

Business Framework Outline

Here are the seven disciplines that make up the Business Framework –

Build a Healthy Culture – The best strategies and tactics in the universe, when released into a toxic culture are going to fail miserably. Even stellar products and services will ultimately lose their luster if they're produced by a company with an unhealthy culture. The company will, in the end, be unable to churn out successor products or services. Soon customers will lose interest and get, by osmosis, the lack of love for the company that's generated by disengaged employees. On the flip side, companies with healthy cultures hire better, retain better and innovate better because the healthy culture encourages personal and professional development, minimizes turf wars, elevates, through collaboration, the ability to create stellar products and services and sets the organization on a trajectory for consistent reinvention, keeping it relevant for years to come.

Pro Tip: If I could give you one imperative to bake into your corporate culture, it's one that, I'm guessing is not on your radar screen. Be vulnerable – ask for help when you need it and take correction when you deserve it without defending yourself. This is the express elevator to trust which is at the absolute center of a healthy culture.

Hire, Keep, and Develop the Right People – Building logically on the first discipline, healthy organizations are staffed with great people. One of the challenges I see consistently with business owners is they feel alone. Not physically alone – they might have plenty of employees, but they don't have true team members who share their love for the business and have the organization's best interest at heart. The remedy for this starts at hiring and continues through onboarding, integrating, training and ultimately ending in improved retention and engagement. Compensation is a piece of this also. At the core of this discipline is an employee development program that aligns the interests of the organization and the interests of individual team members.

Pro Tip: Personal and professional growth through deliberate employee development and giving people the opportunity to do meaningful work are the keys to keeping the right people.

Thoroughly Understand the Organization's Value Creation Activity – There are only a handful of business activities that approach "holy grail" status and value creation is one of them. Value creation is the goal of every activity in an organization and successful value creation drives customers to buy your product or service as opposed to a similar offering from your competitors. At its core, value creation is taking a set of inputs, performing one or more transformation activities, and creating outputs. Successful value creators produce two "value surpluses" in an organization –

- An economic value surplus where the price a customer pays for a product or service exceeds the cost to produce that product or service.
- An experiential value surplus where the enjoyment or utility a customer derives from a product or service exceeds the price they pay for the product or service.

Being perpetually excellent at value creation is mandatory for any enterprise that wants to create enduring wealth for its shareholders.

Pro Tip: Value creation today doesn't automatically translate to value creation tomorrow. It's vital to frequently reinvent the process by which you create value in your organization. Because if you don't, some ambitious competitor will.

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Communicate a Meaningful Message in a Compelling Way – Many companies struggle when they talk with current and potential customers. It doesn't matter if the medium is a website, email campaign or in-person sales call. The conversation goes off the rails the minute the company begins to talk about themselves – their founders, their processes, their products, their stellar service. Customers, current or potential, don't care about the company that's pitching them. They care about themselves. The quicker a company's messaging is client-focused, the quicker they can start having meaningful conversations with the people they desperately want to reach. Successfully identify the client's problems, struggles, roadblocks, frustrations, aspirations, and goals. Then explain simply why you understand, how that informs your product offerings, what you will do and how their life will look differently because of you.

Pro Tip: Be the best question-asker in your industry. Consistently probe for customer problems – the operational problem like the assembly line that's down too frequently and the resulting personal problem that gives the person responsible a big case of heartburn, "When the phone rings at 10:30 at night, my spouse hates it that the people from work are calling me again." Then commit to solve the personal problem.

Exercise Extraordinary Financial Discipline – Healthy organizations know that cash is king and act accordingly. Cash gives an organization the ability to weather temporary setbacks, capture emergent opportunities and outlast less well-funded competitors. But financial discipline goes beyond having a bunch of money in the bank. Healthy organizations know numbers about customer performance, operations and administrative costs. They spend when it makes sense and they take calculated financial risks. It's actually kind of interesting that the most concrete of the disciplines (it's just math, right) is one of the hardest to get right. If there's one problem that I see most frequently in small businesses, it's that most owners and managers don't understand the impact of fixed costs when they price their products or services.

Pro Tip: Engage an accountant that will offer real financial analysis and advice – not just keep the books or do your taxes.

Measure and Report – Sociologist William Bruce Cameron observed that, "not everything that counts can be counted and not everything that can be counted counts." There's nowhere where that's truer than inside an organization. Because of our ability to track financial data, customer data, operational data, social media interactions and hundreds of other things, we are awash in data. But, many times, we are starving for information. Healthy organizations have created their own internal version of "vital signs". When we go to the doctor, they check body temperature, pulse rate, respiration rate and blood pressure. Why? There are thousands of other things going on in our bodies that they could measure. Medical professionals know that those four things are most indicative of baseline health. Healthy organizations figure out what metrics most accurately reflect organizational health for them, track them, report them and take corrective action when one or more of them reflects a problem.

Pro Tip: Help everyone in the organization connect the dots from their job to the vital signs.

Develop a Solid Operations and Implementation Framework - Every organization needs an operational framework – systems for tracking performance, processes for execution, meeting management methodologies, project management methodologies, regular strategic planning exercises and a strong technology platform underlying all of it. In short, they know how to get stuff done and know how to keep track of the stuff they got done. I very rarely work with clients who don't have good ideas. As a

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matter of fact, they're loaded with them. But many of them are missing a way to evaluate the ideas and even more are missing an execution framework to bring them to life. Healthy organizations have a methodology that includes prioritization of the important over the urgent, proper resource allocation and heavy doses of accountability.

Pro Tip: A few important things done with excellence over time make an organization successful. Dozens of things done halfway sporadically will kill an organization.