

Putting Together the Entrepreneurial Puzzle:

The Ten Pieces Every Business Needs to Succeed



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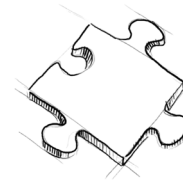
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Puzzle Piece Nine

Strategy + Operations =



Entrepreneurs are sometimes famous for having brilliant ideas without a lot of follow-through. Another way of saying this is that a lot of entrepreneurial enterprises lack the operational capacity to execute. That's why I contend that Strategy + Operations = Execution. And without execution your business just cannot operate.

Here are a few statistics on the probability of completing a goal from the American Society of Training and Development:

- Hear an idea: 10%
- Consciously decide to adopt it: 25%
- Decide when you'll do it: 40%
- Plan how you'll do it: 50%
- Commit to someone else that you'll do it: 65%
- Have a specific accountability appointment with the person committed to: 95%

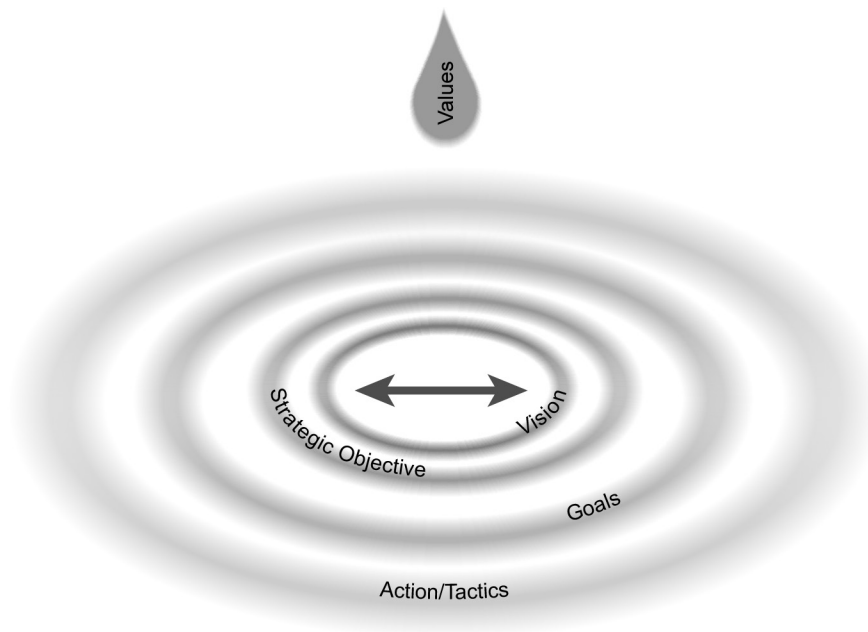
So clearly it's essential to have an actual process for implementing and following through on your business goals, and that's what this chapter will focus on.

Think of goals as *what* you are going to do, and strategy as *how* you are going to do it. Operations is responsible for acting on the strategy, or delivering on the goals. Entrepreneur, Alice Cunningham, owner of Olympic Hot Tub and Spa, says there are three keys to running a successful

business: making a product easy to buy, easy to own, and easy to refer. Strategy dictates how to achieve these goals, while operations makes it happen. Assuming you have your vision and values defined as outlined in Chapter One, let's focus on how to actually get things done.

Strategic Priorities

Let's start by clarifying a few terms. You've no doubt heard a lot of words associated with the idea of a strategic plan: strategic initiatives, goals, vision, tactics, actions, objectives, and probably many more. Let's simplify all of this by visualizing this as a series of ripples in a pond, where each individual ripple's energy drives the next one out in the ring so that, while they might appear separate, each one creates movement in the next:



Values are the first drop of water that creates and drives each subsequent ripple as it moves outward.

Vision is the next ripple out. Vision is your overarching purpose; the thing you're trying to accomplish; the place your business will be in three to five years.

Strategic Initiative (or Objective) is a focus area that needs action or change over a period of time for the vision to be achieved. The time frame can be more than a year, and you'll likely have only three to four strategic initiatives at a time, as more than that will be difficult to execute.

Goals are very specific things that need to happen within any strategic initiative. Each goal should adhere to the SMART principle:

- **Specific:** It's clearly defined, with actions and individuals named to achieve it.
- **Measurable:** There is some way to quantify if you've accomplished it.
- **Achievable:** It can actually be achieved.
- **Results Based:** There is a tangible result associated with it.
- **Time Bound:** There are specific time-based benchmarks for accomplishment of the goal.

Actions/Tactics are the specific steps that need to happen for each goal in order to accomplish the overall objectives and therefore the vision. Actions are not goals; they are *how* you'll accomplish each goal.

Take a soccer team, for example. The coach's vision might be to take his team to nationals. His strategic objectives might include winning the regional title, creating a name for the team regionally and nationally, and creating a team of world-class players. His goal to achieve this might be to win X number of games during the season. The actions or tactics to do this might be to have a practice schedule to train players, recruit new players, and score goals during each game.

