRE Purchasing	Our Interviews About CRE Strategies - Compass Commercial (compass-commercial.com)		no			21 posted	
Podcast Economic Development	Same URL 4 of these		no				
Podcast Misc.	9 of these		no				
Articles CRE	45 of these		no				
Article LD	9 of these		no				
Pres Releases	10ish		no				
Success Stories MI	https://www.compass-commercial.com/client-success-mi/		no		125	152	Views on webiste
Success Stories USA	https://www.compass-commercial.com/client-success-usa/		np		44	76	Views on website
Space Calculator	https://www.compass-commercial.com/space-calculator/	Mailchimp	Yes	18 people filled out	346 views on website	160 views on website	These are people who viewed online, only a few signed in
How to Hire a Commercial Agent	https://www.compass-commercial.com/hire-a-commerical-agent/	Mailchimp	yes	6	27 views	72 views	
Industrial Market Report	https://www.compass-commercial.com/industrial-real-estate-reports/	Mailchimp	yes	30	33 views	109 views	
Office Market Report	https://www.compass-commercial.com/office-real-estate-report-2020/	Mailchimp	yes	31	25 views	83 views	

Catalyst for Growth

An organization needs to be *both* to be successful

Smart

- Strategy
- Marketing
- Finance
- Technology

Healthy

- Less Politics
- Less Confusion
- Higher Morale
- Higher Productivity
- Lower Turnover

Summary

- Successful Habits for Growth

    – Priorities - Top 5 and #1
    – Rhythm - 90 day increments - meeting rhythm
    – Metrics - KPI's (Smart and Healthy)

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ARIZONA SMALL BUSINESS BOOT CAMP & COLLECTIVE

RESPOND → PLAN → RETURN STRONGER

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