The operations team of any company has to execute on the actions and tactics in order to deliver on the goals so that they can achieve the strategic objectives and ultimately the vision. In order for them to be able to do all that, the executives need to provide a clear vision, which is why you did all the work you did in Chapter One. Without a clear—and clearly communicated—vision the actions and tactics your operations team is supposed to implement won't make sense.

I'm sure you've heard lots of stories of companies doing something because "that's the way it's always been done." That happens because, somewhere along the line, the vision changed or was not shared so the actions didn't have meaning. This can also happen when a strategic initiative is achieved, but its success is not communicated. When either of these things happens, people end up disliking their actions because they aren't meaningful. The result is a loss of both human and financial resources.

A distributor of metal products had always created a catalog of all of their products to send out to their clients. The catalogues were very expensive and time consuming to produce, and everyone in operations believed the customers really didn't read them anymore because all that information was available online. The print catalogue had long since served its purpose, but no one at the executive level was listening. Had they thought about the print catalogue in terms of whether or not it was serving the vision—and consequently the strategic objectives—they would have stopped producing it and spent the resources elsewhere. And, had the CEO enabled operations to bring this issue up in a constructive way, the issue might have been addressed sooner. So remember, operations knows a lot more than you might think they do and when you give them vision, purpose, and direction they'll do marvelous things for your company.

Outlining the Plan

Strategic planning is nothing more than developing or fine-tuning the plan that will achieve your vision in a given amount of time. You should define three to four strategic objectives (your most important priorities), and two to three goals per strategic objective with multiple tactics for each goal. You can begin your thinking process by asking yourself some questions:

- What are the three things I have to accomplish in the next six months?
- Do they support my vision?
- What strategic objective do they support?
- What goals and actions or tactics need to be executed to keep things on plan?

When it comes to actually having your strategic planning session, however, I recommend using an outside facilitator. You and your team are likely too close to your plans to be objective—you won't be able to identify gaps in your thinking or see future opportunities. A qualified facilitator will help you see these things while reaching a consensus efficiently. And, when you don't have to be the leader for a while, you can participate more fully.

Your Operations Team

These are the folks who make your business happen. In each company operations looks a little different. Sometimes it's production, sometimes it's finance, sometimes it's creative, sometimes it's scheduling or customer service. But in any company, at its most basic, operations is simply the folks who make it happen. So, who in your company do you consider part of your operations team?

Identifying Interested Parties

One of the biggest difficulties in organizations is not recognizing who might be affected by your initiatives. The "theory of constraints" says that every time you fix a problem or bottleneck, another one will appear somewhere else. The smallest change to production or engineering can have a huge ripple effect on operations. Change can be particularly problematic in small companies where the downstream effects are not well thought out. The advantage of being small is that it allows organizations to be nimble, making changes quickly. But the downside of this is that one ill-conceived change can cause huge bottlenecks.

The bottom line is, no matter how large or small your company, think through both the operational change and who needs to know about it *before* you implement. This is not the time to fire from the hip. Notifying all the interested parties before an operational change takes place is also a good time to encourage input. Your downstream employees might have some real insight into the possible effects of a change initiative, potentially saving you a real headache. This is an area where being proactive keeps employees happy and systems moving forward.

Communication Plan

Develop clear language and a plan to communicate your strategic initiatives to your employees. Make sure your people understand your expectations. Be transparent about your goals and the time frame for achieving them. Remember, when people don't get information from you, they'll make up stories to explain what's happening. Stories get retold and become facts, and before long your company is marching to a drum you're not playing. So, take control before the change starts! Decide how to communicate what you want accomplished. Tell people how it will be measured, and how you will tell them when they've succeeded (verbally, in the company newsletter, via email, etc.).

Developing the Action Plan

Take a look at your strategic objectives and make a plan. Your plan should include clear goals and the actions needed to accomplish them. Those actions should be delegated to the appropriate people with a time frame for completion. Use the chart at the end of this chapter for each of the goals you're trying to achieve and list as many actions as need to take place on each. Get input from your operations team and together determine if you can meet each of these goals within the time frame.

Debrief Model

The mark of any successful company is the ability to learn from everything they do. Although most of us would rather hide and pretend we didn't create some of the debacles we call business initiatives, if you're open you have much to learn from your own mistakes and those of others. I cannot emphasize enough how important it is to have these conversations and not avoid them. The basic idea is to go through what went well, what didn't go so well, and what changes you would make as a result. Doing this is called "debriefing" (sometimes also an "oil change" or, more recently, the Agile method), and it's the one step in the strategic initiative process that will keep you ahead of your competitors and on track to achieve your plans.

Having a model to follow will help you conduct a productive conversation. I like the one from Conversant at the end of this chapter because it incorporates all aspects of a debrief. Use it in your company regularly and you'll encourage valuable conversations that will lead to happier and more productive employees. Create a culture of conversation and you won't be creating catalogs no one wants!

Additional Resources

Individual Goals Worksheet

Individual Goals Worksheet

Name _____ Date _____

20__ Goals

Personal & Professional Development Plan

3-5 Year Strategic Vision:

Values:

<p>Strategic Objectives (3 business, 1 personal)</p>	<p>20__ Business Goals</p>
<p>20__ Professional Development Goals</p>	<p>20__ Personal Goals (family, wealth, wellness, recreation)</p>

Best decision of 20__:

Worst decision of 20__:

The Standard Conversational Debrief

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In the *act* of conversations, we set the stage for accountability. Adjustment is the true test of accountability, host frequent debriefs of performance. Have the debriefing sessions be open, public conversations including all significant stakeholders. Initially, many people balk at public debriefing because of the threat of embarrassment. High-velocity value requires the system of interests to debrief and adjust together. Personal discomfort must be junior to the acceleration of value.

Stage One: Review

State the original purpose and any specific results that were promised. If the first step is difficult, you have your first lesson: you were never aligned regarding purpose.

State the accurate outcome to date. Separate facts and explanations. Only accept mutually agreed facts. Treat facts under dispute like explanations.

What worked well in achieving the purpose and the promised results? What were valuable insights, methods, and mindsets? Sort the input into the cycle of value conversations: align (intersect, invent, invest), act (engage, clarify, close), and adjust (review, renew).

What worked poorly since the last review? Acknowledge goals unmet, disappointments, and mistakes of commission and omission. Sort the input into the conversations: align (intersect, invent, invest), act (engage, clarify, close), and adjust (review, renew).

Who is there to appreciate? Who specifically? What specifically did they provide? How and when will you recognize them?

Stage Two: Renew

What actionable lessons will produce value going forward? How will what you learned change how you act? What new action(s) will you take immediately? Share the lessons with whoever will benefit.

What area of improvement is our highest priority focus? What cycle of value conversation is it in? Is it an issue of insight (information, analysis, concepts), method (skills, processes), and/or self (mindsets, personal patterns)? What structures and measures are needed to support adjustments?

Debrief Worksheet

1. State the original purpose and/or goals.
2. State the actual outcome to date. (Separate what actually happened from comments, interpretations, etc. regarding what actually happened.)
3. What worked well regarding the original purpose and/or goals?
4. What goals were met or exceeded?
5. What methods were successful?
6. What did not work well?
7. What did not work well regarding the original purpose and/or goals?
8. What goals were not met?
9. What was disappointing?
10. What were the mistakes of commission or omission?
11. What was missing?
12. Who deserves appreciation?
13. What specifically did they provide?
14. How and when will you recognize them?
15. What did we learn that will benefit us now and in the future?
16. How will what we learned change how we act in the future?
17. What area of competence is weak or missing that would make a high-leverage difference in our work?
18. Share what was learned with whomever will benefit.

Strategic Initiatives Checklist

- List the three initiatives you must accomplish in the next six months.
- Describe how they support your vision.
- Describe the strategic objectives they support.
- List your goals for each initiative.
- List the actions/tactics necessary to complete each goal.
- List the members of your Operations Team.
- List the interested parties.
- Develop a communication plan.
- Select an outside facilitator for the strategic planning session.
- Debrief after the each initiative has been achieved.

Recommended Reading

Execution: The Discipline of Getting Things Done, Larry Bossidy, Ram Charan, Charles Burck, Random House Business Books, 2011.

The Communication Catalyst, Mickey Connolly and Richard Rianoshek, Ph.D., Kaplan Publishing, 2001.

The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It, Michael Gerber, HarperCollins, 1995.

Putting Together the Entrepreneurial Puzzle

The Ten Pieces Every Business Needs to Succeed

by Mary E. Marshall

The US has a long history of independent thinking, innovation, and creativity—a culture that is evident in an economy largely driven by small businesses and entrepreneurs. Yet, only about half of new businesses survive five years. Lack of practical knowledge about the basics of running a successful business is key. While entrepreneurs often have a dream for a service or product, many lack a comprehensive picture of what it takes to run a business. Given the precarious state of the economy and the significance of small business success, it's as important as it's ever been to support entrepreneurs in developing their practical business knowledge.

Over the course of a career working and consulting with entrepreneurs, Ms. Marshall has compiled a list of the ten most common problems that hamper small business success. *Putting Together the Entrepreneurial Puzzle* is comprised of ten interconnected but freestanding chapters addressing the fundamental areas of business every successful entrepreneur must be prepared to develop and manage. Each chapter takes a nuts-and-bolts approach and includes practical tools for building a successful business or correcting a struggling one:

- Real-life examples from Ms. Marshall's many years working with real entrepreneurs.
- Additional reading resources to increase breadth and depth of knowledge in specific areas.
- Sample worksheets, scripts, interview questions, etc.
- Checklists to help busy CEOs keep track of and accomplish tasks set out in each chapter.

Whether as a gift or a course text, *Putting Together the Entrepreneurial Puzzle* is a must-have reference for entrepreneurs at all stages of growing their businesses.

Available now from Amazon.com in print and Kindle formats.

Find out more about Mary Marshall's services
and follow her blog on leadership development and entrepreneurship:
www.mary-marshall.com.